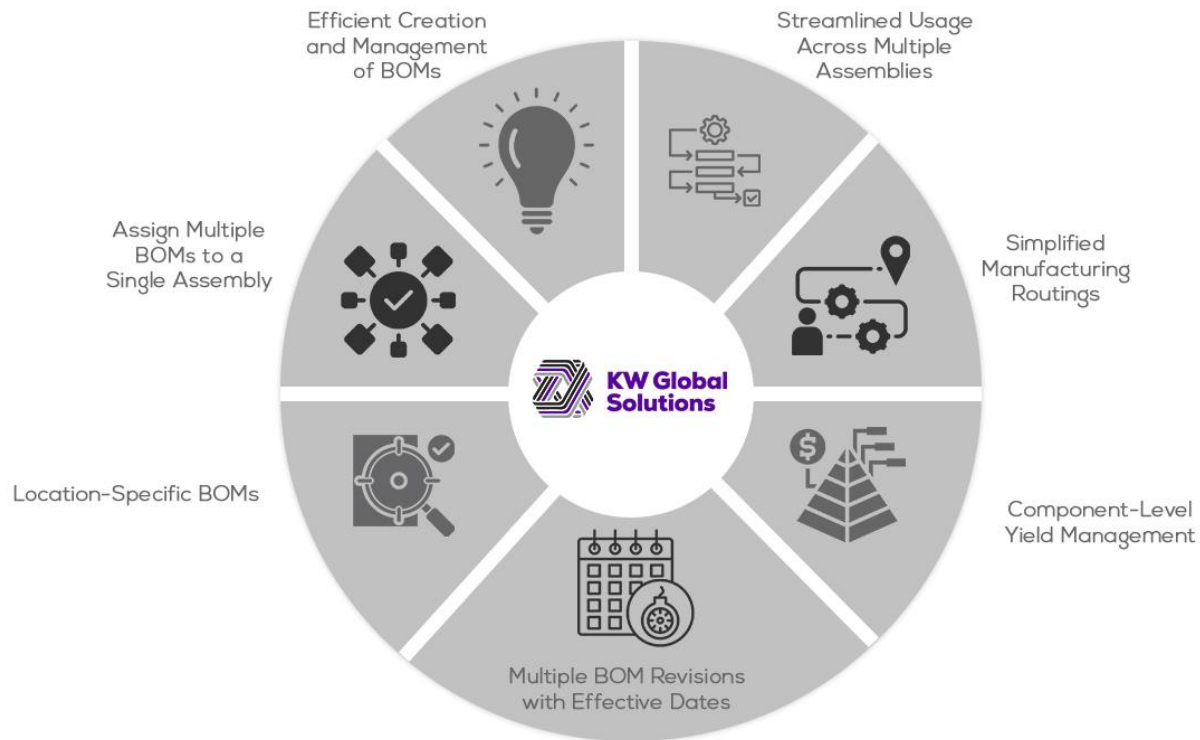


KEY BENEFITS OF ADVANCED BILL OF MATERIALS (BOM)



Understanding Advanced Bill of Materials (BOM) in Manufacturing

A Bill of Materials (BOM) is a detailed list that defines the quantities and types of raw materials, assemblies, sub-components, and parts needed to manufacture a product. This essential document allows manufacturers to streamline communication, whether coordinating with external manufacturing partners, various facilities within the organization, or a single production plant.

NetSuite's Advanced BOM feature takes the standard BOM process a step further, adding flexibility and enhancing control. Here's an in-depth look at how an Advanced BOM can support complex manufacturing needs.

Key Benefits of Advanced BOM

1. Efficient Creation and Management of BOMs

- **Copy Existing BOMs:** Advanced BOM enables manufacturers to quickly duplicate existing BOMs and modify them for new products or versions. This saves time and ensures consistency, especially when introducing minor variations to established products.
- **New BOM Creation:** Manufacturers can easily create BOMs from scratch when developing new products, ensuring all necessary components and quantities are accurately recorded from the outset.

2. Streamlined Usage Across Multiple Assemblies

- With Advanced BOM, a single BOM can be applied to multiple assemblies, simplifying the BOM management process. For example, if a company produces different sizes of a product that share common components—such as bicycle frames with the same wheel assembly—they can use the same BOM for each variation. This reduces redundancy and ensures consistency.

3. Assign Multiple BOMs to a Single Assembly

- An assembly can have multiple BOMs assigned to it, making it easier to manage variations for different purposes and stages in the product lifecycle. For instance, a product may have:
 - Engineering BOM (EBOM): Used during the design phase to specify requirements and materials.
 - Production BOM (PBOM): Applied in the production phase with finalized specifications.
 - Subcontracting BOM: Created for assemblies outsourced to third-party manufacturers.

Each BOM type supports unique manufacturing requirements, which allows manufacturers to precisely define materials, processes, and stages.

4. Simplified Manufacturing Routings

- The Advanced BOM feature allows the duplication and creation of new Manufacturing Routings, which define the specific steps and sequence needed for production. Routings are linked to BOMs to track and optimize the manufacturing workflow, from material preparation to assembly completion.

5. Location-Specific BOMs

- Manufacturers can designate a default BOM for an assembly or select a location-specific BOM. For example, a bicycle assembly produced in Canada might use BOM CA. When production expands to the U.S., a location-specific BOM U.S. is applied. This adaptability streamlines production across regions with unique sourcing or regulatory requirements.

6. Component-Level Yield Management

- Manufacturers can define yield percentages at the component level to account for material loss during ordering and planning. This feature helps in tracking potential waste or inefficiencies in raw material usage, ensuring that production plans and costs reflect realistic usage and yield expectations.

7. Multiple BOM Revisions with Effective Dates

- Multiple BOM revisions can be created, each with specific start and end dates. This allows manufacturers to manage changes over time, such as seasonal material substitutions, regulatory adjustments, or new product versions. BOM revisions help keep production aligned with current requirements and ensure regulatory compliance.