ERP5 is a full featured ERP with a very flexible architecture designed to fit any business process. ERP5's functional design is based on 5 types of documents: orders, deliveries, accounting documents, CRM documents and PDM documents.

- Orders are used to define what a customer wants to buy (Sale Order) and under which conditions (Sale Trade Condition) the transaction will take place. They are also used to define what a company wants to buy from a supplier (Purchase Order) and under which conditions (Purchase Trade Condition) the transaction will take place. Orders can also represent intangible requests such as Tasks.
- Deliveries are used to define what a company is shipping to its customers (Sale Packing List), what the company is receiving from a supplier (Purchase Packing List) and what is planned for consumption during production (Production Packing List). Deliveries can also represent intangibles such as Task Reports used in project management.
- Accounting documents represent the transfer of the property of goods or services which have been shipped to customers (Sale Invoice) or received from suppliers (Purchase Invoice). Accounting documents also provide for general ledger accounting.
- CRM documents keep track of customer relations in a purely documentary way.
- PDM documents such as Transformations (a.k.a. BOM) define how a product can be produced from its individual components.

Multiple documents can be combined into a complex business process such as ordering, procurement, CRM, etc.

Sales Process

The ordering process starts with a customer request. Customer information, service level agreements and payment conditions are entered in so-called Sale Trade Condition documents. Once all information has been entered and validated, customer registration is considered to be completed. It is then possible to enter the customer request in a Sale Order document. For complex orders product design can be required. Product design is obtained by creating a Transformation document which defines all components and operations required to produce a complex product. Customers may then confirm their orders and a Sale Packing List is created in advance. From that point on, requisitions are either calculated from the list of components of the Transformation document or defined manually in so-called Production Packing List documents. If all required components are available, production of the complex product can proceed and the resulting product can be delivered to the customer. Upon delivery, a Sale Invoice is created and book kept. Payments are book kept in the accounting system and the invoice is eventually cleared.

Procurement Process

The procurement process starts with supplier registration. Supplier service level agreements and payment conditions have previously been entered in a Purchase Trade Condition. ERP5's MRP system then calculates a list of proposed Purchase Orders based on the current set of Production Packing Lists in order to satisfy requisition requirements. Once Purchase Orders are confirmed by procurement management, they are sent to suppliers and a Purchase Packing List is created in advance. Whenever goods are received from suppliers, they are matched to existing Purchase Packing List documents. This allows for tracking of the difference between what was expected to be delivered and what has really been delivered. A Purchase Invoice document is then created in advance. Whenever the real invoice arrives from the supplier, it is matched to planned Purchase Invoice documents. This allows for tracking the difference between what was expected to be invoiced and what is written in the invoice. If approved, the purchase invoice is book kept. Payment is then processed and the invoice is cleared.

Complaint Process

The CRM process starts with an incoming customer complaint which arrives by email, fax, phone, etc. and is represented within ERP5 as an Event document. If the service level agreement permits it and if the complaint appears to be justified, a Complaint Ticket is created. Once the complaint is processed, a credit memo is issued and book kept. The credit memo is eventually cleared after payment processing.

Flexible Business Processes

ERP5 has been designed for flexibility. ERP5's standard configuration can be simplified or extended to fit any business process. For example, a sales process may require customer credit verification before shipment. This verification can be configured into ERP5 by configuring ERP5's standard workflows for Packing Lists. The ERP5 standard processes can also serve as a base for completely new business processes. For example, the ERP5 project management process was created by deriving from the ERP5 procurement process and extending it with automatic security and role assignment. In the same way, any business process which consists of orders, deliveries, accounting, CRM documents and PDM documents can be modeled quickly and efficiently in ERP5 to fit any specific requirements of your organisation or of your business.