

Can DDMRP be a Game-Changer for Supply Chain Planning?

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 Sponsor: OM Partners, P&G, Demand Driven Institute

Motivation / Background

	1965		Today
Supply chain Complexity	Low	→	High
Product Life Cycles	Long	→	Short
Customer Tolerance Times	Long	→	Short
Long Lead Time Parts	Few	→	Many
Forecast Accuracy	High	→	Low

This “**New Normal**” challenges conventional planning systems, which can lead to **high inventory** and **poor service level**. Can **DDMRP** bring a solution to handle the increased **complexity**?

Key Question / Hypothesis

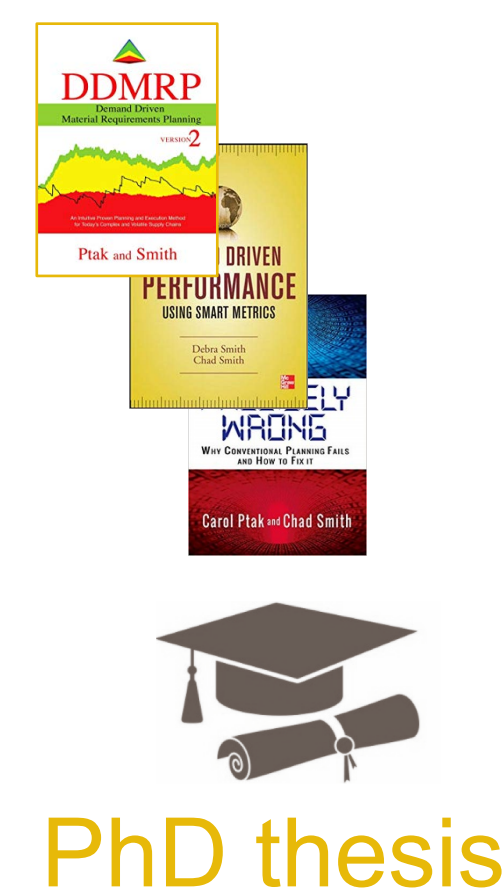
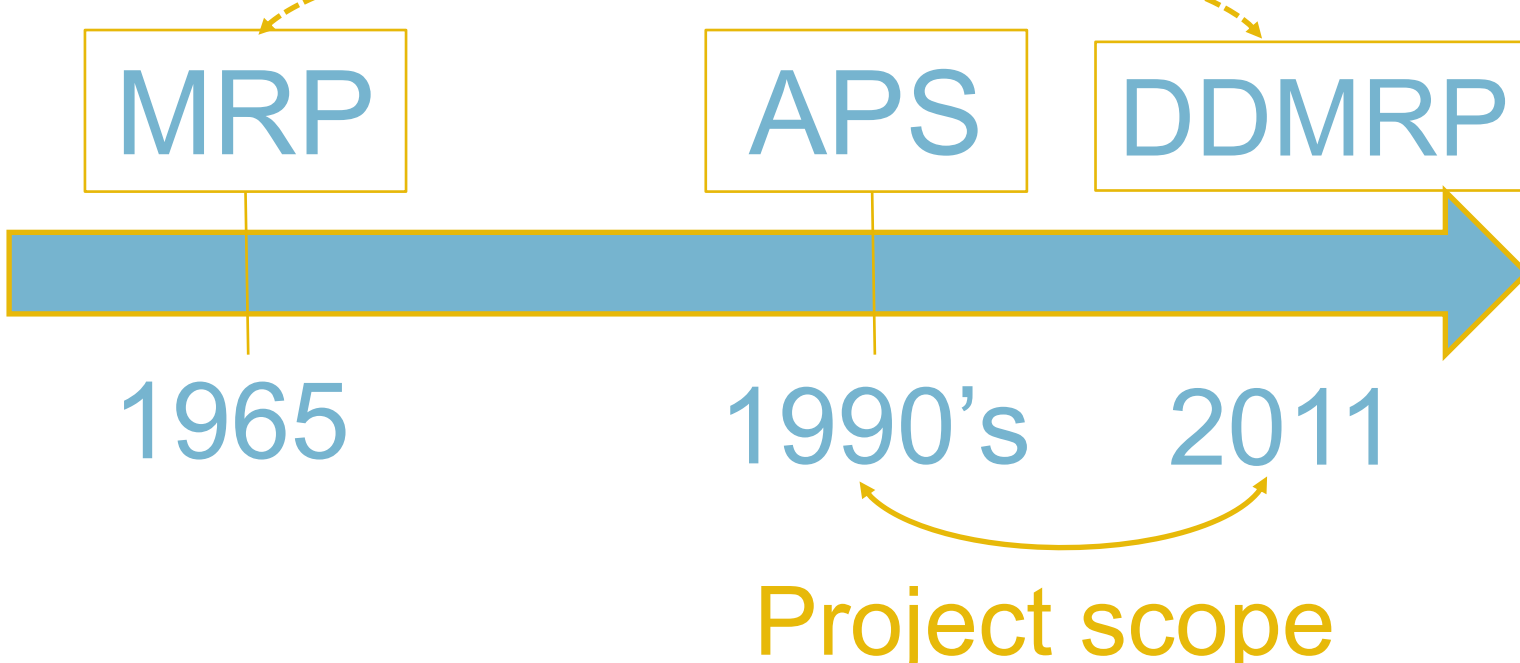
Understanding the potential added value of DDMRP in planning under uncertainty at finite capacity



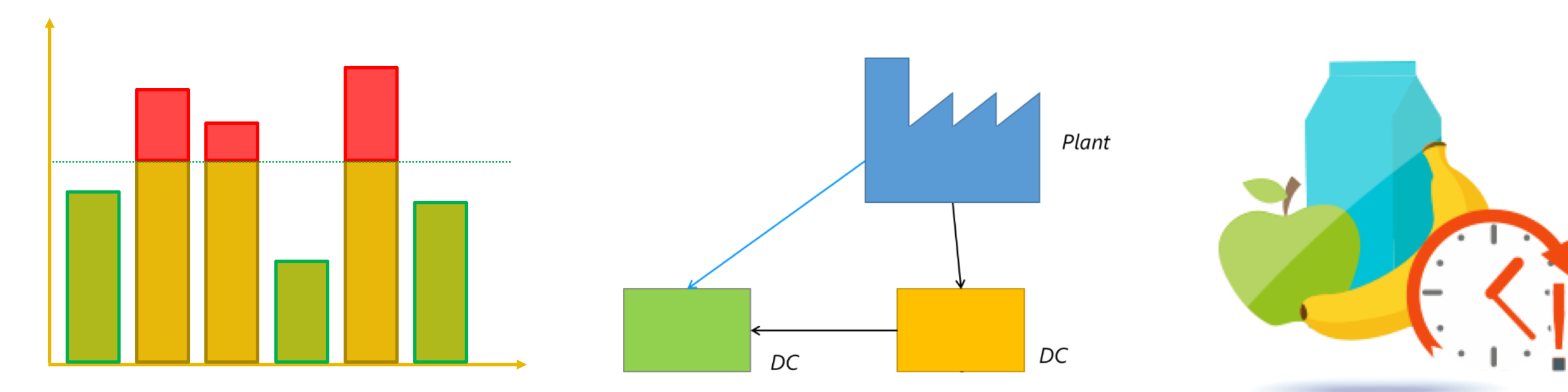
Can these numbers be achieved in all industries?

Relevant Literature

Current literature available

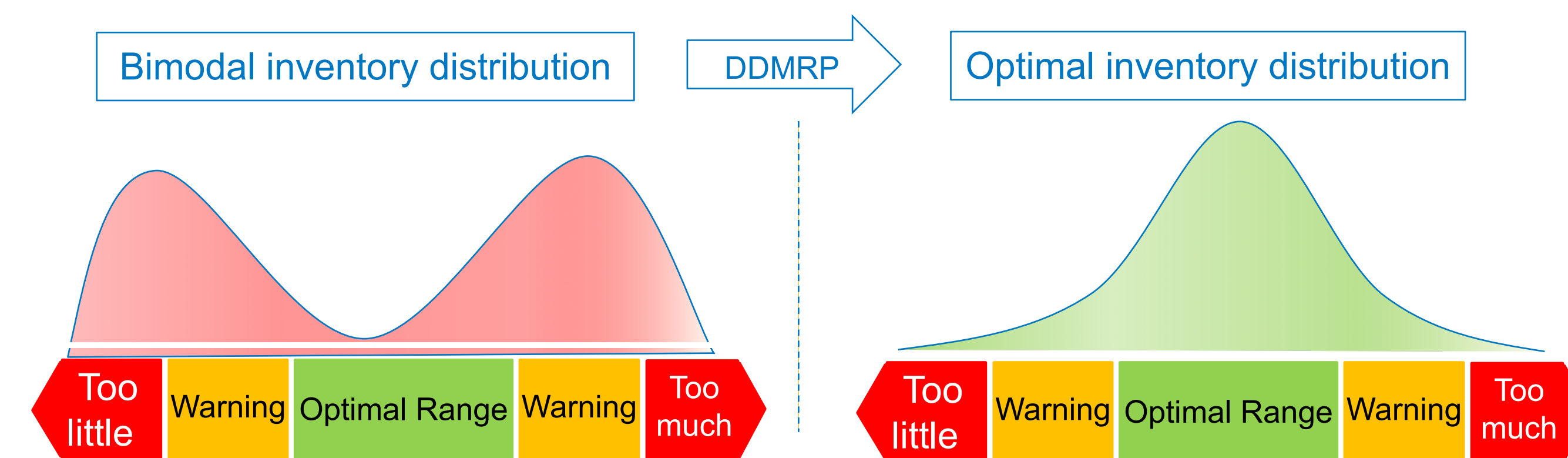


Capacity Constraint Sourcing decision Shelf-life Constraint

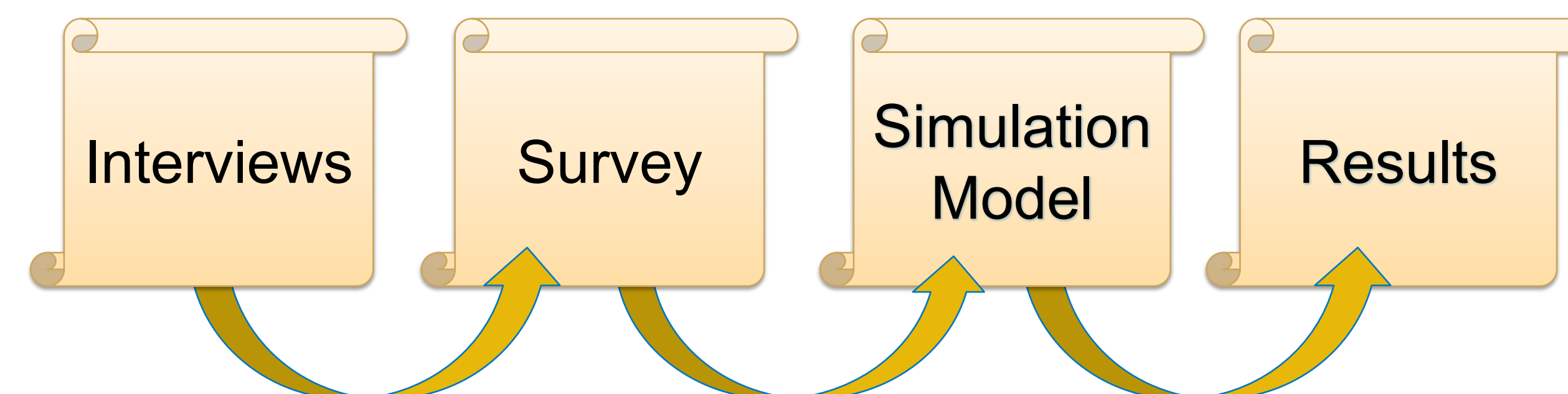


DDMRP creates a more **stable** and **suitable** environment for MRP. What if **APS** is a better fit?

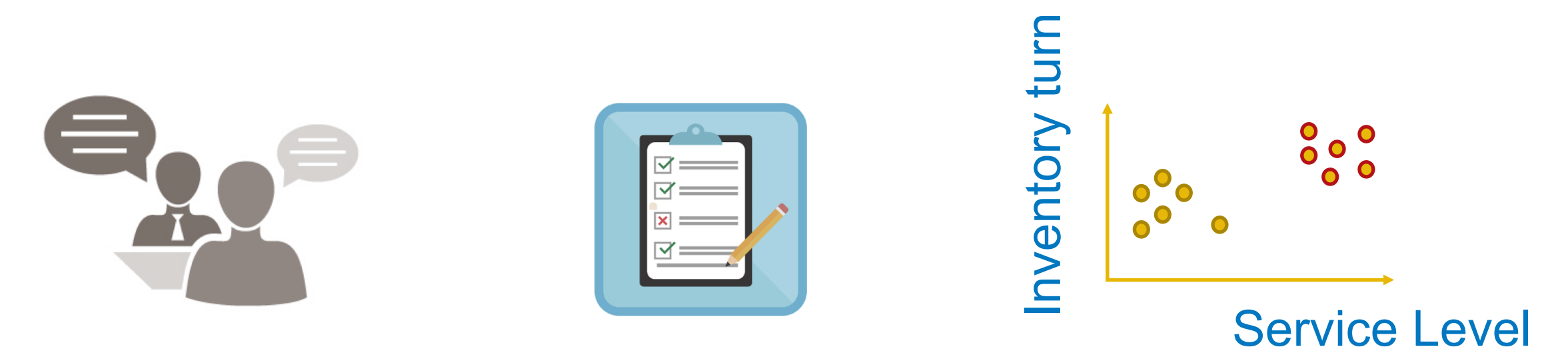
The Problem & Solution - Inventory



Methodology



Expected Results



- Interviews:** A few companies, in-depth investigation
- Survey:** Many companies, targeted questions
- Simulation:** Comparing APS and DDMRP in a controlled environment

Expected Contribution

- Identifying possible **benefits** of DDMRP
- Identifying possible **limitations** of DDMRP
- Comparing performances of **DDMRP** and **Advanced Planning Systems** with the main planning KPI and ROI
- Recommending** the **planning method** to use for different constraints and viable ways to combine the two methods

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