

# Editorial



Editor, Gail Bradbear

CONTROL - YOUR JOURNAL  
- KEEPING YOU UP-TO-DATE  
WITH NEW AND CURRENT  
THINKING AND THE VAST  
NUMBER OF OPPORTUNITIES  
THE IOM HAS TO OFFER

Welcome to the December / January issue of *Control* focusing on APS (Advanced Planning and Scheduling). As well as the articles there are the usual updates from the Institute and the Branches as well as professional development and IOM courses.

All of us here at the IOM and *Control* wish you Season's Greetings and a Happy New Year and we start with a great editorial from Carol Thomas as an introduction to APS ...

## Become a Grandmaster

Carol Thomas, MIOM  
Operations Director  
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Have you ever played chess? Have you ever wondered what separates the 'men from the boys' in chess? Why is it that some people can win easily and others never win? I enjoy a game of chess but only when I am in a good mood. If I am feeling stressed and pressurised then chess is not the game for me. The main reason for this is that

my chess partner is my husband and in the 30 years we've been together I've only beaten him half a dozen times. So playing chess seldom boosts my ego. Our intellectual ability is similar, our understanding of the rules equal. We both understand the objective and know exactly how each piece can move! Yet it was 22 years before I won a single game! I would often get to the point where I would have four, five or even six pieces left on the board and he only had two and yet I would still fail to manoeuvre him into checkmate.

## APS - a strategy to win

The big difference between us was that I knew how to play the game but he knew how to win it! He would think several moves ahead and consider his options. He never lost to me but found me hard to beat because I would make some, in his opinion, strange moves that laid me wide open to attack! I only won my first chess game when I finally realised that I needed to have a strategy, plan ahead and not be panicked into an unplanned move!

APS (Advanced Planning and Scheduling) is the Supply Chain Planning equivalent of knowing how to win the game. Inventory

Management, Shop Floor Data Capture (SFDC), Order Processing, all the transactional stuff – that is about the rules of the game. In this

high-tech world in which we live, the rules are usually held in MRP or ERP systems. For the less

high-tech amongst us the rules are harder to see, locked away in spreadsheets and planners' heads, but they are still there. APS has brought winning the game into reach. Now we can look at Demand Management, Planning and Scheduling in a new light. Now we have a chance to win the game. The APS tools are there to help us use the rules to our advantage.

## Rules, Transactions and Decisions

ERP systems are about the rules of the game; they are transactional systems that know:

- What pieces are where? (Inventory);
- Which pieces can go where (Routings);
- What pieces are under threat? (SFDC);
- What is likely to happen next? (Planned Orders, Purchase Orders, Customer Orders);

APS, on the other hand, is about making decisions and considering options:

- What do we expect to happen next? (Forecasting);
- What would happen if? (Strategy);
- What should we do in future? (Planning);
- What is our least risk / lowest cost / cheapest option move? (Optimisation);

Fundamentally, that is the main difference between ERP and APS. ERP is about transactions, whilst APS is about decisions.

In small companies, it might be possible to hold the rules in a spreadsheet and let the planner use his brain to consider the permutations and options. However,



Carol Thomas

many companies now operate on a global basis, manage multiple products, hundreds or even thousands of stocked items and have far more possible scenarios than any one person is capable of considering.

### Expanding horizons

APS tools have opened a whole new world of opportunity to the planning community. Now we can Master Schedule everything, plan out across the full business horizon, re-plan as often as we need to, reschedule several times a day, and

still have time to look at eliminating waste and gaining real competitive edge. We can tell the software what the rules are; give it some objectives and guidelines; give it a series of optimisation rules; let it run through all the permutations and then let the planners decide on the best strategy (plan) for winning the game. Mind you, don't overlook the fact that the planners and schedulers will need to change the way they think and work. The factory will need to be educated about what the planners are now doing. Otherwise, they are likely to think that the planning team has contracted some form of brain fever and lost the plot!


Much of my time is now spent helping planners and schedulers understand that if the parameters and rules they have in their system are correct, then the optimised solution their APS tool is suggesting is probably right! I often hear people working on APS implementation projects say "No that can't be right – we would never have that many

changes / put that product down that line". That's because human beings, brilliant though we are, can only process a limited amount of data at a time. It would take us too long to look at the relative merits of every possible solution so over time we find some answers that are less painful than the others and stick with those.

Someone once said to me that APS would do to ERP what the word processor did to the typewriter. Nonsense! ERP (or an equivalent tool) is still as fundamental to planning as the chessboard and pieces are to the Grandmaster. If you don't know where your pieces are, how can you work out what to move? APS is like having your very own Grandmasters brain, with practice and education it will become a very powerful asset to your business. Use it well but don't abdicate to a computer the responsibility for winning your game!

**Enjoy your chess!**

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