

# **Feature Description:**

# **Production Management**

Production Management is the series of events that manages the flow of raw materials into a production area and the receipt of Finished Goods. Generally these Finished Goods are produced on a "make to order" basis and will be shipped immediately. Production Management will also track the production of items destined for inventory.

The components of Production Management are Production Orders, Production Picking and Production Receiving.

#### **Production Orders**

Production Orders sent to Locate-It will be encoded to distinguish them from customer orders. These orders can be imported through an interface to a host order processing system or entered through the Order Manager module. Locate-It imports orders through a number of methods including ASCII file imports and fully integrated systems. Production Orders can be created "on the fly", during picking, just as Auto-Generated ship order can be created.

A production order will differ from a customer order in that items picked against it will be directed to a Work In Process (WIP) Location and not be removed from the system until the Production Order is closed. Inventory will continue to be present in the system, but will be allocated to WIP.

A Production Order will have a list of Items (SKUs) that are to be picked for this order. This list can be a Bill of Materials (BOM) or any list of items needed for this production run. Items may be added during the picking process even though they were not part of the original order.

A production run may result in the making of a single SKU or multiple SKUs and each can be identified in the Production Order with their expected quantities and Lot Number. An Expected Receipts file is created to aide in the receipt of these items so that the receiving clerk can validate that the proper quantity is brought into inventory or staged for shipping.

A Production run may produce items for a single or multiple customers. At the time of creation, Customer Order numbers can be associated with the Production Order so that upon receiving, items will be staged and shipped for the proper customer.

Once Production has been completed and after over-picked items have been returned the Production Order will be closed. Upon closing the Order, the difference between the picked quantity and the returned quantity will be the quantity allocated to the order.

## **Production Picking**

Once a production order is released for picking, it may be picked using one of the many picking routines available in Locate-It. A Production Order can be created prior to picking and pickers can pick against it or it may be created at the time of picking using the Auto-Generated feature.

In some cases the Production Order calls for a quantity less than what is contained in a normal carrying unit. In this case the Picker can select the full load quantity, deliver it to production and return the balance to inventory at the end of the production run. For instance; a full pallet of a raw material comes in sacks on a pallet and this full pallet contains 1000lbs of the item. The Production Order calls for 800lbs of the item. Instead of separating 800lbs from the in stock pallet, the picker can deliver all 1000lbs to production. The system will then indicate that 800lbs have been allocated to the Production Order and the remaining 200lbs are still in inventory and available for picking. The way some items are configured, such as roles of paper, make it impractical to allow the over picked quantity to be available for further picking, so this is optional.

Once the production run is finished all over-picked items can be returned to inventory, making them available for future production.

### **Production Receiving**

After a production run, items can be received into a Finished Goods inventory or staged for shipping directly to a customer. As noted earlier, if a Production Order is created, it can indicate the destination of the items coming from production. Customer items may come from multiple Production Orders and they will be consolidated at receiving for shipping. This function is similar to a traditional Cross Docking routine.

Once the item is received, its handling will follow normal handling procedures as defined in the item master table.

### **Lot Tracking**

Production management allows for the tracking of raw material Lot Numbers into a Finished Goods SKU & Lot Number. As raw material items are picked Locate-it will associate their Lot Numbers to the Production Order and thus to the SKU being produced on that Order. You have full Lot Number history of each item produced. Since Locate-It tracks SKUs and their Lots to a customer order, you will have forward, backward and inside-out data mining capabilities. You will be able to determine what customers got a finished good SKU and Lot by only knowing a raw material SKU and Lot. Likewise you will be able to determine all the raw material SKUs and Lots that went into producing a specific SKU. From the inside you will be able to determine all the Finished Good SKU/Lots produced and all the raw material SKU/Lots consumed to complete a specific Production Order.