



Work In Progress

for Electrical, Plumbing and/or HVAC Businesses

Preventing Cost Overruns



Table of Contents

Introduction	3

Solution	4

Conclusion	6

About ProTechnology & Cobra	7



Introduction

Work in Progress measures everything about the costs and expenses of a job in progress. The WIP report keeps the contractor up to date with the latest changes taking place on the job.

This White Paper explains and illustrates the Work in Progress report, and how the contractor can benefit from it.

Also—did you know the WIP Report is used by accountants to help the contractor avoid overpaying or underpaying their taxes? A simple monthly WIP adjustment is all that’s needed to ease the accounting ‘ebbs and flows ‘ in the normal operations of the contractors business. We’ll explore the Work in Progress report for Accountants in our next White Paper.

For now, let’s explore the Work in Progress report for Contractors.

[↑Table Of Contents](#)

Solution

Work In Progress measures the health of each job that is underway. The WIP report tells you whether the job is on a path toward profitability, or if it's in rough seas. The WIP Report is used primarily for:

Risk assessment: Owners and Project Managers are better at assessing risk when they use their WIP data in real time. They can manage proactively; spotting problems sooner rather than later, minimizing/preventing cost overruns.

Building an estimator's confidence: Estimators use the WIP Report to get feedback on how well they estimated the job. As the job progresses, the WIP compares the estimated vs. actual material & labor hours. This helps the estimator clarify whether their bid was too high, too low or spot on.

At a minimum, the WIP report should contain these calculations:

Bid \$ amount, Budget \$ amount, % of Work Completed, Earned Revenue to Date, Over/Under Billed Revenue, Unbilled dollars, Est. vs. Actuals Hours.

Let's take a look at a Work In Progress Report on the next page.

[↑Table Of Contents](#)

Work in Progress Report

04/10/2023
Page: 1

COBRA Contracting Company, Inc.

JT	JobNum	JobDate	\$	SoldBy	Customer	Location					
CC	190210	04/06/2023	0		AMBASSADOR PRESS	885 SHINGLE CREEK PKWY					
	Bid \$	Budget \$	Cost \$	Charge \$	Billed - Adj	Over+ / Under-	Unbilled \$	Comp % / Cost \$	Billed %	Bid Hours	Act Hours
	23100.00	17096.05	6623.24	7466.78	9500.00	550.76	13600.00	38.74 / 10472.81	41.13	125.24	27.00
Type	Budget \$	Cost \$	Charge \$	Billed \$	Over+Under-	Comp %					
Material	8324.25	5000.00	5000.00	6500.00	-900.00	60.07					
Labor	8771.80	1623.24	1666.78	3000.00	-1133.22	18.51					
Direct		.00	.00	.00	.00						
Report	Bid \$	Budget \$	Cost \$	Charge \$	Billed - Adj	Over+ / Under-	Unbilled \$	Comp % / Costs \$	Billed %	Bid Hours	Act Hours
Totals	23100.00	17096.05	6623.24	7466.78	9500.00	550.76	13600.00	38.74 / 10472.81	41.13	125.24	27.00

The WIP report provides answers to these questions:

- What are my current Costs compared to the Budget?
- How much has been Billed on the Contract Amount?
- What are my actual Labor Hours compared to the Estimated Hours?

Then the Report updated, 2 weeks later.

Work in Progress Report

04/24/2023
Page: 1

COBRA Contracting Company, Inc.

JT	JobNum	JobDate	\$	SoldBy	Customer	Location					
CC	190210	04/06/2023	0		AMBASSADOR PRESS	885 SHINGLE CREEK PKWY					
	Bid \$	Budget \$	Cost \$	Charge \$	Billed - Adj	Over+ / Under-	Unbilled \$	Comp % / Cost \$	Billed %	Bid Hours	Act Hours
	23100.00	17096.05	16390.92	18574.74	9500.00	550.76	13600.00	95.88 / 705.13	41.13	125.24	127.00
Type	Budget \$	Cost \$	Charge \$	Billed \$	Over+Under-	Comp %					
Material	8324.25	7500.00	8350.00	6500.00	1850.00	90.10					
Labor	8771.80	8890.92	10224.74	3000.00	7224.74	101.36					
Direct		.00	.00	.00	.00						
Report	Bid \$	Budget \$	Cost \$	Charge \$	Billed - Adj	Over+ / Under-	Unbilled \$	Comp % / Costs \$	Billed %	Bid Hours	Act Hours
Totals	23100.00	17096.05	16390.92	18574.74	9500.00	550.76	13600.00	95.88 / 705.13	41.13	125.24	127.00

Issues with this job:

- The actual hours have exceeded the Bid hours.
- The job is 95% complete, yet only 41% billed.
- Costs have exceeded the Budget by \$ 550.76

Questions to consider:

What caused this labor overrun? Were some materials not delivered when expected? Is there a problem with the General Contractor?

If we had run the WIP report 1 week earlier, could we have prevented this labor overrun?

[↑Table Of Contents](#)

Conclusion

- Work in Progress plays a vital role in a contractor's business:
- Provides a clear vision of future job related costs.
- Helps prevent cost overruns.
- Used to control risk factors for future events.



It's critical that the contractor's Work in Progress data be kept up to date. Waiting too long can increase the risk of a cost overrun.

To avoid cost overruns, contractors can now take advantage of mobile devices that feed the most recent job data from the field to the office.

Newer, faster technologies allow the contractor to evaluate their WIP information in real time.

*"Our Work in Progress is updated in real time using smart tablets."
Stiegler Company Inc.*



About ProTechnology & COBRA

ProTechnology was founded in 1996, with its roots in production document generation and electronic forms, and specializes in delivering print & electronic document solutions, process automation/workflow solutions, data capture/mobility and web output projects.

ProTechnology became an expert in intelligent fillable PDF forms for mobile data capture as an Adobe National Solutions Partner and developed a range of software specifically for Mobile Field Service Automation.

COBRA Contractors Software is the result of more than 30 years of serving the Contracting industry. Trends in technology and in the industry drove COBRA's development, resulting in time and money saving features that have been requested by Contractors for years.

ProTechnology & COBRA teamed up in 2014 to create an integrated Mobile & Office Contractors Software Solutions that takes the contracting business to new levels of efficiency and productivity that could not otherwise have been realized.

[↑Table Of Contents](#)