Integrated Job Costing System - What to Do With the Bike Book?

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Implementing an integrated job costing and accounting software brings with it a big change of culture for many agencies. The ability to record and see time and costs on jobs when they happen is a great step forward for users and experience from many implementations shows, that staff at all levels quickly buy in to the electronic timesheet system and are happy to record purchase orders against jobs, when they raise them.

That is true for most costs that can be incurred on jobs. Nonetheless one range of costs that was traditionally always handled slightly different is costs of bikes and courier deliveries. Many agencies keep a "bike book" at the reception, where they write down details of the from and to, the quoted cost and ideally the project numbers the service is booked for. In busier agencies bikes traditionally don't even require POs or telephone ordering, but come by every day and collect or deliver whatever is there for them to collect or deliver and again those details are recorded in the bike book.

So what to do with the bike book after having introduced an electronic system to record all the other cost orders? Some companies with a new job costing system retain the bike book at the reception and get the finance department to enter the bike companies purchase invoices against their job costing accounts based on and compared with the details from the bike book. Most agencies that have installed a fully integrated job costing system stop this practise soon after they have gone live with that system. It seems to be contradictory having a fully integrated software to still rely on a paper based record and having to duplicate data entry for one particular type of costs. Keeping a non-integrated manual bike book also brings with it the risk that costs are not visible in the system when a job is ready to be billed to a client, as the bike invoice might not have come in yet. When the invoice is finally received it may no longer be possible to recharge those costs to a client to whom the billing has already gone out.

An easy solution that many companies therefore come up with is to allocate one of the software licences for purchase ordering to reception and get the receptionist to keep an open PO on their job costing system to replace the bike book. Whenever a bike or courier is used, it is entered as a new line onto that purchase order with the details of the from and to, the job number it relates to and the expected cost. This cost appears on the job straight away and can be compared to the budget and recharged to the client notwithstanding that the bike company's purchase invoice has not yet been received.

Apart from the big impact this has on the project management and profitability for the agency, there is another side effect often neglected on a staff morale level. The receptionist position is sometimes not conceived equal to other positions within the team. Traditionally the task of that position is often to "only" meet and greet, transfer calls and do other messenger duties. Due to this conception, it uses to be a "beginners" job or one done by temporary staff and with a high personnel turnover. Yet, the person on reception is the first impression of the agency. A friendly - welcoming or a stiff - reserved receptionist can help to win or lose a project even before visiting clients have seen the pitch. In realising that, companies who have given reception the "electronic bikebook" and thus access to the companies job costing system and assigning them an active role in recording valuable information on projects straight into this system have in addition to the benefit on the project management level experienced a beneficial change in the receptionist's team role performance as an integral and important part of the company.

© 2008 Volker Bendel - Volker Bendel is manager of the training department of Agency Software Worldwide, the producers of the "Paprika/Rebus" job costing software (http://www.paprika-software.com) - (http://www.rebus-software.com). Originally from a legal background, he has several years experience in planning and implementing Job Costing and Accounting Software Systems in the Creative Industry. He has also delivered training courses in the UK, Europe, Dubai, the US, China and Australia. Prior to that he worked as a senior business consultant in Hong Kong and as a department manager of a design department in Hong Kong.

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