

ISSUE | CLIENT REQUIREMENTS

The client operates as a textile wholesaler, acquires large raw fabric sizes, and processes these through "slitting" to create various sizes for retail, striving to reduce scrap.

The client has requirements to include a seamless transformation of raw fabric into different SKUs efficiently, ensure accurate cost allocation among the output sizes, and implement effective scrap management by tracking scrap quantity and estimated costs for future decisions on selling or writing off the scrap.

SOLUTION DESIGN | IMPLEMENTATION

Process Designed and Configuration Implemented:

Raw Fabric as Assembly Item:

- Treated raw fabric as a purchasable assembly item.
- Set up a Bill of Material (BOM) to include each size output and scrap as components.

Tracking Units:

- Assigned a quantity of 1 for each component in the BOM.
- Used a unit of measure (UOM) table to convert the raw fabric into the required sizes.

Processing

- Received the raw fabric through a standard purchase order (PO).
- When slitting was done, unbuild the assembly to record the output quantities of each size and scrap.

BENEFITS ACHIEVED

The solution allowed the client to be able to efficiently do the following:

- ✓ Convert raw fabric into smaller sizes
- ✓ Automatically allocate costs across all sizes
- ✓ Track scrap quantity and cost for better decisions
- ✓ Ensure accurate size conversions and records
- ✓ Minimize waste and maximize material use

