

Manufacturing Business Process Model

Process	Stage 1	Stage 2	Stage 3	Stage 4
Perform Order Management				
Forecast Order Volume	Manual process from historical data. Main focus is forecasting volumes in dollars, typically by customer, which are reasonably accurate. SKU forecasts, if available, are fairly inaccurate and/or not time phased.	Data from several business cycles used to estimate unit requirements by SKU or product family. Simple averages or moving averages used as a guide to forecast.	Forecasts by SKU by customer for the top 20 % of the customers. Sales, marketing, design, and others participate in reviewing initial forecasts for each customer to manually adjust for special plans. Orders consume forecasts.	Real-time access to customer plans & inventory. Role changes to longer range planning for materials, inventory, and account management rather than forecast orders. Econometric and general business environment forecasting is more prevalent.
Enter and Process Orders	Mail, Fax, and phone receipt. Paper intensive process. Customer must know catalogue numbers (SKUs) or the customer service personnel must remember what the customer orders.	Manually entered and some linkages internally. Can verify price etc. at order receipt and can perform a search to match customer needs to products.	Received via EDI; no manual steps required. Open quotes, report order configurations, and customer preferences maintained.	Received via EDI with linkages to all internal processes. Responsible to plan order based on customer inventory and forecast.
Manage Customer Credit Exposure	Finance establishes limits. Sales works for lenient terms and high limits with specific sales opportunities.	Established limits & terms set by reviewing financial statements and other data.	Credit guidelines linked to OE to insure exposure is not exceeded.	Credit policies integrated throughout planning to shipment. Possible credit limit problems identified before their order is received.
Plan Production and Delivery for Customers	Standard lead times utilized. Usually cannot provide a specific ship date without investigation and a return call.	OE and inventories linked for promising. When inventory is not available, a standard lead time is quoted.	Order status available. Promise can use plans/forecasts to provide a commitment during the initial phone call.	Direct linkages to adjust plans to meet customer needs. Main focus is to improve customer's material flow, inventory, and merchandising efforts.
Bill and Collect Revenue	Manual invoicing after shipment. Pricing, terms, quantities must be checked for accuracy before invoice is issued.	Quantity & pricing input after shipment to generate the invoice. A/R are aged and open receivables greater than a specified limit are pursued.	Integrated with shipment for automatic invoicing. Accounts receivable function proactively works with customers to insure upfront setup for efficient payment cycle.	Invoices sent EDI or not at all. Pricing and customer service responsible for setup of information to insure fast payment.