**Very brief overview on ERP**

Suppose Sebastian wants to buy a car. He goes to Suzuki show room and places an order.

1. This order is **sales order** for Suzuki.
2. Suzuki receives many sales order like this throughout the day and each have different time of delivery.
3. Now Suzuki cannot manufacture all cars at same time and store in inventory as inventory should be as low as possible. Its an expensive waste. We pay just for storing and no productivity. So here to decide when to manufacture for which delivery date, we use **Advanced Supply Chain Planning**.
4. Now once we have planned, we need to acquire the different parts of the car. We will ask vendors to submit their requisition. The requisition which will best suit requirement will be taken to the managing director for his approval. He will look into the welfare of the company. So he will analyse as to why we are acquiring from one particular company all the parts and not different parts from different company. Once queries are cleared, the requisition is accepted and the **Purchase Requisition** becomes **Purchase Order**.
5. Now say company X which has got the **PO** will ship the parts from his warehouse to Suzuki. He will use **Oracle Transport Management**.
6. Suzuki receives the parts w.r.t to the **PO** generated, Suzuki looks into this with help of the **Receiving Module**.
7. Now for the parts **Suzuki** received, invoice will be generated to which Suzuki needs to make payment. This is **Account Payable**.
8. **Bills of component**: It is a structure from which we get to know that suppose we need to make Suzuki Alto, then which parts we need, the engine, gear box etc.
9. **Work In Progress**: Now I have material in warehouse. Based on the order, I will order the production department to manufacture cars. This is called **Work Order**. This is like purchase order but within the company.
10. We need to issue raw material from the inventory to shop floor based on **WO**, for this we use **Warehouse Management System.**
11. Now the car is ready and in warehouse, so we have to ship it to the address of customer. Subsequently invoice will be generated w.r.t the car delivered and customer has to pay against it. This is **Accounts Receivable.**
12. Total amount getting into Suzuki – The tax allocated, will be the income of Suzuki, all the details will be stored in General Ledger.