GLOSSARY OF SAP PRODUCTION PLANNING

A Quick Reference Guide to SAP Terminologies

Concept/Term	Definition
Production Planning (PP)	A module in SAP ECC that helps plan, control, and monitor the entire production process from order creation to execution.
Material Master Data	Centralized data in SAP that contains detailed information about materials, including specifications, storage conditions, and inventory management details.
Sales Order to Production	The process where a sales order triggers the creation of production orders in SAP to manufacture goods according to customer demand.
Planning File Entry	A record that contains MRP planning information for materials, ensuring they are considered during material requirements planning.
Reorder Point Planning	A method where materials are automatically reordered when stock levels fall below a predetermined threshold.

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Concept/Term	Definition
Lot Size	The quantity of items to be produced or ordered in a single manufacturing run, typically optimized based on demand and production efficiency.
Stock Transfer Order (STO)	A request for the transfer of materials between different locations, such as plants or storage areas within the same organization.
Demand Management	A process that defines how customer demands or production forecasts are converted into independent requirements for materials.
Production Order Release	The act of releasing a production order for execution, signaling that materials and resources should be allocated for the production process.
Repetitive Manufacturing	A production process in SAP designed for mass production, where the same item is produced continuously or in large quantities.

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Concept/Term	Definition
Process Order	A type of order used in process industries (e.g., chemicals, pharmaceuticals) for managing batch production, including recipes and formulas.
Order Start and Finish Dates	Dates in SAP that define the planned start and finish of production orders, used for scheduling and capacity planning.
Order Confirmation	A process where the status of a production order is updated to reflect completed tasks or operations.
Production Resource Tools (PRT)	Tools, fixtures, and other resources required for specific production operations, which can be tracked in SAP PP.
Production Planning Strategy	A strategy used to determine how production is planned, including make-to-stock, make-to-order, and assemble-to-order strategies.

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Concept/Term	Definition
Shop Floor Control (SFC)	A set of functions in SAP used to manage and control the flow of materials and resources in the manufacturing process on the shop floor.
Finite Capacity Scheduling	A technique in SAP PP where production orders are scheduled considering the availability of resources, avoiding overloads on work centers.
Order Status	The state of a production order in SAP, such as "Created," "Released," "In Process," or "Completed," reflecting its current progress.
Capacity Load Profile	A profile that defines how production resources (work centers) are utilized over time, helping to identify potential overloads.
Planning Horizon	The time frame used in SAP PP for planning production orders, including how far in advance MRP and production orders are scheduled.

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Concept/Term	Definition
Order Settlement	The process of assigning costs to production orders based on actual activities and material usage, typically used in cost accounting.
Forecasting	The process of predicting future production needs based on historical sales data, market conditions, and planned production capacity.
Production Order BOM	A Bill of Materials specific to a production order, detailing the exact components required for manufacturing a product.
Scheduling View	A view in SAP material master data that specifies production scheduling details, such as lead time, production periods, and work center capacity.
Batch Management	A method of managing and tracking materials produced in batches, ensuring traceability and quality control throughout the production process.

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SAP PP (Production Planning)
Key Concepts

Concept/Term	Definition
Capacity Leveling	The process of adjusting production schedules or shifting resources to ensure that work centers are not overloaded.
Stock Overview	A real-time view of the inventory levels and stock status of materials in SAP, including quantities, locations, and stock movements.
Repetitive Manufacturing Profile	A configuration in SAP to manage repetitive manufacturing, detailing the production order parameters and material flow for continuous production.
Production Version	A specific version of the production process in SAP, combining a particular BOM and routing for a product.
Dynamic Lot Size	A lot size calculation method in SAP where the optimal lot size is dynamically determined based on production requirements and inventory levels.

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Concept/Term	Definition
Planning Run	A process in SAP that initiates the creation or adjustment of planned orders or production orders based on material requirements planning.
Work Center Categories	The classification of work centers in SAP, such as machine, labor, or service centers, which helps organize production resources.
Material Availability Check	A process used in SAP PP to ensure that sufficient materials are available to meet the production demand before order release.
Production Order Type	The classification of production orders in SAP that defines specific characteristics, such as standard orders, repair orders, or subcontracting orders.
Capacity Evaluation	The process of analyzing work center capacity to ensure the planned production volume can be executed within the available time frame.

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Concept/Term	Definition
Production Order Confirmation	The confirmation process in SAP where workers confirm the completion of operations or activities within a production order.
Manufacturing Execution	A set of processes and systems that manage the execution of manufacturing orders, from scheduling to product completion.
Order Settlement Costing	The process of tracking the costs associated with a production order, including materials, labor, and overhead, and assigning them to cost centers.
Material Staging	The process of preparing and organizing materials needed for production, ensuring that they are available at the work center at the right time.
Work Center Scheduling	The process of scheduling tasks or operations at a work center, considering capacity, available time, and priority of production orders.

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Concept/Term	Definition
Make-to-Stock (MTS)	A production strategy where products are produced based on forecasted demand and stored in inventory until sold.
Make-to-Order (MTO)	A production strategy where production is triggered only after a customer order is received, ensuring custom-made goods.
Assemble-to-Order (ATO)	A hybrid production strategy where assembly is triggered by a customer order, but components are stocked in advance.
Production Order Release	The process of making a production order available for execution, typically involving the allocation of materials and resources.
Production Order Confirmation	A process of confirming the completion of operations within a production order, used to update the order status and inventory levels.

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Concept/Term	Definition
Kanban System	A pull-based inventory control system that triggers material replenishment when consumption is recorded, often integrated into SAP PP.
Production Scheduling Agreement (PSA)	A long-term agreement between a company and its suppliers to deliver materials at predetermined intervals to support ongoing production.
Shop Floor Monitoring	The process of tracking and monitoring production activities on the shop floor, often through tools like SAP MES (Manufacturing Execution System).
Order Confirmation Document	A document or system entry confirming that a production order has been completed or partially completed.
Order Settlement	The process of ensuring that all costs associated with a production order, including materials and labor, are allocated and finalized in SAP.

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