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Sales Purchase & Invoicing Solution

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A B S T R A C T

There are many business owners who are not clear about what is a sales invoice? People take out many definitions for this type of invoice, but everyone should follow a standard sales invoice definition.

According to Cambridge Dictionary, "Sales invoice is a document sent to a customer with an item/product list or services they have bought and their prices, any sales tax, the total amount, and the date before which the customer must pay."

In general, a sales bill will include a description of the provided service and goods, the breakdown of the amount in detail, the deadline for the payment, and how much money the client needs to pay. These tiny details enable you to keep detailed transactions of your sales for invoice accounting purposes.

Today, the organizations advertise and sell their products online and offline but they face the issue of managing their sales and inventory. A crucial part of their businesses is maintaining relationships with their customers, preventing them from churning out, track decreasing brand loyalty and taking steps to prevent it, and increasing profitability.

1. Introduction

1.1. In financial accounting, a sales invoice (or invoice) is a document that a company uses to communicate to clients about the amounts due in exchange for goods and services sold. Invoices help businesses get paid and provide legal protection for both sellers and buyers.

1.2. As a service or product provider, you need to prepare a sales invoice whenever you need to request payment from your customer. Usually, invoices are sent twice; before the customer's request is processed and after the request is fulfilled. However, some sellers prefer to send their invoices either at the beginning or the end of the transaction, depending on the payment policies applied in their companies.

1.3. This project focus on sales, purchase and invoicing solution. It is an inventory management system.

Purpose

In financial accounting, a sales invoice (or invoice) is a document that a company uses to communicate to clients about the amounts due in exchange for goods and services sold. Invoices help businesses get paid and provide legal protection for both sellers and buyers.

Scope

This billing system focus on the development of an information system that will automate manual transaction in Beatriz Food and Cafe.

However, the study has focused on the following:

- The proposed automated system should generate reports of daily and monthly sales including reservation transactions of Beatriz Food and Café.

- It will generate receipt on every transaction inputted to the system.

- The software will display view of calculations of every transaction.

- For security and privacy of the management, the Billing System comply two log-in users with different access level.

- The system will store and recognize customer reservations.

1.4. Advantages of Sales, Purchase & Invoicing Solution

There are many advantages of Sales, Purchase & Invoicing Solution, some of them are as follows:

- Accurate book-keeping
  Sales invoices are the foundation of an organisation's bookkeeping. For accurate accounting, businesses need to record every sales transaction. Using the invoices, they can prepare their profit and loss account and balance sheet. They can then use the data to calculate key ratios such as gross margin ratio, net margin, net profit, asset turnover ratio, etc.

- Tax Returns
  To file their taxes, businesses can use sales invoices to figure out how much taxes they need to pay. Additionally, they need to have sales invoices in case authorities have issues with the return filed. They might check the sales invoices to ensure that businesses have not evaded taxes. In the absence of sales returns, authorities might penalise and sanction your business.

- Inventory management
  Sales invoices can help you manage your inventory. You should connect various enterprise software such as Enterprise Resource Planning (ERP) and inventory management systems. You can input the outflow of goods. The system will determine which goods you have to order and how much to order based on historical data and inventory count.

- Legal matters
  Businesses have to face various issues from customers. Sometimes, these issues can escalate into legal matters. Sales invoices are proof of transaction, and they contain important details such as selling price, discount offered, date of purchase, etc., that can be used to refute false claims. Many businesses also collect signs from customers at the time of purchase to verify the transaction details. These signatures can prove that the customer was aware of important details such as services rendered, date of transaction, etc.

- Data collection and analysis

  We have already discussed that invoices contain key information. These details are crucial for a business. They can analyse the data gathered from invoices to find out the key demographic of their products or services, the golden period for the business, popular goods, and earning trends. However, it isn't easy to track all the sales invoices receipt easily. You can use technology to solve this problem. Apps like Okcredit make it easier for you to maintain your invoices. They also ensure that you can track your invoices easily.

- Business Loans
  An excellent sales invoice record keeps ensures that your books of accounts are properly maintained and verifiable. You will be able to get the loan faster. Grow and expand your business with business loans. Not only that, but invoices will also provide you with key insights you can use while you are preparing your business plan.

- Capitalisation of Invoices
  Many times, businesses have to provide credit to their customers. They generate profits, but they can't maintain their cash flow. They can put their sales invoices to work. Companies can get cash from invoice factoring companies by selling their credit sales invoices to third parties at a small discount. Thus, they can maintain their cash flow all the time.Methodologies

2. Methodologies

For developing this software we are following agile methodology which is an advance technique in software development unlike other traditional waterfall model we can use this technique for faster development. The Agile methodology is a way to manage a project by breaking it up into several phases. It involves constant collaboration with stakeholders and continuous improvement at every stage. Once the work begins, teams cycle through a process of planning, executing, and evaluating. Continuous collaboration is vital, both with team members and project stakeholders.

Agile software development refers to a group of software development methodologies based on iterative development, where requirements and solutions evolve through collaboration between self-organizing cross-functional teams.

Agile methods or Agile processes generally promote a disciplined project management process that encourages frequent inspection and adaptation, a leadership philosophy that encourages teamwork, self-organization and accountability, a set of engineering best practices intended to allow for rapid delivery of high-quality software, and a business approach that aligns development with customer needs and company goals.

Agile development refers to any development process that is aligned with the concepts of the Agile Manifesto. The Manifesto was developed by a group of fourteen leading figures in the software industry, and reflects their experience of what approaches do and do not work for software development

2.1. The benefits of Agileon E-Authenticated and OTP Verified Attendance Management System

The benefits of Agile project management will vary from case to case, as different teams implement best practices their own way. However, it is generally understood that Agile offers the following core benefits:

- Satisfied customers: By involving customers in the development process, Agile teams keep them in the loop and show that they value their opinion. Stakeholders want to be engaged throughout the project life cycle so they can offer feedback and ensure that the final product will be suited to their needs. These tailor-made deliverables will likely improve the overall user experience and boost customer retention.

- Improved quality: Agile methodologies use an iterative approach to project management, meaning processes are improved upon each time an interval is repeated. This consistent focus on improvement and quality control is one of the core principles of Agile, and it helps to create superior products.

- Adaptability: The central theme of Agile is flexibility. Agile teams are responsive to change, even at the last minute, and can adapt to it without much disruption. Project deliverables are not set in stone, so teams can easily reassess their plans and adjust their priorities to align with updated goals. Being adaptable means teams can deliver consistently and manage clients' changing requirements effectively.

- Predictability: Agile teams work in short time periods, sometimes referred to as sprints. These fixed durations (e.g., two weeks) make it easier for project managers to measure team performance and assign resources accordingly. It is also easier to predict costs for shorter time periods than for a long-term project, simplifying the estimation process.

- Reduced risk: Developers regularly assess progress during sprints, meaning they have better visibility into the project and can spot potential obstacles quickly. These minor issues can be tackled before they escalate, creating an effective risk mitigation process and giving the project a greater chance of success.

- Better communication: Agile teams prioritize face-to-face communication and continuous interaction. They will usually conduct daily meetings to ensure everyone is on the same page and working towards the same objectives. By regularly communicating with each other, they eliminate potential confusion to successfully achieve their objectives.
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3. Modelling and Analysis

3.1. Module 1:Product Management

- A product is any item or service you sell to serve a customer's need or want. This module is used to manage the products or we can add items in our system for which the invoicing is being prepared. This Products can be managed by the admin and the stock of these product can be also manage by the admin user.
- Product Examples:
  • Digital products
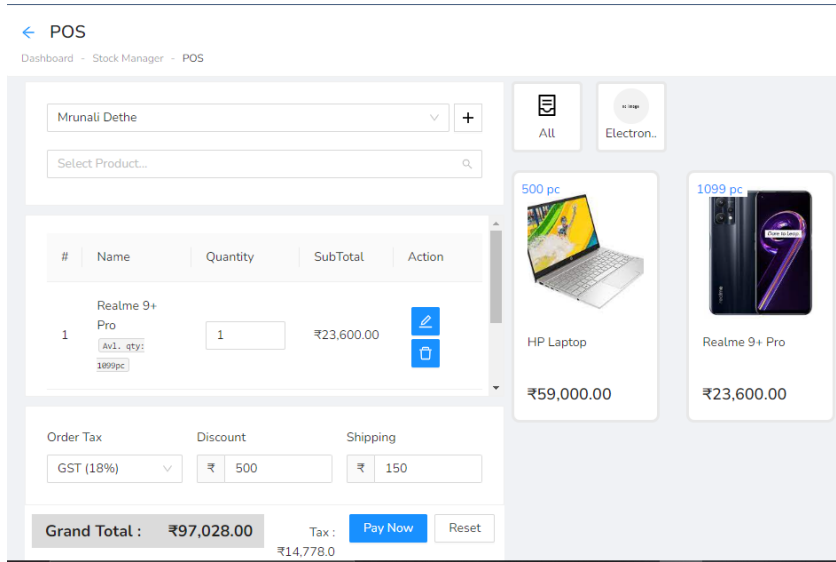 • Physical Goods

• Consumable items
• Electronic items

Fig 1: Login Screen

3.2. Module 2:Sales & Purchase Module

• What is a Sales module?

Sales module implements functions of order placement, order scheduling, shipping, and invoicing. This module helps in sales planning too. Sales planning determines the sales rates the company must maintain for its product lines to meet the strategic plan.

• What is a Purchasing module?

The Purchasing module facilitates the creation, maintenance and analysis of purchasing activities within your organization, such as the management of suppliers, and the procurement of goods and services.
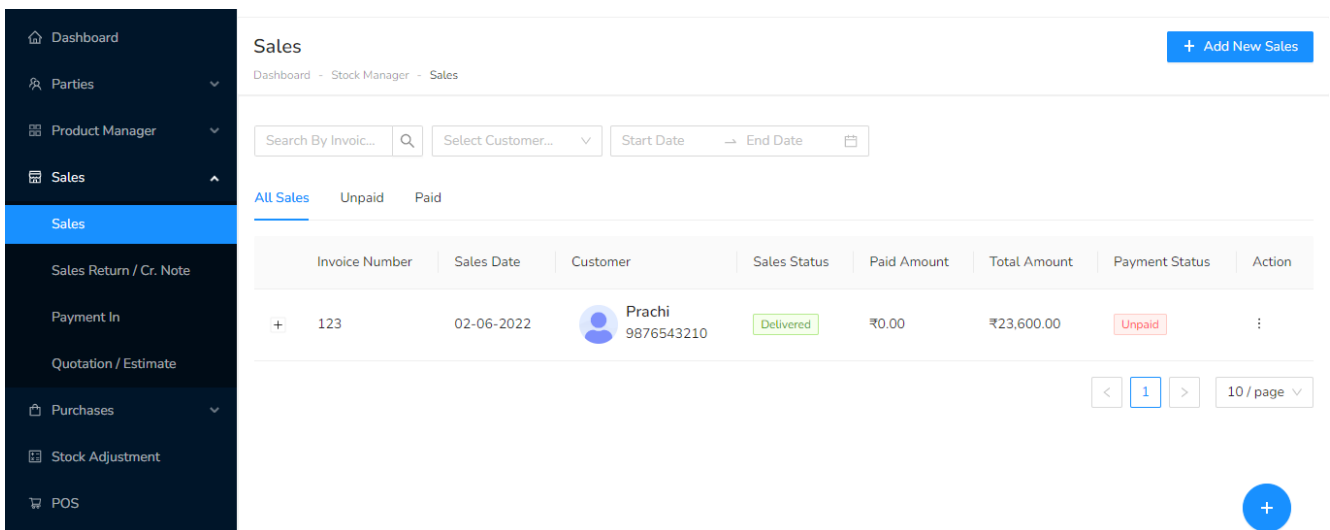

Fig 2: Time Tracking Screen

3.3. Module 3:Customer Management

- What is a CRM?

  It stands for Customer Relationship Management (CRM).Customer Management module work as a crucial role in defining your company's growth and enhancing customer relationships. Different CRM Modules constitute this capability. These modules work together to ensure seamless sales and marketing operations. This module is used to manage customer data.

Fig 3: Customers Screen

3.4. Module 4: Reports Module

- What is a Reporting Module?

  Report module allows end users to define what data sources can be used as lookup sources. Instead of numeric control, the new lookup control will be displayed on a report filter page when once you choose this column.

Fig 5: Reporting Screen

4. Result and Discussion

The purpose of a sales invoice is to let a buyer know the payment details of a purchase they've made and give the seller information for its accounting records, according to the business management experts at Paper. The invoice can include the due date, payment terms and other information.

Many small businesses use informal, one-off receipts, while others use numbered forms for more organized record-keeping. Understanding the function of an invoice helps you create billing documents that increase your chances of being paid on time.

- Why Use Invoices?

Customers can't always – or might not want to – pay for their items each time they make a transaction. They might need to review what they've received before they agree to pay for it. They might neesd to purchase materials for $1,000 that they can then use to make and sell their product for $10,000.

Sellers are often willing to deliver goods on credit with an invoice because they know if they don't, they'll lose a steady income stream; it's better to receive $1,000 in 30 days than not to generate any income at all.

- Applying for Credit

If you're going to allow customers to buy on credit, have the customer fill out a credit application. If you're applying for a business account with a supplier, you probably need to let your supplier check your credit history, most recent bank statement, or another financial document.

Some small vendors, such as mom-and-pop print shops or independent janitorial services companies, might let you purchase on credit if you supply several references from other suppliers who do business with you.

- Basic Elements of an Invoice

If you're creating a sales invoice, include the following information on the document:

- Your company name
- Invoice date
- Invoice number
- Purchaser
- Product or service description
- Unit price
- Number of units purchased
- Total amount owed
- Date due
- Payment terms (15 or 30 days, for example)
- Early and late-payment terms

Keep a copy for your records and include the invoice with your shipment or the goods as you hand them over. You can also mail or email invoices to your customers. If you send an electronic invoice, follow up to make sure it was received if this is an important invoice to your company.

- Offering Payment Terms

When you invoice someone, you are telling them they can pay later. You don't have to offer the same payment terms to each customer, FreshBooks advises. You can make some invoices due and payable on receipt, or 10, 15, 30, 60 or 90 days after delivery.

The more important a client, the better payment terms you might want to offer. A large company that is financially stable might not need more than 10 days to pay its bills. A small business with a bookkeeper who comes in once a week might need 30 days. A business that uses your product to make its product for later sale might want the most time to pay

- Invoice Numbers Are Important

If you issue multiple invoices, use a numbering system that lets you quickly look up specific invoices. If you use a paper invoice system, placing invoices in a folder by invoice order can help you quickly find a needed invoice.

If a business calls and doesn't have its invoice number, look up the invoice by company name. If you use a spreadsheet program for your invoices, you can do a quick search by company name or invoice number.

5. Conclusion

Sales and Invoice Management is an important aspect of any organization that must be handled skillfully. The implementation of these processes has made the working more efficient, keeps the employees up-to-date and administrators are well informed to take important decisions. Existing systems have various missing aspects that is covered by the system, making it a better alternative. Another highlight of this system is that it extracts knowledge from data which goes beyond traditional charting tools to determine critical information about customer loyalty, product popularity, employee efficiency and overall organizational success. The meaningful information collected over time using data mining is the most exciting and useful functionality for the decision makers which helps them to discover and track new trends. Decision trees were used for predicting customer churn it was very successful. Although the error rate observed in experiments performed on testing data irrelatively higher than the training data, making it seem like the data has been overfit, with more data generated over time these errors will reduce. When the usage of application increases under the supervised learning environment, the algorithm will learn from more patterns and predict much better for new data points.

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