

Hesabu ERP Manufacturing Manual

Manufacturing

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Documentation version 1.0, published 17 November 2026. The screens in your own workspace may differ slightly depending on your plan and settings.

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- Manufacturing overview
- Bills of materials
- Work orders and production
- Job cards and production planning
- Production costing and reports

Manufacturing

Bills of materials, work orders, production, job cards and costing of what you make.

Manufacturing

Manufacturing overview

How production works in Hesabu ERP, from a bill of materials to finished goods in stock.

Beginner · About 10 minutes · Version 1.0 · Updated 17 November 2026

Plan availability

Available with the **Production** add-on, which any plan can add. Contact us to add it.

Overview

Manufacturing means turning **raw materials** into **finished goods**: bread from flour, furniture from timber, a packaged product from bulk stock. Hesabu ERP records what each product is made from, what was used, and what it cost.

The flow

1. **Items.** Create the raw materials and the finished product. See Creating items.
2. **Bill of materials (BOM).** The recipe: what goes into one unit. See Bills of materials.
3. **Work order.** An instruction to make a quantity. See Work orders and production.
4. **Material transfer.** Raw materials move to the production floor.
5. **Manufacture.** Finished goods are received into stock, and raw materials are consumed.
6. **Costing.** The cost of the materials, labour and overheads becomes the cost of the finished item. See Production costing and reports.

Before you start

- Warehouses for raw materials, work in progress and finished goods. See Warehouses and business locations.
- Stock accounts. See Stock valuation and reorder levels.
- If your plan does not include Manufacturing, ask us.

Important notes

- Do not use Manufacturing for simple resale. Use Buying and Selling.
- Accurate BOMs are the foundation. A wrong recipe produces wrong stock and wrong costs.

Next steps

Read Bills of materials.

Related documentation

- Bills of materials
- Work orders and production
- Creating items

Manufacturing

Bills of materials

Define the recipe for each product: raw materials, quantities, operations and scrap.

Intermediate · About 25 minutes · Version 1.0 · Updated 17 November 2026

Plan availability

Available with the **Production** add-on, which any plan can add. Contact us to add it.

Overview

A **Bill of Materials (BOM)** lists everything needed to make a quantity of a product, and optionally the **operations** it passes through. A work order uses it to know what to consume.

Prerequisites

Items created for the product and each ingredient, with their units of measure.

Steps

1. Search for **BOM** and click **Add BOM**.
2. Choose the **Item** you are making, and the **Quantity** the BOM produces (for example 10 loaves).
3. In the **Items** table, add each raw material, with its **Quantity** and **UOM**. Choose the **Source Warehouse** if you want a default.
4. If your process has steps, tick **With Operations** and add the **Operations** table: the operation, the **Workstation**, and the time in minutes.
5. Add scrap items under **Scrap Items**, if any.
6. Click **Save**, then **Submit**.
7. Tick **Is Default** and **Is Active** so the system chooses it for work orders.

Sub-assemblies

If a raw material is itself made in-house, give that item its own BOM and tick **Allow Alternative Item** or choose **BOM No** in the row. The system can then plan it too.

Cost

Click **Update Cost** to refresh the BOM cost from current purchase and valuation rates. The **Raw Material Cost** and the total appear on the form.

Practical example

A BOM for 10 loaves lists 5 kg flour, 0.2 kg yeast, 0.1 kg salt and 3 litres of water. The cost of ingredients per loaf is clear before any dough is made.

Important notes

- Submit a new version of a BOM instead of editing a used one. Mark the old one inactive.
- Include waste in the quantities, or record it as scrap.
- Quantities and UOM errors are the most common cause of wrong costs.

Common mistakes

- Two active default BOMs for one item.
- Forgetting to submit the BOM, so it cannot be used.

Next steps

Read Work orders and production.

Related documentation

- Manufacturing overview
- Work orders and production
- Creating items

Manufacturing

Work orders and production

Create a work order, move materials, record production and receive finished goods.

Intermediate · About 30 minutes · Version 1.0 · Updated 17 November 2026

Plan availability

Available with the **Production** add-on, which any plan can add. Contact us to add it.

Overview

A **Work Order** tells production to make a quantity of an item using a BOM. It tracks the materials issued and the goods produced.

Prerequisites

A submitted default BOM, enough raw material in stock, and the **Source**, **Work-in-Progress** and **Target** warehouses.

Steps

Create the work order

1. Search for **Work Order** and click **Add Work Order**.
2. Choose the **Item To Manufacture**. The default BOM fills in.
3. Enter the **Quantity to Manufacture**, and the **Planned Start Date**.
4. Choose the **Source Warehouse** (raw materials), **Work-in-Progress Warehouse** and **Target Warehouse** (finished goods).
5. Save and **Submit**.

Start production

1. Click **Start**. Hesabu ERP creates a **Stock Entry** of type *Material Transfer for Manufacture*.
2. Check the quantities, and submit. Raw materials move to the work-in-progress warehouse.

Record the finished goods

1. When production is done, click **Finish**.
2. A **Stock Entry** of type *Manufacture* opens, with raw materials consumed and finished goods received. Adjust the quantity if only part was made.

3. Submit. Finished goods enter the target warehouse, and the work order shows the **Produced Qty**.

If something goes wrong

- To stop, click **Stop**. To resume, **Re-open**.
- If you transferred the wrong materials, return them with a stock entry. See Warehouses and stock entries.

Practical example

The bakery makes 200 loaves. The baker raises a work order using the bread BOM, transfers the flour, yeast and salt, bakes, and records 196 loaves produced and 4 spoiled in the *Manufacture* entry.

Important notes

- Work orders do not start if stock is insufficient. Buy first, or reduce the quantity.
- Only submitted work orders affect stock.
- Keep the time between **Start** and **Finish** short, so work in progress does not hide stock.

Common mistakes

- Finishing a work order for more than was physically made.
- Not completing, so raw materials stay stuck in work in progress.

Next steps

Read Job cards and production planning.

Related documentation

- Bills of materials
- Job cards and production planning
- Warehouses and stock entries

Manufacturing

Job cards and production planning

Track operations and time on the shop floor, and plan production from sales orders.

Advanced · About 25 minutes · Version 1.0 · Updated 17 November 2026

Plan availability

Available with the **Production** add-on, which any plan can add. Contact us to add it.

Overview

Job Cards record the work done at each operation. A **Production Plan** looks at your sales orders and stock and works out what to make and what to buy.

Prerequisites

BOMs with operations and workstations. Create each **Workstation** (search for it), with its working hours and hourly cost.

Steps

Job cards

1. Create a work order for a BOM with operations. A **Job Card** is created for each operation.
2. The operator opens the **Job Card**, clicks **Start Job**, works, and clicks **Complete**. The **Time Logs** record how long.
3. Enter the **Completed Qty**. Submit.

Production plan

1. Search for **Production Plan** and click **Add**.
2. Under **Get Items From**, choose *Sales Order*, and click **Get Sales Orders**, or add items by hand.
3. Click **Get Finished Goods for Manufacture**. The plan lists the items to make and the **raw materials** needed.
4. Click **Get Raw Materials for Purchase** to see what to buy, or **Get Raw Materials for Transfer** for materials to move from another warehouse. The plan adjusts for stock already on hand.
5. After submitting, click **Create > Work Order / Subcontract PO**, or create a Material Request from the plan.

Practical example

On Monday the production manager plans the week: five customer orders need 40 chairs. The plan shows enough timber for 30, so it raises work orders for 40 and a material request for the missing timber.

Important notes

- Job cards give you real times and costs per operation. Use them if labour is a large cost.
- A plan is only as good as the stock figures. Do a count first. See Opening stock and stock counts.

Common mistakes

- Planning without checking existing work orders, which duplicates production.
- Skipping the operator's time logs.

Next steps

Read Production costing and reports.

Related documentation

- Work orders and production
- Bills of materials
- From quotation to payment

Manufacturing

Production costing and reports

Understand what a finished item costs and use reports to monitor production.

Intermediate · About 20 minutes · Version 1.0 · Updated 17 November 2026

Plan availability

Available with the **Production** add-on, which any plan can add. Contact us to add it.

Overview

When you finish a work order, the finished item receives a **valuation rate** equal to the cost of materials used, plus operation costs and additional costs. This is your cost of goods for those items.

How cost is built

Part	Where it comes from
Raw materials	Valuation of the materials consumed
Operating cost	Time on a workstation times its hourly rate
Additional costs	Costs added in the *Manufacture* stock entry, such as electricity or packaging
Scrap	Value recovered from scrap items reduces the cost

To add costs, open the *Manufacture* stock entry and use the **Additional Costs** table before submitting.

Reports

Search for these reports.

Report	Shows
Work Order Summary	Status and quantities of every work order
Production Analytics	Output by period
BOM Stock Report	Whether you hold enough stock to make each BOM
Work Order Consumed Materials	Materials used against what the BOM expected
Cost of Poor Quality	Losses from rework and scrap, if tracked
Stock Ledger	Every movement of materials and finished goods

Practical example

A work order was expected to use 50 kg of flour but used 56 kg. The consumed materials report flags the 6 kg variance. The manager checks for waste and adjusts the BOM if the real recipe needs it.

Important notes

- Costing is only as accurate as your purchase rates and BOM quantities.
- Review variances monthly and correct the BOM when reality has changed.
- Ask your accountant how to treat labour and overheads for tax and reporting.

Common mistakes

- Never updating BOM costs after prices change.
- Recording additional costs outside the system, so the unit cost is too low.

Next steps

Return to Manufacturing overview.

Related documentation

- Work orders and production
- Stock valuation and reorder levels
- Financial reports

Support

Call or WhatsApp 0117 801 786.
Support requests: https://www.hesabuerp.co.ke/support.html
Website: https://www.hesabuerp.co.ke
Online documentation: https://www.hesabuerp.co.ke/documentation/

When you contact us, please give your workspace address and a short description of what you were doing. A screenshot helps.