
Information Technology Policy

Materials Management Applications Policy

<i>ITP Number</i> ITP-APP028	<i>Effective Date</i> March 23, 2009
<i>Category</i> Recommended Policy	<i>Supersedes</i>
<i>Contact</i> RA-itcentral@pa.gov	<i>Scheduled Review</i> April 2015

This Information Technology Policy (ITP) establishes enterprise-wide standards and policies for materials management applications as part of the Commonwealth's Enterprise Resource Planning (ERP) system.

1. Purpose

The purpose of this Information Technology Policy (ITP) is to establish enterprise-wide standards and policies for Materials Management (MM). Establishing standards will provide guidance to agencies as they plan for new application development projects or make investments in existing applications.

2. Background

Materials management is the branch of logistics that deals with the tangible components of a supply chain, including materials (parts, replacement/spare parts) and the acquisition, and warehousing of the parts. Materials management application allows for automated tracking of the procurement process and inventory management.

Procurement of materials begins with identifying vendors, negotiating terms and conditions, placing orders, following up on delivery, documenting receipt in the warehouse, issuing goods to the original requestor, and paying the vendor. If the items are in stock or vendors are already identified when the requirement is issued, then the procurement cycle is shortened.

Inventory management enables an organization to meet customers' expectations of product availability. An automated system facilitates this by

tracking all materials ordered, received, issued, stocked, reserved, and in-transit.

Goals of Materials Management:

- To improve customer service by ensuring the right product is in the right place at the right quantity and price.
- To reduce cost by minimizing working capital associated with on-hand inventory, replenishment, and distribution.
- To improve operational efficiency through improved inventory accuracy and visibility of materials.

3. Scope

This Information Technology Policy (ITP) applies to all departments, boards, commissions and councils under the Governor’s jurisdiction. Agencies not under the Governor’s jurisdiction are strongly encouraged to follow this ITP.

4. Policy

Agencies requiring new or updating existing materials management applications are to leverage the materials management application available from Integrated Enterprise Systems (IES) when the IES materials management solution meets the agencies’ business requirements. Current standards and product availability are in sections 5 and 6 of this ITP.

Agencies are to analyze their materials management business requirements and assess the business value of integration and exchange of information with the Commonwealth’s Enterprise Resource Planning (ERP) system. ERP applications include financial, human resources, customer relationship management, supplier relationship management, platform life cycle management, supply chain management, and materials management enterprise applications.

Agencies are to analyze their materials management data warehousing and business intelligence requirements and assess the business value of utilizing the Commonwealth’s ERP data warehouse and business intelligence platform.

5. Standards

CURRENT STANDARDS

(These technologies or products meet the requirements of the current architecture and are recommended for use.)

Technology	Platforms	Technology Classification
SAP Materials Management	All	Current

<ul style="list-style-type: none"> • Purchasing • Inventory Management • Invoice Verification • Physical Inventory • Materials Requirement Planning 		
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CONTAIN

(These technologies or products no longer meet the requirements of the current architecture and are not recommended for use. They are to be phased out over time. No date has been set for their discontinuance.)

Technology	Platforms	Technology Classification
--	--	Contain

RETIRE

(These technologies or products are being phased out. Plans are to be developed for their replacement, especially if there is risk involved, such as lack of vendor support. A date for retirement has been set.)

Technology	Platforms	Technology Classification
--	--	Retire mm/dd/yy

EMERGING / RESEARCH

(Emerging technologies or products have the potential to become current standards. At the present time, they are to be used only in pilot or test environments where they can be evaluated. Use of these technologies is restricted to a limited production mode, and requires approval of a waiver request. Research technologies are less widely accepted and time will determine if they will become a standard.)

Technology	Platforms	Technology Classification
--	--	Emerging / Research

6. Product Availability

Materials Management Product Availability	
Product/Module	Status

SAP Materials Management	
Purchasing	In Production
Inventory Management	In Production
Invoice Verification	In Production
Physical Inventory	In Production
Material Requirements Planning	In Production

7. Related ITPs/Other References

8. Authority

- Executive Order 2011-05, Enterprise Information Technology Governance

9. Publication Version Control

It is the user’s responsibility to ensure they have the latest version of this publication. Questions regarding this publication are to be directed to RA-itcentral@pa.gov.

This chart contains a history of this publication’s revisions:

Version	Date	Purpose of Revision
Original	3/23/2009	Base Document
	10/25/2010	ITB Refresh
	4/2/2014	ITP Reformat; Merged GEN-APP028B, STD-APP028A into ITP