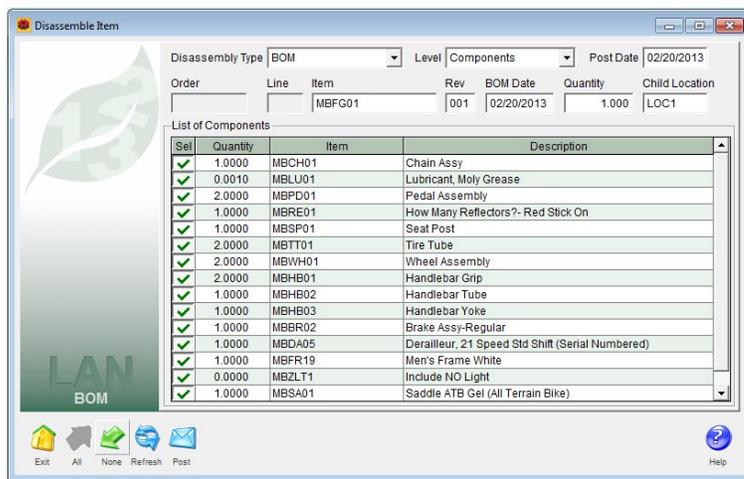
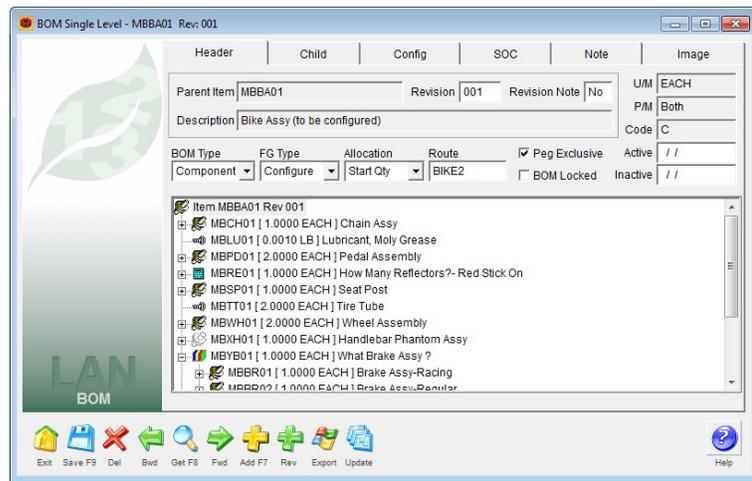


BOM Module

The BOM (Bills of Material) Module is the foundation of a manufacturing system. A BOM is a listing of all the subassemblies, parts and raw materials that go into making a parent assembly and shows the quantity of each required to make that assembly. It is used in conjunction with the production schedule to determine the items for which purchase orders and work orders must be released. A variety of BOMs are supported, including the single-level bill of material, the indented bill of material, the modular bill, the variable bill, the phantom bill, and the costed bill.

If your company relies heavily on bills of material for products with features and options, then modular bills could have a huge impact on the management of those bills and the costs associated with them. Here is why. A standard BOM consists of a parent item and a list of components to make one of an item. So if you are making bicycles and those bicycles come in ten different colors, then you have to build and maintain ten separate bills, one for each color. Now say that you offer boys and girls frames, five different styles (touring, mountain, etc.), four different tires, six derailleurs, and three lighting options. That would come to $10 \times 2 \times 5 \times 4 \times 6 \times 3$, or 7,200 unique bills that would have to be built, entered and maintained. The creation and management of that number of bills is expensive and error prone.



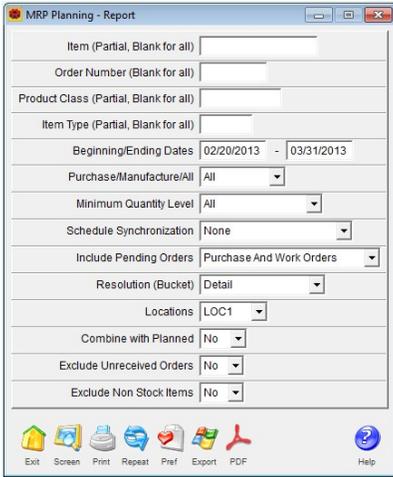
A modular bill consists of the parent item and a list of choices instead of components. So instead of ten bills to cover the color choices, you would have one bill that has a component that looks like a subassembly. But instead of a list of components in the subassembly, you have a list of color choices. Whenever the bill for the bike is included on a work order, it asks you which color to use. The result is one bill structure that can be used to build any of the ten colors available for that bike. The same applies to the rest of the options. The net result is that one BOM, using modular bills, can be constructed to account for every permutation of that bicycle.

If you have bills of material for products that are essentially the same except for components that have a variable quantity, then variable bills can greatly reduce the number of part numbers and bills you must create and maintain. Like the modular bill, variable bills reduce costs and errors.

The result of using modular and variable bills is that one indented bill structure can be used to configure many, even thousands, of possible finished goods. These bill types form the foundation for a sales order configurator that is part of ALERE Accounting.

The BOM Module can disassemble an item, meaning it can take something apart and return the components to inventory. Most commonly this occurs when a product is returned to your company and the desire is to salvage the useable parts. Similarly, the item being returned may be a kit where no disassembly is required but the parts still need to be “de-kitted” and placed back in inventory. The need to disassemble may extend to manufacturing work orders when a partially completed job is stopped due to a cancelled order or for any number of other reasons. Inventory overstock or discontinued product may also be the cause for the need to disassemble. ALERE Manufacturing can quickly handle all of these situations.

Another major implication of disassembly has to do with supporting different types of businesses. Traditionally, we



think of manufacturing as producing a product from a number of parts. But industries such as wood products, petroleum, sawmilling, major chemicals, paper and pulp, dairy and meat, electronics, rubber, and others start with one raw material and “explode” into a wide range of end-products, co-products and by-products using what is called an “inverted bill of material”. ALERE Manufacturing supports this type of bill and permits these types of processes.

Revisions are supported in BOM's including building to a specific revision level. Components of one bill can be copied to another and bills can be imported using a spreadsheet. Changes can be made through a mass replace utility.

Material orders, meaning orders to quickly build an item using only a BOM, can expedite creating simple finished goods.

Net Trial Requirement reports and even MRP is included in the BOM Module. In fact, for companies that are materials intensive, with little labor involved, may find that this module and the Manager Module are the only components they may need to have an effective manufacturing system.