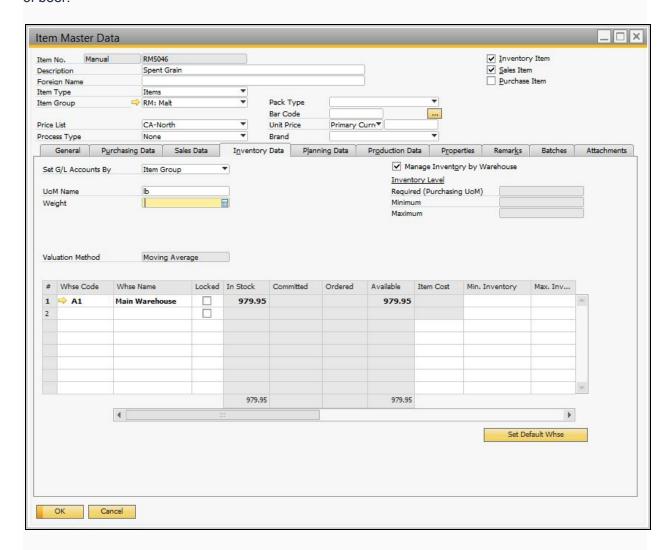


Summary

In the newest version of the Orchestrated platform, you can now create by-products in the production process. Here's how the process works:

In this example, we'll use a basic example of brewing a batch of beer.

First we'll need to create a new item or designate an existing item for the actual by-product item. In this scenario, we'll use an item called "Spent Grain" to represent the grain that is used in that batch of beer.



This should be marked as an Inventory Item and also a Sales Item (check-boxes in the upper left) if you happen sell the by-product. It should not be a batch managed item as the system will not allow for a batch managed by-product.

If the by-product inventory needs to have a unit cost, the item valuation method must be set to "Standard Cost". If unit cost is not important for the by-product, the item should be set to "Moving



Average". The system cannot calculate a moving average cost when an item is used as a by-product, thus a "Moving Average" valuation method will result in a \$0 unit cost.

Once you've created a new by-product item or designated an existing item, you may add it to any BOMs where it is needed. If you don't want it to be part of the BOM, you may choose to manually add it as a row to a production order.

Whether the item is added to the BOM or added manually to a PdO, the quantity must be filled out as a negative number. A negative quantity on a BOM or PdO is what designates the item as a by-product.

Issue Method

A by-product item may be set to Backflush or Manual.

As a Backflush item, when the PdO is processed, the item will show up on the Receipt from Production on a row below the parent item. The negative qty will show up and there is also a column available in Form Settings that will show that the item is a by-product.

As a Manual Item, you will be able to pick the actual qty for the item on the Express Production screen. Once the PdO has been processes, the item be included as a component on the Issue for Production.

Uses in Distilling

Another great use of by-product items would be in a distillery. In the process of distillation, the "heads" and "tails" from the liquid can be recorded as by-product items on a production order. Often times, the Heads and Tails are then re-distilled to reclaim a further yield of a distilled liquid. The Heads and Tails would be brought into stock as a by-product of distilling, then added as a regular component of a distilling production order when they are re-used.

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