

Understanding Sales and Production Orders

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This guide summarizes differences between sales and production orders. It is intended for general users.

Orders are divided into a few record types. Two common types are sales orders and production orders. The default order type for your system can be [configured](https://aace6.knowledgeowl.com/help/overview-of-orders#ConfiguringOrders) (<https://aace6.knowledgeowl.com/help/overview-of-orders#ConfiguringOrders>) by your system administrator.

Sales Orders

These orders are used when you pick, pack, and ship items. These can be existing items or items that you will produce as part of the sales order.

With sales orders, aACE treats each existing line item code (LIC) as a separate item. Even if one item is indented beneath another (e.g. an [upgrade](https://aace6.knowledgeowl.com/help/working-with-alt-upgrades-and-options) (<https://aace6.knowledgeowl.com/help/working-with-alt-upgrades-and-options>)), aACE does *not* recognize the indented item as a component of the preceding item.

Production Orders

These orders are used when you must assemble components or materials. This can include production or service requirements. With production orders, aACE includes features for customizing assembly items and costs. These costs can be rolled into the parent-item price or calculated separately for each item. This functionality allows you to build a bill of materials (BOM) as you go.

In production orders, aACE identifies an indented item as a component of the preceding item. This connection is often referenced as a child item linked to the parent or root item. Child items typically represent a production job.

Work must be assigned out, materials applied, and the job status updated. Be sure to use Assembly Items and Inventoried Assembly Items on these orders. This prevents non-assembly items from being 'orphaned' during the process. You can track the assembly work and monitor the quantity of items produced using the views available on the Management tab.

Your system administrator can customize the actual production workflow, applying various

system preferences.

Item Types Used on Different Order Types

aACE handles Assembly Items and Inventoried Assembly Items differently when you add them to a sales order or a production order:

- Assembly Item
 - Added to a Sales Order — Creates a job, but does *not* add child order items to the Bill of Materials (BOM) for that job.
 - Added to a Production Order — Creates a job and adds child order items to the BOM for that job.
- Inventoried Assembly Item

Note: Root/parent items are assembled, while child items are pulled from stock in order to assemble.

 - Added to a Sales Order — aACE treats the inventoried assembly item like a regular inventoried item. This includes:
 - Prompting you to put unavailable items on backorder
 - Listing backordered items as separate for shipping
 - *Not* identifying the item as a material cost
 - Added to a Production Order:
 - If the inventoried assembly item is placed at the *root level* of the order — aACE treats it as a separate item with separate jobs and tasks.
 - If the inventoried assembly item is *indented under a 'parent' item* — aACE rolls the item into a job for the parent item, including time costs, material costs, and shipping tasks.

Note: When you create LICs for your system, only create Inventoried Assembly Items if the end result is a product that is as consistent as a supplier's product with a single SKU.
