

Contents

Preface	vii
Contents	ix

1. Introduction	1
1.1 Introduction To Hierarchical Production Planning Systems	1
1.1.1 Strategic Planning	2
1.1.2 Tactical Planning	3
1.1.3 Operational Planning	5
1.2 Rationale And Implications For Hierarchical Production Planning Systems	7
1.2.1 Rationale And Initial Implications	8
1.2.2 Implications For Design Of Hierarchical Production Planning Systems	9
1.3 A Generic Framework For Hierarchical Production Planning	11
1.4 Objectives Of The Book	18
1.5 Organization Of The Book	19
2. Managing Operations On A Network: Integrated Manufacturing And Distribution Planning	21
2.1. Introduction	21
2.2. Case Study: An HPP Implemented By A Tire Manufacturer	22
2.2.1 Case Problem, Objective And Additional Background	22
2.2.2 Overview Of Hierarchical Planning System	23
2.2.3 Product Structure Hierarchy	25
2.2.4 Hierarchical Planning And Scheduling System	26
2.2.5 Summary	33
2.3 Case Study: An HPP Implemented By A Chemical Fertilizer Manufacturer	33
2.3.1 Case Problem, Objective And Additional Background	34
2.3.2 Overview Of Hierarchical Planning System	34
2.3.3 Summary	37
2.4. Case Study: An HPP Implemented By A Ceramic Tile Manufacturer	39
2.4.1 Case Problem, Objective And Additional Background	39
2.4.2 American Olean's Hierarchical Planning System	40
2.4.3 Summary	51
2.5. Communications In A Hierarchical Production Planning Environment	52
2.6. Summary	54
3. Production Planning And Scheduling	55
3.1. Overview Of Hierarchical Production Planning For Plants	56
3.2. Linking Tactical Network Planning Methods And Single Plant Production Plans	59
3.3. Operational And Short Run Plant Scheduling Methods	64

Appendix 3.3.2 The Equivalence Between Idle Periods And Reduced Production Rates	76
3.3.3. Illustrative End Item To Product Family Feedback Loop . .	78
Appendix 3.3.3 Other End Item To Family, And Sub- Item To Item Considerations	80
3.4 Integrated Multi-Echelon Plant Scheduling	80
3.5 Material Requirements Planning	88
3.5.1 The Role Of MRP In A Production Planning Hierarchy . .	88
3.5.2 The Hierarchical Methodology Of MRP	90
3.6 Summary	93
4. Distribution And Transportation Planning And Scheduling	95
4.1 Strategic And Tactical Distribution And Transportation Planning . . .	97
4.1.1 The Warehouse Location Model	97
4.1.2 A Multi-Echelon, Multi-Transport Mode Distribution Problem.	99
4.1.3 Strategic Rail-Based Distribution And Transportation Planning.	112
4.1.4 Selected Other Strategic Distribution And Transportation Problems.	120
4.2 Short Run Transportation Scheduling.	129
4.3 Tactical And Annual Mode Choice Planning	135
4.3.1 Case Study Of A Tactical Transport Mode Choice Decision	136
4.3.2 Developing Product Families For Mode Choice	152
4.4 Lane Bundling For Tactical Carrier Choice Planning	154
4.4.1 Case Review: A Transportation Bidding Software System.	155
4.4.2 Operational Feedback In The Carrier Selection Process . .	157
4.5. Summary.	158
5. Warehouse Design and Management	159
5.1. The Warehouse Planning Process.	159
5.2. Integrating Warehouse Planning With Production And Distribution Planning Activities	163
5.3. A Hierarchical Warehouse Facility Design And Operations Planning Example	172
5.4 Summary.	180
6. Inventory Management And Forecasting	181
6.1. How Inventory Decisions Fit Into A Planning Hierarchy	181
6.2 A Hierarchical View Of A Firm's Inventory	184
6.3 Aggregating End Items For Family Based Planning	187
Appendix 6.3 A Multi-Echelon End Item Inventory Evaluation Algorithm	193
6.4 Hierarchical Approaches For Developing Tactical And Operational Planning Forecasts	198
6.5 Sales And Operations Planning (S&OP)	203

6.4 Hierarchical Approaches For Developing Tactical And Operational Planning Forecasts	198
6.5 Sales And Operations Planning (S&OP)	203
6.6 Summary	211
7. Supply Chain And Firm-Wide Performance Measures	213
7.1. A Hierarchical Supply Chain Performance Measurement System . . .	213
7.2. Logistics And Supply Chain Performance Measures	220
7.3. The Balanced Scorecard: A Firm-Wide Performance Measurement System	224
7.4. Integrating The Balanced Scorecard And Supply Chain Performance Measurement.	226
Appendix 7.4A Constructing An Index To Monitor Overall Firm Performance.	226
Appendix 7.4B Additional Issues To Consider In Constructing An Index.	235
7.5 Summary	238
8. Conclusion	239
References	247
Index	261