

2.6 Manufacturing Resource Planning (MRP II)

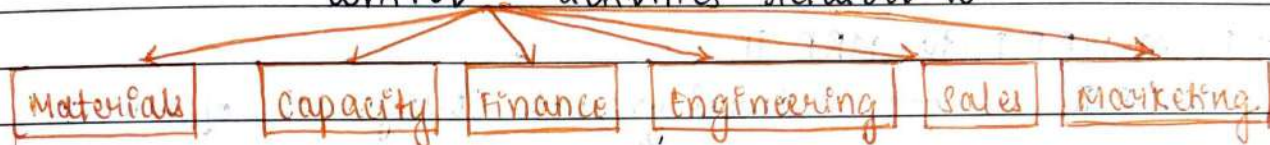
Why is MRP II developed?

→ to facilitate manufacturing managers

↓
planning & controlling
of

↓
manufacturing process & all its related support functions.

→ It encompasses logically correct planning and control activities related to



MRP II is universally applicable to any manufacturing organisation regardless of its size, location, product or process.

What is MRP II?

A management process for taking business plan &

breaking it down into specific detailed tasks

↓
that people evaluate, agree upon & are held accountable for.

→ It involves all departments

↓
Material & Engineering Department

↓
that must maintain bill of materials

↓
Sales / Marketing Department

↓
keep sales plan upto date

↓
Purchasing & Manufacturing Departments

↓
meet due dates for bought out items and in-house manufactured items.

* From MRP I to MRP II

→ MRP II is → natural growth (outgrowth) of MRP I.

→ MRP I focus → material
CRP focus → time

MRP II both material & time.

→ MRP II 'close the loop'

by

integrating financial
accounting
personnel
engineering
marketing info
+
production planning
control activities.

MRP II is the heart of corporate management information system for many manufacturing firms.

* Evolution of MRP II

MRP technique was used to determine

↓	↓	↓	↓
what materials & components are needed	how many are needed	when they are needed	when they should be ordered.

→ MRP exploded the MPS into the required materials and was conceived as an **inventory control tool** or a **requirements calculator**.

→ MRP technique was extended to serve as **key component**

↓
in an information system for

↓
planning and controlling production operation & purchasing.

→ Helpful to
production
& operations
managers

→ to determine
the relative
priorities of

↙ shop orders
&
↘ purchase orders.

As a manufacturing planning & control system, MRP laid the basic foundation for production activity control or shop-floor control.