

# How to Track production processes/steps that are done by 3rd Party Vendors

Last Modified on 03/31/2021 3:30 pm EDT

When setting up your Bill of Materials for your assemblies you might be trying to figure out how to keep track of processes in production that are done by 3rd party vendors where the inventory is sent to their location and then sent back to you when the work is completed. Here is how!

-Open the Lists menu and click Locations. There should be a location setup for any vendor that might have your inventory at their location. Go ahead and right click and then Add to start adding new locations for your vendors.

-Open the List menu and then Profile Lists, Production, Steps. Here you can setup new steps for each of your vendors that will be involved in your production process and be sure to assign them the new locations you just setup for them in the previous step.

-Now open any assembly item from the item list that will need to be sent to a 3rd party vendor as part of the production process. Make sure there is a step in the BOM where the location is one of your internal warehouses where any components or raw materials that will be coming out of your stock and being sent to the vendor will be coming from. This way the system will know which location to allocate the inventory from. Then add any steps that will be at the 3rd party vendor location. This will move everything in production to that location. Typically no parts should be listed under this step since this will be at their location and they will be using parts you sent to them from the previous step. Only non inventory or service items (labor) are listed here. Then add another step that will be at your warehouse to signify the assembly being received back into your warehouse and the 3rd party vendor completing their part.

In this example if you have an assembly in which all production happens at the 3rd party a popular setup would be:

Step 1: Allocation step at the internal warehouse with all related items being sent to the vendor listed

Step 2: Named for the vendor doing the work, no items list besides non inventory (labor) and the location being the vendor location

Step 3: Receive back from vendor, with the location being your warehouse and no components listed.

---