Manufacturing overview

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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