Web Node Cost System

(Modern Solution to Supply Chain Management)

System over View Document V.1.0

Table of Content

1. Web Node Cost System Software Info

Web Production Node Analysis System (PNAS) is a complete solution to the Manufacturing and other type of organizations involved in production activity such as

- Electrical
- Manufacturing of Cars
- Food items Manufacturers
- Any production oriented Units
- Non-production Unit
- And Other Software Manufacturing Units…. etc

This System emphasis on process cost based on the ABC (Activity Based Costing) and Balanced scorecard and includes major features as listed below:

- Budgeting standard cost
- Budgeting and Allocation
- Budgeting Variable cost
- Micro managing process cost
- Work-in-progress analysis
- In depth analysis of Activity/and Task cost analysis
- Value Added Analysis
- Performance by process model
- Quality improvement analysis
- Fiscal Year Trail balance by process Level
- Convention based costing
- Any time reporting of cost analysis at node/activity level

1.1Advantages

At nutshell: There are many Supply chain management system available in the market based on the convention costing system, where in the Production Node Analysis system replaces at micro level analysis and also at financial level. This micro level system emphasis more on the balanced scorecard and Performance tuning of the existing conventional system at any production Unit. The following are the added advantages over available Supply chain management system or process cost analysis system in the market.

- Production Node analysis system (PNAS) is not only available for manufacturing units but also to other non-production organizations.
- Setup any type of organization units to facilitate the cost assessment on the specific unit or group of units.

- Value added cost analysis over the conventional base costing.
- In depth cost analysis, performance metrics and quality measures of any type of given system or unit of system
- Comparisons between conventional and modern ABC cost analysis.
- Work-in-progress analysis at any level of micro management system
- Compare current fiscal year cost with previous any year cost by node, activity, task and work-in-progress level…etc

Software Features: The Complete flow of this software starts right at this General Financial setup for the Node and goes down to balance score card level for any type of manufacturing companies. All these modules are inter related and exchanges data between them at any point of time. The following are the major features of this Accounting software.

1. Web-based software (ASP.NET).
2. AJAX Technology.
3. Simple Navigational Tool-Bar at all level.
4. User Friendly data entry forms.
5. Consistency in Data inputs and outputs.
6. Maintenance cost is much less than the maintaing all other modules individually.
7. Total SDLC (system development Life cycle) is with in the 10% of the over all productivity of the company.
8. Easy to maintain and not required much manual interventions.
9. Each module is independent, if required.
10. N number of Transactions entry at any Point of time.
11. Follow-up measures techniques at any point of time at Order level.
12. Top-Down Security features viz., each module can be assigned to any user and in-turn can be assigned to different user by the main user at transaction level.

1.2 High Level Flow Diagram (Production Node Cost System)

The Complete flow of this software starts right at this External entity Called Company/Divisions within the company. The conventional method of evaluating the process workflow was override by the corporate performance based balance scorecard in recent years. Although most companies adopt conventional method to evaluate the performance of an investment center, which gives the outer structure of the traditional financial system hiding the modern multi-dimensional performance measuring techniques. The conventional method was adopted in olden days just for the following purposes:

- Internal reporting
- For calculating bonuses for the employees

- For publishing the general Annual financial report for the public Investments.
- For comparing general financial strength over competitors
- For reducing the over investment on the production

But in recent years the trend is towards "Corporate Balance scorecard". Hence the definition of the corporate balance scorecard was framed in such a way to expose the modern trend in accessing, forecasting and publishing the companies' performance with financial measures like

- Finance
- Customer
- Internal process
- Learning and Growth

After careful review and reporting of the above four performance evaluator/dimensions would reveal the "Balance" between the process, in-turn achieve the conventional based performance with financial measures like profit, ROI and Economic value added…etc.

In this "Production Node Process Analysis System", we will be achieving one of the most important modern elements in Balance scorecard, which is the internal process dimension of the performance metrics. The internal process dimension of PNPA includes the following major important techniques to achieve the porting of the balance scorecard system

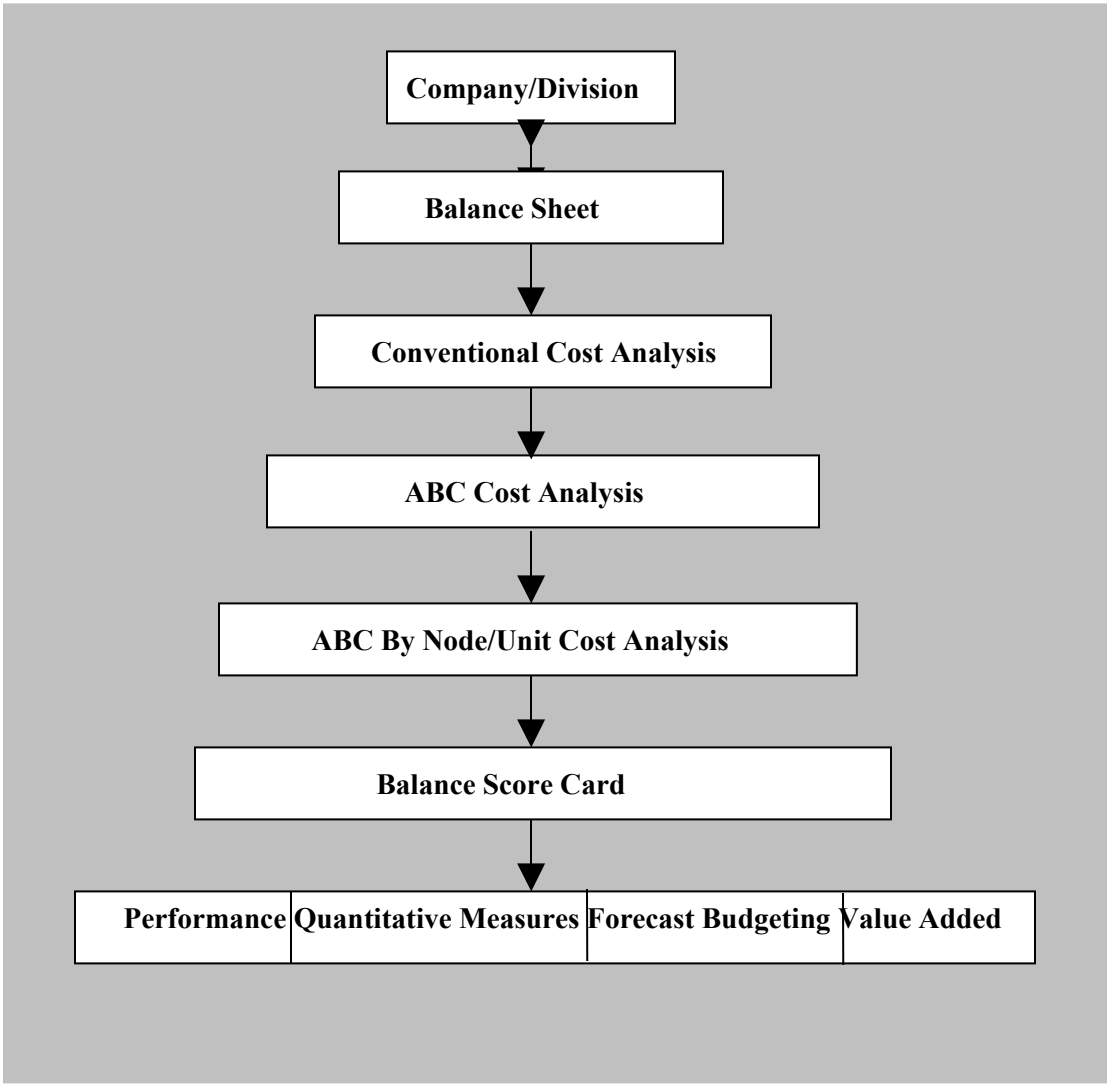
- To measure performance of the internal process
- To measure quantitative
- Other few financial analysis measuring techniques

In this "Production Node Process Analysis System" (PNPS), encapsulate following major performance measuring Techniques, which are cost oriented in line technique

- Budgeting
- Variance Analysis
- Value Added
- Activity based costing
- Quantitative measurement (No defects)
- Level of Activity

The current system (PNPA) is suitable for any type of organization, where in the existing Financial system can be broken down into different ABC system and measure the cost based on the Balance scorecard dimensions. The high-level process diagram for the above system is diagrammatically shown under the following diagram

Diagram-01-ProcessHL



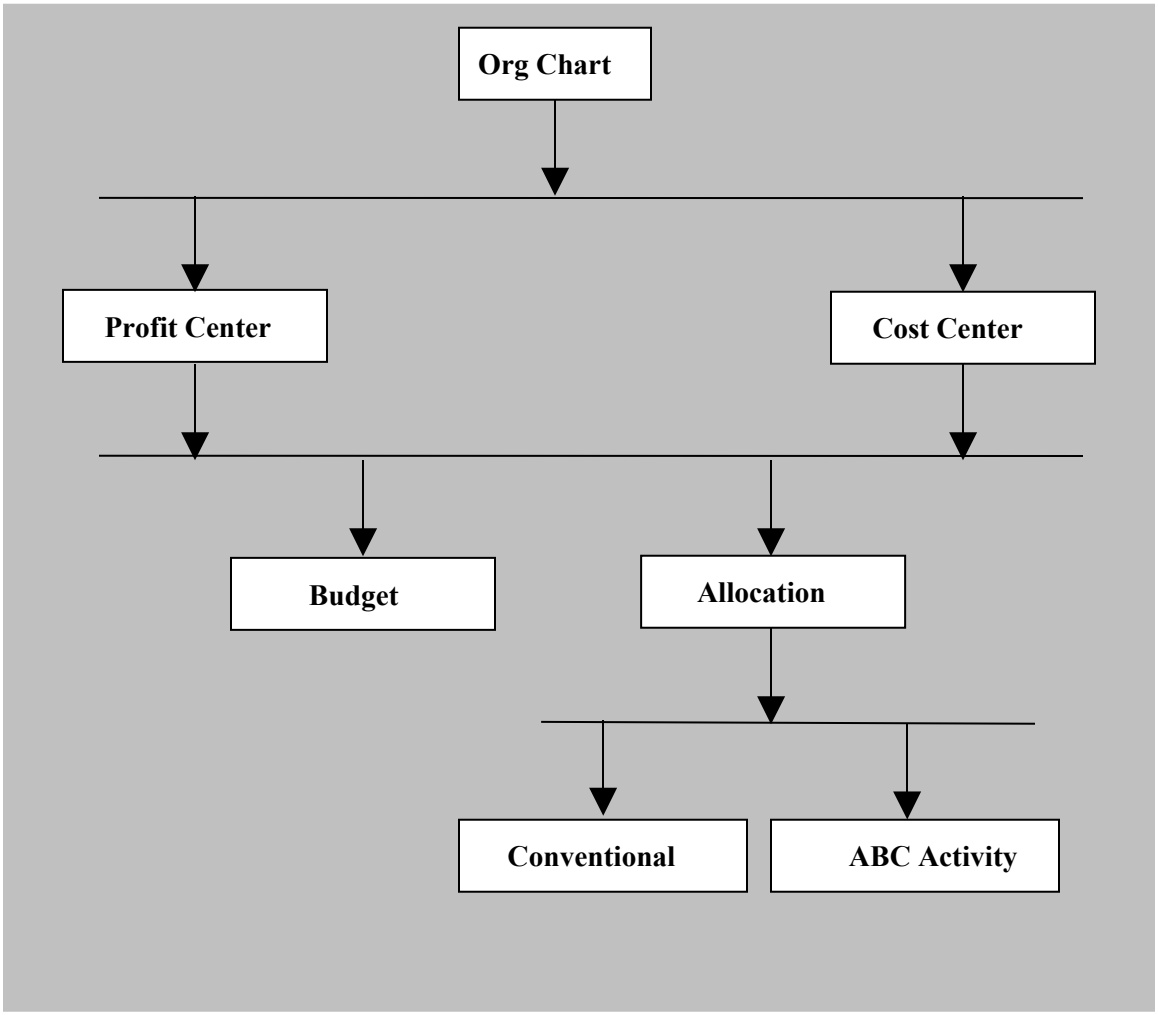
The above diagram is a drop-down approach to cost analysis to any organization. In this approach the conventional costs are further categories into Activity base cost for each and every level of process namely

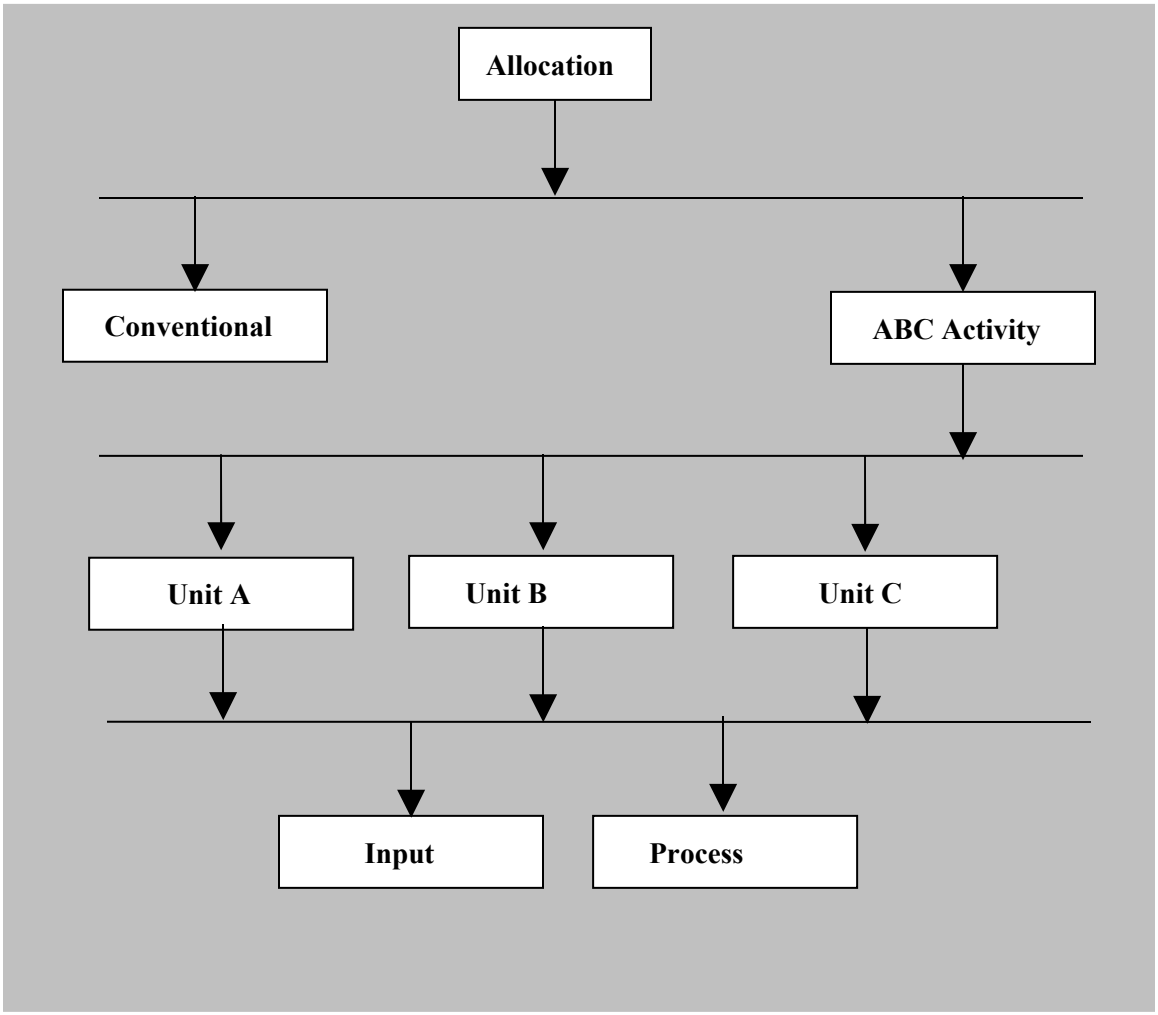
- Input
- Work-in-Progress
- Finished Goods

Hence the ABC analysis has to under go each level as mentioned above and the organization will have the facility to track down the cost and their performance at each level. This system allows multiple levels of performance, quantitative variance analysis and value added at any point of time.

This proto-type model of costing system implicitly calculates the variables needed for the MIS reports and also appraisal of segment costing is also available at any point of level. The performance, quantitative analysis of process level, value added and defects…etc also available at all the levels of process. The following process-flow diagram-02-process explains diagrammatically the cost & profit center.

Diagram-02-process





2. Web Node Cost System Software Payment Schedule

- **At the time of Registration/Booking : 50%**
- **On completion of Base DB Design : 30%**
- **On completion of GUI Design : 10%**
- **At the time of handing over the Proto-Type : 10%**

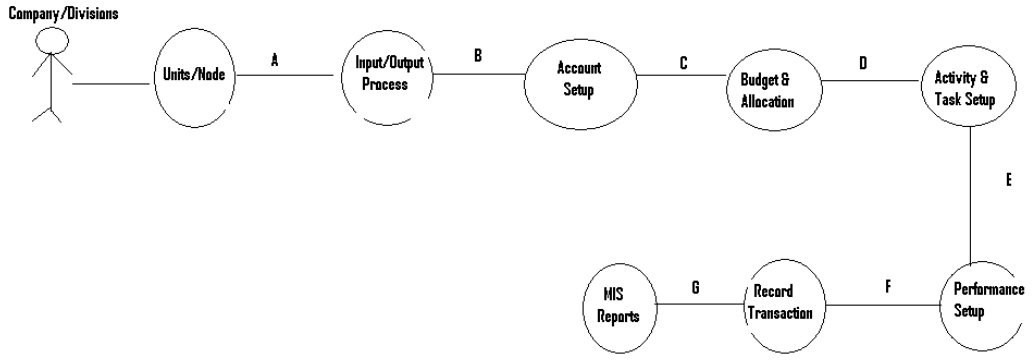
Note: Above payment schedule is based on the Final negotiable price

3. Web Node Cost System Software DB & GUI Overview

The following diagram shows the major user interfaces are available at the time of delivery of the product based on the payments scheduled, as prescribed above in section 2.0. The interfaces are as follows:

- Profile Setup
- Input/Output Setup
- Account Setup
- Budget & Allocation
- Activity & Task Setup
- Performance Measures Setup
- Transactions recording
- MIS & Costing reports

Diagram-03-Data-Flow-1



Production Node Cost Analysis System (PNCS)

4. Conclusion

The Web Production Node Cost Analysis System can be customized for any Production oriented company. The requirement and development will cost much cheaper than current software's available in the market. The development of this system estimated to be less than 180 days of man-hour and the maintenance also cost less due to the iron speed designed which contribute to error free development environment.