

Product Training

KanBan Purchasing

Where "Lean" principles are considered common sense and are implemented with a passion!



KanBan Purchasing

KanBan Purchasing is a lean tool for purchasing. KanBan cards are used on the shop floor to indicate when replenishment should occur.

KanBan cards are then scanned and a purchase order is sent to the vendor.

To use KanBan successfully, a strong relationship with vendors is a must. Price, quantity are typically arranged with the vendor. High quality products are also a requirement as defects cause extra inventory.

Before a KanBan can be set up in WinMan there is pre-requisite data in Products that must be set-up.

Products Set-up

The screenshot shows the SAP 'Products' window with the 'Replenishment' tab selected. The product ID is 1007-101. The 'Ordering Information' section is visible, containing the following fields:

Method	MRP
Re-Order Point	0
Minimum Order Qty	1
Optimum Order Qty	1
Procurement Leadtime	2
Sales Leadtime	0
Supplier Restricted	<input type="checkbox"/>
KanBan Procured	<input checked="" type="checkbox"/>
Planned	<input type="checkbox"/>
Receipt Batch Qty	
Planning Buffer	

Buttons for 'Save' and 'Cancel' are located at the bottom of the window.

- ❑ The product should be designated as KanBan Procured on the Replenishment tab.

Products Set-up

The screenshot shows the SAP 'Products' window with the 'Cross Reference Information' tab selected. The product ID is 1007-101. The 'Cross Reference Information' section is visible, containing the following fields:

Normal cost	5.00000
Date last quoted	15 Jun 2007
Supplier Sequence	999
Discount applicable	[Default]
Leadtime	0
Unit of measure factor	[Default]
Receipt Batch Qty	
Location	[Default]

Buttons for 'Save' and 'Cancel' are located at the bottom of the window.

- ❑ A supplier cross reference record must be set-up with the vendor that where the KanBan is to come from.
- ❑ The normal cost in the supplier cross reference is the price for the KanBan.
- ❑ On the KanBan Contract tab, the original contract quantity should be entered. The quantity outstanding will automatically be decreased with each KanBan receipt.

KanBan Set-up

The screenshot shows a software window titled "KanBan Purchases" with a "General" tab selected. The fields are as follows:

Field	Value
Card Identifier	000000002
Product	
Description	
Supplier	
Name	
Kanban Card Information	
Quantity	1
Location	MAIN
Bin	
No of Cards	1
Weight	0 LB

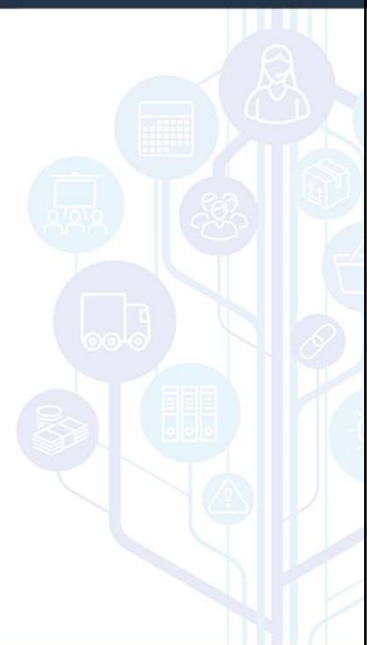
Buttons for "Save" and "Cancel" are visible at the bottom of the window.

To create a new card for an item select the action Add

KanBan Set-up

General Tab

- Card Identifier** – A WinMan generated number used to uniquely identify the KanBan.
- Product** – The product that is to be KanBan.
- Supplier** – The supplier that the KanBan is to be supplied from.
- Quantity** – The quantity that each card will represent.
- Location** – The location that the item will be received into.
- Bin** – A reference field for a bin if one is designated within the location.
- No of Cards** – Number of cards that will be used for the KanBan.
- Weight** – The weight of the product, used for reference only.



KanBan Set-up

The screenshot shows the 'KanBan Purchases' window with the 'Contract' tab selected. The 'Card Identifier' section contains the following fields: Product (1007-101), Description (150 kV, Front Shield), Supplier (S00007-0000), and Name (APEX). The 'Contract information' section includes: Original quantity (0), Quantity outstanding (0), Minimum stock (0), Maximum stock (0), and Date (25 Jun 2007). The 'Kanban Delivery days' section has checkboxes for Monday, Tuesday, Wednesday, Thursday, Friday, Saturday, and Sunday, all of which are checked.

The Contract Tab includes information from the supplier cross reference and is for reference only. If these fields need to be amended it needs to be done in the supplier cross reference.

KanBan Set-up

The screenshot shows the 'KanBan Purchases' window with the 'Printing' tab selected. The 'Card Identifier' section contains the following fields: Product (1007-101), Description (150 kV, Front Shield), Supplier (S00007-0000), and Name. The 'Printing information' section includes: Print on card (checked), Bin (checked), Number of Cards (checked), and Card Number (checked).

The print Tab includes fields that will appear on the KanBan Card.

Printing Cards

- To print a Card select the print KanBan Card, this will generate a Card used to control replenishment on the shop floor.
- A barcode can be set-up with the card so the card can be scanned.

Supplier S00007-0000 APEX	
Our Part Number 1007-101	
Description 150 kV, Front Shield	
Location MAIN	Bin
Qty/Container 25.00	Container 1 of 2
Weight 0.00	
1	

Creating Demand

- To create demand for a product based on a card, select the "Enter KanBan" action.
- This will let you enter a series of cards by scanning the card number or entering it manually then selecting Add.
- Select Finish to process the demand and it will tell you which cards were entered successfully.
- To send the purchase order, select the Print KanBan Purchase Orders. The purchase order will have all line items for the supplier that have not yet been printed for the part.

Receiving KanBan

The image displays two overlapping screenshots of a software interface for receiving KanBans. The top screenshot, titled 'KanBan Card', prompts the user to 'Enter the kanban card to receive' and shows a text input field for the 'KanBan Identifier' with the value '000000001'. The bottom screenshot, titled 'KanBan Purchases', prompts the user to 'Enter additional information' for 'Information - 500007-0000, APEX'. It includes a 'Quantity' field with the value '25' and a 'Delivery Note' field. Both screenshots feature a 'Back' button at the bottom.

- To receive a card select the Receive action.
- Enter the card number, quantity, and delivery note number and any notes if applicable.
- The Quantity Outstanding on the contract in Supplier Cross Reference will be decreased by the amount received.
- KanBan quantities can be received if the contract quantity outstanding is 0, but will not decrease to a negative number.

Accounting

- Once the KanBan has been received it will be in inventory just as if it was a regular PO.
- KanBan purchases then need to be invoiced and paid like any other Goods Receipts.
- Since KanBan uses a fixed price and quantities are consistent, it is an excellent opportunity to use the Self-billing invoice option for invoice generation.