

Sage Business Cloud Accounting: Sales Quotes and Estimates







Sales Quotes and Estimates

Learning Objectives

After completing this module, you should be able to:

- Understand differences between quotes and estimates
- Create a new quote/estimate
- Change default expiration date for quotes/estimates
- Convert an estimate to a Sales Invoice
- Mark an estimate as declined
- Get a snapshot of sales/quotes won, lost, pending and expired

NOTE Throughout the duration of the course, you will encounter important icons and visual conventions as part of your learning experience to guide learners through the chapters. Some of the cues are indicated here.

	Important Information / Important Note / Additional Information	Item where caution and attention is required or additional insight and information is provided.
	Exercise	Your opportunity to practice a concept.
	End of Exercise	Indicates the end of an exercise.
	Check Your Knowledge	Review questions at the end of a lesson to check your understanding and ability to implement concepts.
	Summary	Overview of the most important items covered in a section or lesson.
	End of Lesson	The end of the lesson.

Sales Quotes and Estimates

Quotes and estimates are an important component to all businesses and can prove invaluable to start-ups. They can determine future cash flow and if done efficiently, can increase business. As business grows, it's important Divine Chocolates has the ability to quickly produce quotes and estimates without having to spend time creating complex configurations. In addition to working from a laptop or desktop, Christina is thrilled to be able to work from the **Accounting** mobile app where she can easily create quotes and estimates on the spot, increasing chances of winning a sale.

What's the difference?

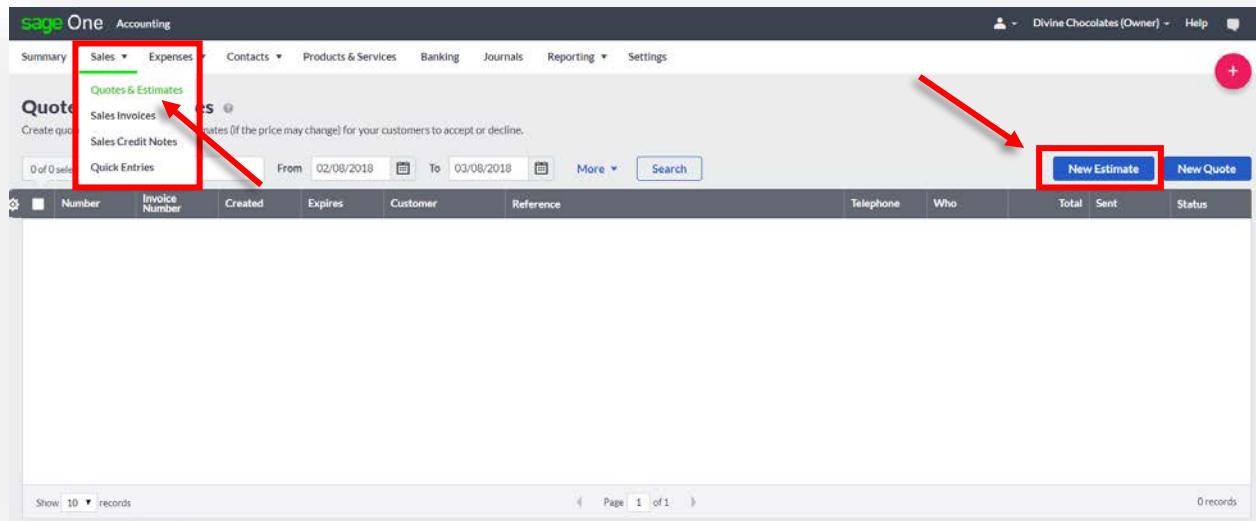
A **Quote** is a firm price a customer *would pay* for products or services should they decide to do business with a company. For example, Lisa Smith wanted a quote from Divine Chocolates for wedding favors. She provided the number of guests, 100. Divine Chocolates has a fixed price of 7.50\$ for each wedding favor. Based on the confirmed number of guests and fixed product price, Divine Chocolates was able to provide a firm quote for Lisa's wedding day of 607.38\$. Ms. Smith was able to make an informed decision as to what candy company would create her wedding favors for her special day by comparing the price quote with other candy companies while shopping for the best rate without obligation.

An **Estimate** on the other hand is a *projected price* that *could change*. For example, a landscaper is providing an estimate to a customer for new grass and flowers. Mr. Jones would like 1 acre of new sod (grass) and rose bushes throughout. He's unsure if wants to put grass on the entire 1 acre or only ½ acre. Additionally, because of the recent drought, the cost of the flowers fluctuates based on the area they come from, making the roses more or less expensive based on where the landscaper is able to secure a vendor. Therefore, we'll provide two estimates to Mr. Jones.

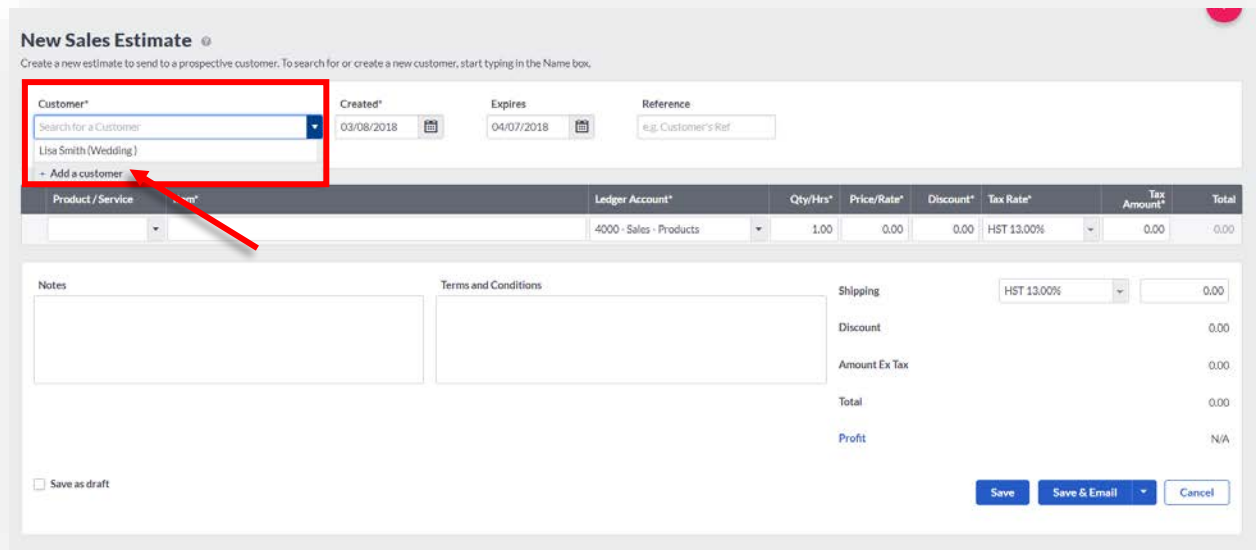


Lesson: Create the **New Estimate** based on the example described with Mr. Jones above. Begin by going to **Quotes and Estimates** from the **Sales** tab menu.

Navigate to the blue **New Estimate** button:



Since Mr. Jones isn't a current customer, let's add him on the fly. Navigate down to **Customer** and click **+Add a customer**



Fill in an address for Mr. Jones and all pertinent details within the contact record and click **Save**. Once Mr. Jones contact record has been created you are now able to select him as a customer within the drop-down menu.

Create a new customer

Business Name* John Jones Email jjones@yopmail.com

Contact Name Mr. Jones Mobile 5894939593

Reference e.g. Account Number Telephone

Account Details Delivery Address Payment Details Defaults Notes

Canada

Address 1 530 Lake View Way Account Default 4000 - Sales - Products

Address 2

City Finnegan Business Number

Province* Alberta (AB)

Postal Code T0J 1L0

Save

The **Created** date will default to today's date. Should you need to adjust this, you can do so here.

Expires: All estimates in **Accounting** have a default expiry date of 30 days

sage One Accounting Divine Chocolates (Owner) Help

Summary Sales Expenses Contacts Products & Services Banking Journals Reporting Settings

New Sales Estimate

Create a new estimate to send to a prospective customer. To search for or create a new customer, start typing in the Name box.

Customer* John Jones Created* 03/08/2018 Expires 04/07/2018 Reference e.g. Customer's Ref Invoice Address* 530 Lake View Way Finnegan AB T0J 1L0 Delivery Address 530 Lake View Way Finnegan AB T0J 1L0

Product / Service	Item*	Ledger Account*	Qty/Yrs*	Price/Rate*	Discount*	Tax Rate*	Tax Amount*	Total
		4000 - Sales - Products	1.00	0.00	0.00	GST 5.00%	0.00	0.00

Notes

Terms and Conditions

Shipping GST 5.00% 0.00

Discount 0.00

Amount Ex Tax 0.00

Total 0.00

Profit N/A

Save as draft

Save Save & Email Cancel



The adjust the expiration date or set them to not expire, navigate **SETTINGS > INVOICE FORM SETTINGS**.

The screenshot shows the Sage One Accounting Settings page. The 'Settings' menu is selected, and the 'INVOICE & BUSINESS PREFERENCES' section is active. Within this section, 'Invoice Form Settings' is highlighted with a red box and a red arrow. Other sections visible include 'About your Business', 'Email Messages', 'Record and Transactions Settings', 'Cheque Printing Settings', 'FINANCIAL SETTINGS', 'Chart of Accounts', 'Financial Settings', 'Sales Taxes', 'Analysis Types', 'Currencies', and 'CONNECT' with 'Online Payments' and 'Google Drive' options.

Navigate to **Terms and Conditions**. Click on the tab for **Quotes** or **Estimates**. If you don't want quotes or estimates to expire, delete what's in the **Default Days to Expiry** box and leave it blank. Otherwise, change the number of days your quotes and estimates will be good through. We want Mr. Jones estimate to expire within 14 days. *Type: 14* Once done, be sure to scroll to the bottom and click **Save**.

The screenshot shows the Sage One Accounting Terms & Conditions page. The 'Quote' tab is selected, and the 'Default Days to Expiry' field is highlighted with a red box and a red arrow. The field currently contains the number '30'. Other sections visible include 'FOOTER DETAILS' and 'TERMS & CONDITIONS'.

Returning to the **New Estimate** we're creating, we'll need to add the products and services we plan to quote Mr. Jones for. Remember, businesses planning to sell Products and Services would set up their Inventory in the beginning, initially upon creating their **Accounting** account. For purposes of this lesson, we're simply adding Mr. Jones products on the fly within the **Estimate**.

Scroll down to **Products/Service** and click on **+Create Item**

- Let's add the sod (grass) first. Since the landscaping company stocks the sod, select **Stock**.
- Input an **Item Code** of 100-SOD and an **Item Description** of Bermuda Sod.
- Since Mr. Jones is a retail customer, scroll down to **Sales Price** and add 3.50\$ as the selling price for each piece of sod sold to retail customers.
- **I buy this item:** If this was a vendor your company purchased the sod from, you would input the vendor name, cost price, reorder levels and reorder quantities here. But since the landscaping company grows and sells their own sod, we won't need to add this info.
- **Expense Account:** This will default to expense lender account **1200- Inventory**.
- **Opening Balance:** The landscaping company has 10 pallets or 750 pieces. Check the box **I have existing stock on hand** and input 750 for **Quantity on Hand**.
- Lastly input the **cost price**. This is the price it costs the landscaping company to grow each piece of sod. *Type: 1.00\$* Click **Save**.

Your product, *sod* was added to your company inventory and now appears on the quote. Return to the Estimate dashboard and do the same to add one additional product and service. Add the following:

- 1- gallon red roses – 25.00\$ each (Stock: 100 on hand, Cost Price: 5.00\$)

- Installation **Service** - 35.00\$/hour (Be sure to select *Service*)
- **Notes:** Be sure to tell Mr. Jones this estimate is based on *1-acre of land*.
- **Terms and Conditions:** Remind Mr. Jones estimates are good for 14 days only.

Once complete add the following to create Mr. Jones estimate:

- Sod – We'll need 500 pieces for 1 acre. *Add 500.*
- 20 1-gallon red roses
- Installation services of 40 hours.

Your estimate should look similar to this. Note the profit highlighted in blue at the bottom for your reference. The customer will not see your profit:

New Sales Estimate

Create a new estimate to send to a prospective customer. To search for or create a new customer, start typing in the Name box.

Customer* John Jones Created* 03/08/2018 Expires 04/07/2018 Reference e.g. Customer's Ref Invoice Address* 530 Lake View Way Finnegan AB T0J 1L0 Delivery Address 530 Lake View Way Finnegan AB T0J 1L0

Product / Service	Item*	Ledger Account*	Qty/Hrs*	Price/Rate*	Discount*	Tax Rate*	Tax Amount*	Total
Bermuda Sod (10C)	Bermuda Sod	4000 - Sales - Products	500.00	3.50	0.00	GST 5.00%	87.50	1,837.50
Red Roses - 5 Gall	Red Roses - 5 Gallon	4000 - Sales - Products	20.00	25.00	0.00	GST 5.00%	25.00	525.00
Installation Servic	Installation Service - Hourly	4001 - Sales - Services	40.00	35.00	0.00	No Tax	0.00	1,400.00
		4000 - Sales - Products	1.00	0.00	0.00		0.00	0.00

Notes: Mr. Jones, this estimate is based on 1 acre of land. We will provide a separate estimate for 1/2 acre. Please keep in mind the price of the Roses may increase or decrease due to the current drought.

Terms and Conditions: This estimate is good for 30 days.

Shipping: GST 5.00% 0.00

Discount: 0.00

Amount Ex Tax: 3,650.00

GST 5.00%: 112.50

Total: 3,762.50

Profit: 1,650.00

Save as draft Save Save & Email Cancel

Now that the **Estimate** is complete, we'll want to get it over to Mr. Jones quickly. Click **Save & Email**.

Email Estimate ✕


This is where you can send your estimate as a PDF file attachment.

To*

Cc

Copy to me (Christina.Lopez88208@sageone.com)

Subject*

Attach  [Sales_Estimate_SE-1_Divine Chocolates.pdf](#)

Message*

Thank you for your enquiry - we hope you'll like the estimate attached in PDF.

Please let us know if you'd like to go ahead and accept it.

If you have any questions or would like us to amend the estimate, please just let us know.

Looking forward to hearing from you.

Kind regards,
ABC Landscaping Company
7389729929

Also print a copy of this estimate Edit your email defaults in Settings

Mr. Jones will receive the estimate as follows:

Estimate

Number: SE-1
 Issued: 03/08/2018
 Expiry Date: 04/07/2018

Deliver To
 530 Lake View Way
 Finnegan AB T0J 1L0

John Jones (Mr. Jones)
 530 Lake View Way
 Finnegan AB T0J 1L0

Divine Chocolates
 100 Chocolate Way
 Toronto ON M4B 1B3
 Canada
 7389729929
 Christina.Lopez88208@sageone.com
 GST/HST 123456789 RT 1234

Item	Qty/Hrs	Price/Rate	Sales Tax	Amount
100-SOD Bermuda Sod	500.00	3.50	GST 5.00%	1,750.00
200-RDROS Red Roses - 5 Gallon	20.00	25.00	GST 5.00%	500.00
300-INSTL Installation Service - Hourly	40.00	35.00	No Tax	1,400.00
Subtotal				3,650.00
GST 5.00%				112.50
Estimate Total				3,762.50
Total to Pay				\$3,762.50

Comments

Mr. Jones, this estimate is based on 1 acre of land. We will provide a separate estimate for 1/2 acre. Please keep in mind the price of the Roses may increase or decrease due to the current drought.

Terms and Conditions

This estimate is good for 30 days.

Good News! Mr. Jones received the quote and has just called to accept the bid for your services. We can easily convert the estimate to a **Sales Invoice** and bill Mr. Jones.

From the **Quotes and Estimates menu**, locate Mr. Jones estimate from the list below. Notice it is currently in a **Status** of *Pending*.

Quotes and Estimates
Create quotes (for a firm price) and estimates (if the price may change) for your customers to accept or decline.

0 of 1 selected | From: 02/08/2018 | To: 03/08/2018 | Search

Number	Invoice Number	Created	Expires	Customer	Reference	Telephone	Who	Total	Sent	Status
SE-1		03/08/2018	04/07/2018	John Jones			YI	3,762.50	Yes	Pending

Show 10 records | Page 1 of 1 | 1 record

- Double click the estimate. When it launches, navigate to the side menu.

Sales Estimate: SE-1 3847 PENDING

View, edit or manage your Sales Estimate.

To: John Jones

Invoice Address: 530 Lake View Way, Finnegan AB T0J 1L0
 Delivery Address: 530 Lake View Way, Finnegan AB T0J 1L0
 Created Date: Mar 08, 2018
 Expires: Apr 07, 2018
 Expires in 30 days

Item	Qty/Hrs	Price/Rate	Discount	Tax	Amount
Bermuda Sod Sales - Products (4000)	500.00	3.50	0.00 0.00%	87.50 GST 5.00%	1,750.00
Red Roses - 5 Gallon Sales - Products (4000)	20.00	25.00	0.00 0.00%	25.00 GST 5.00%	500.00
Installation Service - Hourly Sales - Services (4001)	40.00	35.00	0.00 0.00%	0.00 No Tax	1,400.00
Subtotal					3,650.00
Tax Breakdown					
GST: 2,250.00 @ 5.00%					112.50
Total (560.00 Items)					\$3,762.50
Profit Summary					\$1,650.00

Terms & Conditions: This estimate is good for 30 days.

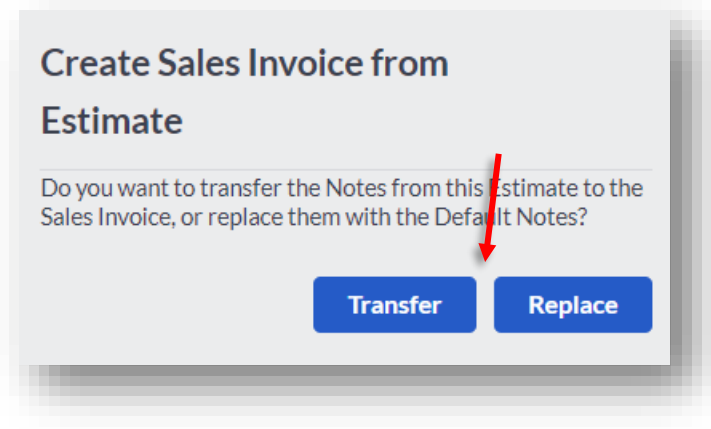
Notes: Mr. Jones, this estimate is based on 1 acre of land. We will provide a separate estimate for 1/2 acre. Please keep in mind the price of the Roses may increase or decrease due to the current drought.

Activity: MAR 08, 2018 - 3:06PM Created

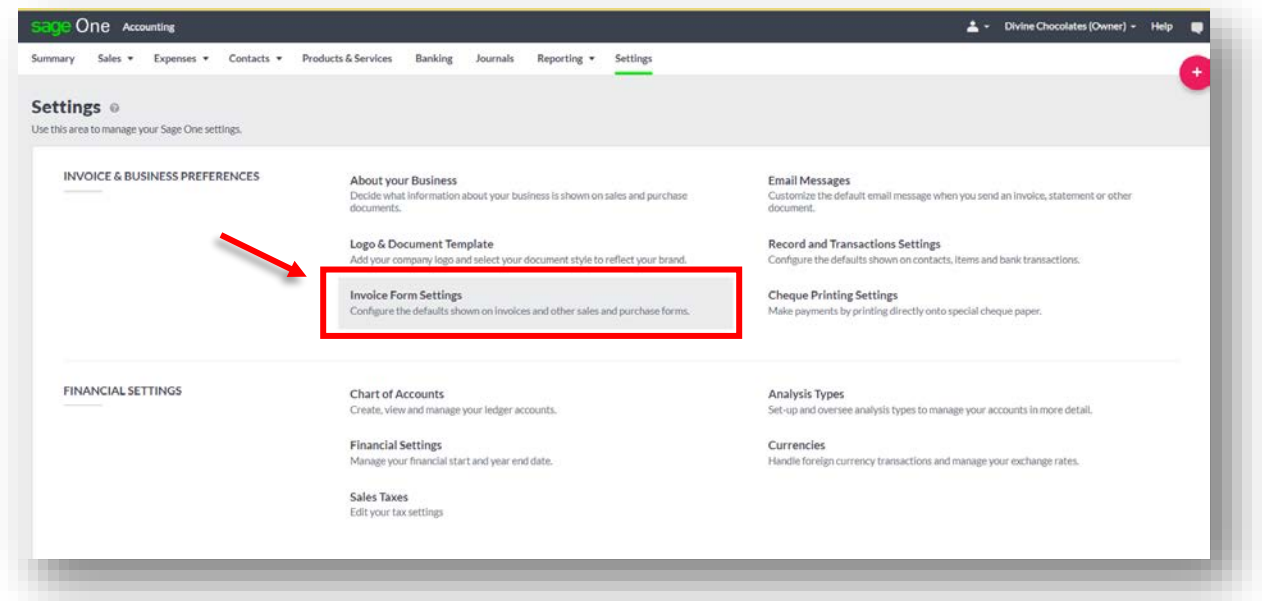
Side Menu: Create Invoice, Mark as declined, Email, Print, Edit, Copy, Print packing slip, Download, Delete

- You can either **Mark as declined** if Mr. Jones opted to go with another company and decline your services or **Create Invoice**. Since he's decided to proceed, click on **Create Invoice**.

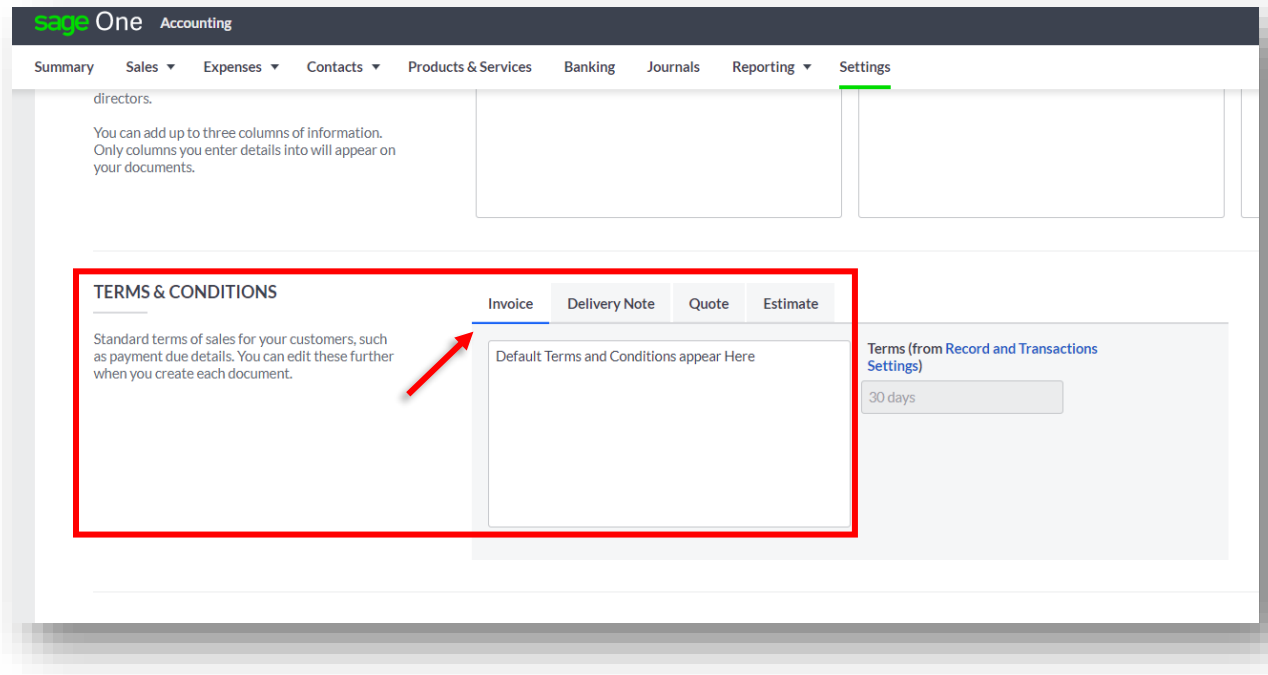
- In doing so, a notification box will appear asking you if you want to keep the notes associated with the **Estimate** or replace them with the default notes set for all invoices, created in **Settings**.



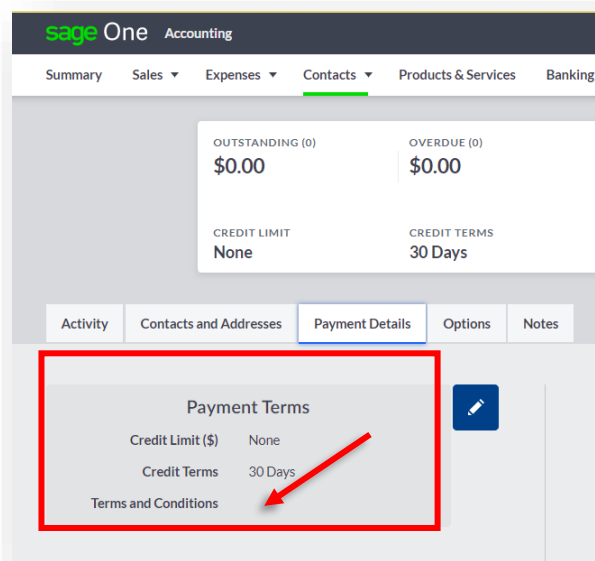
- Good thing **Accounting** asked. Our notes from the estimate are specific to Estimate terms and conditions. Now that Mr. Jones is accepting, we'll need to change the notes on the invoice to be reflective of when payment is due versus how long the quote was good for. In this scenario, select **Replace**.
- In doing so, the default message created in **Invoice Form Settings** from within **Settings** will appear.



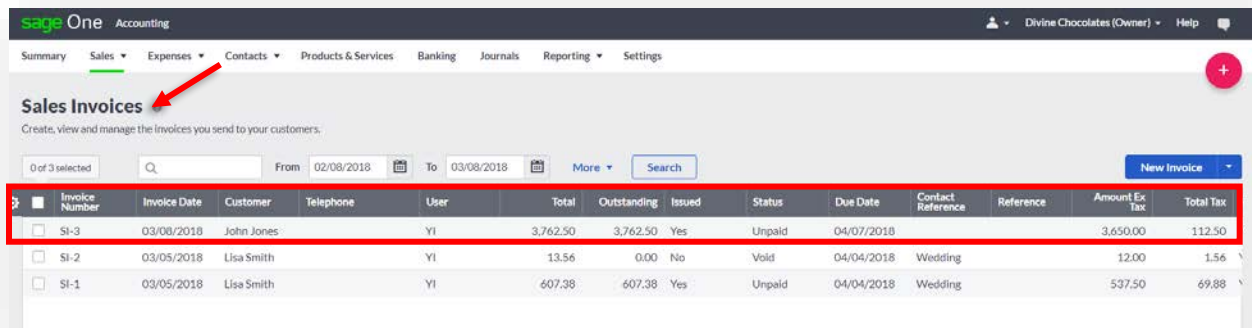
NOTE: This is the same place we went to review/change the **Default Expiry Date** for **Quotes & Estimates**.



- Unless, of course you created a message specific to Mr. Jones when you created his new customer record. In that case, that message would appear. In reviewing his customer profile, it doesn't look like appear any custom **Terms and Conditions** were added to his record:



- On the estimate you are converting to an invoice, let's customize Mr. Jones message. In the **Notes** field type: *Inclement weather may affect anticipated completion date.*
- In the **Terms and Conditions** field type: *50% deposit required prior to sod/floral delivery. Remaining balance due upon completion of work.*
- If everything is correct, click **Save & Email**. Mr. Jones will be able to pay his invoice directly from a link provided in the emailed attachment. We'll discuss how to set up **Online Payments** in another lesson.
- Mr. Jones invoice now appears within the **Sales Invoice** dashboard as SI-3 or Sales Invoice #3.



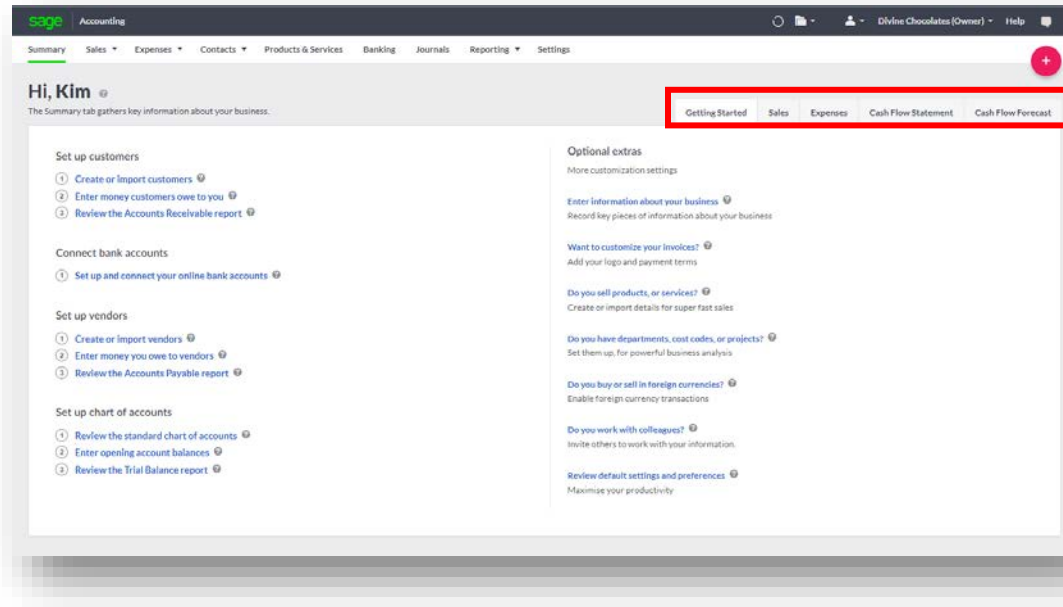
The screenshot shows the Sage One Accounting interface for 'Divine Chocolates (Owner)'. The 'Sales Invoices' section is active, displaying a table of invoices. A red arrow points to the 'Sales Invoices' header, and a red box highlights the first row of the table, which is invoice SI-3.

Invoice Number	Invoice Date	Customer	Telephone	User	Total	Outstanding	Issued	Status	Due Date	Contact Reference	Reference	Amount Ex Tax	Total Tax
SI-3	03/08/2018	John Jones		YI	3,762.50	3,762.50	Yes	Unpaid	04/07/2018			3,650.00	112.50
SI-2	03/05/2018	Lisa Smith		YI	13.56	0.00	No	Void	04/04/2018	Wedding		12.00	1.56
SI-1	03/05/2018	Lisa Smith		YI	607.38	607.38	Yes	Unpaid	04/04/2018	Wedding		537.50	69.88

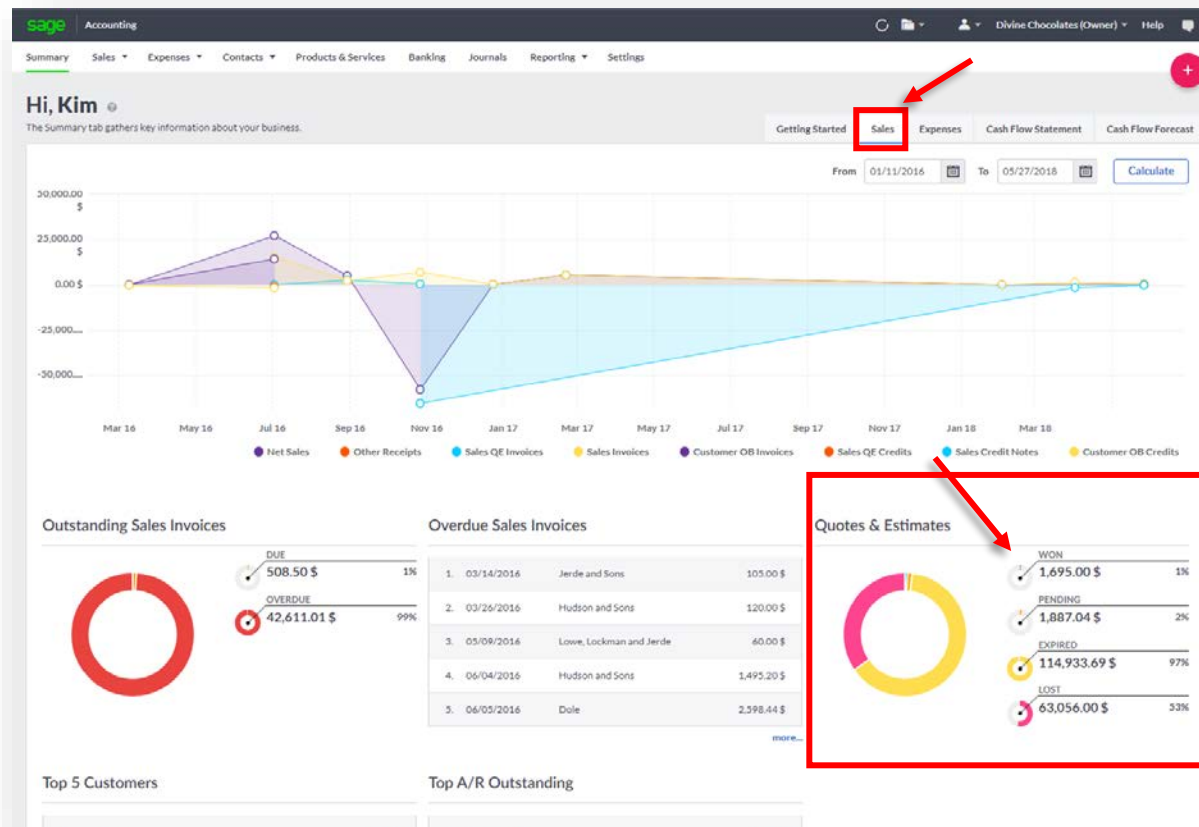
Quotes and Estimates Reporting

Divine Chocolates will closely monitor their **Quotes and Estimates** with the hopes of converting them all to potential customers. Christina would like to see what percentage of **Quotes and Estimates** she Won, Lost, Expired or are Pending. To avoid having to do manual calculations herself, she can get a quick snapshot in graph form.

Navigate to the **Getting Started Dashboard** and click on the **Sales** tab:



The percentage and total value of sales quotes won, lost, pending expired are on the lower half to the right





Check Your Knowledge

Answer the following questions about the material covered in this lesson.

Short Answer

Write a short answer to the question below.

1. What's the difference between a Quote and an Estimate?

Fill In The Blank

2. Sales Quotes/Estimates have a default expiration date of ____ days. The default number of days can be changed in _____?
 - A. ____ 60 days / User Management
 - B. ____ 120 days / Customer Contact Record > Account Details
 - C. ____ 30 days / Settings > Invoice Form Settings > Terms & Conditions
 - D. ____ 14 days / Settings > Financial Settings
3. Where do you go to create a Quote or Estimate?
 - A. ____ Products and Services tab
 - B. ____ Contacts tab
 - C. ____ Banking tab
 - D. ____ Sales tab
4. While awaiting a customer to accept your Quote/Estimate, it will have a status of _____ on the dashboard?
 - A. ____ Awaiting Response
 - B. ____ Declined
 - C. ____ Sold
 - D. ____ Pending
5. To convert an Estimate to a Sales Invoice:
 - A. ____ Navigate to the customer contact record
 - B. ____ Navigate to Sales menu, Quotes/Estimates, select record, and click Create Invoice
 - C. ____ You are unable to convert Estimates to Sales Invoices in **Accounting**
 - D. ____ Have customer click accept on the Estimate and it will convert automatically

6. Mr. Jones was able to obtain more competitive pricing elsewhere. What should happen to the Estimate that was created?
- A. It should be archived
 - B. It should be voided
 - C. Start sending automatic messages to accept the proposal at the discounted rate
 - D. It should be marked as declined

True or False

Enter 'T' for True or 'F' for False for each of the affirmations below.

- 7. Businesses can see their profit while creating an Estimate
- 8. You are unable to copy, download or edit an invoice
- 9. You can print a packing slip for an estimate
- 10. You can get a snapshot of quotes/estimates won, lost, pending without running an extensive report

Please note:

Every effort has been made to ensure that the information provided in this educational series is accurate, up-to-date, and complete, but no guarantee is made to that effect. URLs and additional resources 'Beyond the Classroom' are continuously changing. Because the software is customizable in a number of ways, the language used in this guide may be different from what you 'see' when you work with your company's data file(s).

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