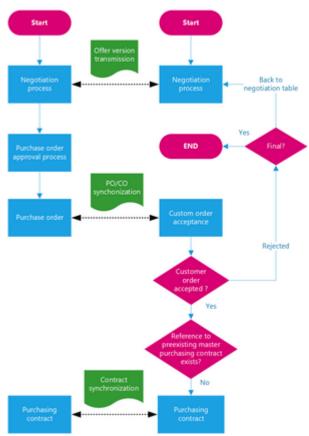
# **Purchase order**

#### Purchasing order contracting process



Purchasing order contracting process

A purchase order is a **one sided declaration** of a customer towards a supplier, which requires a contract to exist to be legally binding for the customer and the supplier side.

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## **Interaction with suppliers / Contracting**

Before a purchase order is created by the customer, the contracting phase is started, which means that customer and suppliers exchange offers until a mutual agreement is found (<u>purchase contract</u>).

Purchase order, created with contract reference (master contract based purchase order)

Once this <u>purchase contract</u> exists, a purchase order can be filed from the customer to the supplier with a reference to this contract. In this case, the supplier's digital only checks if the <u>customer order</u> positions and conditions adhere to the contract and can auto-approve it.

Purchase order, created without contract reference (Individual purchase order)

Purchase orders can also be filed to the supplier without a contract reference. In this case the positions and conditions of the purchase contract are considered to bear a purchasing contract proposal. The purchase order is showing a <u>customer order</u> on the supplier side, which is subject to approval on the customer side. Once approved by the supplier, the system automatically forms a purchasing contract and links the purchase order and the customer order to this contract.

For more information please read up the <u>purchase order processing</u> article.

### Purchase orders in the b-op network

When transmitted to a supplier by the <u>B-Op supply chain network connector</u>, a purchase order is transformed within the b-op network to a customer order.

ZUGSEIL software also supports non b-op based supplier relationships. In this case, the <u>B-Op supply chain network connector</u> always assumes that the supplier accepts the order and creates a contract and the expected deliveries and shipments as proposed by the customer.

#### Structure

Each purchase order has the same structure containing a header and one or multiple positions. The **header** holds information, which regulates general information like target supplier and holds status information. On **position** and **subposition** level the information on the products to purchase and the requried <u>delivery options</u> are defined.

For more information please read up the <u>purchase order processing</u> article.

#### **Related Articles**

- Procure-To-Pay
- Purchasing contract
- App:Orders overview

### Related development articles

• <u>Dev:Purchase order processing</u> - Developer information page on purchase order