

Significance of Classification System in Supply Chain Management

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I. Introduction

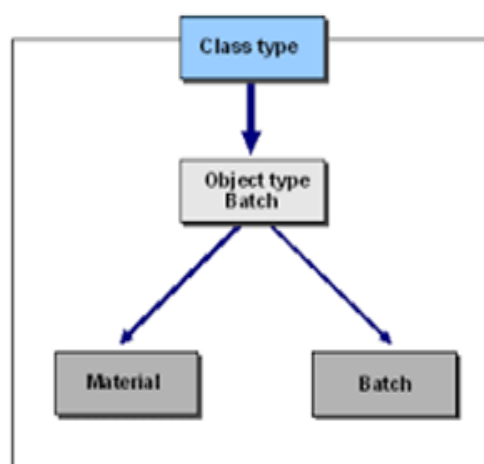
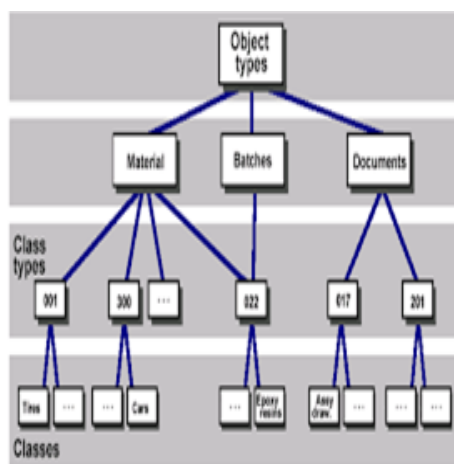
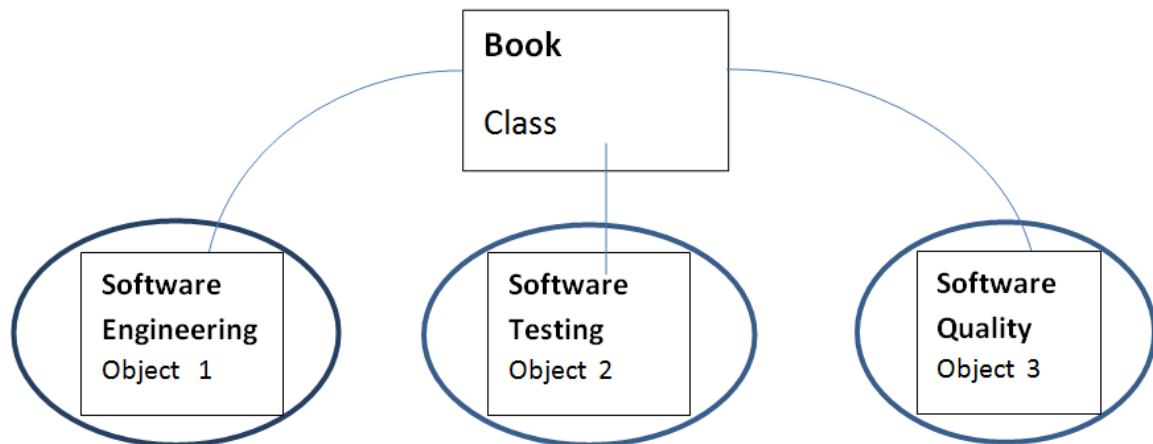
Classification has delivered important meanings in our life. In general, the definition of classification simply means the grouping together of alike things according to common qualities or characteristics. Classification has essential part to play especially in assisting in the search process. By classifying things into different segments it enables us to retrieve things or information that we needed to look for, without the risk of too much time consuming in retrieving that particular things or information.

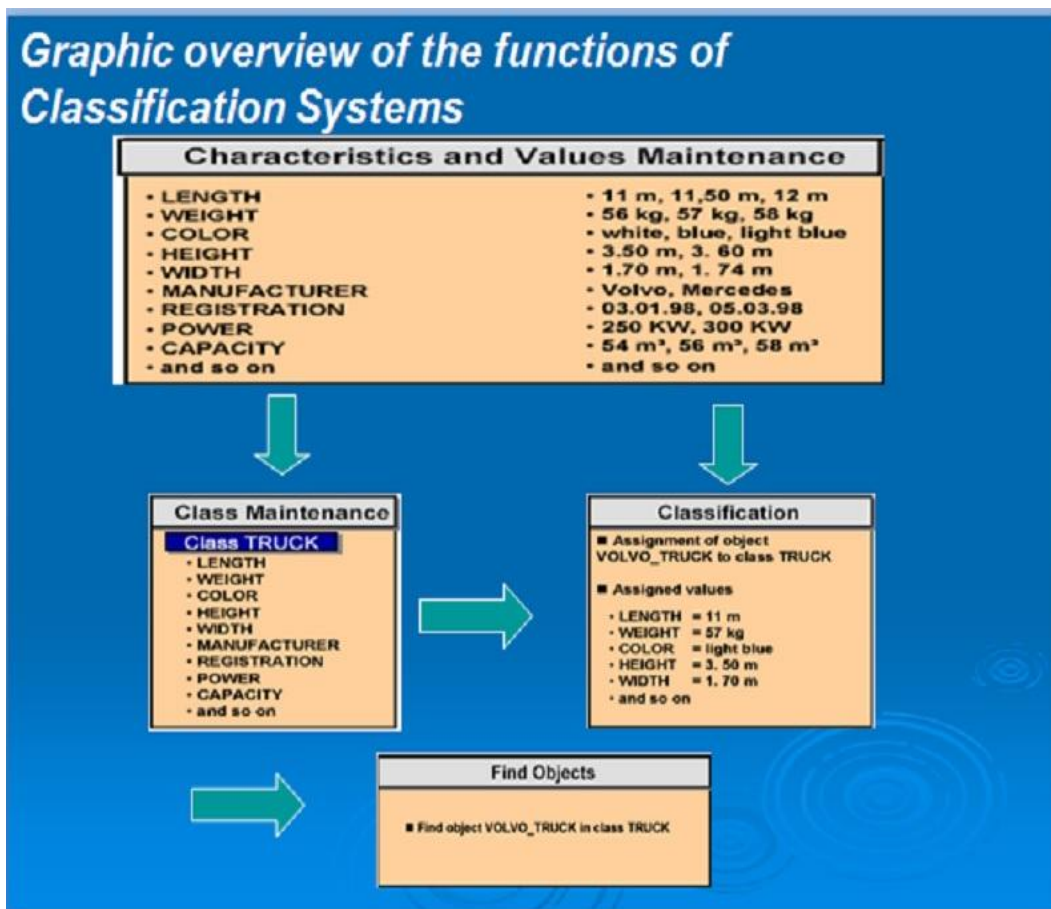
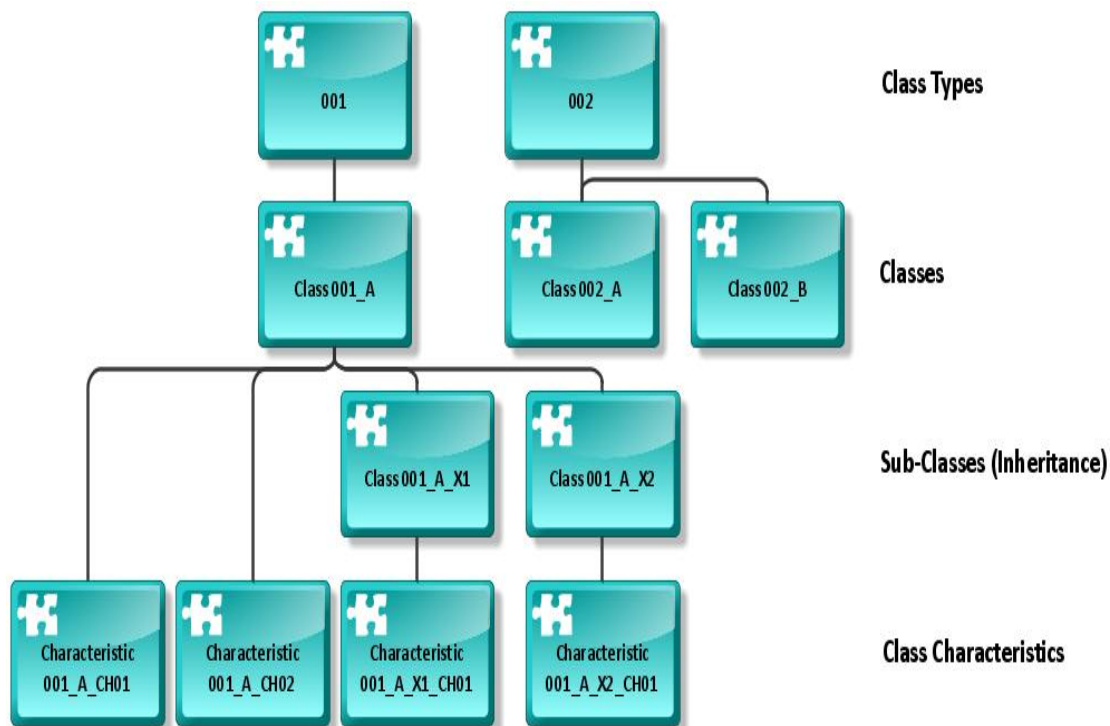
II. The Process of Classification

Classification is a general process related to categorization, the process in which ideas and objects are recognized, differentiated, and understood.

A classification system is an approach to accomplishing classification. It is a systematic arrangement in groups or categories according to established criteria. Under this system the user decides on the object which needs to be classified. Classes are created and characteristics are defined. Objects are assigned to the classes. Characteristics are independently defined and may be assigned to class or class type. Class type is a unique and important concept in classification system and it defines the ways objects will be classified.

Examples of objects can be company, vendor, employee, material etc.. Examples of class type can be activity, batch etc. In example shown below, all book type may be combined to form a group called class. All objects are instances of a class. The class describes the structure of the instance which include behaviour and information





III. A View for Classification

The object eg material need to have a view for classification. Values are assigned for the characteristics and system is configured to enable selection or value entry at the time of material master creation. If selection option is provided at material master creation level, data input time can be drastically reduced in addition to prevention of data entry error. Further, the specific and required characteristics value entries can be made mandatory to prevent missing entries.

Eg: Characteristics for Class 'Lab chemicals' can be Make / Brand, Packing unit size

IV. Prevention of Duplicate Entry

Duplicate entry of material codes is a common phenomenon in almost every industry. Utmost precaution needed to be taken for it could play havoc with the inventory holding and related costs and thus affect the bottom line of the company, more so, if item belongs to high value category.

The system can be configured in classification to prevent duplication of master records through issue of an error message. This would happen if different objects having same value for all characteristics are assigned to the same class. It can be observed that irrespective of the sequence /order of data entry of characteristic values, in classification or that of the description in Basic i data, duplication is not permitted by the system.

Eg Induction motor 1 HP 1200 RPM Squirrel Cage and Squirrel Cage Induction motor 1200 RPM 1 HP would under normal circumstance create two different codes. If Classification system is implemented this will not happen.

V. Search for Specific Item

Creating a basic listing and finding the specific item under classification is a trivial task provided the hierarchy of classes is accurately defined and maintained under the classification system provided by the integrated application software.

Eg 'Allen head Round Thread 200 mmlong 25 mm dia'. Characteristic value specific listing on each of the above characteristic is possible. Listing of all Allen head round bolts or a listing of a combination of characteristics can be obtained.

VI. Characteristics with Variable Values

For items wherein the characteristic values are of variable nature eg viscosity, density, purity etc. and actual values which can be entered only at the time of goods receipt, the system can be configured under classification for entry required with or without selection option. The provision for entry of multiple values, range of values and addition values would also exist in addition to the above.

Eg : Fixed value for characteristics - 'Make/Brand, packing size' could be 'Merck, 100 ml' while Variable value for Characteristics - 'Purity, Colour' could be '70 to 100 %, Pale /Dark Yellow'

VII. Automatic Batch Determination

For batch determination using strategy types, especially in pharmaceutical industry, classification of the item becomes imperative. This is because the schedule looks for the attribute /variable characteristic of the object even as it searches for the batch. In such cases the batch is linked to the material and shelf life expiration date becomes a mandatory field. The expected shelf life is determined and entered for the material prior to the receipt of the batch.

Eg : At time of goods issue the system searches for the batches as per shelf life expiration date and suggests them automatically with respect to remaining shelf life in days already entered in material master.

VIII. Authorisation And Release Strategies

Class and characteristics will have to be created if release procedure is to be functional in Supply Chain application. The fields for release procedure along with characteristics will have to be necessarily assigned to the relevant communication structure. The relevant class type for release strategies will have to be chosen and system configured accordingly.

Eg : Under normal circumstances, goods receipt should not take place until purchase order is released. In such a case, the purchase order will have to be released by concerned authority even prior to purchase order being outputted via EDI, print out etc. The system is configured under classification under classification so that a box message appears which will indicate the document is not released.

IX. Conclusion

Classification means to put things into groups according to their characteristics. Classification enables one to differentiate objects amongst themselves even as it allows grouping of objects with similar characteristics. It thus allows one to define new fields for objects.

A basic element of thinking is classification. We place objects and situations into conceptual categories in order to make sense of the world so we don't have to respond to each new object or situation as a completely new experience. Classification also helps us to sort a multitude of sensory impressions quickly and enables us to cope with complexity that might otherwise be overwhelming .

Classification has an important role and is essential device for many several organizations and in many individual lives. Makes it easier to locate, retrieve, and maintain things and information. Without classification we would be unable to organize things thus finding things hard since there is no index to refer to. Classification is designed to improve this limitation thus making our life easier .

References

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