Rush Order Handling Procedure

1.0 Objective & Intent

This policy establishes a standardized framework for handling rush orders to mitigate financial risk, protect profit margins, and maintain production stability. By enforcing mandatory premium pricing (minimum 25% surcharge on standard pricing), requiring written customer acknowledgment of expedite fees, and implementing a strict approval hierarchy based on order value, the company ensures that rush orders contribute positively to cash flow rather than eroding profitability. The policy also aims to prevent production bottlenecks by capping the number of concurrent rush orders per production line, thereby safeguarding on-time delivery performance for standard orders.

2.0 Operational Scope

This procedure applies to all incoming customer orders designated as 'rush' or 'expedited' across the Sales, Production Planning, and Shipping departments. It covers custom cabinet and millwork orders, material procurement requests, and any change orders that compress the standard lead time by 40% or more. This policy does not apply to internal stock replenishment orders or warranty replacement orders, which are governed by separate procedures.

3.0 Compliance & Data Security

> All rush order documentation, including customer correspondence, signed premium pricing acknowledgments, and internal approval records, must be retained in the company's secure document management system for a minimum of seven years in compliance with PIPEDA and Canada Revenue Agency record-keeping requirements. Access to rush order pricing and margin data is restricted to authorized personnel in Sales, Finance, and Operations. Any deviation from the mandatory surcharge policy requires written approval from the VP of Operations and must be documented with a clear business justification. All electronic records must be encrypted at rest and in transit, and physical documents must be stored in locked filing cabinets accessible only to designated staff.

4.0 Required Software & Administrative Tools

- JobBOSS2 (or equivalent ERP system) for order entry and production scheduling
- QuickBooks Online (or equivalent accounting platform) for invoicing and premium surcharge tracking
- CRM module (e.g., Salesforce or HubSpot) for logging customer communications and approvals
- Company-approved document management system (e.g., SharePoint or Google Drive) for storing signed acknowledgments
- Microsoft Excel or Google Sheets for tracking rush order capacity and daily limits

5.0 Step-by-Step Administrative Workflow

1. Sales Representative receives a customer request for a rush order and verifies that the requested delivery date is at least 40% shorter than the standard lead time for that product category.

2. Sales Representative calculates the rush order price by applying a mandatory 25% surcharge to the standard price and prepares a written quote including the expedite fee, delivery date, and a statement that the surcharge is non-refundable.
3. Sales Representative obtains written acknowledgment from the customer (email or signed form) accepting the premium pricing and revised delivery date. This acknowledgment must be attached to the order in the CRM within 2 business hours.
4. If the order value exceeds $10,000 CAD, the Sales Representative must obtain additional approval from the Sales Manager. For orders over $25,000 CAD, approval from the VP of Operations is required before proceeding.
5. Sales Representative enters the rush order into the ERP system with a distinct 'Rush' flag and attaches the customer acknowledgment. The system automatically applies the surcharge and updates the promised delivery date.
6. Production Planning reviews the rush order within 1 business day and checks current rush order capacity. If the production line already has 3 active rush orders, the order must be declined or the customer must accept a later date.
7. Production Planning assigns the rush order to the next available production slot and updates the production schedule. The order is flagged in the ERP for priority material picking.
8. Finance reviews the rush order within 2 business days to confirm the surcharge has been applied correctly and that the customer acknowledgment is on file. Any discrepancy is escalated to the Controller.
9. Shipping coordinates with Production to ensure the rush order is prioritized for loading and dispatch. The shipping confirmation is sent to the customer within 1 hour of departure.
10. Post-delivery, Sales Representative follows up with the customer within 48 hours to confirm satisfaction and to reinforce the value of the expedite service. Any feedback is logged in the CRM for continuous improvement.