# CASE STUDY: purchase of parts in a manufacturing company

1. Production asks Warehouse for raw materials

2. Warehouse has not the RM and forwards a request to the Purchase office

3. Purchase office negotiates with the chosen supplier, price, quantity, and delivery; issues the order and sends a copy to the accounting department
4. The Supplier delivers the materials to the warehouse together with the relative delivery note
5. Warehouse checks the received materials and sends a report to Quality Assurance concerning the compliance with the order specifications.
6. Warehouse returns possibly defective goods to Supplier
7. Accounting receives copies of the delivery notes and the amount of returned materials
8. Supplier sends invoice to Accounting
9. Accounting checks the invoice (compare with ordered and delivery note) and ask Finance to proceed with payment.
10. Finance execute payment to supplier
11. The warehouse sends the materials to Production that can start operations
12. Manager checks..

## Organizational units (1)

- **Production**: requires the raw materials needed for the production plans from the warehouse
- **Warehouse**: when the raw material is not available, first make a request to the purchase office; once the order has been received checks the quality, conformance to request, and stores it.
- **Purchase office**: in charge of negotiating price, quantity, and delivery time with different suppliers
- **Supplier**: the one chosen to fulfill the order, must deliver the raw materials to the warehouse, and possibly get back the portion not complying with the specifications

## Organizational units (2)

- **Quality assurance**: monitors the efficiency and quality of suppliers by producing statistics for the management
- **Accounting**: check the orders, receive the delivery receipt from the warehouse, ask the finance department to execute the payment of the supplier invoice, records all transactions
- **Finance department**: fiscally performs the payment to the supplier and then informs the accounting
- **Manager**: is a role external to the individual business process that supervises the good working of the enterprise system and controls the economical efficiency. Needs information to take decisions. This is the structure - people dimension

## Flow (items + information)
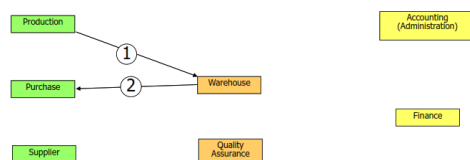


1. Production asks Warehouse for raw materials

2. Warehouse has not the RM and forwards a request to the Purchase office

This is the process dimension

Full Case description: see slides 01Definitions.pdf, 54 to 64

# Organizational model
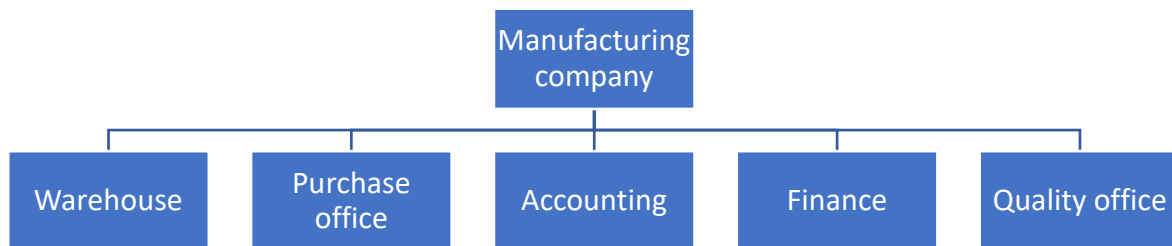
Manufacturing Company

      Warehouse

      Purchase office

      Accounting

      Finance

      Quality office

Supplier

```
                        Manufacturing
                           company
   ┌──────────┬──────────┼──────────┬──────────┐
Warehouse  Purchase   Accounting  Finance   Quality office
            office
```

# Process model

TEXT

## Processes

*TABLE Version*

| Process name | Input | Output | description | Organizational unit involved |
|---|---|---|---|---|
| | | | | |

*BPMN*