

Overview

After supplying print-related goods or services, an organisation will normally send an invoice to the customer, setting out the charges for the work undertaken. Before the invoice is issued, it is good practice to review the costs that have been incurred during production, because it is very common for extra costs to be incurred as a result of something(s) the customer has requested in addition to the original specification. If the production costs are not reviewed, not only may the customer not be charged for all the work done, but the company may be continually losing money on production activities and be unaware of it for a long time.

This standard is relevant to you if you work in a print management or administration role and have responsibility for reviewing production costs and determining the invoice charges to the customer.

There are two elements in this standard:

MPR72.1 Review production costs

MPR72.2 Prepare invoices and deal with queries

This is what the standard covers

Production cost information can be gathered in different ways: at the most basic level, only purchase invoices for materials or outwork may be systematically recorded, often primarily for accounting purposes. The traditional paper method of keeping complete production cost information using time sheets, stores issue notes and the like has now tended to be replaced by electronic methods, usually forming part of a Management Information System (MIS). The most sophisticated systems collect data direct from machines, recording running times and speeds for jobs and match these directly to the estimate that was prepared before the work was put into production.

With manual and incomplete data systems, the challenge is to collect sufficient information and relate it to the job prior to invoicing. With electronic systems, the challenge is to ensure the data that was entered or collected is accurate and well structured. On occasion, there may be too much information, with almost every line of data showing variations between estimated and actual costs. In such situations, it is essential that you identify the relevant data that needs to be taken into account when producing an invoice.

Data which provides information on production efficiency, but which has little or nothing to do with the charges to the customer, needs to be collated and used to inform the company's estimating and charging policy, particularly where failure to achieve estimated productivity occurs repeatedly from job to job.

Whichever system is used in your workplace for recording production costs, the same principles apply with respect to this standard: as much reliable

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Review production costs and prepare invoices

information as is available should be collected and reviewed prior to raising a sales invoice. The production costs should be methodically compared to the estimated costs, significant variations identified and considered. Where necessary, further enquiries and investigation should be undertaken to achieve an accurate understanding of total costs and cost variations.

Whilst you may not be responsible for the physical production of the invoice, this standard requires that you have responsibility for finalising (or producing the final draft for review by a senior colleague) the details and charges that will appear on the invoice. You should also make sure that when the invoice is produced the correct information is shown, including statutory information such as VAT numbers, registered office and company number, where required.

Invoice queries are not uncommon, and you must be able to show that you can answer customer questions and complaints in a professional and competent way, including resolving promptly those issues that you have authority to deal with.

The evidence required for this standard is a very thorough knowledge of job costing principles and practice in a responsible print management and administration role. In addition you are required to present performance evidence gained over time in a commercial or similar environment. It is unlikely that such evidence could be gained by anyone with less than a year's experience undertaking job costing and invoicing responsibilities in a real workplace. Simulated evidence is not acceptable.

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Performance criteria

Review production costs

You must be able to:

- P1 collect or obtain production cost information, including, for example:
 - P1.1 outwork costs
 - P1.2 production costs (e.g. labour / machining)
 - P1.3 material purchases and stock usage
 - P1.4 exceptional items
 - P1.5 carriage costs
- P2 compare production cost information with the original job specification and estimate, including quantities produced and/or delivered
- P3 identify where any additional costs have been incurred and decide whether any such costs are chargeable to the customer
- P4 investigate any unexplained cost variations from the original estimate and, where appropriate, report these to relevant colleagues
- P5 if charges are to be made to the customer for additional work, determine those charges according to company policy, with reference to colleagues where necessary
- P6 identify significant differences between estimated and actual productivity rates, especially where these occur frequently from job to job, and report these to relevant colleagues

You must be able to:

Prepare invoices and deal with queries

- P7 ensure that sales invoices for which you are responsible are accurate and complete and include, where appropriate:
 - P7.1 a description of the work done
 - P7.2 the correct charge for the work, including additional costs / services where necessary
 - P7.3 value added tax at the appropriate rate
 - P7.4 the customer's purchase order reference
 - P7.5 the correct legal name of the customer and their address
 - P7.6 all statutory information required by law
- P8 deal promptly and professionally with queries on invoices that relate to costs or charges
- P9 maintain job costing and invoice information securely on file in the form required by your company

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Knowledge and understanding

You need to know and understand:

- K1 ethical and employment issues relevant to printing
 - K1.1 confidentiality
- K2 the safe handling of customer material
- K3 security & storage
 - K3.1 computer system security and virus protection
 - K3.2 secure means of archiving digital and conventional artwork
- K4 communication
 - K4.1 with colleagues
 - K4.2 with customers
- K5 time & resources
- K6 administrative procedures
 - K6.1 recording and reporting
 - K6.2 product labelling
- K7 business and contracts
- K8 management
 - K8.1 business improvement techniques
- K9 materials
 - K9.1 the types & characteristics of paper, board and other commonly used substrates
- K10 proofing

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Relevant occupations	Originators compositors and print preps; Printers; Screen printers; Printing machine minders and assistants; Bookbinders and print finishers; Graphic designers
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Suite	Master Printer
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Key words	Master Printer; Print Management; Print Production; Processes and Engineering Management
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