

Clients & Profits News Spring 2006

It's Clients & Profits' 20th Birthday!



It's unbelievable how the ad business has changed in twenty years. In the mid-1980s, fax machines ruled. Cell phones were bricks. No one used e-mail. Every art department smelled like wax and rubber cement. And agencies managed their shops with job jackets, notebooks, adding machines, and typewriters.

But some things haven't changed.

Jobs need to be started. Estimates need to be accurate. Deadlines need to be met. Invoices need to be timely. And bills need to be paid.

The need to stay organized has never been greater. Clients are demanding work faster than ever, often for less money. So keeping your shop organized and efficient is not just the key to prosperity, it can be a matter of survival.

Fortunately, you have the right tool for the job.

Clients & Profits!

TWO-MINUTE TUTORIAL



HOW CLIENTS & PROFITS MAKES ORGANIZING JOBS EASY

By Mindy Williams

Over the last 20 years, Clients & Profits has completely refined how to manage new jobs. Whether you're new to C&P or a power user, using job types, creative briefs, and job templates makes adding new jobs faster and much more organized.

The most important tool for organizing your shop's work is a job type. Job types set an organizational structure for work your shop does on a regular basis (e.g., brochures, logos, web sites, events, etc.) An important feature of a job type is its job template. A job template lists job tasks that are needed to complete all work for this type of job. You may have 100 tasks on your task table, but only 15 of those are needed for a particular job type.

"Job types certainly save loads of time for AEs adding new jobs," says Kelley Anderson, HR/Accounting Manager at The Vimarco Group. "There's nothing like picking a job type and it filling in every task that could possibly be associated with a job. And for those of us in the accounting department adding invoices, there are no extra steps needed; the right tasks are always there!"

Proposals are associated with job types for work you do on a regular basis. A key part of any job type is its creative brief. The creative brief's questions (e.g., *What are we*

trying to accomplish? Who are we speaking to? What do we want them to think?) get both client or hot prospect and your creative team focused on a job's objectives and results.

Proposals can be added, edited, killed, or turned into real job tickets. Killed proposals aren't lost, either, providing a complete list of ideas that don't make it (so you don't try reinventing a square wheel).

If you need to track time or begin work on an estimate, go ahead and approve a proposal. That generates a job ticket automatically. "When employees start adding their time, tasks associated with that job type are already on a job and an employee has no time wasted when adding their time sheet," says Kelley. The creative brief is also added to a new job ticket with all the work you've done on it.

You can add more detailed specifications like estimated amounts, estimate hours, and scheduling lead times to tasks in job templates later. Duration-based job types provide a realistic base for adding estimated hours, estimated amounts, and scheduling lead times. Together, they're the right tools to keep your shop organized.

Mindy Williams is a senior member of the Clients & Profits Helpdesk and teaches the New User Training Class. She can be reached at mindy@cnp-x.com



THINGS TO DO THIS QUARTER

Spring is an ideal time to think about how you work. The year-end close is behind you and the fall crunch is a whole summer away. Rethinking some of your processes now will make you better organized for the inevitable rush:

■ Take a fresh look at your trial balance

Financial statements are a snapshot of the shop's performance. But without a meaningful set of income, cost, and expense accounts you're not getting the inside look you need to make the best business decisions. Since the trial balance shows all accounts, it's a great place to start. Accounts can sprout like weeds over the years; some accounts that reflected the business in 2000 might not be meaningful to anyone now. On the other hand, there may be accounts such as "office expenses" that catch too many expenses that shouldn't go so unnoticed. In this case, breaking out new kinds of expense accounts would give you a better idea of where the money goes.

■ **Prune the task table** It is easy for the task table to bloat as your agency evolves. It's common for different kinds of jobs to go in and out of favor, leaving a trail of tasks that may never be used again. Over time these tasks can confuse AEs who are adding new jobs and see ten different tasks for printing. The key is to make tasks inactive when they're no longer an important part of your shop's production process.

■ Fine-tune your production and billing status codes

Many agencies set up their status codes when they first install Clients & Profits, then never change them. As your agency expands, your production and billing statuses need to evolve to better track the growing volume of work. Using a more diverse and descriptive set of status codes helps you organize jobs into workable groups that are easier to print in traffic, work in progress, and management reports.

LEAVING QUICKBOOKS

Dear Judy:

“Even though we bought Clients & Profits a year ago, we only use it for jobs. How do we jump ship from Quickbooks?”

— Valerie, Des Moines

In my bookkeeping practice, just about everyone uses Quickbooks. But there are limitations using QB in a creative business. It’s a great place to start, but it’s easy to outgrow.

I know that switching isn’t fun. There’s never a good time, either. But I promise the sooner you stop juggling, you’ll be a happier camper.

My Six Rules for Quickbooks Switchers:

#1) BE QUICK Try to make the switch within the next 30 days. The longer you wait, the harder it’ll be to keep in sync — and you’ll be tempted to keep using Quickbooks another month. At month-end, move all account balances into C&P. Afterwards, all new work goes into Clients & Profits, not Quickbooks.

#2) STOP ADDING JOBS Starting now, add new jobs into Clients & Profits. If all new jobs are opened in Clients & Profits, you won’t be have to add time, costs, and expenses in both systems. Only use Quickbooks to wrap

up any outstanding issues, like billing.

#3) COMPARE ACCOUNTS Make sure current clients, vendors, and G/L accounts are the same in both systems. Leave out inactive accounts to save time.

#4) SYNC OPEN JOBS Prior to switching, make sure every open job in Quickbooks has been added to Clients & Profits. There’s no need to enter closed jobs (you can always use QB to look up your jobs if needed).

#5) MATCH THE AGINGS Print the client and vendor agings from Quickbooks. Make sure totals match the balance sheet’s control accounts. Then add these unpaid invoices into Clients & Profits anytime before the switch-over date.

#6) MOVE ACCOUNT BALANCES Now you’re ready for the Big Switch. The key is the trial balance. Print it from Quickbooks, then use Clients & Profits to add beginning balance JEs. Post the JEs, then print a trial balance. Balances on both reports should match exactly. Congratulations — you’ve switched!

Judy Salkind-McConnaughay is an 11-year veteran of the Clients & Profits Helpdesk and is a practicing bookkeeper. Ask your business management questions at www.clientsand-profits.com/support/askjudy



THREE UNDERUSED ORGANIZATIONAL TOOLS

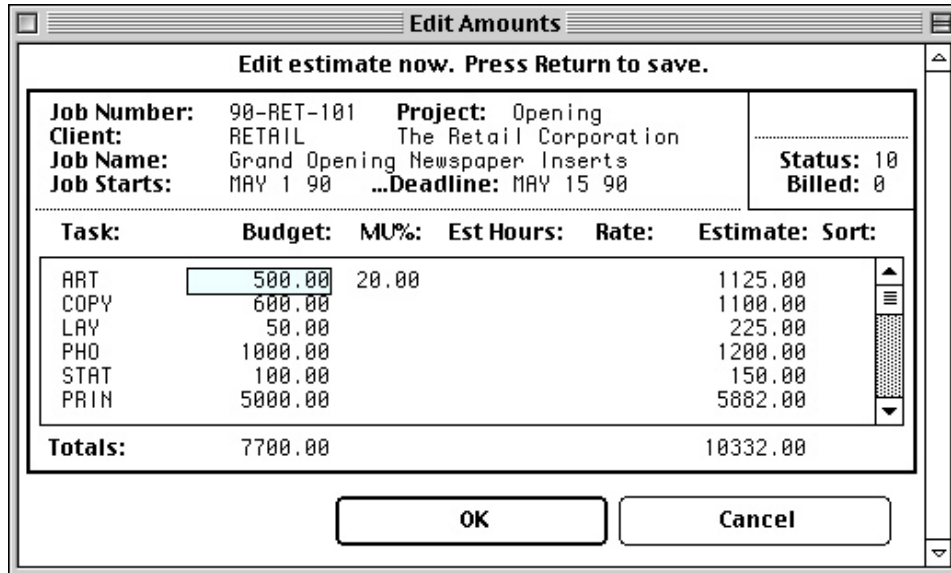
■ **Job templates** feature a preset selection of tasks for routine types of jobs, such as designing a brochure, creating a web site, or producing a radio spot. Most shops don’t set up enough job types to cover all of the various types of jobs they do. This means AEs have to build each new job ticket up task-by-task when, instead, C&P would build the job for them using the template. Job templates help keep your estimates consistent from job to job, since all of the job’s tasks are pre-defined in advance. They keep tasks from being accidentally left off estimates, which prevents time-wasting estimate revisions or change orders.

■ **Calendars** are shared company-wide by anyone who uses Clients & Profits. There are different calendars for specific purposes, such as tracking cash and notifying the staff of company events. Calendar entries are integrated with media reports, cash reports, and job schedules.

■ **Traffic milestones** are a quick-and-dirty substitute for job scheduling when time is tight or you don’t have a traffic coordinator. Instead of scheduling dates for unfinished tasks in the Job Schedule, decide on the key events in a job’s life cycle — its milestones — and schedule these events in the Job Traffic window. It’s faster than job scheduling, although less precise. You can’t print Work To Do reports by staff member or the Weekly Task Planner without job schedules, but that’s usually not a problem for small agencies with limited production staff. But milestones let you track the critical dates for all open jobs on a single traffic report. It’s an effective way for a production department to stay organized.



1990



ESTIMATING IN GLORIOUS BLACK AND WHITE

Clients & Profits PLUS, circa 1990, was our first truly complete agency manager. It could now handle agencies with fiscal years who needed to track retainers, profit centers, and traffic milestones. But what about estimating?

The original Mac, with its 9" black-on-white monitor, dictated how big windows could be for many years. With limited screen space, estimates were cramped and inflexible. There was simply no room for options, revisions, or approvals.

But you could enter budgets, hours, and estimate amounts and print a relatively professional-looking form for the client to sign — without using Word, Excel or PageMaker. In 1990, that saved a lot of time.

The Macintosh II would follow a year or so later. It supported larger displays and vivid, true-life color. This was a spectacular innovation. Creatives swarmed over the new Macs, passing down their old Mac Pluses and Mac SEs to the account service and accounting departments (the ones that didn't use PCs, that is).

By 1990 there were still a majority of C&P users that were stuck in 640x480. It would take three more years before Clients & Profits could finally stretch its wings with larger, colorful windows.

2006

The screenshot shows a software window titled 'Estimate' for a project named '06-OFF-346 / "Celebrate" Vacation Planner'. The interface includes a toolbar with icons for 'Add Task', 'Remove Task', 'Clear', 'Copy Amount', 'Print', and 'Help'. Below the toolbar, there are navigation links for 'estimate worksheet', 'estimate options', and 'task description', along with a 'Show Est Rev:' dropdown set to 'Original'.

Task:	Description:	Budget:	Hours:	Original:	Hours:	Revision:	Hours:	Final:
BS	Brainstorming	500.00	8.00	1,000.00	10.00	1,200.00	10.00	1,200.00
COPY	Copywriting	200.00	10.00	650.00	10.00	650.00	20.00	1,500.00
CRE	Creative Direction (Senior Staff)	250.00	5.00	500.00	7.50	750.00	10.00	1,000.00
DES	Design	200.00	2.50	250.00	5.00	500.00	5.00	500.00
AD	Art Direction	300.00	10.00	750.00	10.00	750.00	16.00	1,200.00
* CAM	Digital Camera Work	150.00		335.00		335.00		560.00
* PHO	Studio Photography	800.00		1,200.00		1,200.00		1,800.00
* TYPE	Custom Typography	125.00		425.00		425.00		525.00
* PMGT	Print Management	300.00	6.00	550.00	6.00	550.00	8.00	750.00
* PROF	Color Proofs	150.00		450.00		450.00		450.00
* PRIN	Printing	11,850.00		13,500.00		18,500.00		22,500.00
		14,825.00	41.50	19,610.00	48.50	25,310.00	69.00	31,985.00

At the bottom of the window, there is a 'Final estimate:' section with a dropdown set to 'Original', a checked 'Approved' box, the text 'ABT 06/01/06', and 'Cancel' and 'Save' buttons.

WHAT A DIFFERENCE 1024x768 MAKES

Unlike in 1990, today's screen sizes are virtually limitless. And Clients & Profits X has evolved to use these displays to make estimating large, complex jobs quick and easy.

Flexible multi-column estimates let you offer clients a choice of quantities and qualities. Estimates can be revised and reprinted any number of times, with C&P saving each revision. Also, estimate approvals automatically notify production staff to begin the work.

The My Clients & Profits! web server even lets AEs create estimates from the client's conference room using any web browser.

Like Clients & Profits PLUS, estimates are still an integrated part of the job ticket, so there's never any rekeying. And once an estimate is entered, it's there for anyone in the shop to see. That means fewer mistakes caused by miscommunication.

Since 1986, Clients & Profits has printed estimates by the hundreds of thousands. Shops all over the world depend on it for clear, accurate estimates every day.

BEST OF DAILY Q&As



Q. Our billing is too slow! It seems to take forever to get the invoices approved. How can I improve our billing review process?

A. The typical billing process involves choosing which jobs to bill, deciding billing amounts, adding invoices, getting approvals, then posting and printing. Clients & Profits can automate the process so that everyone's working off the same workflow. You can define up to eight different steps in your billing process in Preferences > Jobs. Then when you're ready to bill, use the Billing Hot Sheet (see Snapshots > Work in Progress) as a road map. It summarizes each client's unbilled jobs and includes a checklist of your billing steps. By tracking each job through the billing process, you'll see the bottlenecks that slow billing down.

Q. We have a client who questions every charge on estimates. Is there any way to show them less detail?

A. Yes. It's best to show as little as necessary to get an estimate approved; the more the client can see, the more likely you are to have a dispute. Use estimate options to try different combinations to find one that works best.

Q. We closed our year but need to make an adjustment. How?

A. Any adjustment made to the prior year would have to be made to the new year's retained earnings beginning balance. Why? Because the prior year's income and expenses have been rolled into the Retained Earnings account. So the adjustments go where the balance is — retained earnings.

Q. We're trying to organize our bank accounts. What's a quick way to see our expected cash coming out and what we expect to pay out?

A. The Snapshots > Cash Flash report will compare today's payments, checks, and current cash balances as clients and vendor balances.

Q. How can I stop the production department from starting a job before the estimate has been signed?

A. Use a status alert. Jobs with unapproved estimates should have a status something like "pending estimate approval." That status can have an alert that will prevent staff members from adding time, costs, or expenses. It's not foolproof, since it can't prevent someone from working on a job. But it does prevent their time from being entered into Clients & Profits until the estimate is ok'd.

Q. Is there any way to force AEs to get signed change orders before making changes to jobs?

A. Not really. But status alerts can at least slow them down.

Q. Why would I ever use the "show invoice detail" option when printing invoices?

A. It depends on your agreement with the client. Many government contracts specifically demand an item-by-item listing of job costs before paying an invoice. In these cases, use the invoice as a cover sheet for the Invoice Detail report.

By defining your agency's billing steps in advance, Clients & Profits can automate the billing process so that everyone's working off the same workflow. This minimizes delays and confusion caused by different people using different systems for reviewing billings.



GREAT TIPS FOR GETTING BETTER ORGANIZED

■ **Get with the system** Everyone in your shop needs their hands on Clients & Profits as often as possible. "Since C&P serves as a central repository for all projects, workflow, costs, and billings," says Donna Lynn Johnson, a long-time C&P consultant, "you'll make information readily available to everyone in the agency. Nothing slips through the cracks because C&P manages the communication at each step. It'll decrease the number of handoffs during the revision process, for example, as well as reduce the duplication of effort that happens when people juggle different systems to manage the same business."

■ **Prune your lists** Over the years unused vendors, tasks, G/L accounts, and more clutter up your database with useless information. By making old accounts inactive, they won't clog up lookup lists — but they'll still show up on reports where they were used.

■ **It's all about status** Many shops start C&P with a standard handful of production and billing status codes. But as their shops grow, few people realize that you can track jobs more precisely during the production process by expanding status codes to their own work flow. "Status codes categorize your jobs into phases," says Robert Roll, a long-time C&P consultant and custom report programmer. "One client I work with created sets of production status codes for each department in the agency. The 100 series was for advertising, the 200 series was for interactive, the 300 series for trade shows, etc. This allowed the staff to print daily status reports by department, which made the reports much more meaningful."

IT'S NOT TOO LATE FOR A GOOD IT SPRING CLEANING

By Chris Lawrence

Everybody loves an efficient workplace, right? Maybe not, but everybody expects the computers they use to work every time. Keeping your IT infrastructure "always-on" takes some effort, and spring's a terrific time to do a tune-up.

■ **Prune your file servers** There's a maxim that you use everything up to its limit. That's certainly true with servers. Hard drives that seemed unimaginably huge last year suddenly and mysteriously fill up this year.

This just happened to me.

Last week I pruned the dense undergrowth on our file servers, which is something I do twice a year. This time I reclaimed over 21 Gbs of wasted space: outdated documents, old test databases, lots of copies of the same applications, and more.

My trick is to move all of the suspect files into a secret folder I create just for spring cleaning. I send a mass-email to the staff announcing the cleaning the day before, then wait for calls. If anyone needs a file I pruned, I can retrieve it in a second. But after a couple of weeks in this limbo, I trash the secret folder.

■ **Got bandwidth?** Like file servers, a big thick T-1 line just doesn't handle the traffic like it used to. The explosion of web-based

services (e.g., iTunes, web radio, games, chat, VoIP) suck bandwidth like never before.

Take some time to monitor your network's bandwidth, then plan any improvements during summer when the traffic is usually slower. Then you'll be ready for the fall's new business.

■ **Does your backup system work?** Consider yourself lucky if you've never had to restore a backup for real. That's not the time to discover your nightly backups weren't working. Take the time to dry-run a restoration to ensure your mission-critical files can be recovered in an emergency.

■ **Remove outdated machines** You can't invest in new technology without the space for it. And if your shop is bursting with half-dead PCs, monitors, drives and other debris it's time to purge.

■ **Get up-to-date** Volunteer someone to be the anti-virus czar, then make that person check every machine for up-to-date security software. Also, make sure all of your Macs and PCs have up-to-date system software.

Chris Lawrence is Clients & Profits' CIO. Chris can be reached at the C&P Helpdesk or by e-mail at chris@cnp-x.com.



THE ROAD AHEAD

Only Clients & Profits has an upgrade path that allows a small boutique shop to grow into a large multi-office agency and not switch accounting systems. SQL makes it possible for C&P to manage agencies with hundreds of staff members and thousands of jobs. But the move to SQL isn't trivial. If you're considering moving up to SQL, keep this in mind:

Do you need SQL? Yes, if you have (1) a multi-segment database, (2) offices in different locations, or (3) want to link custom web applications into your C&P database.

MySQL or SQL Server? MySQL and SQL Server 2005 Express are arch rivals and are battling for market share. That's why they're essentially free. Unlike SQL Server, MySQL runs on an Xserve — a real plus for all-Mac shops. Its admin tools are weak (especially for Mac OS X) but there's a large, enthusiastic user community that offsets MySQL's spotty support. SQL Server's performance and admin tools are better, but it requires a Windows server. The downside for Mac users: A \$30 ODBC driver is needed for each workstation (www.actualtechnologies.com). Our benchmark tests show that SQL Server 2005 Express on Windows is the fastest configuration for running Clients & Profits — it's almost twice as fast as MySQL.

You'll need experience Everything about SQL (installation, backup/restore, performance tuning) is not easy for novices. Rather than having someone on staff figure out SQL, find a good database consultant (i.e., DBA).

Wait until C&P X 10.1 — and try the demo The late summer upgrade will have certified drivers for the free "community" version of MySQL and Microsoft SQL Server 2005 Express. *A free trial demo will be available at www.cnp-x.com which is highly recommended. It's the only way to prove that SQL is right for you.*



What's New...

By Mark Robillard

Clients & Profits became real twenty years this May. Officially, the date was May 15. That's the day, back in 1986, that Lisa and I quit our jobs and moved back to San Diego to start Clients & Profits.

20th ANNIVERSARY BREW The boys here are big on home brew. C&P R&D is often the site for impromptu tastings on Tuesdays, which makes the work go oh so much easier. Our brewmaster, Shawn McBride, is an award-winning micro brewer who's made dozens of speciality beers over the last ten years. Shawn created a special oak-aged brew for our company's 20th anniversary

party: www.cnp-x.com/whats_new/20th-brew

MY CLIENTS & PROFITS! X BETA The new Mac OS X-native upgrade to our add-on web server for Clients & Profits is almost ready for release. A pre-release beta version will be available shortly. If you are interested in evaluating the beta, please e-mail: my-beta@cnp-x.com

C&P X UPGRADE OFFER ENDS JULY 30 Our special introductory prices on Clients & Profits X upgrades ends at the end of July. If you're still using Clients & Profits 5.0 or earlier, we're offering generous trade-in credit for a limited time. Be sure to try-before-you-buy with the free Clients & Profits X demo: www.cnp-x.com/demo

STAFF NEWS New hires: **Will Wilson** joined us in April as an IT coordinator. He's our go-to guy for computers, servers, and our network. He'll also be helping clients with

tech support on the C&P Helpdesk. Anniversaries: **Mary** (10 years); **Mona** (4 years).

VINTAGE C&P I've always loved using original artwork for our marketing materials. Some of my favorite illustrations by **Peter Horjus** (www.peterhorjus.com) are being offered on clothing for our 20th anniversary. 100% of the profits from these sales will be donated to the **Contemporary Arts Center New Orleans** (www.cacno.org), of which Clients & Profits is a corporate sponsor. Look for new designs every month during our 20th year here: www.cafepress.com/clients_profits

CLIENTS & PROFITS:20 Here's the inside story about twenty years of agency management bliss: <http://clientsandprofits20.blogspot.com>

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CLIENTS & PROFITS is an award-winning job tracking and accounting software made just for creative businesses. Since 1986, more advertising agencies have chosen Clients & Profits over any other agency management software for Macintosh and Windows. Nearly 3,000 ad agencies, graphic design firms, and corporate marketing departments use Clients & Profits to track jobs, costs, and billings every day. For more information, send E-mail to sales@cnp-x.com.

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