

JD Edwards EnterpriseOne Advanced Job Forecasting

ORACLE® JD Edwards EnterpriseOne

KEY FEATURES

- Real-time visibility into job financial data
- Accurately track remaining work by job task
- Accurately assess remaining job costs using current and forecasted unit rates
- Create user-defined formulas and methods of computation to calculate projected final amounts that make sense for your organization
- View history and audit trails for forecast data

KEY BENEFITS

- More accurate prediction of job costs
- View forecast history and audit data
- Create and use method of computation that relate specifically to your organization
- Single point of entry for all forecast data for a specified job
- Automatically or manually update financial data with projected final amounts

The JD Edwards EnterpriseOne Advanced Job Forecasting system can help your organization manage and minimize project cost and scope increases. The system provides project managers with a more accurate overall projected project status by providing more detailed and auditable visibility into the remaining work associated with a job or project.

The Issue:

In engineering and construction, and other project-centric industries, the margins on a job can be small, and the budgets and actual costs can be large and difficult to manage. Any wrong decision can have a significant budgetary impact on a job and quickly erode that small margin. For this reason, companies must be diligent when tracking project financials, including forecasted costs and units, to provide accurate insight into the project financials and ensure the largest margins possible.

During the life of a job, project managers and project executives regularly review a job's financial information including budgets, actuals, open commitments, pending change orders, billings, and forecasted amounts and units. Project managers must have accurate and up-to-date forecasts for a number of reasons. First, forecasts can be initially based on a job's budgets and estimates. These estimates can quickly become out of date with respect to the forecast because after a job starts, there are numerous factors that could affect the projection costs. Second, the cost of labor, material, and other charges to a project change over time. And, with projects that span a lengthy period, the rates of these costs could dramatically change over the life of a project, thus affecting the forecast.

The Solution: Advanced Job Forecasting from JD Edwards EnterpriseOne

The Advanced Job Forecasting module has been developed to help organizations meet the complex requirements of job forecasting. The module provides additional structure controls, review and approval capabilities, and forecast audit features. When used in conjunction with the JD Edwards EnterpriseOne Project Costing system, these detailed forecasts provide in-depth visibility to all project finances.

You can use detailed, configurable methods of computation to calculate projected final costs by task within a project. Project stakeholders have the information needed to improve performance with a tailored view of original budget amounts, current costs, open commitments, final cost projections, and percent-complete information for each project.

Single View of the Truth

View a job's point-in-time financial status, including budgets, actuals, open commitments, current forecasts, pending change requests, billing information, user-defined ledgers, and pending revisions to the forecast. Use the information on the forecast to compare current and prior amounts.

From a forecast, project stakeholders can efficiently review, update, and adjust job financials. Users can also drill down into forecast records to view transactions, progress entry, and other applications directly from the forecast.

The data that is retrieved and updated during forecast creation (including user-defined ledgers and projected final amounts and units) is stored in the EnterpriseOne database.

Forecasting the Way You Need It When You Need It

In an economy with fluctuating prices, project managers are challenged to accurately forecast the cost of the remaining work.

The Advanced Job Forecasting module provides the ability to specify a detailed list of remaining work for any cost code in a job. Remaining work data can include a detailed list of specific labor or materials required to complete a task, the rates associated with the additional labor or materials, and other costs associated with completing a task.

Job forecasts provide the ability to specify this detailed remaining work data without affecting the job's financial reporting. For example, you can enter details for the remaining labor needed to pour the foundation for a building. This could include diverse types of labor, each at a different rate. The task might require labor at one rate to set the forms for the foundation, and labor at a different rate to pour the concrete. The forecast totals these labor costs and uses them as the projected final amount on the job.

Forecasting can be a mix of art and science. The Advanced Job Forecasting module gives project managers the ability to create multiple "what-if" forecasts to help them understand how certain assumptions impact the forecast. Project managers can then review each forecast and decide which forecast to use to update the projected final amounts.

Maintaining Controls and Auditability

Much of project management is about risk mitigation. Having control and visibility into job forecasts helps project executives understand the current and projected status of their jobs which helps them know where to focus their attention, thus mitigating risk.

Project executives can:

- Review the status of monthly forecasts across a portfolio.
- Review a detailed, traceable, auditable backup of how forecasts were derived.
- Control when job forecasts are used to update projected final amounts.
- Review an audit trail of who made each change to a forecast.

Throwing Away the Crystal Ball

To help you take the guesswork out of developing projected final values, hard-coded methods of computation (MOC) are built into the JD Edwards Job Cost system. While the 20 MOCs offered in the Job Cost system can provide adequate and accurate forecast calculations for most organizations, the Advanced Job Forecasting system enables organizations to create their own user-defined MOCs to meet diverse forecasting requirements.

Users can create custom formulas, and then use those formulas to build MOCs that can perform complex calculations. These user-defined MOCs are used in the same way that the hard-coded MOC are used within the Job Cost system.

The Advanced Job Forecasting module also provides the ability to change the MOC for a cost code as the project progresses. A project manager might forecast a task in one way when the task starts but decide to use other forecasting methods as the task progresses to completion. This feature enables project managers to use the appropriate forecasting method at the appropriate time within the lifecycle for any given task. For example, a project manager might use one of the standard 20 MOCs to forecast tasks that are in the preliminary stages of work because they do not have a lot of detailed information available for the task. As the project progresses and additional information is available, they might change the forecast by defining the details of the remaining work and related costs. For other specific types of tasks, a project manager might use a user-defined MOC to meet the unique forecasting needs associated with that task.

Solution Integration

This module is designed to integrate with these JD Edwards EnterpriseOne products and suites across your operations using common tools and a Pure Internet Architecture:

- JD Edwards EnterpriseOne Project Costing
- JD Edwards EnterpriseOne Contract and Service Billing
- JD Edwards EnterpriseOne General Accounting

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