

Nested Bill of Materials vs. Steps

Last Modified on 06/11/2026 1:15 pm EDT

Overview

One of the decisions you will have to make is how to design your **bill of materials** particularly if you have multiple-production steps or sub-assemblies.

Steps

By documenting most of the likely steps in your everyday work processes ahead of time, filling out your work order forms is made much more rapid. While you certainly can add a step on the fly when creating the work order, having these steps done ahead of time will greatly cut your time on task.

Nested Bill of Material

A Nested Bill of Materials, is a bill of materials that lists the components, assemblies, and parts required to make a product. It provides a display of all items that are in parent-children relationships. When an item is a sub-component, unfinished part, etc., all of its components, including finished parts and raw materials, are also exhibited. A Nested Bill of Material structure can be illustrated by a tree with several levels.

Nested Bill of Materials VS. Steps

The basic options are:

1. Include all sub-assemblies in the same bill of materials and use steps to delineate them
2. Create assembly items for each sub-assembly or step

The decision comes down to the answer to this question.

- Do I produce the entire assembly at the same time?
- Or do I inventory sub-assemblies/steps so I can build the top level product later?

If the answer is all at the same time, then you should design your BOM's using Option 1. Option 1 is easier to implement as you would not be required to create work orders for each sub-assembly.

For Option 2, you can create work orders for any sub-assemblies at any time, then use them in the work order of the top assembly like any other component.

[More about Production with Order Time](#)