Available to Promise (ATP): Managing reliable delivery commitments in procurement and sales

Available to Promise (ATP) denotes the quantity of a product or component that can be firmly promised to a customer for a specific date. The figure results from available stock minus orders already reserved and planned requirements. In the industrial B2B environment, ATP is the interface between demand planning, stock management and customer commitment – and thus a decisive lever for delivery reliability and customer satisfaction.

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Key facts at a glance

01 ATP indicates which quantity can be firmly promised for which date without jeopardising later orders.

02 There are multi-level concepts such as Discrete ATP, Cumulative ATP and Look-Ahead ATP, each with different safety buffers.

03 ATP is closely linked to demand planning, stock management and the capacity situation in production and supply.

04 Typical target values for on-time fulfilment of ATP commitments in practice are frequently above 95 per cent.

05 Without reliable master data and regular stock checks (cycle counting), ATP statements quickly lose their validity.

06 In the supplier context, ATP reconciliation with suppliers is an essential building block of delivery date management.

Definition: Available to Promise (ATP)

Available to Promise (ATP) is a stock and planning figure from order processing. It quantifies the quantity that can still be firmly promised to a new customer as of a cut-off date, after firm commitments already made and reserved requirements have been deducted.

Distinction from stock and demand

ATP is not identical to the physical stock level. Customer orders, production orders, safety stocks and, in some cases, requirements planned during storage time are deducted from gross stock. Quality rejections, material release processes and blocked stock also reduce the quantity that can actually be promised. Anyone deriving ATP solely from stock levels will regularly promise quantities that are already committed elsewhere in practice.

ATP in the B2B procurement context

For technical buyers, ATP is relevant when suppliers give delivery commitments for components or semi-finished products. The supplier's ATP value indicates which call-off quantities are realistically covered in which time periods. Buyers use this information for framework agreements, call-off schedules and capacity reservation – particularly for long-running parts, extruded products or components with long lead times.

Relationship to CTB and CTP

Alongside ATP, there are the concepts Capable to Build (CTB) and Capable to Promise (CTP). While ATP considers only existing quantities, CTP additionally checks whether additional quantities are possible through new production, taking material and capacity bottlenecks into account. CTB focuses on production capacity. In practice, ATP is used for standard products and CTP for customer-specific configurations.

Methods and procedure for ATP calculation

The calculation follows a simple logic at its core: available stock plus planned receipts minus firm commitments yields the promisable quantity. However, the quality of the result depends heavily on the chosen method, the data basis and the currency of the planning.

Discrete, Cumulative and Look-Ahead ATP

With Discrete ATP, the calculation is performed per period (typically day or week): stock plus receipts minus commitments of the period. With Cumulative ATP, several periods are combined, so that commitments from a later period can increase the availability of earlier commitments. Look-Ahead ATP extends this concept: surplus quantities of an upstream product or upstream day may be used for commitments of later requirements, provided no double obligation arises. Depending on the business model – series production, project business or spare parts supply – a different method is appropriate.

Data basis and master data quality

ATP is only as good as the master data behind it. Bills of materials, routings, lead times, minimum order quantities and supplier delivery times must be kept up to date. Supplier master data maintenance provides the foundation for this, as does a structured commodity code classification for unambiguous material identification. Implausible lead times or outdated bills of materials lead to systematically incorrect ATP statements, which are corrected at best by manual follow-up queries and at worst by delivery promises made to customers.

Regular stock control

Since ATP is derived from stock, physical stock accuracy is a fundamental prerequisite. Inventory samples following the cycle counting principle ensure that system stock and physical stock are reconciled before incorrect commitments arise. In practice, ABC-A items are checked more frequently than C items. In addition, blocked stock from quality processes – such as an open 8D report for complaints – should be consistently deducted from available stock.

ATP in interaction with demand planning and suppliers

ATP does not stand in isolation; it is embedded in the planning chain from demand forecast via stock management to the supplier's delivery commitment. A reliable ATP presupposes that this chain is consistent.

Feedback loop with demand planning

Demand planning provides the sales and demand forecasts from which the planned receipts feeding into ATP result. If forecast and actual demand deviate significantly, ATP figures shift as well. Regular reconciliation is therefore sensible, often monthly within the S&OP cycle and weekly on an operational level. Buyers use these deviations to communicate demand signals to suppliers early and to identify bottleneck situations in advance.

ATP reconciliation with the supplier

On the supplier side, supplier ATP corresponds to the confirmed delivery capability within call-off schedules. Regular coordination – for example as part of supplier capacity alignment – reveals whether the promised quantities are covered by actual production capacities. The supplier status documents in a binding manner which quantities were confirmed per period. Where there are discrepancies between call-off and confirmation, escalation is required early, before customer delivery commitments are jeopardised.

ATP in order processing and commitment processes

In the sales process, ATP is typically queried when a customer enquiry is received: the system checks whether the requested quantity can be promised for the requested date. For manufactured or supplier products with longer lead times, this check extends to the availability of raw materials and capacities. The requisition-to-PO lead time on the buyer side and the internal order lead time must be calibrated

accordingly so that the commitment is not systematically too optimistic.

Key KPIs around Available to Promise

ATP itself is a quantity figure as of a cut-off date. To evaluate the quality of ATP processes, derived KPIs have become established in practice that compare promises with reality.

On-time delivery and Delivery Performance

The key downstream KPI is Delivery Performance, i.e. the proportion of quantities delivered within the promised time window. If it deviates persistently from ATP commitments, the planning basis is flawed – whether due to optimism in lead times, unplanned bottlenecks or incorrect master data. In addition, OTIF (on time in full) is often evaluated per customer and product group to identify systematic patterns.

Stock accuracy and plan deviation

Inventory accuracy from cycle counting, often measured as the proportion of matching line items, explains a large share of ATP deviations. In addition, the plan deviation between forecast and actual demand is relevant: the higher it is, the more buffer is needed in the ATP figures – with the familiar costs. In practice, stock accuracy above 95 per cent and forecast deviations below 20 per cent are considered workable benchmarks for reliable commitments.

Responsiveness of commitment processes

How quickly can an ATP response be provided? In manually dominated processes, a firm commitment often takes hours to days; with integrated systems, real-time responses are possible. Average commitment time is therefore itself a KPI for process quality and competitiveness, especially in mechanical and plant engineering, where delivery date commitments are a central selling point.

Risks and controls in handling ATP

Incorrect ATP statements have a direct impact on customer trust, penalty payments and escalation costs. The main risks can be contained with clear rules and control mechanisms.

Double commitments and bottleneck situations

The greatest operational risk is the double commitment: the same quantity is promised to two customers, for example because stock reservations are not booked consistently or free-text commitments bypass the system. Countermeasures include a central reservation logic, clear approval rules for commitments outside the ATP and emergency procedures in the event of bottlenecks. In single- or multi-source situations, a structured risk analysis complements the assessment of how severely critical parts are affected by supply problems.

Buffer strategies and safety quantities

To safeguard commitments, many companies work with safety stocks or ATP buffers. The level should

be determined on a risk basis: critical single-source parts with long procurement times justify larger buffers than standard parts with several sources of supply. Single-source management provides the risk information here, while should-cost analyses help to assess whether increased safety stocks are economically viable compared with more expensive alternatives such as express procurement.

Contractual clarity on delivery commitments

Commitments to customers and confirmations from suppliers should be clearly regulated contractually: delivery date, Incoterms such as FCA or DDP, penalty rules and liability limits. The exit arrangement in the event of persistent delivery failures also belongs here – a documented termination-for-cause option strengthens the negotiating position if the supplier's ATP commitments are repeatedly not met. Legal details such as penalty rules must always be assessed on a case-by-case basis, if necessary with legal advice.

Current developments and outlook

ATP is evolving from a static stock figure to a dynamic, competitiveness-relevant commitment instrument. Drivers are rising customer expectations of delivery date commitments, more complex supply chains and digital planning tools.

Integrated planning across the supply chain

Modern approaches such as collaborative planning go beyond the company's own ATP: suppliers and customers align call-off schedules and commitments in shared systems or in structured procurement cooperations. This creates multi-level ATP chains in which availability at the tier-2 supplier feeds into the company's own commitment. This increases reliability but requires clear governance in category management and binding data arrangements between the partners.

Automation and AI-supported commitments

In practice, levels of automation are making inroads: systems propose ATP commitments, check alternative dates or suggest production variants (CTP). AI methods support the forecasting of demand fluctuations and delivery delays, and thus the calibration of buffers. What remains important: automation does not replace the critical review of critical line items, but reduces the manual effort for the mass of standard cases.

ATP as a negotiating and control lever

ATP commitments are increasingly being negotiated and made manageable: extended assurance periods in call-off contracts, volume commitments or reservation fees against earmarking. Buyers who deploy negotiation techniques in a targeted manner can make suppliers' ATP commitments more reliable and at the same time link this to price and terms maintenance – for example through better terms for agreed purchase volumes. Conversely, the reverse applies: those who reliably honour their own ATP commitments strengthen their position as a preferred customer.

Framework benefits and interactions with purchasing terms

Alongside the delivery logic, ATP also affects the economic side of procurement: promisable quantities are the basis for framework agreements, price tiers and volume discounts.

Volume planning as a basis for negotiation

Those who master their ATP chain can offer suppliers binding volume bands. This reliability is a genuine bargaining chip and can be translated directly into better purchasing terms via price and terms maintenance. Conversely, fluctuating ATP values weaken the negotiating position, because suppliers factor planning risks into their pricing. In international procurement, currency hedging is added to secure the calculation of promised quantities against exchange rate fluctuations.

Quality assurance as stock protection

Every rejection reduces the quantity actually available and thus the ATP. A structured material release before production start and consistent complaint handling with an 8D report and 5-why analysis protect availability. Export control and commodity code classification, in turn, prevent promised quantities from failing at customs or compliance hurdles – an often underestimated ATP risk factor in international deliveries.

Typical metrics

Metric	Typical value
Delivery Performance (on-time delivery)	> 95 % *Proportion of quantities delivered on time relative to ATP commitments; typical benchmark*
Stock accuracy (cycle counting)	> 95 % *Match between system and physical stock; foundation for reliable ATP figures*
Forecast/actual plan deviation	< 20 % *Orientation value for a stable ATP process; varies by industry*
Commitment time (ATP response)	< 24 h *Time until a firm commitment; often possible in real time with system support*

Practical example

A mid-sized mechanical engineering company with around 200 employees suffered from frequent schedule delays on customer projects. The cause: sales gave delivery commitments based on stock levels without accounting for reserved orders and open blocked stock. After introducing a disciplined ATP process with weekly reconciliation of delivery confirmations and clearing of reservations, the

deviation between promised and actual delivery dates fell significantly – Delivery Performance measurably improved within two quarterly reviews.

- Introduction of a uniform ATP logic (Discrete ATP with weekly resolution) for all standard components.
- Weekly supplier reconciliation as part of supplier capacity alignment to confirm call-off quantities.
- Regular cycle counting for A-items to safeguard stock accuracy.
- Binding approval rule: commitments outside the ATP require authorisation by stock management and sales management.

Conclusion

Available to Promise is more than a stock figure: it is the central control instrument for making delivery commitments to customers reliable. The prerequisites are clean master data, accurate stock and a consistent planning chain from demand planning to supplier reconciliation. Companies that operate ATP in a disciplined manner gain delivery reliability and, at the same time, negotiating power with suppliers. The investment in process and data quality quickly pays off in practice through fewer escalations and lower buffer stocks.

Frequently asked questions

? What exactly does Available to Promise mean?

Available to Promise (ATP) is the quantity of a product that can still be firmly promised to a customer as of a given cut-off date. It results from available stock plus planned receipts minus firm reservations and commitments. ATP is therefore a planning figure and is not identical to the physical stock level.

? What is the difference between ATP and CTP?

ATP considers only existing and already planned quantities, whereas Capable to Promise (CTP) additionally checks whether additional quantities are possible through new production, taking material and capacity situations into account. ATP is typically used for standard products, CTP for customer-specific configurations with longer lead times.

? How is ATP calculated?

The basic formula is: available stock plus planned receipts minus firm customer orders and reservations. Depending on the method – Discrete, Cumulative or Look-Ahead ATP – the calculation is performed per period or cumulatively across several periods. Quality depends crucially on up-to-date master data and accurate stock management, for example through cycle counting.

? Why is ATP important for buyers?

Buyers need ATP information from their suppliers in order to make reliable delivery commitments to

their own customers and to plan call-off schedules realistically. Regularly reconciling confirmed quantities with the supplier's actual capacity, for example as part of supplier capacity alignment, identifies bottlenecks early and protects against schedule delays and penalty payments.

? Which KPIs belong to ATP?

Key downstream KPIs are Delivery Performance (on-time delivered quantity as a ratio of the commitment), stock accuracy from cycle counting and the plan deviation between forecast and actual demand. In addition, the average time to a firm commitment is a useful indicator of process quality. Practical benchmarks are on-time delivery rates above 95 per cent and stock accuracy above 95 per cent.

? How can double commitments be prevented in ATP?

The foundation is a central reservation logic in which every commitment is immediately booked firmly. In addition, commitments outside the ATP should be subject to an approval procedure and blocked stock from quality processes should be consistently deducted. Emergency procedures for bottleneck situations – such as prioritisation rules and customer communication – complete the rulebook.

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