



**Jooji<sup>SM</sup> Software Solutions**  
*Complete Business Solutions*

**Financial & Cost Accounting  
Purchase & Sales  
Inventory  
People  
Manufacturing  
Custom Software Development  
Big Data Analytics and Reports**

# Procurement Process for Manufacturing Companies



## Introduction

This document briefly describes the procurement process for Manufacturing companies. The process also briefly includes material requisition and consumption process.

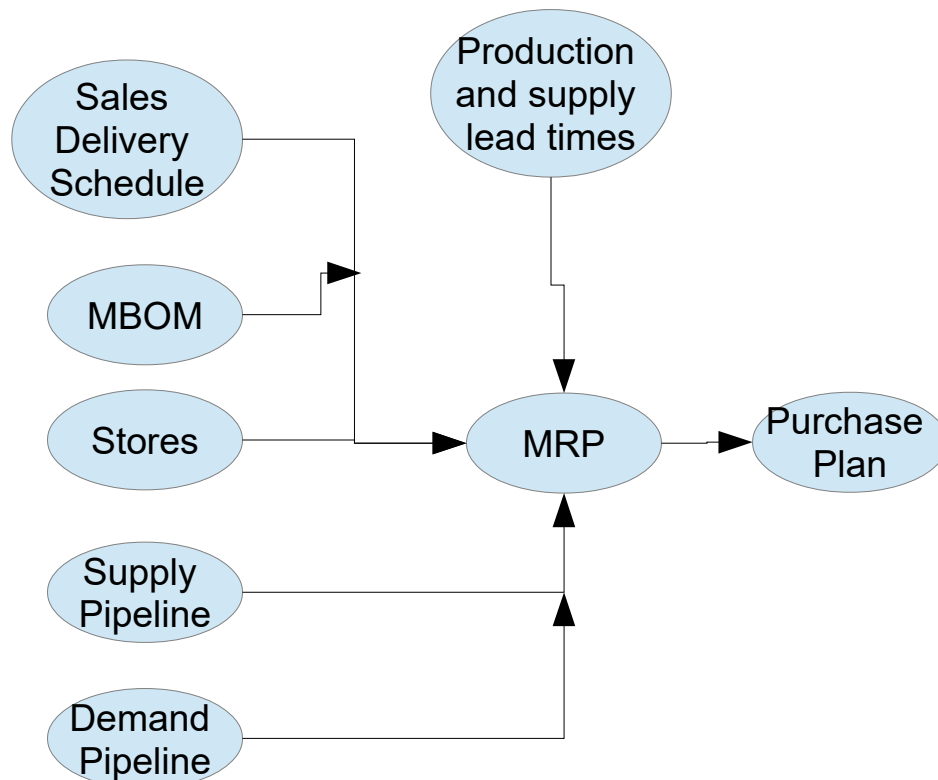
## Purchase Planning

Purchase plan is made for a specific planning period starting today till the end of period. For example from beginning of the month to the end of the month on the 1<sup>st</sup> of the month.

Purchase plan considers the following:

1. Current Demand – Demand for the current planning period based on MBOM and the sales plan.
2. Previous Demand – Material that needs to be issued for the finished products that are already in production.
3. Stores – Material already available in the store.
4. Incoming Pipeline – Incoming material that are ordered before

The following diagram describes the process clearly.



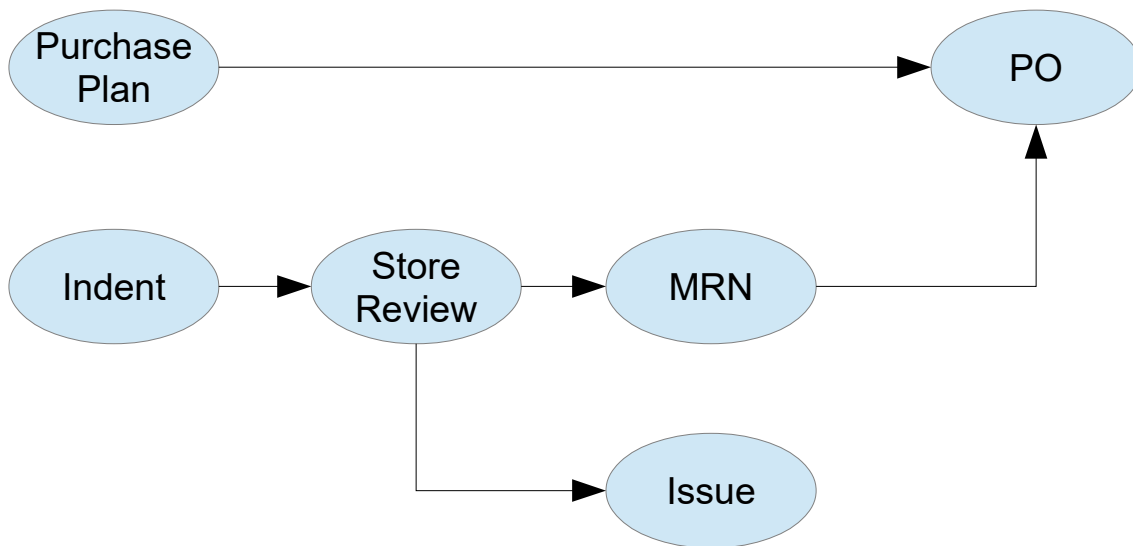


## Purchase Process

There are two main flows for purchase, that is before a PO is issued.

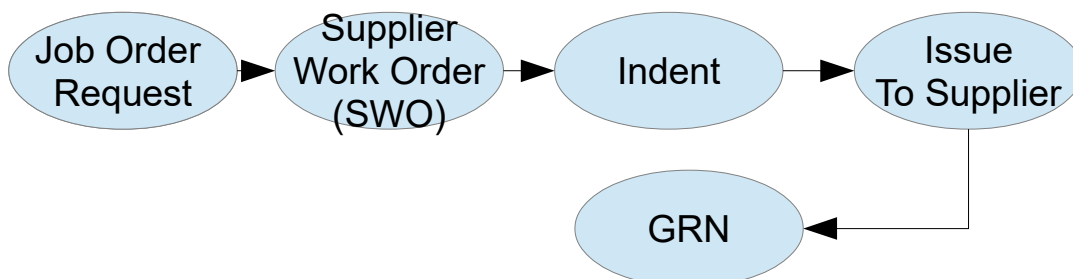
1. Raising PO from an approved purchase plan.
2. Raising PO from an indent from production. This is for materials that are not part of MBOM. Stores check the availability of the material and decide if the material is required to be bought. In case of purchase requirement an MRN is raised. The purchase department then raises PO for the material.

The following diagram shows the process.



External work orders for job work can be made by the purchase department based on the requirement. Material can also be issued and received from the store against these work orders.

The process is shown below:





**JOOJI<sup>SM</sup> Software Solutions**  
*Complete Business Solutions*

**Financial & Cost Accounting  
Purchase & Sales  
Inventory  
People  
Manufacturing  
Custom Software Development  
Big Data Analytics and Reports**

## **Store**

The store will include the following processes.

1. Opening stock : Opening stock as per records or physical verification on the start date of implementation can be added to the system.
2. Issues:
  - Indents can be raised from the work order.
  - On approved indents materials can be issued from store. The issues will be linked to the work order.
  - When the issue is approved the stock will be deducted from the store.
  - Issues can also be made for a Supplier Work Order (SWO) for external processing.
3. GRNs
  - Based on the PO/SWO GRN can be made when the material comes to the store from the vendor.
4. QA
  - QA is done on the material and accepted and rejected stock is identified.
5. Invoice
  - Purchase invoice and debit note can be raised based on the invoice.