

Multimedia Project Planning



Title: Multimedia Project Planning

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Chapter 9 **BUSINESS DOCUMENTATIONS**

Learning Outcome

Objectives of this chapter are: -

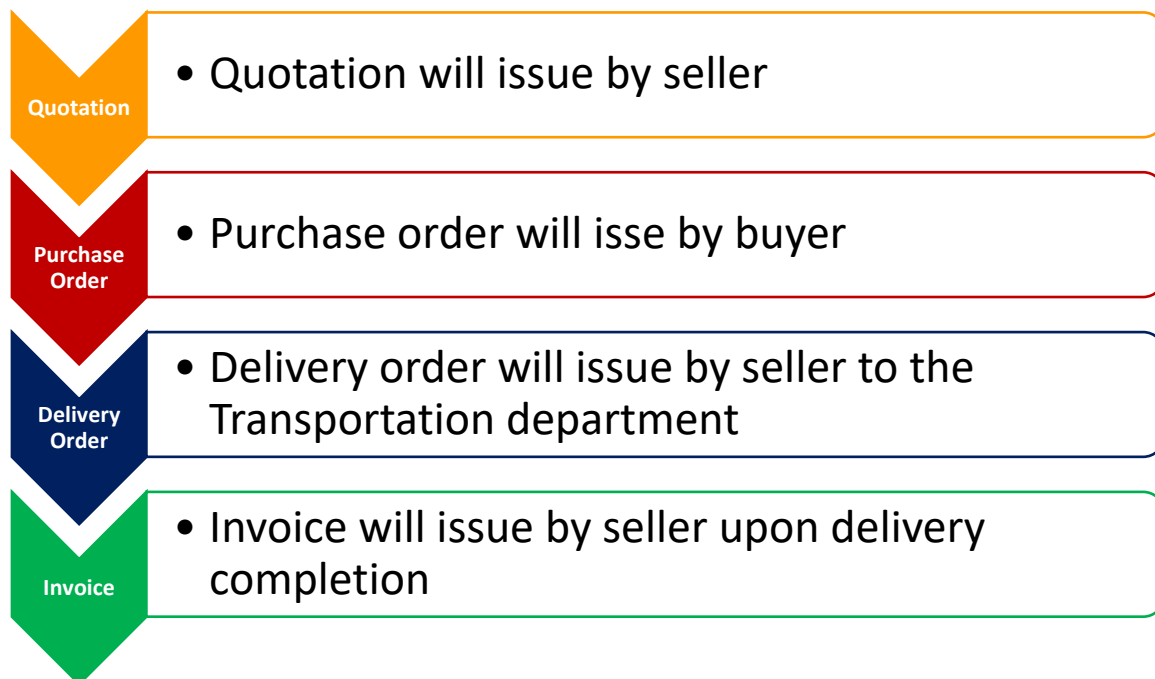
- Business Documentations

Introduction

For running a business, it is necessity to have communication documents. These documents are as follows: -

- Quotation
- Purchase Order (PO)
- Delivery Order (DO)
- Invoice

The sensible process of these documents are as follows: -



Quotation

Business quote Also known as a quotation, a business quote, or simply a quote, is a document that lists the prices proposed by a seller for their goods or services and

A price quote is a document or verbal communication that gives a fixed price for a project. A quote is given to a potential buyer from a supplier and is also known as a "quotation" or simply a "quote." A quote's price is only valid for a limited time. For example, a quote might say: "valid for 60 days."

Quotation

DATE 1/1/2002

Quotation # 100

Customer ID

Quotation For:

Quotation valid until: 10/Jan/02

Prepared by:

Address

City, State ZIP

Phone

Comments or Special Instructions: None

QUANTITY	DESCRIPTION	UNIT PRICE	TAXES	AMOUNT
			SUBTOTAL	\$ -
			TAX RATE	8.60%
			SALES TAX	-
			OTHER	-
			TOTAL	\$ -

THANK YOU FOR YOUR BUSINESS!

Figure 1 Quotation Sample

A quote will include the following details: -

- Supplier's business details
- Client details
- Quote number
- Date of issue
- A list of services to be provided
- What services won't be provided
- Breakdown of costs
- Total cost of the project
- Variations (extra costs)
- Timelines and completion dates
- Factors which may affect the completion date
- A place for the customer to sign their acceptance
- Payment methods, if asking for a deposit

Importance of Quotation in Business

Often, prices for commodities are already fixed. In such cases, you may wonder why there is a need for business quotes at all. To put it in simple words, when prices are fixed, businesses create an invoice to represent the information.

But when prices for services or goods are variable or dependent on certain conditions, quotes serve a similar purpose as an invoice except that they are generated before the order is confirmed. They are sent to the client before the invoice and, therefore, form the first point of business contact with the client. It is this aspect of business quotes that confers considerable value on them. A well-prepared quote can help convert a potential client into an actual customer.

How to Write a Business Quotation to Client

- To begin with, it is always useful to go through sample quotations to get an idea about what is expected.
- The next step would be to design or obtain a quote template. This, perhaps, is the most critical part of the process. The quote template must have all the required entries, such as company information, customer contact details, descriptions and gross prices of goods and services, applicable taxes, net prices of goods and services, terms of payment, due dates, and validity.
- Fill in the details and review the quote to verify that there are no errors.
- It is also important to consider how to send a quotation to client. Since the process is mostly online, quotes are generally sent via email as a PDF attachment.

Conclusion

What appears to be a small part of the business process, a quotation often proves most crucial to attracting and retaining customers. A small error or an ambiguous detail can cause the loss of customers. It is also important to keep in mind the legal terms within which the products or services occur.

Therefore, quoting in a quick, accurate, and concise manner, along with a professional layout and effective communication, is imperative for success.

Purchase Order (PO)

A purchase order (PO) is a legal document that buyers send to sellers to document the sale of products and services to be delivered at a later date.

This allows buyers to place orders with suppliers without immediately making payment. The seller uses POs as a way to offer buyers credit without risk because the buyer is legally obligated to pay for products and services when they've been delivered. Once accepted by the vendor, a purchase order becomes a legally binding contract. If there is not an existing contract that governs the relationship between buyer and seller, the purchase order can take its place. This offers legal protection for both buyer and seller.

Each PO has its own unique number, known as the purchase order number, to assist both buyer and seller in tracking delivery and payment of each purchase request. There are various types of purchase orders, the most common are standard purchase orders and blanket purchase orders. Standard purchase orders cover a specific purchase with no recurrence. Blanket purchase orders are used to commit buyers to purchase products or services on an ongoing basis until a certain threshold is reached.

What Information is on a Purchase Order?

- The company name of the buyer and the seller
- The product(s) or service(s) to be purchased
- Specifics of brand names, model numbers, etc.
- Quantity purchased
- Price per unit
- Delivery date – when the order should be delivered
- Delivery location – where the order should be delivered to, or the shipping address, and relevant contact information
- Billing address – where the seller should send the invoice to after delivery
- Discounts – any discounts applied to the order per contract terms with the vendor
- Payment terms – when the invoice will be paid, such as on receipt of delivery, net 30 or net 60, or a specific due date – usually in line with the terms of the contract between the buyer and seller

	A	B	C	D	E	F	G
1	[Company Name]			PURCHASE ORDER			
2	[Street Address]			DATE		4/11/2019	
3	[City, ST ZIP]			PO #		[123456]	
4	Phone: (000) 000-0000						
5	Fax: (000) 000-0000						
6	Website:						
7							
8	VENDOR			SHIP TO			
9	XYZ Supply			BAC Company			
10	XYZ Supply			Contact: Jane Doe			
11	ABC Company			Good Stuff Part Store			
12	ACME Hardware			123 Somestreet NE			
13	Jims Shop			Anytown, CA 11111			
14				Phone: (000) 000-0000			
15							
16							
17	REQUISITIONER		SHIP VIA	F.O.B.	SHIPPING TERMS		
18							
19							
20	ITEM #	DESCRIPTION		QTY	UNIT PRICE	TOTAL	
21	[23423423]	Product XYZ		15	150.00	2,250.00	
22	[45645645]	Product ABC		1	75.00	75.00	
23						-	

Figure 2 Sample Purchase Order

How to Use a Purchase Order

Purchase orders are used to simplify the procurement process, which looks something like this:

- The buyer decides to purchase something for their business.
- The buyer issues a PO to the seller, either on paper or with an electronic purchase order system
- The seller receives the PO and confirms their company can fill the order. If they cannot, they alert the buyer and request changes. If the changes cannot be made, the PO is canceled so the buyer can find another vendor to meet their needs.
- If the order can be filled, the seller prepares the order either through pulling the correct inventory or scheduling the necessary staff members.
- The order ships or the services are provided. The PO number is included on the packing slip so the buyer can easily track which orders have arrived.

- The seller sends an invoice with a unique invoice number for the order, including the PO number so it can be matched with the delivery information.
- The buyer pays the invoice according to the terms laid out in the PO, which should be based on the contract that the two parties agreed upon at the start of their relationship.

Delivery Order (DO)

A delivery order is a document from a consignee, or an owner or his agent of freight carrier which orders the release of the transportation of cargo to another party. Usually, the written order permits the direct delivery of goods to a warehouseman, carrier or other person who in the course of their ordinary business issues warehouse receipts or bills of lading.

According to the Uniform Commercial Code (UCC) a delivery order refers to an "order given by an owner of goods to a person in possession of them (the carrier or warehouseman) directing that person to deliver the goods to a person named in the order."

The screenshot shows a software window titled "Preview - Delivery Order". The window contains a form for a delivery order. At the top left is a logo with the letters "OC" in red and blue. To the right of the logo is the company name "LEARNING AUTOCOUNT SDN BHD" followed by its registration number "(ROC:751600-A)". Below this is the address "LOT 1, JALAN ONE, BANDAR ONE, 50000 KUALA LUMPUR" and contact information "Tel: 603-33234555, 603-77223377, Fax: 603-33243721".

The main heading of the form is "DELIVERY ORDER" with the order number "No. : DO-000001" to its right. Below this, the buyer's information is listed: "BEST PHONE SDN BHD" with a box for a signature, "NO 18, DELIVERY ADDRESS", "41100 KLANG", "SELANGOR", and contact details "TEL : 03-33240098" and "FAX : 03-33240078" with another signature box. To the right of the buyer's information, the seller's details are provided: "Your P/O No : ", "Terms : Net 30 days", "Date : 10/10/2009", and "Page : 1 of 1".

At the bottom of the form is a table with four columns: "Item", "Description", "UOM", and "Qty". The table contains two rows of data:

Item	Description	UOM	Qty
1	NOKIA ITEM 123	PCS	2
2	SAMSUNG SGH-E500	PCS	1

Figure 3 Delivery Order

Invoice

An invoice, bill or tab is a commercial document issued by a seller to a buyer, relating to a sale transaction and indicating the products, quantities, and agreed prices for products or services the seller had provided the buyer.

Payment terms are usually stated on the invoice. These may specify that the buyer has a maximum number of days in which to pay and is sometimes offered a discount if paid before the due date. The buyer could have already paid for the products or services listed on the invoice. To avoid confusion, and consequent unnecessary communications from buyer to seller, some sellers clearly state in large and/or capital letters on an invoice whether it has already been paid.

From the point of view of a seller, an invoice is a sales invoice. From the point of view of a buyer, an invoice is a purchase invoice. The document indicates the buyer and seller, but the term invoice indicates money is owed or owing.

Invoice

Seller name
Street Address
Town/City
Country
Postcode

Buyer name
Street Address
Town/City
Country
Postcode

Invoice 001
Issue date 15 August 2017
Due date 15 September 2017

Our order no. 672839
Your order no. 9829382

Quantity	Description	Unit Price	Amount
Sub total			
Tax			
Total			

Payment Details

Bank Name
Account Number
Sort Number

Tax reference no.

Terms

Net 30 days

Business reference no.

Figure 4 Sample Invoice