

Project Bids

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Introduction

A Project Bid represents the process in Odoo by which a company can prepare an estimate of the planned costs and revenues that a future project may undertake. The bid is often created as a response to a solicitation by a customer.

In project management, the bid specifications provided by customer will often be presented in the form of a Statement of Work (SOW), identifying the project need and product scope description. Other times the customer may provide more detailed requirements, including a decomposition of deliverables or work packages that needs to be covered.

Installation

The Project Bids application can be found in Odoo versions 7.0, 8.0, 9.0, 10.0, 12.0 and 14.0 <https://github.com/Eficent/project-bid>

The module to install is “project_bid”.

When the module is installed, add the user to the group “Bid Manager”.

Profit & Loss Statement

Managing Projects is analogous to managing companies. The Project Bid presents the results in the format of a Profit & Loss Statement (also called Income Statement). The P&L is the most important measure of the company (and analogously to the project's) health and sustainability.

The statement is presented as follows:

- + Revenue
- Cost of Sales
- = Gross Profit**
- = Gross Margin (%)**
- Total Overhead
- = Net Profit Margin**
- = Net Profit Margin (%)**

Reference	001	Revenue	3078.50
Name	Odoo experience	Cost of Sales	2480.00
Customer	Mr Wannabe	Gross Profit	598.50
Parent Bid		Gross Margin (%)	19.44
Bid Template	Empty	Total Overhead	199.50
		Net Profit Margin	399.00
		Net Profit Margin (%)	12.96

Revenue represents the income that you plan to receive from the customer out of the project. It is obtained in the Bid application as a % of Cost of Goods Sales. The user can specify the % in the *Bid Template*, so that the same % can be used across multiple Bids.

Cost of Sales (COGS) represents the costs that are directly attributable to the delivering project. These are often called direct costs to the project. The bidder enters the Cost of Sales in the sections “*Components*”, “*Other Labor*” and “*Other expenses*”.

Gross Profit is Revenue - Cost of Sales, and indicates what's left from revenue after we deduct the costs that are directly related to deliver the project. The project manager is accountable for this key figure, since he is in full control it's elements.

Gross Margin (%) is $(\text{Revenue} - \text{Cost of Sales}) / \text{Cost of Sales}$, and is very important because it allows to compare profitability across projects. Project managers are often enforced to achieve a target Gross Margin consistently across their projects. It is often considered a key go/no go criteria for a project. In projectized organizations, the company gross margin is composed by the individual gross margins of the individual projects. A company willing to achieve an overall gross margin of 40% would easily drop a project with 5% gross margin, because it would drag the target profitability of the overall company.

Total Overhead represents the costs that are not directly attributable to the project. These are generally costs associated to running the overall company (electricity for the building, administration or general management labor expenses,...). In the Bid application the Total Overhead is estimated as a % of Cost of Sales. The user can specify the % in the *Bid Template*, so that the same % can be used across multiple Bids.

Components

The Bid application allows the user to decompose the customer specifications into Components, identifying for each, a description of the scope of work, and estimates of materials and labor required to complete the Component.

Components									Other labor	Other expenses	WBS Totals	Notes	Administration
Description	Quantity	Material COGS	Labor COGS	Total COGS	Total overhead	Net profit	Revenue	Gross profit					
Survey	1.00	30.00	100.00	130.00	19.50	39.00	0.00	58.50					
Workshop	1.00	450.00	150.00	600.00	90.00	180.00	870.00	270.00					
Workshop	1.00	450.00	150.00	600.00	90.00	180.00	870.00	270.00					
odoo experience	2.00	900.00	250.00	1150.00	0.00	0.00	1150.00	0.00					
		1830.00	650.00	2480.00	199.50	399.00	2890.00	598.50					

Open: Bid Lines

Project Bid Component Template	Survey
Project Bid	[001] Odoo experience
Description	Survey
Overhead %	15.00
Profit (%) over COGS	30.00

Materials

Material product	Description	Quantity	UoM	unit_cost	Total labor COGS	Total overhead	Net profit	Revene
Service	Service	1.00	Hour(s)	30.00	30.00	4.50	9.00	43.50
					30.00	4.50	9.00	43.50

Labor

Labor product	Quantity	UoM	Unit cost	Total labor COGS	Total overhead	Net profit	Revenue
Working hours	2.00	Unit(s)	50.00	100.00	15.00	30.00	145.00
				100.00	15.00	30.00	145.00

[Close](#)

Bidders are able to take advantage of Components that were used in other Bids by choosing them in the “Project Bid Component Template”. The data from the other Bid’s Component will then be copied to the new Bid Component.

Each Labor, Material entered provides details of its contribution to the overall Income Statement, indicating planned Revenue, COGS, Gross Margin, Overhead, Net Margin.

Other Labor

This section allows the user to enter labor cost not directly related to specific Components. E.g. Cost of the project manager.

Other Expenses

This section allows the user to enter other costs not directly related to specific Components. E.g. Flights.

Hierarchy

Very complex bids are often prepared as a composition of multiple bids, that may be prepared separately, and may need to be put together for the purposes of global evaluation.

It is for this purposes that a user can encode various bids, and establish a hierarchical structure. The Income Statement will then be rolled up to the parent Bid, from the child.

Parent Bid

> Child 1

> Child 2

Roadmap

- Create an RFQ from a Project Bid
- Create a Project from a Project Bid