

BOM SIMPLIFICATION

Purpose of Bills of Materials (BOM):

- Scheduling
- Defines materials used in manufacture/assembly
- Purchasing
- Costing

Objectives of a well managed BOM system:

- Accuracy
- Simplification
- Minimize number of parts
- Reduced errors/duplication
- Reduced transactions/work orders
- Reduced BOM maintenance/engineering overhead

Number of levels in a BOM:

- Function of capacity management/scheduling/tracking
- Impacted by presence of Kanban systems (fewer levels)
- MRP use (more levels)
- Continuous flow allows fewer/single level

Simple BOMs	Complex BOMs
<u>Advantages</u> <ul style="list-style-type: none">• Simple• Reduces engineering overhead• Reduces number of part numbers• Reduces tracking of inventory/sub-assemblies• Improves Kanban flow	<u>Advantages</u> <ul style="list-style-type: none">• Clearly shows sub-assemblies• Helps visualize assembly process
<u>Disadvantages</u> <ul style="list-style-type: none">• Requires building of part in one location/work center step	<u>Disadvantages</u> <ul style="list-style-type: none">• Increases transactions• Increases work orders• Increases error potential• Leads to unnecessary kitting• Increases effort for cycle counting• Increases drawings