

The RTIS Purchasing Module

Overview

The performance of the purchasing function in a manufacturing company can have an enormous effect on profitability. The critical tasks facing the purchasing role include:

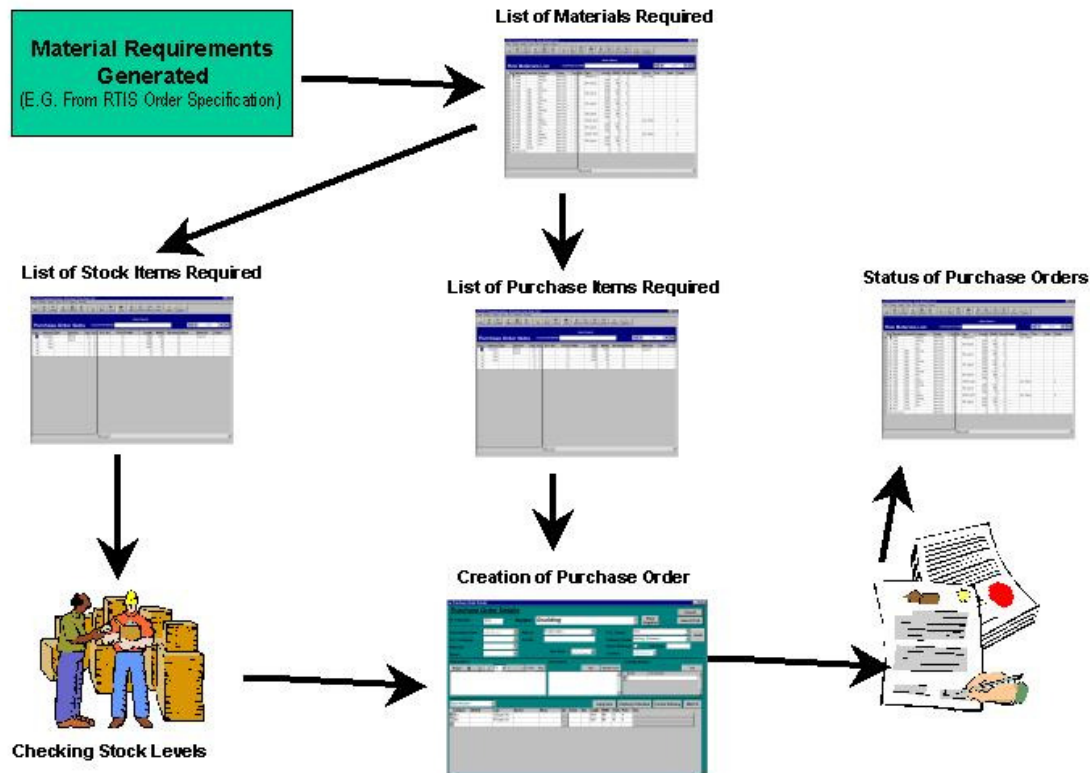
- Ensuring best supplier balance of price, quality and lead time
- Ensuring all materials are available for production
- Avoiding large stock holding and slow moving stock items
- The ability to respond to urgent “rush” situations

The experience, common sense, and flexibility of the purchaser is essential in ensuring these issues are being intelligently handled, but frequently much of this role can be taken up in the laborious collection and summarisation of the material requirements.

The aim of the RTIS purchasing module is to facilitate the manipulation of the demand and stock information, and as suitable provide for either automated purchase generation or for informed ‘manual’ decision-making. By saving many of the man hours required in the purchasing role, the purchaser can prioritise the high value work of managing stock levels, negotiating contracts and service relationships, and procuring urgent requests.

Core Functionality	Benefits
To facilitate the manipulation of Material Requirement lists into considered and presentable purchase orders	<ul style="list-style-type: none"> • Reduce man hours overhead in purchasing function • Avoid stock outs • Produce clear professional purchase order forms
To track Purchase Orders to completion	<ul style="list-style-type: none"> • Knowledge of when materials are expected • Early chasing of undelivered or late materials • Supplier performance evaluation
Provide feedback to other processes	<ul style="list-style-type: none"> • Awareness of order status of particular materials • Tracking of actual lead times achieved in sourcing materials
Management Information	<ul style="list-style-type: none"> • Summarisation of purchasing patterns and volumes

Information Flow and Procedure



1. The first step in the process is to obtain the list of material requirements for production. If the system is to be integrated with the RTIS Order specification module, these requirements will be being generated as the order details are being specified.
2. The system then provides the purchaser with a complete list of all the requirements that have been generated. These can then be sorted and filtered by required dates, material types or characteristics etc, to present whatever view the operator requires.
3. From this list of the system or operator (as appropriate) decides what is likely to be covered by normal or current stock holdings, and which material requirements will require specifically purchasing. The items are then consolidated during the transfer to the respective lists (Stock Items or Purchase Items).
4. Next the purchase order is created (this may be due to immediate manufacture requirements or stock replenishment), submitted, and becomes an entry on the list of live purchase orders for tracking to completion.

Other Features

- **At every stage, the system provides as much automation as the operator decides is appropriate, and each function can be done entirely manually.**
- **Different types of material need handled differently when consolidating requirements, or describe them on a purchase order. This flexibility is provided within the structure of the system.**
- **Likewise different suppliers may require information presented in different ways, again the system is flexible enough to accommodate this.**