

# Purchase order



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 ([purchase contract](#)).

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

Once this [purchase contract](#) 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 [customer order](#) 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 [customer order](#) 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 [purchase order processing](#) article.

## Purchase orders in the b-op network

When transmitted to a supplier by the [B-Op supply chain network connector](#), 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 [B-Op supply chain network connector](#) 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 required [delivery options](#) are defined.

For more information please read up the [purchase order processing](#) article.

## Related Articles

- [Procure-To-Pay](#)
- [Purchasing contract](#)
- [App:Orders overview](#)

## Related development articles

- [Dev:Purchase order processing](#) - Developer information page on purchase order