

1. This is not true because S&OP helps firms plan operations over a multi-month horizon based on forecasted demand, and master scheduling is planning that matches output to actual orders. They are similar because they both consider demand, production, and ending inventory. They are different because S&OP are forecasts for the future while master scheduling deals with the real and current demand/output. Master scheduling also gives information on booked orders and available to promise units, which S&OP cannot forecast. It would be very hard to do a master schedule without S&OP planning because S&OP planning provides targets that guide tactical decisions such as workforce levels, cash needs, and storage requirements used for master scheduling.
2. Master scheduling must be done first, because it “kicks off” the material requirements. The MRP really translates the master production schedule into planned orders for actual parts and components. Without the master schedule there would not be enough information to - make competent and fact-based material requirements planning.
3. Forecasting is at the heart of planning and control systems because without effective forecasting everything else will be incorrect. A company can have strong planning efforts after forecasting, but if the forecast is significantly off, the information that goes through each phase of the planning will be off and will create either massive shortages or over-production.
4. MRP nervousness refers to the observation that any change, even a small one, in the requirements for items at the top of the bill can have drastic effects on items further down the bill. As you fall short of parts at the top, you cannot create more parts as you go down the bill, and at the bottom you have massive amounts of shortages. MRP nervousness can affect DRP systems as well because they use MRP-style logic to feed accurate demand information into the master schedule.
5. Many companies do an inadequate job of using master scheduling, MRP, and DRP planning because they take shortcuts in preparation or they lack knowledge of how to use them correctly. There has to be an organizational culture and discipline that causes managers to require the proper use of these tools to maximize the effectiveness of the supply chain. Employees must be required by managers to do the work before it becomes second nature for them to do it.

6. It is good to have a formal master scheduling process because it ensures uniformity in the calculation and results no matter who does the scheduling. If firms do not follow some of the basic rules of scheduling, there would be a disconnect between the supply chain, sales, marketing, and finance, which would likely result chaos among these units.
7. Master scheduling, MRP, and DRP must be used to coordinate activity up and down the supply chain so that everything - promised to the customers is delivered to the customers. You want to use the master schedule to know what you can promise your customers in terms of product availability. You need MRP and DRP to tell suppliers what you need and the quantity to meet customer demands, and you need suppliers to tell you their capabilities and whether or not they can meet your demands.