**AAT L2 – Video transcript – The Sales Cycle**

Any time that an organisation provides physical goods or a service to a customer in exchange for payment is referred to as the ‘sales’ of the organisation. The terms ‘income’, ‘revenue’ and ‘turnover’ are also used to refer to the value of the sales made to customers.

Whenever a business-to-customer or business-to-business sale such as this takes place, there are recognisable steps that make up The Sales Cycle:

1. Customer requests a quote.

2. Order placed by customer.

3. Goods delivered to customer.

4. Invoice raised for goods that were delivered.

5. Payment received from customer.

These cycles vary depending on what the organisation is. For example, a supermarket will not receive quotes from the customers.

At each step in this process, documentation is prepared, and records are kept. This forms the starting point of what is known as ‘the flow of information’. This provides details on the various transactions that organisations have completed throughout the year and aim to ensure that every single transaction is reflected accurately in the end of year accounts.