🙂 Welcome to ABC-Box !

Check to see if your organization needs ABC(Activity Based Costing).

With **ABC-Box** you can have:

    . Activity Based Costing,
    . Capacity planning,
    . Constraint checking,
    . Process analysis in a graphical enviroment, easy to use.

See the features of **ABC-Box**.

Hardware requirements.

In the working place everything happens.

Follow the creation of the first example.

Are you in doubt ? Look at the Frequently Asked Questions.

With **ABC-Box** you are not alone. Get technic support.

More about ABC (Activity Based Costing) methodology.

Informations in Portuguese, soon in others languages too.

Stay updated: Visit our site: **http://www.abc-box.com**

Thank you for chosing **ABC-Box** !

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Features

The **ABC-Box** implements the **ABC (Activity Based Costing)** methodogy with some extensions from others accounting systens.

As the organization's costs are represented in a diagram, the enviroment of the **ABC-Box** gives a direct vision of the whole situation.

The **ABC-Box** presents you with a easy to use interface that is described in the working place. The whole software is small, fast and very useful. If you follow the the creation of the first example you will be a master in **ABC-Box** in a few minutes. Try it !

This software is a *FreeWare*, what means that you can use it free from any payment.

It is powered by Delphi (tm) to **Windows 95, 98** and **NT** (tm) and superiors.

Standard disclaimer

This software is provided AS IS without warranty of any kind, either expressed or implied. The risk concerning the quality and the performance of the software is entirely yours. If the software proves defective, you will have to assume the cost of all necessary servicing, repair, or correction. In no event shall the author, copyright holder, or any other party who may redistribute the software be liable to you for damages, including any general, special, incidental, or consequential damages arising out of the use or inability to use the software (including, but not limited to, loss of data, data being endered inaccurate, loss of business profits, loss of business information, business interruptions, loss sustained by you or third parties, or a failure of the software to operate with any other software) even if the author, copyright holder, or other party has been advised of the possibility of such damages.

Knowing the working place

The basic structure of the **ABC-Box** is the DIAGRAM where the organization's flow of the costs is represented. All the work is done in this diagram.

The main menu

The operations available at the **File** option of main menu are:

New, start a new diagram.

Open, start one of the existing diagram saved in an ABX file.

Reopen, start one of the latest ABX file worked with.

Save, write to the ABX file the current diagram.

Save As, write to another ABX file the current diagram.

Save to Bmp File, write the current diagram to one BMP file.

Print, print the current diagram to the printer after the pages have been selected.

Print Setup, set the current printer proprieties.

Exit, ends the **ABC-Box** program.

The operations available at the **Edit** option of the main menu are:

Clear, clear the clipboard area.

Copy, copy the selected item to the clipboard area.

Paste, insert the item in the clipboard in the diagram.

The operations available at the **View** option of the main menu are:

Speedbar, shows the SpeedBar with the buttoms or not.

Controls, shows the Controls with the buttoms or not.

Flow text, shows the text at the flows of the diagram or not.

Break page, shows the break page of the print in the diagram or not.

Overview, shows the overview form of the diagram or not.

Notes, shows the form notes of the diagram.

Zoom in, increases the scale the diagram.

Zoom out, decreases the scale the diagram.

The operations available at the **Tools** option of the main menu are:

Update, updates the calculated values of the diagram.

Report, print the report of the diagram. Before printing the report, the selection form is shown. In it, you can select if you want to print: products/services, activities, resources, drivers, idleness activities and products, exhausted resources, the complete results and if you want the details of the activities that are refined.

Horizontal alignment, aligns the selected items of the diagram. To select items, hold the *Shift* key and click in the desired items.

Vertical alignment, aligns the selected items of the diagram. To select items, hold the *Shift* key and click in the desired items.

Options, shows the option form that contains your organization's name and the color used to emphasize items of the diagram.

The operations available at the **Help** option of main menu are:

Help topics, shows this help.

About, show software informations.

The operation bar

The Operator bar has shortcuts to the Main menu options in order to make the use of them quicker.

There is a combo box to emphasize items of the diagram. The values are:

Diagram, shows the whole diagram.

Products/Services, emphasizes all the products/services of the diagram.

Activities, emphasizes all the activities of the diagram.

Resources, emphasizes all the resources of the diagram.

Sources, emphasizes all the source of cost of the selected item in the diagram.

Targets, emphasizes all the target of cost of the selected item in the diagram.

Description, emphasizes all the items that the description matches the inputed text. It is useful to find specifics items in the diagram.

Driver, emphasizes all the items that the driver description matches the inputed text. It is useful to find specifics items in the diagram.

The control bar

The Operator bar has buttons to interact with the **items** in the diagram. They are:

     Unselect any control

Select a box to represent a product or service

Select a rounded box to represent an activity

Select an elipse to represent a resource

Select an arrow to represent a flow of cost

Lock the selected item. Usefull to insert many times the same item

Click a write icon to describe the model implemented

Click the icon to increase the size of the diagram

Click the icon to decrease the size of the diagram

How to work with ABC-Box ?

It is very easy ! You just have to include the itens and the flows.

An item can represent:

- a product/service,

- an activity or

- a resource of your organization.

A flow represents a resource or acitivity being consumed by a product/service or an activity, a flow of cost.

Including the items

To include an item, you have to do:

1. <u>select</u> the item (product/service or activity or resource) in **Control Bar**

2. <u>click</u> the diagram in the desire position

3. <u>describe</u> the item in the property form (automaticly displayed)

Including the flows

To include a flow, you have to do:

1. <u>select</u> the flow in **Control Bar**

2. <u>drag and drop</u> from the source to the target item

3. <u>describe</u> the amount of the flow in the property form (automaticly displayed)

We can have just this kind of flows:

Source	Taget	Meaming
Resource	Activity	The activity uses the resource
Resource	Product/Service	The product/service uses the resource
Activity	Activity	One activity uses the other activity
Activity	Product/Service	One product/service uses the activity

Changing item value

To change any inputed value, just <u>right click</u> the item (if is a flow, <u>right click</u> the "head" of the arrow) and the property form will be shown.

Some value area calculated ones, then, they can not be changed.

Changing item position

To move an item in the diagram, just drag and drop the item from its source to target position (without a control select from the control bar).

Generaly, a flow is represented by a direct line between two items. If you want the determine a different path, just click the line in the desired point and <u>drag and drog</u> to another place.

Deleting items

To delete an item do:

1. <u>click</u> the item to select it,

2. <u>press</u> DELETE key.

First example

All the situation and data used in this example are not real.

You can load this example from the file **abcbox.abx** in the directory where the **ABC-BOX** is installed, but I don't recommend that. If you construct this simple example, you will be able to construct your own diagram without any problems.

If you are not familiar with the **ABC (Activity Based Costing)** concepts, you shoud go first to the topic ABC (Activity Based Costing). Don't worry, the subject is not complex, it is simple and logic.

This is the situation:

The company

The hypothetic company deal with computers, printers and cables. Lately the liquid profit has gone down because the competition has increased and the marked has imposed lower prices.

The numbers

These are the numbers of the company:

Result	2 years ago	1 year ago	current year
Revenue	67.000	58.000	54,500
Expenses	52.300	48.500	49,200
Liquid profit	**14.700**	**9.500**	**5,300**

How to improve the situation ?

The *Controller* goes to the finance system of the company and gets the following data:

Personal	10,000	
Computer kits	30,000	
Printer kits	8,000	
Cable kits	1,200	49,200

Looking through these data we are not able to see how the result can be improved. The data doesn't show the source of these values neither the application of them. So, they must be more clear in order to make right decisions !

Then, the *Controller* decides to make an analysis of the company using ABC (Activity Based Costing).

These are the steps:

Step 1: Identifing the products

The products,revenue and quantities that the company deals with are:

Description	Driver	Revenue	Quantity
Computers	Number of computer sold	48.000	30
Printers	Number of computer sold	6.000	20

```
Cables      Meters of cables sold          500          10
```

Step 2: Identifying the activities

```
The activities performed by the company for each product are:
```

Description	Driver
Make selling	Number of selling

```
     Computer                30
     Printer                 20
     Cable                   10
```

Assemble	Number of assembly

```
     Computer                30
     Cable                   10
```

Cut	Number of cutting

```
     Cable                   10
```

Step 3: Identifying the resources with the total cost

```
The resources consumed by the company in each activity and product are:
```

Description	Driver	Total cost	Fixed(%)	Capacity
Personal	Working hours	10,000_	100	300

```
   Sales              200
   Assemble            40
   Cut                 10
```

Computer kits	Number of kits	30,000	0	0

```
   Computer            30
```

Printer kits	Number of kits	8,000	0	0

```
   Printer             20
```

Cable kits	Number of kits	1,200	0	0

```
   Cable               10
```

```
Where:

* Fixed(%) means the amount of the resource's cost that is fixed.
** Capacity means the installed capacity of the resource.
```

Step 4: Now, What will we do with the data ?

Now, let's create the related diagram.

So, the *Controller* gets in the Internet, a copy of **ABC-BOX**, installs it and starts putting the data in this way:

1. Including the products

Select the product/service button, click at any part of the diagram to include one **product**, type the product's name, product's drive, product's revenue and the quantity produced.

Do these procedures 3 time to include the 3 products as it was appointed at the step 1 above.

* When you want to insert more than one item of the same type (like a lot of products), you can:
- select the product button and
- click at the lock button to "hold" the selection.

In this way you can insert one product after other without having to select the product button each time, making the insertion easier and fast.

2. Including the activities

Select the actitivy button, click at any part of the diagram to include one **activity** item and type the activity's name and activity's drive.

Do these procedures 3 time to include the 3 activities as it was appointed at the step 2 above.

3. Including the resources

Select the resource button, click at any part of the diagram to include one **resource** item and type the resource's name, resource's drive, resource's cost, the amount of the cost that is fixed (from 0 to 100 %) and the installed capacity of the resource.

Do these procedures 4 time to include the 4 resource as it was appointed at the step 3 above.

Now the basic itens are included in the diagram. It is missing just the flows of resources and activities.

4. Including the flows

Select the flow button, drag and drop from the source item to the target item and informe the amount that flows.

In the step 2 above there are the flows from the activities to products.

In the step 3 above there are the flows from the resources to products and activities.

Ok ! The cost model is implemented in the diagram in **ABC-Box**. Click in the update button to get the result.

Result

These are the value after calculated:

Products	Cost	Revenue	Profit
Computer	35,200	48,000	12,800
Printer	10,667	6,000	-4,667
Cable	3,333	500	-2,833
	49,200	54,500	5,300

The situation is clear. The working conditions of printers and cables must be replanned.

And now, **Congratulations** ! You and the **ABC-BOX** are working nicely.

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Frequently Asked Questions

1. What is **ABC-Box** ?

It is a software to trace costs of products and services using the **ABC (Activity Based Costing)** with some extensions.

2. Is the **ABC-Box** expensive ?

No. it is **free**.

3. Can I copy, transmit, lend the **ABC-Box** ?

Yes.

4. The source of **ABC-Box** is public ?

No, just the utilization.

5. In which operation systems is **ABC-Box** available ?

Windows 95 / 98, NT 4.0 and superiors.

6. The software **ABC-Box** has any limit ?

Not in the software.

7. How to install **ABC-Box** ?

The installation procedure is compatible with any Windows software throught SETUP.EXE program.

8. Where can I get techinic support ?

By e-mail: **info@abc-box.com**

9. Where can I get new versions ?

In the Web: **http://www.abc-box.com**

10. What do I need to know to work with **ABC-Box** ?

Knowledge of costs and operation of Windows software.

11. Do **ABC-Box** implement all the **ABC**'s methodology ?

Yes, and there are other informations available.

12. What are the steps to implement a system of cost using the **ABC-Box** ?

After gathering the data of the organizations:

a) insert the resource itens
b) insert the activity itens
c) insert the product/service itens

d) assign the flow from resources to products and services
e) assign the flow from activities to activities and products
f) update the calculated value

These steps are detailed in the topic [creation of the first diagram](#).

Support

Support is provided by Internet in this e-mail: support@abc-box.com

In the home-page http://www.abc-box.com you will find information about:

a) ABC (Activity Based Costing), how it works,

b) software ABC-Box, how to get quick results,

c) links to other related *sites*, there are a lot of information available in the Internet,

d) down-load, new versions are always available,

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ABC - Activities Based Costing

The ideia of **ABC** is quite simple:

Products/Service consume **Activities** and **activities** consume **resources**.

So, **Products/Service** have to "pay" for the **Activities** that it consumed and **activities** have to "pay" for the **resources** that it consumed.

How much the product or activity has to pay ?

Just the unit price by the amout the activities or resource consumed.

For example:

The cost of the resource PERSONAL is measured by NUMBER OF HOURS and it is consumed in a computer shop by the activities: ASSEMBLER COMPUTERS, SELLER COMPUTERS and DELIVERER COMPUTERS in this amout:

Activity	Quantity of hour
ASSEMBLER COMPUTERS	100
SELLER COMPUTERS	50
DELIVERER COMPUTERS	50

The total cost of PERSONAL was 10,000.

So, the cost of each activity will be:

ASSEMBLER COMPUTERS,	(10,000 / 200) * 100 =	5,000
SELLER COMPUTERS,	(10,000 / 200) * 50 =	2,500
DELIVERER COMPUTERS,	(10,000 / 200) * 50 =	2,500

The prof. Robert S. Kaplan e Robin Cooper of Harvard Business School realized that great amount of indirect activities are consumed by product in very different proportions and suggested a way to reflect correctly this situation.

References

Activity based information: a blue-print for world-class management accounting.
Johnson, H. Thomas.
Management Accounting, June, 1988

How Activity-Based Costing helps reduce costs.
Turney, P. B. B.
Journal of cost management, Winter, pp 29-35

Measure cost right: Making right decisions.
Cooper, Robin & Kaplan, Robert S.
Harvard Business School Review, Setember-October 1988

With *ABC*, the mistake is to start late !

Do you need ABC ?

Think about it: Unaccurate information about costs of products/services will lead to a mistakem competitive strategy.

Many companies say that they have survived for many years without *ABC* and why need it now ?

In the past, the companies were, in general, simple compared to those today, with less variety of products,services and clients.

Consequently, costs were low and not so difficult to trace.

With the increase of competition, errors determinating costs could have serious consequences, like market loss, incorrect investiment decisions, etc. Business excelence is essential for a modern company to prosper.

Why not the tradicional way ? Because with the automation of productive process the costs with labour and direct material is going down compared with other costs. Nowadays the indirect cost in countries with high technology is estimated to be greater than 60 %.

To help you analyse today's necessities, go through the following questions and check the result in the end of this topic.

1. The total indirect costs are:

      a) very significant

      b) significant

      c) insignificant

2. The total of indirect costs are:

      a) not consistently related to final products

      b) a little consistently related to final products

      c) consistently related to the final products

3. The total fixed costs are:

      a) very significant

      b) significant

      c) insignificant

4. People in general:

      a) don't believe in the cost of the final products

      b) doubt the cost of the final products

        c) believe in the cost of the final product

5. The products are:

        a) diversified

        b) a little diversified

        c) very uniform

6. The services are:

        a) diversified

        b) a little diversified

        c) very uniform

Analysis result:

If the greater majority of your answers was the letter:

A, then ABC system of cost is indispensable !

B, then your situation requires ABC system of costs

C, then in these conditions ABC system is not a priority.

Português

Um arquivo com documentação em português está disponível para *download* no *site* **http://www.abc-box.com** na área da língua portuguesa.

Este arquivo está no formato MS Word e pode ser utilizado pelo o programa **MS Word** ou **WordPad** do próprio Windows.

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Hardware

As the basic structure of the **ABC-Box** is the DIAGRAM, an enviroment totally visual, a screen with a high resolution can improve your productivity a lot.

A printer of good quality can be useful.

At least 16 MBytes, more than that will be better.

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HelpScribble

HelpScribble is a help authoring tool written by Jan Goyvaerts. This help file was created with the unregistered version of HelpScribble, which is why you can read this ad. Once the author of this help file is so honest to register the shareware he uses, you will not see this ad again in his help files.
Recompiling the help project with the registered version is all it takes to get rid of this ad.

HelpScribble is a stand-alone help authoring tool. It does *not* require an expensive word processor. (Only a help compiler as Microsoft likes keeping the .hlp format secret. Not my fault.)

Here are some of HelpScribble's features:

- The Setup program will *properly* install and uninstall HelpScribble and all of its components, including registry keys.
- Create, edit and navigate through topics right in the main window. No need to mess with heaps of dialog boxes.
- All topics are listed in a grid in the main window so you won't lose track in big help projects. You can even set bookmarks.
- Use the built-in Browse Sequence Editor to easily create browse sequences.
- Use the built-in Window Editor to change the look of your help window and create secondary windows.
- Use the built-in Contents Editor to create Windows 95-style contents files. Works *a lot* better than Microsoft's HCW.
- No need to mess with Microsoft's SHED: use the built-in SHG Editor to create hotspot bitmaps. Draw your hotspots on the bitmap and pick the topic to link to from the list.
- With the built-in Macro Editor you can easily compose WinHelp macros whenever needed. It will tell you what the correct parameters are and provide information on them.
- If you have a problem, just consult the online help. The help file was completely created with HelpScribble, of course.
- HelpScribble is shareware. However, the unregistered version is *not* crippled in any way. It will only add a small note to your help topics to encourage you to be honest and to register the shareware you use.

These options are very interesting for Delphi and C++Builder developers:

- If you are a component writer, use the Delphi Parser to build an outline help file for your component. Just fill in the spaces and you are done. HelpScribble can also extract the comments from your source file and use them as the default descriptions.
- If you are an application writer, HelpScribble provides you with a property editor for the HelpContext property. You can select the topic you need from a list of topic titles or simply instruct to create a new topic. No need to remember obscure numbers.
- The property editor also provides a tree view of all the components on your form and their HelpContext properties. This works very intuitively. (Much nicer than those help tools that simply mess with your .dfm files.)
- HelpScribble can perform syntax highlighting on any Delphi source code in your help file.

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