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Sage MAS 90 Tip

Here's how to use Business Alerts to email a group of invoices to a customer. Start the Customer Notification of New Invoices sample process. Then,

- ① Double-click to open the **Process Properties** window.
- ② Click on the **Steps** tab and select **Monitor an OLE DB Data Source**.
- ③ Click **Edit**, then the **Step** tab.
- ④ Click **Edit** and for the **Group By** field select "AR4_Open Invoice" Customer Number.
- ⑤ Click **OK**.
You're finished.



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The Bill Of Materials Module Not Just For Manufacturing

Generally regarded as a manufacturing tool, the Sage MAS 90 ERP Bill of Materials module is very useful for companies that perform simple assembly such as grouping together several items in a package. Think of industries that sell gift baskets, tool kits, storage containers with lids, craft supplies, and hardware sold with fittings—all consist of bills—a collection of items sold as a single item. Let's take a look at what the Bill of Materials module has to offer.

Consider ABC Company that sells gift baskets. ABC buys raw materials for these gift baskets in bulk, and then assembles the finished products to sell. Few of us would think of this company as a manufacturer, yet the Bill of Materials module is a great fit for this type of distributor.

Why Use Bill Of Materials?

ABC Company sells a gift basket that includes: the basket, flowers, a stuffed toy, a card, and the cellophane and ribbons to wrap it. This Gift Basket is set up as a bill of materials, with the components being the items that make up the basket. It wouldn't be efficient for an order entry clerk to enter every component into the sales order, nor would the customer need to see those components; they're just buying a Gift Basket.

Pick And Choose Options

What happens when one of ABC's customers wants a green basket instead of blue, or a stuffed dog instead of a bear? That's where the Bill of Materials module's **Options** come in. By setting up various options for its bills, ABC can accommodate variations in the basic bill without setting up multiple bills to represent minor changes. During Sales Order Entry, ABC's staff can enter a bill and then configure that bill by selecting the options established for the bill. The result is a clean, intuitive interface for ABC's staff, and an efficient, effective inventory and order entry system for the company.



Companies that assemble several items into a package for resale also can benefit from the Bill of Materials module.

A bill can have up to nine Option Categories (color, size, etc.) and each option category can include any number of specific

options selected when the bill is processed. If you wish, you can designate an option category as required—this will force the user to select from the available options for that category. An option may increase or decrease the bill's unit price, and the Bill of Materials module allows you to account for both possibilities.

The multiple available options for a bill can present some special situations. For example, the choice of a particular option may require you to add or subtract another component from the bill.

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Bill Of Materials CONTINUED

The Bill of Materials module provides for this through Option Interaction Maintenance. Here you list component items, comment lines, or a miscellaneous charge to be added or subtracted from the base bill when a particular combination of options is selected.

Accounting For Costs

There's labor involved in assembling the gift basket—someone gathers the items, arranges them in the basket, wraps the basket in cellophane, and ties the ribbon around it. The Bill of Materials module lets ABC account for that labor by adding a Miscellaneous Charge code to its bills. ABC Company could incorporate an overhead cost or a setup charge into its bills in the same fashion. The cost of the gift basket then is the sum of its components, plus the sum of the miscellaneous charges ABC has assigned to it. The Bill of Materials module makes it easy for ABC to accurately state the cost of every item it sells.

Yield And Scrap

With most manufacturing processes, and in many of the quick assembly type processes there is waste. For ABC Company it may be that the ribbon they buy comes in lengths of 30 inches, but each basket only needs 24 inches. The Bill of Materials module **Scrap** accommodation allows ABC company to account for that scrap in the bill's components.

The Bill of Materials module also has built-in accommodation for **Yield** calculation, allowing for the accurate projection of material requirements. Both the Yield and Scrap accommodations can be used within a single bill.

Using Kit Bills In Sales Order

Many assembly-type companies, such as our ABC Company have simple, single-level bills that they use to define a group of items that are commonly sold as a single unit. Kit Bills or Sales Kits are an efficient way to configure these types of bills in the Bill of Materials module. Kit bills can be either assembled during the order picking process, or they can be assembled during the manufacturing process.

For companies that do not preassemble and stock completed goods, Kit bills are ideal,

since they are entered on a Sales Order. You can “explode” the bill, to detail the components that make up the bill. You may then add or delete components or change their quantities. You can even tell the system whether or not to print the individual components on the forms. As that Sales Order Invoice is updated, it is the individual components, not the bill item that are removed from inventory. A Kit bill is the only bill type that can be used in this way in the Sales Order module. Note that a Kit bill can only contain inventory items and comment lines, not miscellaneous charges.

Building A Bill

Typically manufacturers and businesses choosing to stock sales kits in the same manner that regular manufactured items are stocked will use the **Production Entry** task in the Bill of Materials module. It is here that you enter the bill item you have built and in what quantity. Here too, the bill is exploded into its components, and you may adjust them as necessary. When you update the **Production Entry Register**, the assembled bills are recorded, the completed bills are received into inventory, and all components are relieved from inventory.

Reporting

The Bill of Materials module includes a number of valuable reports to help companies manage their manufacturing process. Several of those reports would also be useful to our ABC Company.

The **Gross Requirements Report** lists the total component quantities required to make a certain number of selected bills. You enter the bill number, revision number, options, quantity to be produced, and the component warehouse and the report details the quantity required, quantity available, and quantity short for each component.

If our ABC Company were to learn that their supply of teddy bears was drying up, it would be helpful to know which gift baskets used that component item. The **Where-Used** report lists all bills that contain a specified component item, and the quantity used in produc-

tion. There is also a **Where-Used** inquiry option that provides much the same information in a quick on-screen view.

Labels

Production Label Printing allows you to produce labels for the items you manufacture or assemble. Those labels can include all applicable information, and can even include bar-coded fields as required by your operation.

Interface With Other Modules

The **Inventory Management** module is required for the Bill of Materials module to function. This integration allows you to track the issue and receipt of inventory items. As components are used in production entry, those usage entries are recorded as issue transactions in Inventory. Your production entries for parent items are recorded as receipt transactions.

You can integrate the Bill of Materials module with the **Sales Order** module. This adds the ability to sell Sales Kits or Kit Bills. When using Sales Order Entry and Sales Order Invoice Data Entry, the system commits and relieves all components in a kit. The cost of goods sold associated with the sales kit is determined by the total cost of all component items. The price of the kit is calculated as the standard price for the item plus the total of all applicable option prices specified for each selected option code. Any discount or price adjustment that applies to the customer is based on this calculated price. The cost for individual components is determined by the costing method used by each component.

The Bill of Materials module also integrates with the **Work Order** and **Material Requirements Planning (MRP)** modules to provide a comprehensive manufacturing solution.

Is It Right For You?

We've just given you a general overview of the capabilities of the Bill of Materials module here in an effort to demonstrate its value to non manufacturers as well as manufacturers. We'd love to help you determine if this module is a good fit for your organization, please give us a call. ☆