

Work Order vs. Purchase Order



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A work order is a task, or a job, completed for a customer that is scheduled and assigned to someone. This is commonly used in field service industries, such as apartment maintenance teams and cable/satellite technicians. Whenever a resident submits a repair request or reports an issue that needs attention, a work order is created and assigned to one of the maintenance staff to repair. Whenever a customer calls to install new service or repair or replace equipment, a work order is assigned for a technician to visit the home and complete.

In most cases, these orders are the result of a customer request, but sometimes they are a follow-up action from an audit or inspection that happened before. For instance, if after a property inspection, it's revealed the property needs several updates or repairs, each one of those tasks may become its own work order.

After the work order is complete, the customer may receive an invoice for the work completed. In residential situations where work orders are completed on behalf of a renter, the renter is the customer. Because repairs are part of the standard arrangement, they do not receive an invoice. Cable/satellite customers aren't generally invoiced but may see additional line items on their next monthly bill to account for any fees charged for the technician's visit.

A purchase order, on the other hand, serves as the official confirmation of an

order. A purchaser sends the document to a vendor and authorizes the purchase. Field teams may need to create purchase orders to get the tools and parts they need to complete the job on a work order.

After a purchase order is sent and the vendor sends the items on the order to their customer, they send an invoice to receive payment for the items on the purchase order.

Companies use work orders for a number of reasons: to authorize production, track work in progress (WIP) inventory, to know order status, calculate project costs, and more. Companies use purchase orders to help with budgeting, order management, and more. Both work orders and purchase orders are legally binding contracts that set clear expectations and play a key role in auditing.

What is Included on a Work Order?

The work order document includes who is requesting the work, who is authorizing the work to be done, the person responsible for completing the job, what the task to be done is, and the date which the work needs to be completed by. It also includes where the work needs to be performed, along with how to complete the tasks, and the required parts listed. Each work order is assigned a number for easier tracking.

Work order software helps automate the process for industries that generate and assign work orders. It prevents an overwhelming amount of paper, saves time, and reduces error potential.

What's Included on a Purchase Order?

A purchase order contains the date the purchase was made, the name of the company purchasing the goods, raw materials, or services, description and quantity of the goods or services ordered, price, payment information, billing address, shipping address, expected delivery date, and a purchase order number, also known as a PO number.

It may also reference the job number that the ordered items are to be used for. This way, you can allocate costs to a customer or job to make sure you're on the project budget.

Purchase order software makes it easy to turn purchase requisitions to purchase orders, and then to handle the invoices associated with those orders.

Many companies use both work orders and purchase orders to handle their operations and workflow. Understanding the key differences between the documents is essential to keeping your data as accurate as possible.

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