

Kit vs Assembly

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Overview

In Order Time Inventory management, it's essential to understand the differences between kits, bundled items, and assembly items as each serves a unique function within the inventory system.

Definitions

Kits: A kit is a predefined set of items grouped together to be sold as a single unit. When a customer orders a kit, the inventory system automatically adjusts the stock levels for each individual item within the kit. The key aspect of a kit is that it remains unassembled and the items are picked and packed together at the time of sale.

Assembly Items: An assembly item is significantly different from a kit . It involves the creation of a finished product from multiple components based on a predefined bill of materials (BOM). The BOM specifies the quantities and types of raw materials, parts, or sub-assemblies needed to produce the final product. Assembly items are typically produced in advance and stored as complete units in the inventory. When an assembly item is ordered, the system does not need to pick and pack the individual components, as the finished product is already available.

Assembly Item with a Configurable BoM: The main difference for this is that by using a configurable Bill of Materials you can Make to Order vs Make to Stock. At the time of the order your make all the selections for the producible assembly item. Then a Work Order is created to produce that item which is then packed and shipped to the customer.

Key Differences

1. Inventory Management

Kits/Bundles - The individual items remain separate in inventory until an order is placed, and the system updates the stock levels of each component when the kit or bundle is picked and packed.

Assembly Items - Components are drawn from inventory during the production process, and the final assembled product is stocked as a single unit.

2. Production

Kits/Bundles - No production process is involved; the items are simply grouped together when ordered.

Assembly Items - Requires a production process where individual components are assembled into a finished product before being stocked.

By understanding these distinctions, businesses can better manage their inventory, production processes, and order fulfillment strategies, ensuring efficient operations and customer satisfaction.