

Odoo 18 Purchase Module User Manual

Overview of the Purchase Module

Odoo 18's Purchase module is a comprehensive platform for managing procurement operations. It enables businesses to automate purchasing workflows, reducing manual tasks and improving accuracy in Request for Quotation (RFQ) and Purchase Order (PO) processing. Key features include creating RFQs and POs, maintaining vendor price lists, tracking vendor performance, and managing product receipts, all within an interface that integrates seamlessly with Inventory and Accounting apps. By using the Purchase module, companies can enhance vendor relationships, optimize costs, and maintain better control over stock levels and financial transactions.

Setup and Configuration of the Purchase Module

Before using the Purchase module, ensure it is installed and properly configured. Key configuration options in **Purchase → Configuration → Settings** allow you to tailor the procurement process to your needs:

- **Purchase Agreements:** Enable this to manage *Blanket Orders* and *Call for Tender (Purchase Tender)* workflows. Once activated, a *Purchase Agreements* menu appears, letting you create formal purchase contracts (e.g. long-term agreements or multi-vendor quote comparisons).
- **Dropshipping:** Activate dropshipping to sell products that ship directly from your vendor to your customer. Enabling this adds the *Dropship* route for products, so sales of those products generate purchase orders sent to the vendor for direct delivery.
- **Purchase Order Approval (Double Validation):** For financial control, you can require managerial approval for POs exceeding a specified amount. In settings, set an approval *threshold* (minimum amount); any PO above this will route to a manager for approval before confirmation. This ensures oversight of large expenditures.
- **Lock Confirmed Orders:** This option helps prevent changes to POs after confirmation. If enabled, any confirmed PO is automatically locked (read-only). Managers can unlock orders if modifications are needed, but the lock protects against accidental edits on finalized orders.
- **Bill Control Policy:** Under *Invoicing* settings, choose how vendor bills are generated from POs – either *Ordered Quantities* or *Received Quantities*. **Ordered** means the vendor bill can be created as soon as the PO is confirmed, billing the ordered quantity; **Received** means bills can only be created for the quantities actually received ¹. This setting applies by default to new products and ensures billing aligns with your preferred accounting practice.

After adjusting settings, be sure to **Save**. These configurations lay the groundwork for efficient procurement management in Odoo 18.

Creating and Managing Vendors

Effective procurement starts with a well-organized vendor list. In Odoo 18, vendors are managed similarly to contacts:

- **Accessing Vendors:** Navigate to **Purchase → Orders → Vendors**. This opens the vendor directory in Kanban view by default, showing all your suppliers in an organized card layout. Each card displays the vendor's name, tags (for categorization), and key contact info like email or address. You'll also see icons linking to related activities (meetings, opportunities) and any purchase orders associated with each vendor.
- **Vendor Details and Activities:** From the Kanban, click on a vendor to view or edit their full profile. Odoo allows scheduling activities with vendors directly from their profile – for example, setting a reminder to follow up on a quotation or schedule a performance review. The **Activities** button (clock icon) lets you plan calls, meetings, or tasks, ensuring you never miss important vendor interactions. This integration with Odoo's activities system helps maintain strong supplier relationships.
- **List View and Customization:** You can switch to List view for a spreadsheet-like display of vendors. The default columns include Name, Phone, Email, Responsible Salesperson, Activities, City, Country, and Company. You can customize the list by activating additional fields (using the ⓘ toolbar), such as State, Street, Tax ID, tags, etc., to capture all relevant vendor information. Filtering and grouping options allow you to organize vendors by category, location, performance tier (using tags), and more.
- **Adding New Vendors:** To create a vendor, click **New** in the Vendors menu. The vendor form is similar to the customer form in Sales, with multiple tabs for **Contacts & Addresses**, **Sales & Purchases**, **Invoicing**, **Internal Notes**, etc.. Enter the vendor's name and contact details (address, phone, email) in the first tab. In the *Sales & Purchases* tab, you can specify things like the salesperson in charge, purchase payment terms, or vendor-specific notes. Fill out the necessary fields in each tab and **Save**. Once a vendor is saved, you can immediately use them in RFQs and POs, and their profile will show a history of orders and communications.

Maintaining a comprehensive vendor master data (including contact info, payment terms, and any vendor tags or ratings) will streamline your purchasing and help in evaluating vendor performance over time. Odoo's vendor management interface makes it easy to review and update this information as your supplier base grows.

Creating and Processing RFQs and Purchase Orders

The typical procurement flow in Odoo 18 begins with a **Request for Quotation (RFQ)** and culminates in a confirmed **Purchase Order (PO)**, followed by receipt of goods and billing. Here's how to manage each step:

- **Creating an RFQ:** Go to **Purchase → Orders → Requests for Quotation** and click **New** (or use **Create**). On the RFQ form, select the **Vendor** you wish to solicit a quote from. Add one or more **Products** on the order lines, specifying the desired quantities, unit prices (if known or as a placeholder), expected delivery date, and any special terms. The RFQ acts as a formal request you

can send to the vendor – you can print or email it directly from Odoo. At this stage, the RFQ is in a *draft* state and can be modified as you negotiate with the supplier. The RFQ number is generated for tracking purposes, but it is not yet a confirmed order.

- **Confirming an RFQ into a Purchase Order:** Once the vendor agrees to your terms (pricing, delivery), you convert the RFQ to a Purchase Order. This is done by clicking **Confirm Order** on the RFQ form. Upon confirmation, Odoo changes the RFQ into a firm **Purchase Order** (the state changes from *RFQ* to *PO*). The PO is now considered an official order sent to the vendor. The Purchase Order record will display critical information such as a unique **PO Reference** number, the **Confirmation Date** (when the order was confirmed), the **Vendor** name, the **Purchasing Company**, the **Buyer** (responsible user), and other details like **Total Amount** and **Billing Status**. These fields help track the order through its lifecycle. If the RFQ originated from another document (like a procurement rule or a tender), the Source Document field would be populated for traceability.
- **Receiving Products (Incoming Shipments):** After confirming the PO, you need to log the receipt of goods from the vendor. Odoo provides a smart button (e.g. **Receive Products**) on the PO form, or you can go to **Inventory → Operations → Receipts**. Clicking *Receive Products* opens an incoming shipment form linked to the PO. This form lists the vendor (as *Receive From*), the **Scheduled Date** for delivery, and the linked **Source Document** (the PO reference). In the *Operations* tab, you'll see the products ordered, the **Demand** (ordered quantity), and you can record the actual **Quantity** being received for each line. If the vendor delivers the full order, you simply validate the receipt for the full quantities. If a partial delivery arrives, you can record the lesser received quantities; Odoo will prompt to create a backorder for the remaining items, allowing you to receive them later without losing track. You can also review **Additional Info** such as carrier tracking, shipment weight, etc., on the receipt if those details are provided.
- **Validating Receipts:** Once the delivered quantities are entered, click **Validate** to confirm the receipt. Validating an incoming shipment updates your stock levels in the Inventory module – the products are now added to your on-hand inventory in the designated warehouse/location. The receipt's status will change to *Done*, indicating the transfer of goods is complete. At this point, if your **Bill Control Policy** is set to *Received quantities*, the system will allow creation of a vendor bill only for what was actually received, preventing billing for undelivered items.
- **Creating Vendor Bills:** After or during product receipt, you'll typically create a **Vendor Bill** (supplier invoice) for the order. Odoo streamlines this: from the PO, you can click **Create Bill** to generate a draft vendor bill pre-populated with the vendor's name and the products/quantities from the order or receipt. If your billing policy is *ordered quantities*, the draft bill will include all ordered items; if it's *received quantities*, it will include only what has been received so far. You can review and adjust the bill (e.g., add shipping or adjust prices if needed) and then validate it to record the liability in Odoo's accounting. The PO's **Billing Status** will update (e.g., to *Fully Billed* or *To Bill*) accordingly. Odoo's integration ensures that the purchase, receipt, and billing records are linked, enabling a three-way match (PO – Receipt – Vendor Bill) for accountability.
- **Other PO Actions:** On a confirmed PO, you may also see options to **Cancel** (if the order needs to be voided) or to **Lock** the order. Cancelling a PO that's no longer needed will reverse any associated incoming shipments that haven't been done. Locking the PO (if not auto-locked by settings) can be

done to freeze the order from further edits. You would lock an order typically after it's done or while awaiting vendor delivery to prevent unauthorized changes.

Throughout the RFQ→PO process, Odoo logs all status changes and maintains the audit trail. You can use features like the **Chatter** (the messaging thread on the document) to communicate with colleagues or log notes (e.g., record that a quote was received by phone). Each RFQ/PO also has a printable **PDF report** (quotation/order form) that can be sent to the vendor. By following this workflow, you ensure each purchase is documented from quotation to delivery and ready for billing.

Managing Vendor Pricelists and Lead Times

Vendor pricelists in Odoo 18 help manage supplier-specific pricing and delivery lead times. They define what a vendor charges for a product (or a range of products) and how long they take to deliver, typically within a certain validity period. Using vendor pricelists ensures that whenever you create an RFQ/PO for that vendor and product, the correct price and expected lead time are applied automatically.

- **Accessing Vendor Pricelists:** Navigate to **Purchase → Configuration → Vendor Pricelists**. Here you'll see a list of defined vendor price rules. The list view shows columns like Vendor Name, Product, Company, Price, and Currency. This gives a quick overview of negotiated prices with each supplier. You can customize the view to show additional fields such as minimum quantity, unit of measure, or validity dates by toggling fields in the list's column selector. Notably, you can enable **Delivery Lead Time** to display how many days the vendor typically needs to deliver the product.
- **Creating a Vendor Pricelist Entry:** Click **New** to define a new vendor pricelist record. In the form, you will:
 - Select the **Vendor** (the supplier this price list applies to). Once chosen, an optional **Vendor Product Name** and **Vendor Product Code** field appear – here you can record the supplier's own naming or code for the product, if different from your internal product name/code. These will auto-fill on purchase orders for clarity.
 - Enter the **Delivery Lead Time** (in days) the vendor requires to deliver this product. This helps Odoo calculate expected receipt dates on POs and plan accordingly.
 - In the **Pricelist** tab (or section), add one or more product lines: for each product (and optional product variant) you want to set pricing for, input the **Quantity** break (the minimum quantity for this price to apply), the **Unit Price**, and optionally a **Discount** percentage if the vendor offers one. You can also set a validity period with **Start Date** and **End Date** – the price will only be used for orders within that date range. If your company is multi-company, there's a field to specify which company the pricelist is for.
- Save the pricelist entry.
- **Using Vendor Pricelists:** Once configured, Odoo will automatically reference these pricelists when creating RFQs or POs for that vendor and product. For example, if you add the product to a Purchase Order for that vendor, the description will include the vendor's product name/code and the unit price will default to the price from your defined pricelist (assuming the order quantity and date match the rule). The expected delivery date on the order will also factor in the vendor's lead time. This

automation ensures consistency – purchasers don't have to remember each vendor's last price or lead time; the system applies it for them, reducing errors and speeding up order entry.

- **Lead Times:** Vendor lead time (also called Purchase Lead Time) is the number of days between ordering from the vendor and receiving the goods. Odoo uses the lead time in planning: when you create a PO, the **Expected Arrival Date** can be suggested based on the order date plus the vendor lead time. By maintaining accurate lead times in vendor pricelists, you can better schedule replenishments and inform others (e.g., Sales or Manufacturing) when goods will be available. It's a best practice to update these lead times if you observe the supplier consistently early or late, as it will directly impact inventory planning.
- **Vendor Pricelist Import/Export:** Odoo also supports importing pricelist data (via Excel/CSV) if you receive a catalog from a supplier. This can be handy when dealing with many products per vendor. Exports of existing pricelists are possible too, allowing bulk edits in a spreadsheet and re-import.

By leveraging vendor pricelists, companies ensure that the most favorable negotiated prices and realistic delivery schedules are automatically reflected in all purchase transactions. This not only saves time but also provides cost control and predictability in the procurement process.

Advanced Features in Purchasing

Odoo 18's Purchase module comes with advanced tools to handle special procurement scenarios, such as dropshipping, purchase agreements (including blanket orders and tenders), subcontracting, and more. These features help address complex supply chain needs beyond standard buy-receive-pay workflows.

Dropshipping (Direct Shipments to Customers)

Example: Enabling dropshipping for a product by setting the route and vendor (supplier) on the product form.

Dropshipping is a fulfillment method where the product is delivered from the vendor directly to your customer, bypassing your own inventory. In Odoo, dropshipping is seamlessly integrated between Sales and Purchase apps to automate this process.

To use dropshipping in Odoo 18, first **activate** it in **Purchase → Configuration → Settings** (check "Dropshipping"). Then, for each product you wish to dropship, open the product form and go to the **Inventory** tab. Under *Routes*, select **Dropship** (this route becomes available after activation). Next, go to the **Purchase** tab of the product and add a **Vendor** with a price – this tells Odoo which supplier to buy from when a dropship is needed.

Now, the dropship workflow works as follows: when a sales order for a dropship-enabled product is confirmed, Odoo automatically generates a **Purchase Order** to the specified vendor, with the delivery address set to your customer's address. The PO will clearly indicate it's a dropship (often by an operation type or a dropship address on the order) so your warehouse doesn't expect stock receipt. Upon confirmation of that PO, the vendor ships the product directly to the customer. You (as the seller) can track this through the Purchase module: the PO's status and an associated *Dropship* delivery document reflect the shipment. When the vendor confirms the shipment (you might receive a tracking number or delivery notice), you can **Validate** the dropship in Odoo, which marks the dropship transfer as done. This step is

mostly for record-keeping, as no physical stock enters your warehouse; instead it confirms the customer got the product.

Dropshipping in Odoo allows you to sell products without holding them in inventory, reducing storage costs and lead times. The tight integration means the Sales order, Purchase order, and delivery are all linked – the Sales order will even show a smart button linking to the purchase created for it. This gives full traceability. Dropshipping is ideal for online businesses or special-order items, and Odoo 18's support for it means you can expand your catalog via suppliers while the system handles the logistics coordination.

Purchase Agreements, Tenders, and Blanket Orders

For more strategic procurement, Odoo 18 introduces **Purchase Agreements**, which include *Blanket Orders* and what the documentation refers to as *Purchase Alternatives* (i.e., competitive bidding or tenders). Purchase agreements are formal contracts or arrangements with vendors that streamline repetitive or large-scale purchasing.

- **Enabling Purchase Agreements:** In **Purchase → Configuration → Settings**, enable *Purchase Agreements* (if not already). This adds a menu for Purchase Agreements under the *Orders* section. Odoo supports two types out-of-the-box: **Blanket Order** and **Call for Tender** (called *Multiple RFQs* or *Purchase Tender* in some contexts, and described as *Purchase Alternatives* in documentation).
- **Blanket Orders:** A *Blanket Order* is an agreement with a single vendor for a certain product(s) over a period of time, usually with predetermined pricing and delivery terms. It is used when you plan to purchase a particular item repeatedly from the same supplier. In Odoo, you create a blanket order by going to **Purchase Agreements → Create**, selecting **Agreement Type: Blanket Order**, and filling in the vendor, validity period (start and end date), and the list of products with agreed unit prices and possibly total quantities expected. Once a blanket order is **Confirmed**, its status becomes *Ongoing* (active) until it reaches the end date or is fulfilled. When you need to actually buy against this agreement, you generate an RFQ/PO directly from the blanket order: Odoo will populate the new RFQ with the vendor and agreed pricing from the blanket order, saving time. You can call off (release) multiple purchase orders over time against one blanket order until its expiration or until a maximum quantity/amount is reached. Blanket orders simplify repetitive purchasing and ensure you benefit from the negotiated terms over the long term.
- **Purchase Tender (Multiple RFQs / Alternatives):** This is used when you want to negotiate with multiple vendors before deciding. In Odoo's purchase agreement form, choose **Agreement Type: Call for Tender** (or *Multiple RFQ* – terminology may vary, but in Odoo 18 docs it's described as **Purchase Alternatives**). You then add the product(s) and the desired quantity. Once you confirm this tender agreement, you can solicit quotes from several vendors. Odoo provides an *Alternatives* tab where you can generate and track multiple RFQs under the single purchase agreement. Each RFQ goes to a different vendor for the same items, allowing you to compare offers side by side. When the quotes come back, you review them and **select one to confirm** into a Purchase Order; Odoo will automatically link that PO to the agreement and cancel the other open RFQs (marking them as lost or rejected). This ensures only the chosen vendor's order is executed, and you have a record of the alternatives considered. Using purchase tenders helps secure the best price or terms by fostering vendor competition in a controlled, documented manner.

- **Purchase Templates:** New in Odoo 18, *Purchase Templates* allow you to save common purchase agreement configurations for reuse. For example, if you regularly create blanket orders for a set of items, you can create a template (Agreement Type: **Purchase Template**) where you pre-fill the typical products, quantities, and perhaps standard terms. Later, when creating a new agreement, you select this template to auto-populate the fields, significantly speeding up the process and ensuring consistency across agreements. This is especially useful for businesses with standard procurement plans or seasonal reorders.

Workflow: To summarize how to use purchase agreements, suppose you have a confirmed blanket order. When it's time to buy, open the blanket order and click **New Quotation** (or a similar button) to create a new RFQ that references it. The RFQ will inherit the vendor and product details from the blanket. You can adjust quantities for the specific release if needed (e.g., order a partial quantity). Confirm the RFQ to a PO as usual. The blanket order will keep track of how much has been ordered against it and update its status if fully utilized or expired. In the case of tenders, once you confirm one of the alternative RFQs to a PO, the agreement is considered **Locked** or **Done** (no further orders expected unless you set it to allow several POs). You would then manage the chosen PO through receipt and billing like any other.

Purchase Agreements are powerful for *strategic sourcing*: Blanket Orders strengthen long-term vendor relationships with negotiated terms, while Tenders ensure you get competitive pricing when needed. Odoo 18 provides both in a unified interface, giving you flexibility in procurement strategies.

Subcontracting (Purchasing Services for Manufacturing)

Subcontracting in Odoo refers to outsourcing a part of your manufacturing process to a vendor. In a subcontracting scenario, you supply a subcontractor with raw materials, and they return a finished product or perform a specific service. Odoo 18's Manufacturing module, in conjunction with Purchase, supports this via **Subcontracting** features.

Setup involves a few configuration steps:

- **Enable Subcontracting in Inventory and MRP:** In **Inventory** → **Configuration** → **Settings**, activate **Resupply Subcontractors** for your warehouse(s). This allows your inventory to ship materials to subcontractors. Then, in **Manufacturing** → **Configuration** → **Settings**, enable the **Subcontracting** option.
- **Subcontractor as Vendor:** Ensure the subcontractor is set up as a **Vendor** in the system (in Purchase > Vendors). This is crucial since the subcontractor will be associated with purchase orders.
- **Bill of Materials (BOM):** In **Manufacturing** → **Products** → **Bills of Materials**, create a BOM for the product that will be subcontracted. Set the **BoM Type** to **Subcontracting** ², and specify the **Subcontractor** (select the vendor who will produce this item). List the components that *you will provide* to the subcontractor (if any). For each component on the BOM, assign the same subcontractor as the vendor on that component's product form (so Odoo knows you source that component specifically for the subcontracting).
- **Routes for Components and Product:** For each component that you will send to the subcontractor, go to the product's **Inventory** tab and activate the route **Resupply Subcontractor on Order**. This means whenever there's a need for this component for a subcontract order, Odoo generates a delivery to send it to the subcontractor. For the finished product, ensure the route **Buy** is set (since you "buy" the finished good from the subcontractor).

Process: 1. **Place a Subcontract Order:** In **Purchase**, create a Purchase Order to the subcontractor for the finished product (you can also directly create a Manufacturing Order of type subcontract, which in Odoo will create the PO automatically). When the PO is confirmed, Odoo will consider this a subcontracting order. It

will generate an incoming shipment expected *from* the subcontractor (for the finished product) **and** trigger delivery orders to send the required components *to* the subcontractor (if those components are not already at subcontractor's location). 2. **Send Components:** Go to **Inventory → Operations → Transfers** and you'll find delivery orders to the subcontractor's virtual location for each component needed. You'll pick and deliver the raw materials as if shipping to a customer, but the destination is the subcontractor (Odoo treats them like a virtual warehouse). 3. **Receive Finished Products:** When the subcontractor completes the work, they will deliver the finished product to you. You then receive it in Odoo via the receipt linked to the purchase order (similar to a normal PO receipt). This consumes the components from the subcontractor location and increases stock of the finished product in your inventory. 4. **Billing:** The subcontractor will bill you for the service or the finished products. You create a Vendor Bill against the subcontracting PO as usual.

During this process, Odoo's tracking ensures you maintain visibility: it knows which components have been sent out and can even account for component costs in the subcontracted product's cost (if configured). The **Vendor Pricelist** for the subcontractor can include prices for the subcontracted product or service, just like any purchase. Additionally, Odoo can generate reports to track subcontracting efficiency, cost, and inventory at subcontractors (enterprise edition has specific subcontracting dashboards).

In summary, subcontracting in Odoo 18 ties together the Purchase and Manufacturing modules: you **purchase a service** (or outsourced production) from a vendor, and behind the scenes Odoo treats it partly like a manufacturing operation (with BOMs and component consumption) and partly like a purchase (with POs and receipts). This ensures inventory is properly decremented for materials supplied and incremented for goods received, and that you pay the subcontractor for their work. The main advantages include transparency, efficient cost tracking, and inventory management for outsourced production.

Approval Workflows and Access Rights

Controlling who can confirm purchase orders and at what limits is crucial in many organizations. Odoo 18 addresses this with approval workflows and user access rights in the Purchase module.

- **Purchase Order Approval Workflow:** As mentioned in the configuration section, Odoo allows setting up a *double approval* mechanism for POs. When **Purchase Order Approval** is enabled and a threshold amount is defined (e.g., any PO over \$5,000), the system will require a manager's approval before the PO gets confirmed. Practically, what happens is if a buyer tries to confirm an RFQ that exceeds the limit, the PO status will change to "To Approve" instead of confirming outright. Odoo will notify the designated **Purchase Manager** (via the activity or email, depending on configuration). The manager can then review the order: they'll check the vendor, products, quantities, and total amount against the budget or policy. In the Purchase Order form, an *Approve* () and *Reject* () button become available to the approver. Approving will confirm the order (it moves forward to the next steps like product receipt), whereas rejecting will cancel or revert the order (with a reason typically logged in the chatter). This workflow ensures that large expenditures are vetted – it prevents unauthorized or accidental large purchases from being executed without oversight. It's a vital control for companies concerned with budget compliance.
- **Access Rights and Roles:** Odoo's security model uses user groups to control access. By default, the Purchase module defines at least two main roles: **Purchase User** and **Purchase Manager**.

- **Purchase Users** can create and view purchase orders and related documents but may have some restrictions (for example, they might not be allowed to approve orders over the limit or access all settings). They typically can only see POs for their own company and perform day-to-day procurement tasks.
- **Purchase Managers** have higher privileges: they can approve orders, see all purchase orders, edit purchase settings, and generally oversee the procurement operations. A user with manager rights inherits all user permissions plus additional ones like the ability to approve and cancel orders, and manage vendor records and pricelists globally. Additionally, Odoo integrates purchase permissions with other apps: for instance, a user with only Sales rights might not see the Purchase app at all. This segregation means you can limit who has access to supplier info and purchasing functionality.

Within a company, you might assign junior buyers the Purchase User role and department heads the Purchase Manager role. This way, a user can create RFQs, but only a manager can confirm or approve if it's above threshold, implementing a **"four-eyes principle"** for procurement. The roles also affect approval workflow: if a Purchase User creates a PO that requires approval, the Purchase Manager (or any user in the approver group) will be the one to see the approval request.

- **Record Rules:** Beyond just UI access, Odoo uses record rules to control data visibility. For example, without special configuration, a Purchase User typically sees purchase orders for all vendors (since purchasing is usually centralized). However, you could implement rules to restrict a user to only see POs of their department or only their own RFQs if needed (this requires customization or installing additional modules). By default, Purchase Managers see everything in purchasing, and Purchase Users see everything in purchasing as well (with the difference mainly in whether they have rights to approve or edit certain fields).
- **Other Approval Scenarios:** While Odoo's built-in approval is mainly for purchase orders, you can complement it with the **Approvals** module (a generic approvals app) for more complex workflows (like multi-tier approvals or approvals for purchase agreement documents). Additionally, you can configure Accounting settings for bills that tie into purchases (for example, requiring validation on vendor bills). Odoo 18 Enterprise edition enhances purchase approval with features like 3-way matching (comparing PO, receipt, and bill before payment), adding another layer of control by making sure you only pay for what was ordered and received.

In summary, leverage the Purchase Order Approval feature to enforce your company's purchasing policies (set appropriate threshold and approvers), and assign user roles carefully so that responsibilities are separated. This ensures a secure and well-controlled procurement process where mistakes or fraud are minimized and accountability is clear.

Integration with Inventory Management

The Purchase module tightly integrates with Odoo's **Inventory** (Stock) app to ensure that what you buy is reflected in your stock levels and that inventory needs can trigger purchase actions.

- **Stock Updates on Purchase Receipts:** When you **receive products** against a purchase order, the Inventory module is automatically updated. Each PO is linked to an incoming shipment; validating that shipment increases the on-hand quantity of the products in the specified location (usually your

warehouse). This real-time update means that salespeople or production planners can immediately see new stock availability once a PO receipt is validated. There is no need for duplicate data entry – the integration avoids errors and timing issues in stock management. For example, if you purchase 100 units of raw material, once you process the receipt in the Purchase app, the Inventory app reflects those 100 units added to stock (increasing *forecasted stock* even before they arrive, and actual stock once received). This ensures inventory valuations and quantities are always in sync with procurement.

- **Automatic Replenishment (Reordering Rules):** Odoo supports *Make to Stock* replenishment using **Reordering Rules** (also known as min-max planning). This is a key integration point: you define minimum and maximum stock levels for a product, and Odoo's scheduler will **automatically generate RFQs** to suppliers when the stock falls below the minimum. Specifically, if you set a reordering rule on a product with Min = 20 and Max = 100, and stock goes down to 18, Odoo will create a draft RFQ to reorder enough units to reach 100 (in this case, 82 units). The RFQ will already be populated with the product, the vendor (based on that product's default vendor or vendor pricelist), and the quantity needed. This helps automate the purchasing of frequently used or critical items to prevent stockouts. The **Inventory app** must be installed and managing the stock levels for this to function, as it's the Inventory scheduler that triggers procurement proposals. Reordering rules embody the integration: the Inventory system monitors levels and calls on the Purchase app to create the needed orders.
- **On-Demand Procurement (MTO):** In some cases, you might not stock a product at all, but purchase it only when you have a demand (like a sales order). This is handled by Odoo's **Make To Order (MTO)** route, which is another interplay between Inventory, Sales, and Purchase. If a product is set with the route *Replenish on Order (MTO)* and has the route *Buy*, whenever a Sales Order for that product is confirmed, Odoo will **automatically generate a Purchase RFQ** to fulfill that demand. It doesn't even wait for stock to go low – it reacts per order. The purchase order created via MTO is linked back to the sales order (you'll see a smart button on the SO for the purchase). Similarly, if a manufacturing order needs a component that is MTO+Buy, confirming the MO will trigger an RFQ for that component. In short, Odoo's procurement rules ensure that whether you plan by stock levels (reordering) or by specific demand (MTO), the Purchase module is invoked to create the necessary POs to keep the supply chain flowing.
- **Inventory Routes and Dropship:** We discussed dropshipping earlier as an advanced feature, but it's worth noting here that dropship is implemented via inventory routes. The *Dropship* route on a product tells Odoo not to send it to any warehouse but directly to the customer. So when a purchase order for a dropship product is confirmed, the Inventory module generates a special delivery order from the Vendor to the Customer (bypassing internal stock). This is another example of how deeply the purchase and inventory systems communicate: a purchase order can result in different types of stock moves (incoming to warehouse, or drop-shipped third-party moves) based on routes.
- **Warehouse and Multi-Step Reception:** If your Inventory is configured with multi-step receipts (for example, goods arrive in a Receiving Zone then move to Stock after inspection), the purchase receipts will follow those steps. Odoo can generate initial receipt (to receiving bay) and a second internal transfer (to stock) automatically. These configurations are handled on the Inventory side (warehouse settings), but Purchase app feeds into them by creating the appropriate receipt picking.

In summary, the Inventory integration means **purchasing and stock are always aligned**: you buy something → you receive it → your stock updates. Likewise, you need something in stock → a purchase order can be suggested or auto-created. This tight link helps avoid situations where purchasing buys items that aren't needed or missing to buy items that are needed. Utilizing tools like reordering rules and MTO routes, Odoo ensures a smooth supply of products to the warehouse with minimal manual planning.

Integration with Accounting (Vendor Bills and Payments)

Purchasing doesn't stop at receiving goods – it ends when the vendor is paid. Odoo's Accounting app is integrated with the Purchase module to handle vendor bills (supplier invoices), payments, and financial reporting:

- **Vendor Bills from POs:** As described earlier, you can create a vendor bill directly from a purchase order (or from the receipt). When you click **Create Bill** on a PO, Odoo generates a draft vendor bill pre-filled with the supplier information and the purchase order lines (products, quantities, negotiated unit prices). This linkage means the bill and PO remain associated – you can navigate between them, and the PO's billing status updates accordingly. If your company uses a **3-way matching** policy, the recommended approach is: create the bill only after goods are received, and ensure the quantities match before validating the bill. Odoo 18 Enterprise has an option to enforce 3-way match (the bill goes into an 'to approve' state if it doesn't match the PO/receipt), but in Community you manually verify.
- **Bill Control Policy Influence:** Based on the *Bill Control* setting, Odoo will either propose the full ordered quantity or only the received quantity on the draft bill. For example, if you ordered 100 but only received 80 and your policy is *Received*, the bill will list 80. If policy is *Ordered*, it will list 100 (and it's up to you to reconcile later if short-shipped). This setting ensures your accounting reflects either commitments or actual deliveries, per your choice.
- **Posting and Paying Bills:** Once a vendor bill is **validated** in Accounting, it increases your accounts payable (liability) to that supplier. The Purchase Order gets marked as *Billed*. Odoo allows partial billing as well – if a vendor sends multiple invoices for one PO (maybe per delivery), you can create multiple bills and the PO tracks how much is billed vs to be billed. After validating a bill, you can register a **Payment** (if you pay immediately) or record it later when actually sending payment. Odoo can handle various payment methods and even cut checks or integrate with electronic banking.
- **Accounting Entries:** Under the hood, when you receive products, if they are stockable products, Odoo will create inventory valuation entries (if using automated inventory valuation) debiting an inventory asset and crediting an interim account or accounts payable, depending on configuration. When you validate the vendor bill, it will credit Accounts Payable and debit either the expense account or stock interim (and move interim to actual stock value if applicable). These automated journal entries ensure your books reflect the purchases accurately without requiring manual journal entry for each receipt or invoice – the system posts them based on configured product valuation and expense accounts.
- **Vendor Credits and Refunds:** If you return products to a vendor (via a Return in the Inventory app tied to a PO receipt), Odoo can generate a **Vendor Credit Note** (vendor bill with negative amounts)

to reconcile the refund or credit from the supplier. This keeps purchase, stock, and accounting in sync when things flow backward (returns).

- **Landed Costs:** For companies that add freight or customs costs to inventory value, Odoo's Landed Costs feature (in Inventory) can be used. While not directly in the Purchase app, it often starts with a vendor bill for freight. You would mark that bill as a landed cost and allocate it to received products. This way the purchase cost plus additional costs reflect in inventory valuation.
- **Analytic Accounting:** If you use analytics (for cost centers, projects), Purchase Orders allow you to set an **Analytic Account** on the order lines. This analytic tag will carry over to the vendor bill lines. This is useful for tracking procurement costs by project or department in accounting reports.

The upshot is that every purchase transaction flows into accounting with minimal effort. By using the built-in integration, you ensure that when a PO is done, the receipt is done, and the invoice is received, all systems reflect the same reality: inventory has the goods, purchasing closed the order, and accounting knows the liability to the vendor. This end-to-end linkage from Purchase to Inventory to Accounting provides full **traceability** and helps in auditing. Managers can, for instance, open a Purchase Order and from there see the vendor bill and payment status, or open an invoice and trace back to which products and PO it originated from. Financial reports (like Expense by Vendor or Accounts Payable aging) will directly show the results of the purchasing activities.

Integration with Manufacturing and Sales

Purchasing doesn't exist in isolation – it supports other operations like manufacturing and sales. Odoo 18 ensures that the Purchase module works hand-in-hand with these areas:

- **Manufacturing (MRP) Integration:** The Manufacturing module depends on timely procurement of raw materials. Odoo's **Master Production Schedule** and reordering rules can create purchase RFQs for raw materials based on production plans. If you use the MRP app's planning tools, you might set certain components to *Buy* and have reordering rules or **MTO** on them so that when a manufacturing order is created or forecast says stock will go below a threshold, a purchase is initiated. Another integration point is **Subcontracting**, discussed earlier, where a manufacturing order to a subcontractor triggers a purchase order. In general, if a manufacturing order is lacking required components, running the scheduler will generate the necessary purchase orders (or prompt you to). This ensures production is not held up due to missing parts – the purchase app feeds the supply. The link is visible: manufacturing orders show any associated purchase orders for outsourced work or material procurement, and the Purchase app can show which manufacturing order (as a source document) led to the creation of a given RFQ/PO.
- **Sales Integration (Procurement):** Sales and Purchase are two sides of the supply chain. When a Sales Order is confirmed for a product that is not in stock or is set to be procured on demand, Odoo can automatically kick off a purchase. The most direct case is a **Make-to-Order** sale. If a product is configured with the MTO route and a Buy route, every Sales Order confirmation will generate a draft purchase RFQ for that product and the specific quantity sold. The purchase order will be tied to the sales order (you'll see a "*Purchase*" smart button on the sales order). The process flows: confirm sale → generate RFQ to vendor → confirm PO → receive goods → deliver to customer. All steps are

managed in Odoo and linked. This is extremely useful for companies that don't stock certain items but rather source them when ordered (common in retail drop-ship or specialty equipment sales). Even if not pure MTO, a sales order can consume available stock and if that leads to stock dropping below reordering point, it indirectly causes a purchase via reordering rules (Make-to-Stock scenario).

- **Dropshipping via Sales:** As covered, if a sales order line is marked as dropship, Odoo generates a purchase order to fulfill it. From the Sales Order perspective, the user just clicks "Confirm"; behind the scenes, a Purchase Order is created and the Sales Order is linked to it. The delivery order in Sales is a special one that shows the vendor shipping to the customer. Salespeople can thus sell items without worrying about procurement—when they confirm a sale, Odoo either finds stock or triggers a purchase automatically. This tight integration helps maintain customer satisfaction (no selling what you can't deliver) and efficient purchasing (only buying what is needed).
- **Cross-App Reporting:** You can utilize Odoo's reporting tools to analyze things like *Sales Margin*, which might consider cost from purchases vs sales price. Odoo will use the vendor price (from the PO or pricelist) as the cost basis for product margins on sales orders if configured to do so. So the accuracy of purchase data directly impacts sales profitability analysis.
- **Inter-company trade:** If you have a multi-company setup where one company's sale is another's purchase (common in multi-subsidiary setups), Odoo can automate that too. Confirming a Sales Order in Company A can generate a Purchase Order in Company B for the same goods. This is beyond the basic scope of a single Purchase module usage, but it's worth noting Odoo has solutions for it (via the *Intercompany* settings where you map customers to vendors across companies).

In essence, **Sales creates demand, and Purchase fulfills it**. Odoo's design connects them so that demand can automatically become supply orders. This reduces manual communication between sales and procurement departments because the system handles the handoff. It also means that your purchase planners have visibility into sales forecasts and actual orders (through tools like Reordering Rule suggestions or the *Replenishment* screen which shows all demand). Conversely, salespeople can be informed if purchase delays occur (since expected receipt dates on POs could be surfaced on sales order expected delivery dates). This integration fosters a smooth **Quote-to-Cash-to-Procure** cycle within Odoo.

Reporting and Analysis for Procurement

Odoo 18 provides robust reporting tools to analyze your purchasing data. These help procurement managers make informed decisions, identify trends, and monitor performance. Key reports and analysis tools include:

- **Purchase Analysis Report:** This is the main analytical view for purchases. Navigate to **Purchase → Reporting → Purchase** to access it. The Purchase Analysis report provides statistics on all purchase orders in the system, with metrics (measures) such as the number of orders, quantities ordered, quantities received, purchase totals (with and without tax), average purchase cost, and even time-to-receive for products. You can view this data in various formats: pivot table, bar chart, line graph, etc., and you can **group** the data by different dimensions – by vendor, by product, by purchaser, by order date, and so on. For example, you might group by Vendor to see total spend per supplier, or by Product to see which items you buy the most. The report is interactive: you can filter to a date range

or a specific vendor or product category using the search and filter tools. You can also add **Comparison** filters (e.g., compare this month vs last month, or this year vs last year).

Example: A common use case is measuring vendor delivery performance. You can use the measure *Days to Receive* and group by Vendor to produce a chart of the average delivery lead time per vendor. Odoo will calculate, for each vendor, the average number of days between each PO confirmation and the receipt of products. This insight lets you identify which suppliers are consistently late or which are very fast, aiding in procurement decisions. For instance, you might find Vendor A averages 4 days and Vendor B 15 days – if lead time is critical, you know which vendor to favor.

Another use case is spending analysis. You might compare the total purchase value of a certain vendor across two periods. Using the pivot view, you could put Vendor on the rows and use the *Total* (untaxed or taxed) as measures, then activate a *Comparison* for, say, Year 2024 vs 2023. The pivot would show side-by-side columns for each year and the percentage change. This quickly tells you if your spend on that vendor (or product line, or department) is increasing or decreasing, and by how much. You can similarly analyze quantities purchased or the number of orders, etc.

The **Purchase Analysis** is part of Odoo's standard reporting framework, meaning you also get features like saving custom filters, adding the report to your dashboard, or exporting the data. It's a powerful tool to get a high-level overview or drill down into specifics of your purchasing activity.

- **Vendor Bills Analysis:** In the Accounting app, there are reports for vendor bills which can also be considered procurement analysis (focusing on the financial side). You can see total purchases by vendor, average days to pay, etc. These complement the Purchase analysis by adding the payment dimension.
- **Vendor Cost and Procurement Expense Reports:** Odoo documentation mentions specific reports like **Vendor Costs** and **Procurement Expenses** ³. These might be enterprise features or specific to certain modules. The *Vendor Costs report* likely breaks down costs per vendor, possibly including things like discounts received or cost of goods vs ancillary costs. The *Procurement Expenses report* could show purchase costs allocated to different analytic accounts or departments. If you have these, they would be found under **Purchase → Reporting** or **Accounting → Reporting**. They help in auditing and controlling budgets – for example, checking if the actual purchase expenses for a project stayed within budget.
- **Replenishment Report:** Under Inventory's reporting, the *Replenishment* screen allows buyers to see all products that need reordering, the suggested quantities (from min-max rules or MTO), and create RFQs in batch. While not a report in the classical sense, it's an operational report for procurement planning. From one screen, you see demand and supply and can trigger purchase orders as needed.
- **Schedule Activities & KPIs:** Odoo also provides the ability to measure KPIs like RFQ to PO conversion rate, average RFQ response time, etc., though these are not out-of-the-box graphs, you can derive them from data. For instance, using the *Activities* feature, you might log how many RFQs were sent vs how many became orders.

- **Excel Exports:** Any list view (including the Purchase Orders list) can be filtered and then exported to Excel for further analysis. Some companies use this to do offline analysis or combine data with external data sources.

In short, Odoo's purchase reporting gives you visibility into **what you are buying, from whom, when, and at what performance/cost**. Using these tools, procurement can identify opportunities for savings (e.g., consolidating suppliers, negotiating better terms if volume increased) and address issues (e.g., a certain product's lead time is rising). The real-time nature of these reports means as soon as POs or receipts are recorded, your dashboards and charts reflect it, enabling agile decision-making.

Best Practices and Tips for Effective Procurement

To get the most out of Odoo 18 Purchase and ensure a smooth procurement process, consider the following best practices:

- **Automate Replenishment:** Leverage **Reordering Rules** for regularly used products to maintain optimal stock levels. By setting minimum stock quantities, Odoo will trigger RFQs automatically whenever forecasted stock dips below the threshold, ensuring you never accidentally run out of critical items. This automation frees up procurement officers from routine reordering and prevents stockouts that could disrupt sales or production.
- **Maintain Accurate Vendor Pricelists:** Keep your vendor price lists and lead times up to date. Enter negotiated prices, bulk discounts, and vendor-specific product codes into Odoo. Update the **delivery lead time** for each supplier so that your expected delivery dates are reliable. This not only speeds up creating new POs (prices and terms fill in automatically) but also ensures more accurate planning and costing. Regularly revise these pricelists based on vendor quotes or contracts (e.g., annually or whenever prices change).
- **Use Purchase Agreements for Strategic Buying:** For repetitive purchases or large procurement projects, use **Blanket Orders** and **Calls for Tender**. A blanket order locks in prices and terms with a vendor over a period, simplifying repeat orders. Tenders (multiple RFQs) let you compare offers to get the best deal for new or high-value needs. These tools improve your bargaining position and create an audit trail of the supplier selection process. Always confirm purchase agreements in Odoo so that subsequent POs reference them (ensuring compliance with agreed terms).
- **Enable Approval Workflows for Oversight:** If your organization has spending limits, turn on the **Purchase Order Approval** feature with an appropriate threshold. This will enforce that, say, any purchase above \$X gets reviewed by a manager. It's a good internal control to prevent maverick spending. Clearly define who the approvers are (assign the Purchase Manager role) and communicate to the team that larger POs will be routed for approval. This not only prevents mistakes but also provides an opportunity to double-check large orders for correctness.
- **Lock Orders Once Confirmed:** Consider locking confirmed purchase orders (either manually or via the setting). This is a safety measure so that after an order is sent to the vendor, the details aren't accidentally changed in Odoo. If modifications are needed (e.g., vendor agrees to change quantity), use the revision process: unlock, edit, and communicate the change, or create a PO amendment. By

locking, you maintain an accurate history of what was agreed upon and avoid confusion that could arise from on-the-fly edits.

- **Monitor Vendor Performance:** Utilize the Purchase Analysis reports to keep an eye on vendor performance metrics. For example, track the **Days to Receive** measure by vendor to see if some suppliers consistently deliver late. If a vendor's lead time is worsening, you might follow up or look for alternatives. Also review the **quality** of deliveries (though Odoo Purchase doesn't natively record quality issues, you can log notes or use the Quality app to record issues). Keeping a vendor scorecard (delivery promptness, price competitiveness, incidence of issues) helps in negotiation and sourcing decisions.
- **Integrate Fully with Inventory and Sales:** Encourage the use of Odoo's integrated process rather than handling parts outside the system. For instance, use the **Receive Products** button and process receipts in Odoo (don't do it only on paper) so inventory is instantly updated and traceable. Similarly, if sales or production needs to trigger a purchase, use the Odoo tools (MTO routes, reordering rules) instead of emails or calls to purchasing – this centralizes information. An integrated approach reduces errors and time lags; the sales team will know expected arrival dates for sold-out products, and the inventory team will see incoming stock from purchases without extra communication.
- **Regularly Reconcile and Clean Up:** Perform periodic checks on the Purchase data. Look at the **RFQs** list – are there old RFQs that were never confirmed or cancelled? Follow up on them or close them to keep the system clean. Check for **Backorders** where POs are partially received and ensure you either expect the remainder or cancel it. Also, reconcile **Vendor Bills** with POs: use the reporting to find any POs in *Done* state but still *To Bill*, and make sure invoices are recorded, or close the PO if the vendor won't bill the remainder. Keeping these in order will make end-of-period processes (like accruals and audits) much easier.
- **Train Users and Assign Clear Roles:** Make sure your team knows how to use the Purchase app features relevant to their job. For example, train requestors how to create RFQs, train warehouse staff how to record receipts properly, and train managers on how to approve POs in the system. Use access rights to present a clean interface (a user who isn't a manager doesn't need the approval button or access to settings). When everyone uses Odoo correctly, data flows from one stage to the next without emails or spreadsheets in between.
- **Leverage Communication Tools:** Use the **Chatter** on POs and RFQs to log communications. Instead of handling vendor communications entirely via external email, consider integrating (you can have Odoo send RFQs by email and receive replies). Or at minimum, use the *Notes* to record vendor confirmations, promises, or issues. This way, all purchase-related info is in one place. If a new person steps in, they can read the chatter and get up to speed on that order's history.

By following these best practices, you ensure that your Odoo 18 Purchase module is not just a record-keeping system, but a proactive tool for efficient and strategic procurement. Always keep the end goals in mind: **cost-effectiveness, timeliness, compliance, and visibility**. Odoo provides the features – using them wisely will help your purchasing department deliver maximum value to the organization.

1 **How to Configure Bill Control Policy in Odoo 18 Purchase**

<https://www.cybrosys.com/blog/how-to-configure-bill-control-policy-in-odoo-18-purchase>

2 **How a Product is Subcontracted with Odoo 18**

<https://www.cybrosys.com/blog/how-a-product-is-subcontracted-with-odoo-18>

3 **Purchase Analysis report — Odoo 18.0 documentation**

https://www.odoo.com/documentation/18.0/applications/inventory_and_mrp/purchase/advanced/analyze.html