

# Delivery date commitments: steering reliable dates in a binding manner

Delivery date commitments are the binding or semi-binding dates stated by a supplier by which goods or services will arrive at the customer. They form the operational interface between purchasing, production and logistics and are a key determinant of on-time delivery and planning reliability. For buyers, the quality of delivery date commitments is a central indicator of a supplier's performance capability. This article explains the terms, processes, KPIs and typical risks surrounding date management in procurement.

## Key facts

- Delivery date commitments are the supplier's date commitments regarding an expected delivery or dispatch date and form the basis of materials planning.
- The difference between the confirmed and the actual delivery date determines on-time delivery and thus one of the most important supplier KPIs.
- On the systems side, date commitments are often derived using functions such as Available to Promise (ATP) in the supplier's ERP system.
- Unconfirmed, changed or late commitments create planning uncertainty and in practice frequently cause additional costs through express freight or downtime.
- The binding nature, escalation paths and change rules for delivery dates should be specified in framework agreements or supplier agreements.

## Definition: delivery date commitments

Delivery date commitments are the date information communicated by the supplier by which an ordered quantity will be made available, shipped or delivered. They may be binding (fixed scheduling) or indicative (forecast, estimated) and, depending on the agreement, refer either to the dispatch date or the date of receipt at the customer. In everyday usage, the term is often used synonymously with 'date confirmation' or 'order confirmation'.

## Distinction: delivery date, dispatch date and availability date

What is practically relevant is a clear definition of the reference date. Common reference points are the dispatch date (ex works), the arrival date at the receiving plant or the availability date for production. Buyers should specify in purchase order terms and framework agreements which date applies, otherwise avoidable discrepancies arise between the committed and the expected date.

## Degrees of binding nature of the commitment

In practice, tiers have become established: the firm, binding commitment for short-term requirements, the indicative commitment for medium-term call-offs and the capacity commitment for long-term planning horizons. The further the date lies in the future, the higher the tolerance typically is. These gradings should be documented in the supplier manual or the procurement policy.

## **Systemic classification: ATP and the confirmation run**

Many suppliers derive commitments using an Available-to-Promise check (Available to Promise, ATP), which takes account of open orders, stock levels and planned receipts. The commitment is then transmitted to the customer as an order confirmation with date and quantity – manually, by e-mail or, ideally, in structured form via EDI (e.g. ORDERSP format).

## **Methods and approach: obtaining and processing date commitments efficiently**

A functioning date confirmation process follows a clear sequence: generate demand, send enquiry or purchase order, receive commitment, check it, feed it back into the system and monitor it. The more automated this cycle runs, the lower the manual effort and the more reliable the basis for materials planning.

### **Demand notification and call-off processes**

For series and framework contracts, the date commitment is often not given per individual order but on the basis of an annual call-off or rolling forecast. The supplier then confirms quantities and dates for call-off periods in advance – typically binding only for the near-term window and indicative for more distant periods. This structure stabilises capacity planning on both sides.

### **Confirmation process and reconciliation with the purchase order**

After the purchase order has been sent, purchasing checks the commitment received for deviations in quantity, price and date. Material deviations are clarified as part of the order reconciliation per catalogue; accepted commitments are written back into the ERP so that materials planning works with real dates. Unconfirmed line items should be systematically followed up – open order confirmations are a frequent cause of scheduling conflicts.

### **Change management for date postponements**

If the supplier postpones a date, clear rules are needed: notification deadlines, an obligation to give reasons and, where applicable, the customer's right to consent. Conversely, for customer-side changes to quantities or dates, a change order clause applies, governing deadlines, costs and obligations to cooperate. This keeps date changes traceable rather than improvised.

## **Key KPIs for delivery date commitments**

Date commitments can be measured – and should be. The central KPI is on-time delivery, supplemented by KPIs on the quality of the confirmation processes. Those who systematically evaluate commitments identify unreliable suppliers early and can initiate countermeasures.

### **On-time delivery and schedule adherence**

On-time delivery (OTD) sets on-time deliveries in relation to all deliveries; common target values in practice are frequently 95 to 98 per cent. Consistency of measurement is important: the reference date, tolerance window (e.g.  $\pm 1$  day) and quantity compliance should be defined in a binding manner.

### **Confirmation rate and confirmation time**

Two KPIs shed light on the process side: the confirmation rate (proportion of order line items confirmed

completely and promptly, typically target > 98 %) and the confirmation time (period from purchase order to commitment, often target < 24–48 hours). Both are suitable as data quality KPIs, as incomplete or late commitments directly impair the quality of materials planning.

### **Schedule adherence expectation versus reality**

In addition to absolute on-time delivery, the deviation index is also of interest: by how many days do commitments shift on average before the goods actually arrive? A systematically 'optimistic' supplier – commitments close to the requested date, delivery later – can be identified in this way and addressed in supplier discussions, for example as part of defined evaluation criteria.

## **Risks and controls: when commitments break**

Date commitments are forecasts – and forecasts can fail. Typical causes are material availability problems, capacity bottlenecks, quality stoppages or logistics disruptions. Purchasing should be aware of these risks, detect them early and safeguard against them both contractually and operationally.

### **Causes of unreliable commitments**

Common causes in practice: scarce raw materials and the associated price and availability issues (for instance a raw material surcharge as a symptom of increased upstream supplier volatility), unplanned machine downtime, staffing shortages or a lack of feedback from upstream suppliers. Organisational causes such as disconnected systems or manual date maintenance also play a role.

### **Early warning and escalation**

Effective controls kick in before failure occurs: regular reconciliation of open commitments against requirements, warning thresholds for critical parts, short-term reviews with strategic suppliers and defined escalation levels. For critical components, supplier location risk assessments and alternative sourcing options provide additional safeguards.

### **Contractual safeguards**

Framework agreements should contain provisions on notification deadlines in the event of imminent delays, penalties or replacement procurement costs, as well as the right to audits and capacity evidence. Supplementary instruments such as safe launch agreements for new parts or run-at-rate tests before the start of series production reduce the risk that early series dates break down contrary to the commitment.

## **Current developments: digitalisation and resilient date commitments**

Date commitments are increasingly a matter of digitalisation and resilience. Structured data exchange formats, supplier portals and AI-assisted date forecasts are changing how commitments are created and monitored – and raising data quality to a new level.

### **EDI, portals and data automation**

Instead of e-mail commitments, a growing number of companies are turning to EDI confirmations, supplier portals or API integration. This reduces manual follow-up, improves data quality KPIs and enables automatic alerting in the event of date deviations. The prerequisite is a clean master data and process foundation on both sides.

## Forecast-based commitments and S&OP

On the supplier side, statistical and AI-assisted date forecasts that enrich the ATP check with pattern histories are coming into focus. On the customer side, the interplay between delivery date commitments and S&OP processes is gaining in importance: reliable commitments support the synchronisation of demand, capacity and finance, for example with regard to the cash flow impact of payment terms.

## Resilience: multi-sourcing strategies and transparency

Following the supply chain upheavals of recent years, many buyers are weighting date reliability more heavily in supplier evaluations and sourcing decisions – for example as a fixed criterion in the evaluation criteria of a tender. Multi-sourcing strategies, supplier relocation and deeper transparency in the supply chain (up to the upstream supplier tier) complement classical date monitoring.

## Typical metrics

### On-time delivery (OTD): > 95–98 %

Proportion of on-time deliveries; define the tolerance window contractually.

### Confirmation rate: > 98 %

Proportion of order line items confirmed completely and on time.

### Confirmation time: < 24–48 hrs

Period from purchase order dispatch until receipt of the delivery date commitment.

### Date deviation: < 1–2 days

Average shift between the commitment and the actual delivery.

## Practical example

A medium-sized mechanical engineering company with around 4,000 active supplier line items suffered from fluctuating on-time delivery without systematically knowing the causes. The team introduced a structured delivery date confirmation initiative and linked it to supplier evaluation.

- Introduction of a 48-hour rule: if no commitment is received within two working days, the line item is automatically escalated.
- Binding definition of the reference date (arrival at the receiving plant) and a tolerance window of  $\pm 1$  working day in all framework agreements.
- Monthly date reviews with the top 50 suppliers, including deviation analysis and agreed actions.
- Enriching supplier evaluation with confirmation rate and on-time delivery, which feed into sourcing decisions and volume allocation.

## Conclusion

Delivery date commitments are more than an administrative data point: they are the backbone of materials planning and a reliable early indicator of supplier performance. What matters are clear definitions – reference date, degree of binding nature, tolerances – and a disciplined confirmation and change process. Those who systematically measure and evaluate commitments identify risks early and can steer in a targeted manner rather than react. Digital data exchange significantly reduces the effort involved. The effort required for sound date management typically pays for itself through fewer express freight shipments, more stable production and better supplier management.

## Frequently asked questions

### What is a delivery date commitment?

A delivery date commitment is the supplier's statement of the date by which ordered goods will be made available, shipped or delivered. It can be binding or indicative and, depending on the agreement, refers either to goods dispatch or arrival. It forms the basis for the customer's materials planning and production scheduling.

### What is the difference between the delivery date commitment and the delivery date?

The delivery date is the date committed by the supplier, whereas the delivery date achieved is the actual date of receipt. The difference between the two feeds into on-time delivery performance. It is important to specify in contracts which date applies (goods dispatch, arrival, availability).

### How is on-time delivery calculated?

On-time delivery (OTD) is the ratio of on-time deliveries to all deliveries within the period under review, typically measured against the date of receipt compared with the committed date. A tolerance window of  $\pm 1$  working day is often agreed. In addition, quantity compliance (in-full delivery) should be considered, as short deliveries also cause planning problems.

### What can be done if a supplier repeatedly fails to meet delivery dates?

First analyse the causes: data situation, process, capacity or upstream supply chain. Then hold a structured discussion with concrete figures, agree corrective actions and notification obligations, and track progress via KPIs. If performance remains inadequate, dual sourcing, volume reallocation or a new tender are options worth considering.

### What does Available to Promise (ATP) mean?

ATP is a function in ERP systems that checks which quantities are actually available at which dates, taking into account stock levels, open orders and planned receipts. Suppliers use ATP to derive realistic delivery date commitments. For customers, ATP is the system-side basis for credible commitments.

### Are delivery date commitments legally binding?

It depends on the wording in the purchase order, order confirmation and framework agreement; commitments may be intended as binding or merely indicative. Where there are discrepancies between the purchase order and the confirmation, deviation rules may apply. The legal assessment depends on the individual case and should, if in doubt, be reviewed legally.