



LAMAR SOFTWARE, INC.
SPECIALISTS IN MANUFACTURING AND DISTRIBUTION

Distribution Requirements Planning (DRP) System

Distribution Requirements Planning (DRP) is defined as:

1. The function of determining the need to replenish inventory at branch warehouses. A time phased order point approach is used where planned orders at the branch warehouse level are exploded via DRP logic to become gross requirements on the supplying source. In the case of multilevel distribution networks, this explosion process can continue down through the various levels of regional warehouses (master warehouse, factory warehouse, etc) and become input to the master production schedule. Demand on the supplying sources is recognized as dependent, and standard DRP logic applies.
2. In certain cases where the distribution is for a limited number of items, but a balance must be maintained between multiple warehouse sites, master schedules based on actual schedules sales orders and sales forecasts may be used to drive the planning process through standard DRP logic. This may result in master production schedules for one or more production sites.

If multiple warehouses or distributor inventories are present, the DRP system will attempt to balance their inventories by shifting available units between inventories based on parameters established by the user that indicate the level at which inventories may interact with one another.