



Introduction to Project Costing

By Richard L. Berry

E1 W Editor's Note: Well, we didn't really plan it this way, but this may turn out to be the first in a series of articles by Richard Berry that we would strongly recommend you hang on to. By the time we're done, we think Richard will have pretty much covered the territory. In this article, you will learn about more than just the software. The approach is to present the concepts and business requirements surrounding Job Costing, then to explain how these are addressed by PeopleSoft EnterpriseOne. Whether you already use Job Costing or are just now considering its implementation, be sure that you will learn plenty from this installment.

Introduction

In this article I intend to identify the main features of project costing systems by way of introduction to the subject. I will also give some indication of how far PeopleSoft software goes toward meeting these requirements. Project Costing is itself a very wide subject and many different types of enterprise are included. This article is an introduction, and is therefore fairly conceptual in nature. In later articles, I will cover many of these topics in more detail. The first, to be published in November 2004, will cover the subject of Engineering Bill of Materials. Firstly, however, before diving directly into an overview of project costing, we will identify examples of industries that would use it.

Industries

JD Edwards Job Cost may be used by any organization that undertakes projects of any sort. These may be projects for customers or internal projects for the construction of assets (capital work in progress). And projects can be long or short, large or small.

Needless to say, PeopleSoft is popular with obviously project-based enterprises, like construction companies, but I have shown a list below of other kinds of enterprises that either already use PeopleSoft, or potentially could use it:

- Construction main contractors
- Specialty sub contractors (piling, prefabrication)
- Developers
- Home builders
- Heavy highway and civil construction contractors
- High tech construction companies (e.g. clean air room installation)
- Road maintenance franchisees
- Cable television infrastructure builders
- Ship builders
- Ship repairers
- Oil rig builders
- Engineering contractors
- Security and fire alarm system installers
- Equipment manufacturers
- Exhibition organizers
- Exhibition stand construction companies
- Electronics project or batch manufacturers
- Radio and TV program producers

I am sure there are many other examples. Each one of the above has special requirements and it would not be possible to itemize the special difficulties that each one faces. Nevertheless, some common ground can be found and there are basic requirements that all of them share.

The Main Features of Project Costing Systems

In the process of considering what project costing features PeopleSoft World and EnterpriseOne provides, we should try to get a full picture of the variety of requirements of different types of project based enterprises. Not everything can be provided within PeopleSoft, so I have presented the points below as a full list of all requirements with an assessment of how much PeopleSoft can do.

This Article Continues...

Subscribers, log in from our main search page to access the full article:

www.JDEtips.com/MyAccess.html

Not a Subscriber? Gain access to our full library of JDE topics:

www.JDEtips.com/JD-Edwards-Library

Visit www.JDEtips.com for information on the JDEtips University schedule, private training and consulting, and our Knowledge Express Document Library.

License Information: The use of JDE is granted to JDEtips, Inc. by permission from J.D. Edwards World Source Company. The information on this website and in our publications is the copyrighted work of JDEtips, Inc. and is owned by JDEtips, Inc.

NO WARRANTY: This documentation is delivered as is, and JDEtips, Inc. makes no warranty as to its accuracy or use. Any use of this documentation is at the risk of the user. Although we make every good faith effort to ensure accuracy, this document may include technical or other inaccuracies or typographical errors. JDEtips, Inc. reserves the right to make changes without prior notice.

Oracle and J.D. Edwards EnterpriseOne and World are trademarks or registered trademarks of Oracle Corporation. All other trademarks and product names are the property of their respective owners.

Copyright © by JDEtips, Inc.