



# BLUEPRINT

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# Agenda

Order Cycle Overview

Acquisition Cost vs Carrying Cost

Order Cycle Optimization Breakdown

Cost of Doing Business

Due Order Logic vs Scheduled

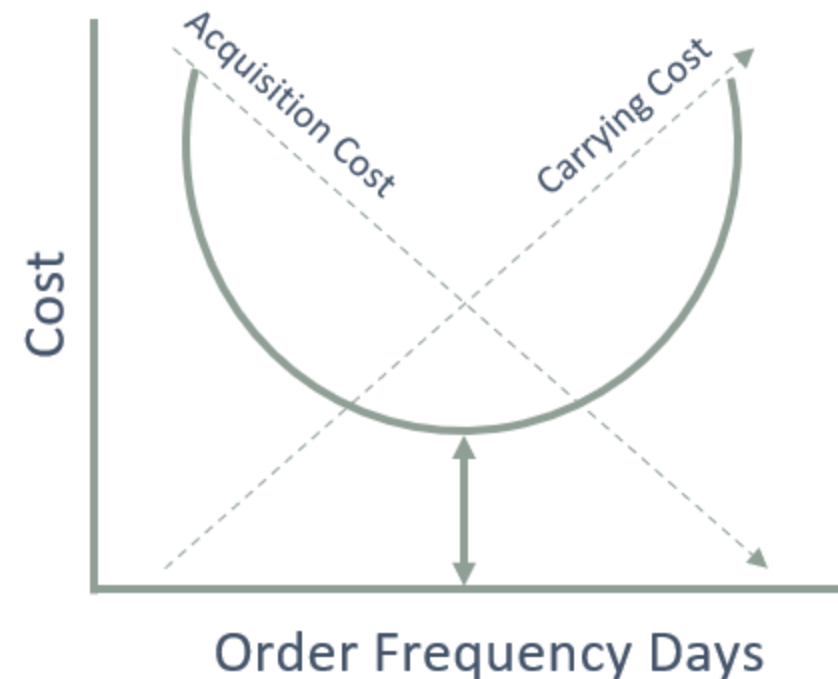
# Order Cycle Optimization

## 7 Essential #3 Order Cycle Optimization

### Order Cycle

The number of days of supply to carry on an item between order arrivals

Running an OCO weights the Acquisition Cost and Carrying Cost to determine most profitable, or least costly Order Cycle



# Order Cycle Optimization

Balancing Acquisition and Carrying Cost

## Acquisition Cost

### Order Cost:

PO Creation (Order Review & Approval, transmission to the supplier, payment)

### Line Cost:

Handling (PO receipt, check-in, put-away)

## Carrying Cost

Taxes, Insurance, Shrink, Depreciation, Obsolescence, Capital Cost (Opportunity Cost)



# Order Cycle Optimization

## Global Controls

- The Global Controls use the Capital Rate + Physical Carrying Rate to control our Total Carrying Rate
- Order Cost and Order Line Cost all default from the Global Controls

Cost Factors	
97.00	Service Level Goal
10.00	Capital Rate (%)
30.00	Physical Carrying Rate (%)
0.00	Additional Rate (%)
40.00	Total Carrying Rate (%)
0.00	Overhead Rate (%)
25.00	Order Cost
1.00	Order Line Cost
0.00	Gross Margin (%)
7.00	Borrowing Rate (%)

# Order Cycle Optimization

## Supplier Manager & Item Manager

- Acquisition Cost can be adjusted at the supplier level
- In addition, the line cost can be adjusted at the item level.  
Carrying Cost adjusted at a global or line level

Cost Factors			
<input type="text" value="\$25.00"/>	Order Header Cost	<input type="text" value="Global"/>	Value From
<input type="text" value="\$1.00"/>	Order Line Cost	<input type="text" value="Global"/>	Value From
<input checked="" type="checkbox"/>	Costs Output in System Currency	<input type="text" value="Global"/>	Value From

<input type="text" value="1"/>	Line Cost	<input type="text" value="Supplier"/>	Value From
<input type="text" value="40"/>	Carry Cost %	<input type="text" value="Global"/>	Value From

# Order Cycle Optimization

## Supplier Manager

### Supplier Information

Supplier ID: OREONL

Add/Edit Ship Points: Default

Location: 016

Member of Group: None

Last OCO Date: 3/17/2019

Supplier Name: Oregon's Only Organics

Address: 3661 Olympic St.

City: Springfield

Country: USA

State: OR

Zip: 97478

Contact: Scott Ostrander

Email: organicgrower@comcast.net

Phone: ext.

Fax: ext.

Currency:

Buyer: Tracy Coon

SourceGroupOne:

SourceGroupTwo:

SourceGroupThree:

Setup Status: Not Set Up

### Supplier Policy

#### Lead Time

14.00	Total Lead Time	Supplier	Value From
14.00	Quoted Lead Time		
0.00	Ship/Pickup Lead Time		
<input type="checkbox"/>	Lead Time in Calendar Days	Global	Value From
20.00	Lead Time Deviation (%)	Global	Value From

#### Order Policy

Due Order Logic	Order Policy	7.00	Supplier Order Cycle	Supplier	Value From
<input checked="" type="checkbox"/> Value In Cal Days					
52	Weeks		Projection Interval	Global	Value From
Public Holiday Calendar:	None				

# Order Cycle Optimization

## Bracket

Supplier ID:OREONL: Oregon's Only Organics	Ship Point: Default	Location: 016	Manual Days: <input type="text"/>	Last OCO Date:3/17/2019	<a href="#">Calculate</a>	
Please choose a supplier and click 'Calculate' to run Order Cycle Optimization						
<b>Bracket</b>						
Bracket Number	Unit of Measure	Minimum	Maximum	Build Type	Discount Type	Discount
1	Pallet	0	22	Build To Max In Fractional Days No Precision	Percent Off	0.00



# Order Cycle Optimization

Supplier ID:	Ship Point: <input type="text" value="Default"/>	Location: <input type="text"/>	Manual Days: <input type="text"/>	Last OCO Date: 9/28/2022	<input type="button" value="Calculate"/>
<b>Supplier Order Cycle</b>	<b>8 ✓</b>	<b>7 ✓</b>	<b>9 ✓</b>	<b>10 ✓</b>	<b>6 ✓</b>
Gross Bill	370743.63	370743.63	370743.63	370743.63	370743.63
Order Header Cost	1137.50	1300.00	1011.11	910.00	1516.67
Order Line Cost	1266.96	1396.47	1165.85	1084.07	1561.13
Cycle Stock Carrying Cost	3770.50	3434.69	4108.43	4452.67	3124.57
Safety Stock Carrying Cost	5045.07	5123.49	4973.26	4904.40	5184.64
Annualized Bracket Savings	0.00	0.00	0.00	0.00	0.00
Annualized Bracket Discount	0.00	0.00	0.00	0.00	0.00
<b>Net Costs</b>	<b>11220.03</b>	<b>11254.65</b>	<b>11258.65</b>	<b>11351.14</b>	<b>11387.01</b>
<b>Average Order</b>					
Amount	8148.21	7129.69	9166.74	10185.26	6111.16
Eaches	319	279	359	399	239
Weight	8449	7393	9505	10561	6337
Net Weight	0	0	0	0	0
Cubes	368879	322769	414989	461099	276659
Cases	319	279	359	399	239
Layers	27	24	30	34	20
<b>Pallets</b>	<b>8</b>	<b>7</b>	<b>9</b>	<b>10</b>	<b>6</b>
Cube Adj Weight	0	0	0	0	0
Dozen	319	279	359	399	239
Units Per Other	319	279	359	399	239
Best Bracket	1	1	1	1	1
Bracket Savings	0.00	0.00	0.00	0.00	0.00
Bracket Discount	0.00	0.00	0.00	0.00	0.00

Bracket						
Bracket Number	Unit of Measure	Minimum	Maximum	Build Type	Discount Type	Discount
1	Pallet	0	22	Build To Max In Fractional Days No Precision	Percent Off	0.00

# Order Cycle Optimization

Supplier ID:  Ship Point:  Location:  Manual Days:  Last OCO Date: 9/28/2022

Supplier Order Cycle	8 ✓	7 ✓	9 ✓	10 ✓	6 ✓
Gross Bill	370743.63	370743.63	370743.63	370743.63	370743.63
Order Header Cost	1137.50	1300.00	1011.11	910.00	1516.67
Order Line Cost	1266.96	1396.47	1165.85	1084.07	1561.13
Cycle Stock Carrying Cost	3770.50	3434.69	4108.43	4452.67	3124.57
Safety Stock Carrying Cost	5045.07	5123.49	4973.26	4904.40	5184.64
Annualized Bracket Savings	0.00	0.00	0.00	0.00	0.00
Annualized Bracket Discount	0.00	0.00	0.00	0.00	0.00
<b>Net Costs</b>	<b>11220.03</b>	<b>11254.65</b>	<b>11258.65</b>	<b>11351.14</b>	<b>11387.01</b>
<b>Average Order</b>					
Amount	8148.21	7129.69	9166.74	10185.26	6111.16
Eaches	319	279	359	399	239
Weight	8449	7393	9505	10561	6337
Net Weight	0	0	0	0	0
Cubes	368879	322769	414989	461099	276659
Cases	319	279	359	399	239
Layers	27	24	30	34	20
<b>Pallets</b>	<b>8</b>	<b>7</b>	<b>9</b>	<b>10</b>	<b>6</b>
Cube Adj Weight	0	0	0	0	0
Dozen	319	279	359	399	239
Units Per Other	319	279	359	399	239
Best Bracket	1	1	1	1	1
Bracket Savings	0.00	0.00	0.00	0.00	0.00
Bracket Discount	0.00	0.00	0.00	0.00	0.00

Bracket						
Bracket Number	Unit of Measure	Minimum	Maximum	Build Type	Discount Type	Discount
1	Pallet	0	22	Build To Max In Fractional Days No Precision	Percent Off	0.00

# Order Cycle Optimization


Supplier ID:  Ship Point:  Location:  Manual Days:  Last OCO Date: 9/28/2022

Supplier Order Cycle	8 ✓	7 ✓	9 ✓	10 ✓	6 ✓	23 ✓
Gross Bill	370743.63	370743.63	370743.63	370743.63	370743.63	370743.63
Order Header Cost	1137.50	1300.00	1011.11	910.00	1516.67	395.65
Order Line Cost	1266.96	1396.47	1165.85	1084.07	1561.13	588.91
Cycle Stock Carrying Cost	3770.50	3434.69	4108.43	4452.67	3124.57	9438.05
Safety Stock Carrying Cost	5045.07	5123.49	4973.26	4904.40	5184.64	4127.15
Annualized Bracket Savings	0.00	0.00	0.00	0.00	0.00	0.00
Annualized Bracket Discount	0.00	0.00	0.00	0.00	0.00	0.00
<b>Net Costs</b>	<b>11220.03</b>	<b>11254.65</b>	<b>11258.65</b>	<b>11351.14</b>	<b>11387.01</b>	<b>14549.76</b>
<b>Average Order</b>						
Amount	8148.21	7129.69	9166.74	10185.26	6111.16	23426.11
Eaches	319	279	359	399	239	917
Weight	8449	7393	9505	10561	6337	24290
Net Weight	0	0	0	0	0	0
Cubes	368879	322769	414989	461099	276659	1060527
Cases	319	279	359	399	239	917
Layers	27	24	30	34	20	77
<b>Pallets</b>	<b>8</b>	<b>7</b>	<b>9</b>	<b>10</b>	<b>6</b>	<b>22</b>
Cube Adj Weight	0	0	0	0	0	0
Dozen	319	279	359	399	239	917
Units Per Other	319	279	359	399	239	917
Best Bracket	1	1	1	1	1	1
Bracket Savings	0.00	0.00	0.00	0.00	0.00	0.00
Bracket Discount	0.00	0.00	0.00	0.00	0.00	0.00





Bracket						
Bracket Number	Unit of Measure	Minimum	Maximum	Build Type	Discount Type	Discount
1	Pallet	0	22	Build To Max In Fractional Days No Precision	Percent Off	0.00

# Order Cycle Optimization









> [Supplier List](#) > [Supplier Manager](#)

Update Successful  Update

## Supplier Information

 <b>Supplier ID:</b> OREONL 	<b>Supplier Name:</b> Oregon's Only Organics	<b>Contact:</b> Scott Ostrander	<b>Buyer:</b> Tracy Coon 
 <b>Add/Edit Ship Points:</b> Default	<b>Address:</b> 3661 Olympic St.	<b>Email:</b> organicgrower@comcast.net	<b>SourceGroupOne:</b>
<b>Location:</b> 016		<b>Phone:</b> ext.	<b>SourceGroupTwo:</b>
<b>Member of Group:</b> None	<b>City:</b> Springfield	<b>State:</b> OR	<b>SourceGroupThree:</b>
<b>Last OCO Date:</b> :	<b>Country:</b> USA	<b>Zip:</b> 97478	<b>Setup Status:</b> Not Set Up 
		<b>Currency:</b> 	

## Supplier Policy

Lead Time				Order Policy					
<input type="text" value="14.00"/>	<b>Total Lead Time</b>		<b>Value From</b>		<b>Order Policy</b>	<input type="text" value="23.00"/>	<b>Supplier Order Cycle</b>		<b>Value From</b>
<input type="text" value="14.00"/>	<b>Quoted Lead Time</b>						<input checked="" type="checkbox"/> <b>Value In Cal Days</b>		
<input type="text" value="0.00"/>	<b>Ship/Pickup Lead Time</b>						<b>Projection Interval</b>		<b>Value From</b>
<input type="checkbox"/>	<b>Lead Time in Calendar Days</b>		<b>Value From</b>	<input type="text" value="52"/>					
<input type="text" value="20.00"/>	<b>Lead Time Deviation (%)</b>		<b>Value From</b>	<b>Public Holiday Calendar:</b>					

# Order Cycle Optimization

## Scheduled Orders

**Supplier Information**

Supplier ID: OREONL

Supplier Name: Oregon's Only Organics

Contact: Scott Ostrander

Buyer: Tracy Coon

Add/Edit Ship Points: Default

Address: 3661 Olympic St.

Email: organicgrower@comcast.net

SourceGroupOne:

Location: 016

City: Springfield

State: OR

Phone:  ext.

SourceGroupTwo:

Member of Group: None

Country: USA

Zip: 97478

Fax:  ext.

SourceGroupThree:

Last OCO Date:

Currency:

Setup Status: Not Set Up

**Supplier Policy**

Lead Time			Order Policy		
<input type="text" value="14.00"/>	Total Lead Time	Supplier	<input type="text" value="23.00"/>	Order Policy	Supplier
<input type="text" value="14.00"/>	Quoted Lead Time				
<input type="text" value="0.00"/>	Ship/Pickup Lead Time				
<input type="checkbox"/>	Lead Time in Calendar Days	Global	<input type="text" value="52"/>	Weeks	Global
<input type="text" value="20.00"/>	Lead Time Deviation (%)	Global			

Due Order Logic dropdown menu options: Due Order Logic, Daily, Weekly, Monthly, Specific Date

Supplier Order Cycle:  Value In Cal Days

Projection Interval: Global

Public Holiday Calendar: None

# Order Cycle Optimization

## Scheduled Orders

### Order Policy

Order every  **Order Policy**  **Supplier Order Cycle**  **Value From**

Monday  Tuesday 5  Wednesday  Thursday  Friday  Saturday  Sunday

**Projection Interval**  **Value From**

Starting

Ending

Next Schedule Date:  **Public Holiday Calendar:**

Value In Cal Days

# Order Cycle Optimization

Supplier ID:	Ship Point: <input type="text" value="Default"/>	Location: <input type="text"/>	Manual Days: <input type="text" value="7"/>	Last OCO Date: 3/17/2019	<input type="button" value="Calculate"/>	
<b>Supplier Order Cycle</b>	<b>15</b> ✓	<b>14</b> ✓	<b>16</b> ✓	<b>13</b> ✓	<b>17</b> ✓	<b>7</b> ✓
Gross Bill	113586.48	113586.48	113586.48	113586.48	113586.48	113586.48
Order Header Cost	606.67	650.00	568.75	700.00	535.29	1300.00
Order Line Cost	657.24	690.17	628.42	728.17	603.00	1120.45
Cycle Stock Carrying Cost	2198.47	2107.22	2295.44	2020.08	2396.22	1649.81
Safety Stock Carrying Cost	1695.54	1711.87	1678.99	1728.89	1663.65	1792.07
Annualized Bracket Savings	0.00	0.00	0.00	0.00	0.00	0.00
Annualized Bracket Discount	0.00	0.00	0.00	0.00	0.00	0.00
<b>Net Costs</b>	<b>5157.91</b>	<b>5159.26</b>	<b>5171.60</b>	<b>5177.14</b>	<b>5198.16</b>	<b>5862.33</b>
<b>Average Order</b>						
<b>Amount</b>	<b>4680.76</b>	<b>4368.71</b>	<b>4992.81</b>	<b>4056.66</b>	<b>5304.86</b>	<b>2184.36</b>
Eaches	1299	1213	1386	1126	1472	606
Weight	403	376	430	349	457	188
Net Weight	0	0	0	0	0	0
Cubes	0	0	0	0	0	0
Cases	23	22	25	20	26	11
Layers	1299	1213	1386	1126	1472	606
Pallets	1	1	1	1	1	0
Cube Adj Weight	0	0	0	0	0	0
Dozen	1299	1213	1386	1126	1472	606
Units Per Other	1299	1213	1386	1126	1472	606
Best Bracket	1	1	1	1	1	1
Bracket Savings	0.00	0.00	0.00	0.00	0.00	0.00
Bracket Discount	0.00	0.00	0.00	0.00	0.00	0.00

Bracket						
Bracket Number	Unit of Measure	Minimum	Maximum	Build Type	Discount Type	Discount
1	Currency	2,000	0	Meet Minimum	Percent Off	0.00

# Order Cycle Optimization

**Order Policy**

Order every  **Order Policy**  **Supplier Order Cycle**  **Value From**

week(s) on:  Value In Cal Days

Day	Cycle
<input type="checkbox"/> Monday	
<input checked="" type="checkbox"/> Tuesday	10
<input type="checkbox"/> Wednesday	
<input type="checkbox"/> Thursday	
<input type="checkbox"/> Friday	
<input type="checkbox"/> Saturday	
<input type="checkbox"/> Sunday	

**Projection Interval**  **Value From**

**Starting**

**Ending**

Next Schedule Date:

**Public Holiday Calendar:**





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