

Business Analysis Worksheet

Material Shortage Problems:

1. Inability to determine when or how much material to order
2. Inability to reschedule orders
3. Overstated open orders
4. Inability to differentiate between usable and unusable inventory
5. Lack of visibility into on-hand inventory
6. Late shipments from vendors
7. Inability to execute the Material Requirements Plan
8. Inability to identify material substitutes
9. Incomplete bills of material
10. Long internal lead times
11. Abnormal delays in ordering materials
12. Lost orders
13. Lack of timely, accurate information
14. Inability to allocate receipts to fill shortages

High Inventory Problems:

1. Material Shortages
2. Inability to determine when or how much material to order
3. Inability to deexpedite and cancel orders
4. Excessive obsolete inventory
5. Early shipments and over-shipments from vendors
6. Inability to schedule just-in-time delivery of material
7. Inability to schedule deliveries around nonworking days
8. Large economic lot sizes for purchased parts
9. Improper allocation of finished goods inventory to customer orders
10. Recursivity (looping) on bills of material
11. Lost inventory
12. Inability to verify the accuracy of inventory records
13. Excessive safety stock

Quality Problems:

1. Inability to assess the quality of purchased parts
2. Failure to route receipts to incoming inspection
3. Inaccurate incoming inspection instructions
4. Lack of an incoming inspection audit trail
5. Inability to identify expired material
6. Inability to create and maintain accurate manufacturing bills of material
7. Inability to trace the origin and use of defective material
8. Material shortages

9. Invalid production schedules

Customer Service Problems:

1. Missed shipments caused by:
 - a. Invalid production schedules
 - b. Inability to plan shipping activity
2. Inability to help customers configure orders to meet their business requirements
3. Inability to provide customers with timely, accurate delivery information
4. Inability to process customer orders quickly and accurately
5. Stock outs of service parts, caused by an inability to distinguish between service parts inventory and manufacturing inventory
6. High minimum order amounts
7. Inability to respond to customer inquiries about the status of open orders
8. Under-shipments and over-shipments, caused by counting errors

Productivity Problems:

In Accounts Payable, excessive manual effort required:

1. To perform invoice matching
2. To obtain invoice signature approvals
3. To approve large payments
4. To reconcile payments
5. To respond to vendor inquiries

In Purchasing:

1. Excessive manual effort required:
 - a. To place purchase orders
 - b. To perform file maintenance
 - c. To expedite purchase orders
 - d. To solicit bids from vendors
2. Excessive time spent responding to inquiries from material planners and production control personnel

In Receiving, excessive manual effort required to identify shipments

In the Stockroom:

1. Excessive material handling caused by staging of partially picked orders
2. Excessive manual effort required:
 - a. To locate materials
 - b. To report picking activity
 - c. To receive materials into stores

In Design Engineering, excessive manual effort to add and maintain bills of materials

In Manufacturing Engineering, excessive manual effort required to add and maintain shop routings

In Material Control:

1. Inability to manage by exception

2. Excessive manual effort required to track material in incoming inspection

In Production Control:

1. High level of expediting
2. Excessive manual effort required to employ alternate routings

In Master Scheduling, excessive manual effort required:

1. To develop a feasible production plan
2. To maintain the master schedule

In Information Systems, excessive effort required:

1. To maintain old systems
2. To process end-user requests for reports

In Order Entry, excessive manual effort required to enter customer orders