



Rewarding Learning

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**Applied Information and
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Case Study
Assessment Unit A2 7

assessing

Unit 7: Investigating Systems

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PRE-RELEASE CASE STUDY



A6J11CSI

Squeaky Clean

Squeaky Clean is a thriving company formed three years ago by two solicitors, Terry Hamilton and Fiona Duffy. Tired of juggling the needs of their young families with busy professional lives, they realised that there was a definite market for cleaning services. Both had previously considered getting some domestic help at home, but found difficulty in getting help at the right time and at the right price.

Aware that for many people, the cost of getting domestic help would be well outside the normal family budget, Terry and Fiona considered carefully how this kind of service could be made accessible to the public. It took quite a while to work everything out but with professional advice and their own legal knowledge, Terry and Fiona started a domestic cleaning company, “Squeaky Clean”. They agreed financial terms and conditions and Terry initially decided to manage the company on a full time basis while Fiona would currently retain her legal career. As well as being co-owner of the company, she would have responsibility for dealing with all contracts generated in the business as she is an expert in this particular aspect of the law.

Squeaky Clean is fully committed to delivering an excellent service to the public. All staff are fully vetted; they are fully trained and must comply with all company rules regarding the conduct of their work. Apart from the directors, Terry and Fiona, Squeaky Clean currently employs a manager, a secretary and 20 full time staff including a driver. The company retains a bank of part time staff who can be called on if necessary. The company also owns a van for transporting equipment to particular jobs. Sometimes industrial cleaning machines are required and the van is used to deliver these to the premises on the night before and to collect them on the day after a scheduled job.

A major objective for Terry and Fiona was to provide a good value quality service. Research into the provision of domestic cleaning services in the area, found little evidence of any kind of reasonable service. They did find advertisements for individuals charging over £20 an hour for very basic cleaning with no guarantee of any kind of quality control. However, there was no company at that time providing what they thought they could offer.

Terry and Fiona realised that they had to come up with a range of options that would attract potential customers and create loyalty to the company. They decided to offer a range of contract options that would have different associated discounts. All services carry a minimum time of one hour. It would not be cost effective to place a member of staff at a location for any less time since travel time and transport must also be considered. These options include the following:

- Option 1 **“One off service”** Specific customer requirements are costed on an hourly basis based on a minimum time allocation of one hour with one cleaner present.

- Option 2 **“Four week contract”** Specific customer requirements are costed on an hourly basis based on a minimum time allocation of one hour each week over a four week period. The first week is charged at the full rate and then a discount of 5% is applied to the following three weeks.

- Option 3 **“Twelve week (three month) contract”** Specific customer requirements are costed on an hourly basis based on a minimum time allocation of one hour each week over a twelve week period. The first week is charged at the full rate and then a discount of 5% is applied to the following three weeks. For the remaining eight weeks, a discount of 7% is applied.
- Option 4 **“Twenty six week (six month) contract”** Specific customer requirements are costed on an hourly basis based on a minimum time allocation of one hour each week over a twenty six week period. The first week is charged at the full rate and then a discount of 5% is applied to the following three weeks. For the next eight weeks, a discount of 7% is applied. For the remaining fourteen weeks, a discount of 10% is applied.
- Option 5 **“Fifty two week (one year) contract”** Specific customer requirements are costed on an hourly basis based on a minimum time allocation of one hour each week over a fifty two week period. The first week is charged at the full rate and then a discount of 5% is applied to the following three weeks. For the next eight weeks a discount of 7% is applied. For the next fourteen weeks, a discount of 10% is applied and for the remaining twenty six weeks, a discount of 12% is applied.

All contracts must be renewed on expiry before any further service can be provided.

Terry oversees the overall day to day running of the company. The secretary deals with all enquiries relating to new clients. He is required to get the new client to complete a “job enquiry” form. This form requests the client contact details and allows the client to select particular services that the company provides. This is mainly done by ticking boxes but there is space on the form for the client to add additional information regarding requirements. Terry and Fiona sometimes review these forms and get new ideas for extending their range of services.

The secretary provides limited information to the client and then passes the “job enquiry” forms to the manager Caroline Smyth. Caroline visits every new client and assesses the job. This is a very time consuming activity and because of the growing number of clients, Caroline is sometimes not able to visit for up to two weeks. Some clients are unhappy with the delay and do not proceed with the enquiry and so potential customers are lost.

Caroline defines the exact client requirements, recording them on a “client requirement” form and then costs the range of options available. Caroline prepares a “costing summary” form which is sent out to the client for consideration. She passes copies of all forms to Harry who sorts them in date order and files them. When the client provides a response to the costing, whether by calling in to the office or by telephone, Caroline will get the “client contract” drawn up. All contracts must be copied and posted to Fiona for approval before being sent out to the client. Fiona calls into the office once a week to indicate approval and sign new contracts.

Once approved, the contract is sent to the client and should be signed and returned before any service can be supplied. Once the signed contract has been returned, they must be filed. The secretary, Harry James, is responsible for this. These procedures also apply to renewal of contracts. The whole process is very labour intensive and time consuming. It depends on Harry

getting everything done on time and because of the volume of work he has to do, this rarely happens. Clients are not pleased when they have to contact the office to see what is causing the delay.

Sometimes because of other commitments, Fiona cannot visit the office and there can be a two week delay. Harry is aware that an increasing number of customers have said they will not be back. Renewal customers are particularly dissatisfied as they feel they have shown commitment to the company.

Caroline also prepares “task schedules” for the cleaners. All cleaners must collect their “task schedules” for the following week on a Friday afternoon before 6pm. Every job has an associated task schedule. The cleaner must sign the “task schedule”, indicating that the work has been completed and return it to the office before 4.30pm on the following Friday. This signed document is used by Harry to record that the work has been done so that invoice information can be generated. It is also used to calculate wages for the part time staff as they are paid by the hour rather than at the weekly full time rate. Sometimes staff members forget to sign the task schedule. If Harry is not available to check the schedules on Friday afternoons, payment authorisation for part time staff who have not signed the forms is not allowed. This has caused a lot of problems as there will be a delay of one week in payment to the staff. The staff believe that this is unacceptable.

The van driver is also given a weekly “task schedule”. He is responsible for checking the equipment before he delivers it and checking it after he collects it. Any damage must be recorded on a “damage report” form which is left in the office for Caroline who will decide if any action must be taken. This might include interviewing the staff involved or perhaps charging the client a breakage fee if the damage is their fault. This does not happen very often but if a client is considered responsible for damages, Caroline creates a “damages demand” which is sent to the client. A “damages payment” is expected within two weeks otherwise the normal demand procedures will follow.

The company provides all cleaning material and equipment for the services they provide. Cleaners are supplied with their cleaning kit comprising a whole range of cleaning products and portable cleaning gear. They must request replacement products and cleaning gear on a “cleaning kit request” form when they submit their signed task schedule forms on a Friday. Replacement supplies are available for collection the following Friday and each cleaner is required to sign a “cleaning kit receipt” so that a record is kept of their stock usage. Harry is responsible for managing this process and must file the “cleaning kit request forms” and the “cleaning kit receipts” for audit purposes.

Caroline reviews the “cleaning kit request” forms before Wednesday of each week. She is responsible for authorising replacement items for the cleaning staff. She monitors this very closely and will check the validity of the request by looking at the “task schedules” for the cleaner concerned.

Harry is required to maintain stock items for the cleaning staff. He tries to check the stock at least once a fortnight. Harry must complete “stock request” forms for low stock items. These must be approved by Caroline before Harry creates “stock orders” for the suppliers. He has to issue these, ensure that the subsequent deliveries are accurate and the stock updated, record the supplier invoices and then make sure that the suppliers are paid. Sometimes stock items are not available

for staff simply because Harry has not been able to complete the whole stock ordering procedure within the required timescale. This is problematic for the cleaners who either try to provide materials themselves or ask the client. Some clients have complained to Caroline that they are not getting the full service they agreed in their contracts.

Invoices for Option 1 clients are created on the Monday following the completion of the work. All other clients are invoiced monthly. Invoices are posted out to clients and payment is expected within one week. Clients may pay by cash in person or credit or debit card over the phone. The company has discontinued the practice of payment by cheque in line with most other organisations. There is a considerable amount of work involved in generating the invoices. As Harry is responsible for answering the phone, dealing with clients as well as a whole range of other tasks, he finds it hard to get suitable uninterrupted time to do this. Some days, he either comes in very early in the morning or stays on later at night. He is very worried and under pressure at present as he realises that he is at least two weeks behind in creating the invoices.

Harry is also responsible for regularly checking that payment has been received for all invoices. With a growing number of clients, it is becoming impossible to keep up with this. He is also required to issue first, second and final “reminders” to clients. If a client fails to pay within two weeks of a final reminder, Harry is required to advise the manager who issues a “discontinuation of service” notice to the client. This notice also advises clients of the legal consequences of non payment. Terry and Fiona are sent copies of all discontinuation notices and deal with the legal aspects themselves.

Harry has on occasion not recorded client payments. This has resulted in clients being sent out reminders.

The business is very successful but the administrative processes are becoming totally unmanageable. The amount of paper generated is impossible to manage effectively. Caroline has proposed the appointment of at least two new staff to assist with all the work that must be done.

She believes that Harry could be a great help to her in the assessment and costing of new jobs if he could be released from some of his office duties.

She is also of the opinion that they could make good use of better computer facilities. At present, Caroline and Harry have standalone PCs and they have to share a printer. They have no Internet access and they have no means of sharing any data easily. They use basic application software and have no formal training at all.

Caroline is concerned at the growing number of clients who want an instant response to their requests and who are dissatisfied with the time it takes to generate the responses they receive. She is very aware that clients are not happy with the invoicing system. She is concerned that any bad publicity arising out of poor administration could affect new business. Clients might well look elsewhere for services.

