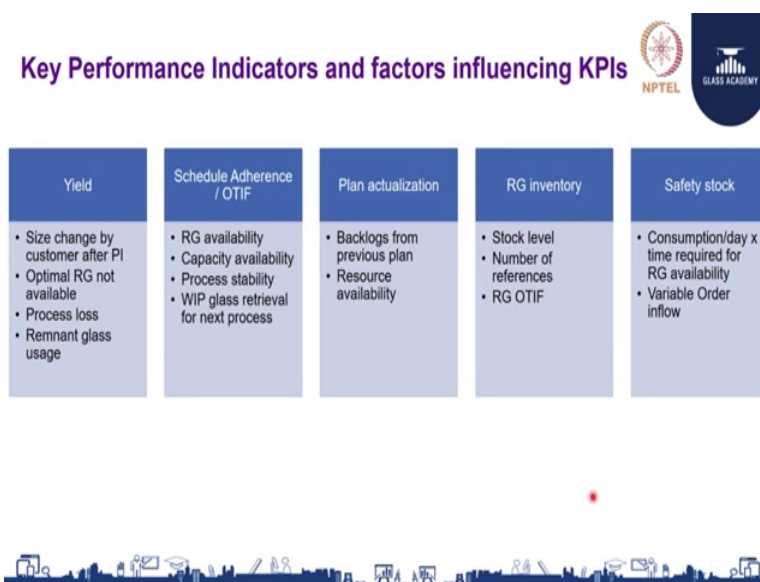


**Glass Processing Technology**  
**Prof. Mr. Aroop Babu Singh**  
**Department of Civil Engineering**  
**Indian Institute of Technology, Madras**

**Lecture - 15**  
**Serviceability - Sales and Production Planning in Solutions Business**

It is very important to understand what are all the final key performance indicators in the sales and production planning process because any activity, any role performed in an industry should have certain key performance indicators leading to some deliverables which can be measured and which can also be taken for necessary actions in terms of improving this.

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So, here we are talking about 5 important key performance indicators as far as a planner is concerned. The first point is yield. When I talk about yield, I said to you size change by customer after PI optimal row glass not available, process loss, remnant glass usage, ok. So, I will explain this you in detail.

You benchmark your manufacturing process in terms of your ability to plan the right geometry after defining, what is the right geometry which is given as part of a confirmation the customer. There can be size changes by the customer once after the PI is being released. There may be situations where the optimal row glass may not be available, there may be opportunities where the planner can indicate to the

manufacturing team that these remnant glasses, remnant glasses are nothing, but left over small piece of glasses available, so that they can process this and save yield. The last point will be there may be certain process losses which can go beyond your theoretical understanding.

So, all this should be under store on yield. So, if your final yield for a particular month or particular project is high, it means that all is being planned perfectly well. The row glass dimensions is planned well. There is no process loss. Manufacturing is ensured the first time it is being continued, there is no shortage in terms of the glass after fixing the final parent. There is no change or even if there is a change from the customer is still fix, the overall dimension of the padding glass all that is being taken care. So, that yield if the planner reports that yield as a final metric to the management, management is able to understand what the role of planner is in terms of the overall manufacturing process and in terms of the overall bottom line of the organization.

The next important KPA would be the schedule adherence and OTIF. When we talk about schedule adherence as I said to you schedule adherence is nothing, but the dates given by the customer themselves on when they need material other side. So, it is the planners responsibility to ensure the material is being produced, packed and ready for delivery, so that there is no delay in the customer schedule as requested by him, ok. So, when we say that what all he needs to check, if we as soon ensure that the schedule adherence and on time in full STB, you need to have the row glass availability, you also have the capacity availability and the process should be stable and then, that should not be any time loss in terms of your working process glass retrieval.

So, when you say a customer schedule adherence is 98 percent which means that you are closer to your target degree on by a customer. In case your customer schedule adherence is only some 78 percent or 74 percent, you have gaps. You need to understand where did you lose in terms of those gaps, so that you make some fine tuning in your next activities in such a way that you are able to imperia or overall schedule adherence to the customer as committed from your, schedule adherence carries more weightage when compared to yield because schedule adherence is linked directly to customers and repeat orders yield heads you in terms of a overall bottom line. So, first you place the customer, then you place your yield in terms of overall understanding of your privatization matrix.

The third important part would be the plan actualization. Plan can keep releasing, manufacturing can keep producing. What they can that will not solve in terms of tying up towards meeting the desired yield towards meeting the overall schedule adherence. So, what is required, you need to ensure follow up with the manufacturing team, follow up with a sales team in terms of order confirmation, follow up with production team in terms of any left overs because of such as rejections and ensure the entire customer order together as a delivery is finally ready. So, further we define a world plan actualization you can use it for sales plan actualization; you can also use it for production plan actualization.

So, when I talk about sales plan actualization, the orders initially projected for the month how much orders were actually confirmed on time. You can put a plan actualization score how much orders I confirmed after a particular delay. You still have a confirmation on a plan actualization score how much order is not even get confirmed or what was gap in terms of the initial orders projector. This is what actually was orders being conceived and productionized can also be seen as part of a actualization score.

In terms of machining centers, you have the various machining centers with you, the cutting line, the gridding, the tempering, the lamination, the IGO. So, for all centers you will use a daily plan; you will use a weekly plan. So, this daily plan needs to be checked for plan actualization from that machining center. For example, for next 8 hours or in the first shift of a cutting line if given a plan which compresses of 3 items to be cut for so much quimeters and for so much time, we need a check whether is being done if so much pieces is not being done or if there is a rejection and it is still not being completed, then you say there is a gap in your plan. This gap is being reported as a score which I am indicating as a plan actualization score.

So, this plan actualization score for each production center, the next day morning can be a revuer by the respective production heck for the previous day in terms of what was their plan actualization for that respective line production. Outputs will not change if the machine runs continuously, but the planners input or the planners objective and the customer recommend does not mean running a production line full. The customer recommend and the planners objective is to ensure you are either right, you produce the right material, the right sequence and in the right time.

So, hence this actualization score will give a trigger to the production team to stay focused and make some quick corrections in the shop floor in such a way they do not only meet the output, we also give this as a priority. They get into the stages of processing

Then, the fourth important KPA would be the row glass inventory. Yes obviously you buy glass from the various stock available to you. So, after you buy glass, you after store at you will have different thicknesses, you will have different types of products. So, hence you also need to ensure that you have an optimal stock. You do not have too many references. Too many references I mean too many sizes in your stock and then, you must also ensure that from this, from the supplier whom you are buying glass whether he is able to deliver glass on time, so that is what I am indicated here row glass otif. Otif is nothing, but on time in full. So, all these three components have to be considered and row glass inventory is important metric of your planning team in terms of the overall process understanding.

The last part would be the safety stock. What is meant by safety stock? Safety stock is nothing, but a buffer stock being kept, so that you do not goal drive. You do not go drive meaning in the production center is do not go drive saying waiting for glasses because please understand you make a plan to deliver, but in that plan for example of production center has a machining difficulty and is not able to process. He gets stuck. He has to immediately wait for an alternate plan. So, how will given alternate plan if you do not have a safety stock or how will you give an alternate plan if you do not have the desired row glass inventory. Hence, these two become the next important key performance indicators of the planner, so that the line utilization is also being taken care.

So, summary in short; you have the various key performance indicators as told you the customer schedule adherence, the yield, the plan actualization, the row glass inventory followed by the safety stocks, all these 5 matrix if being measured by a planner if also being reviewed by the planning department will definitely enable right delivery of glass to the customer which is what is said serviceability in glass processing industry, right. Yield which is nothing, but a right bottom line or right profit for the manufacturing organization and then, overall coordination between the sourcing which is nothing, but the purchasing, the manufacturing, the sales and the customer service same in such way you are able to line up better communication of material and information flow towards

meeting the desired objectives as expected by the customer in terms of a delivery time expected.

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### **Summary:**

By the end of this video, you have learnt about the:

- Key performance indicators and factors influencing KPIs
  - Yield
  - Schedule adherence/OTIF
  - Plan actualization
  - RG Inventory
  - Safety stock

