

# Can QuickBooks Handle My Inventory?



Presented by **Scott Gregory**

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## And So The Conversation Begins...

### “Does QuickBooks have an inventory module?”

And my answer is...

Yes, the Pro, Premier and Enterprise versions do have an inventory module built into them.

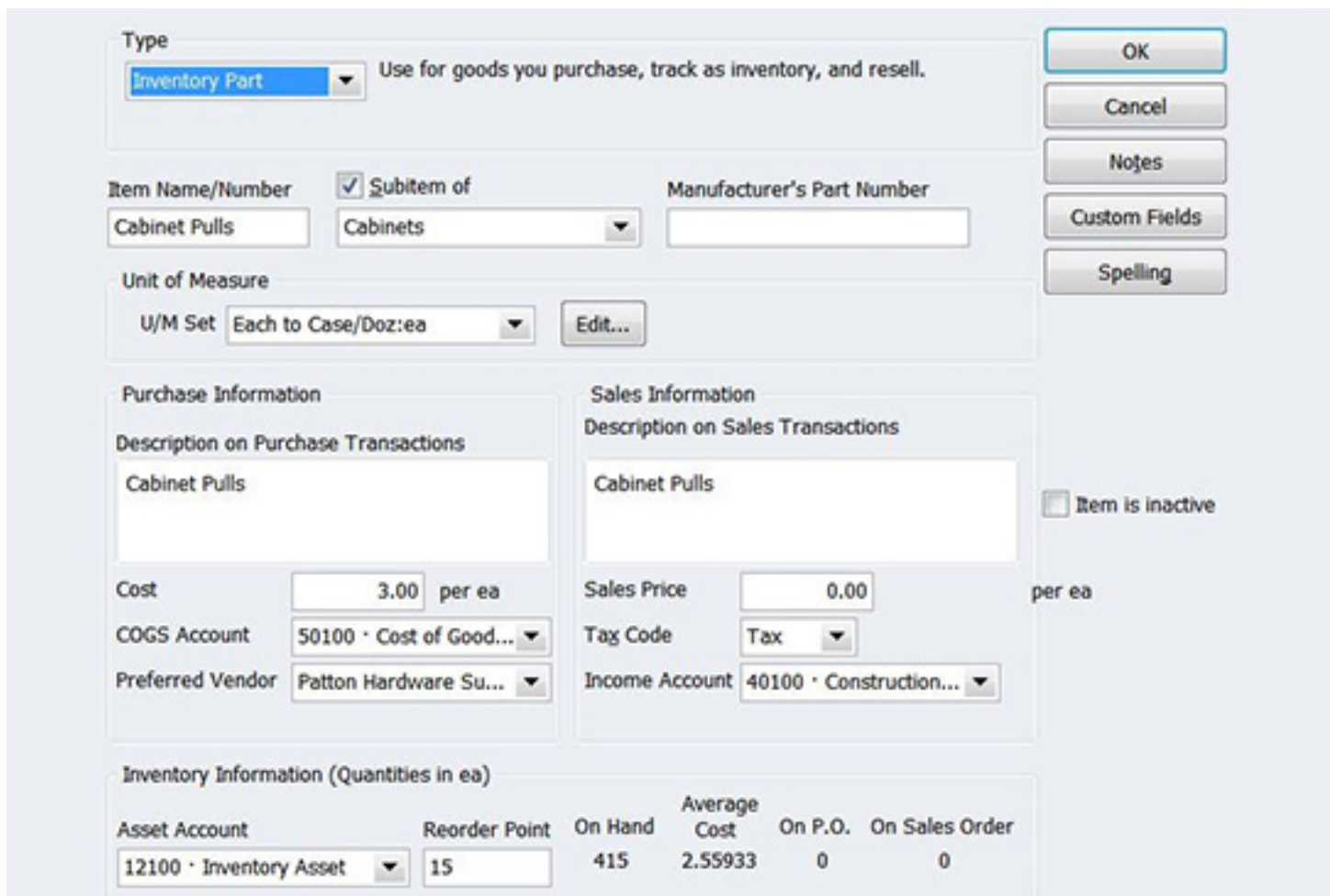
However...

**The better question to be asked is this** – “does the QuickBooks inventory module have the features I require for my specific business needs?”

If that question is presented instead, my answer would be - *“it depends”*...

## Taking A Closer Look At The Inventory Features Within QuickBooks

The following is a screen shot of a pre-populated sample record from the inventory master in QuickBooks:



The screenshot shows the 'Inventory Item Setup' window in QuickBooks. The 'Type' is set to 'Inventory Part'. The 'Item Name/Number' is 'Cabinet Pulls', and it is a 'Subitem of' 'Cabinets'. The 'Unit of Measure' is 'Each to Case/Doz:ea'. The 'Purchase Information' section includes 'Description on Purchase Transactions' (Cabinet Pulls), 'Cost' (3.00 per ea), 'COGS Account' (50100 - Cost of Good...), and 'Preferred Vendor' (Patton Hardware Su...). The 'Sales Information' section includes 'Description on Sales Transactions' (Cabinet Pulls), 'Sales Price' (0.00 per ea), 'Tag Code' (Tax), and 'Income Account' (40100 - Construction...). The 'Inventory Information' section shows 'Asset Account' (12100 - Inventory Asset), 'Reorder Point' (15), 'On Hand' (415), 'Average Cost' (2.55933), 'On P.O.' (0), and 'On Sales Order' (0). On the right side, there are buttons for 'OK', 'Cancel', 'Notes', 'Custom Fields', and 'Spelling', along with an 'Item is inactive' checkbox.

## Review

**Let's review the functionality that is found within the item master as displayed on the last page.**

- Item name/number – can be letters or numbers here (up to 31 characters)
- Subitem/parent relationship – makes the inventory list easier to view, but is not required
- Manufacturer's part number
- Unit of measure set
- Unique description of the item on purchase orders
- Unique description of the item on sales orders and invoices
- Purchase cost (appears on purchase orders)
- Cost of Goods account – where the cost of an item gets posted when the item is sold
- Preferred vendor – the primary vendor this part is purchased from
- Sales price – the default price of the item that is used on quotes, sales orders or invoices. Can be overridden at any time
- Tax code – determines taxability for sales tax purposes
- Income account – where the revenue for an item gets posted when it is sold
- Asset account – the ledger account where the inventory values are tracked
- Reorder point
- On hand count
- Average cost of the item – average cost is all that is available in the base QuickBooks inventory module
- Quantity on purchase orders that have not yet been received
- Quantity on sales orders that have not yet shipped

### **In addition, you can:**

- Add custom fields for inventory items – the Pro and Premier versions of QuickBooks allow up to 5 extra custom fields. The Enterprise version allows up to 15 custom fields
- Track notes for an inventory item – QuickBooks allows for a “notepad” like interface where you can keep running commentary/notes about the item.

## Do You Use Assemblies/Kits In Your Business?

The following is a screen shot of a pre-populated inventory assembly record from the inventory master list.

**Type**  
 Inventory Assembly Use for inventory items that you assemble from other inventory items and then sell.  
[What's the difference between an Inventory Assembly and a Group?](#)

Item Name/Number: Interior Door kit  Subitem of  Manufacturer's Part Number

I purchase this assembly item from a vendor

Unit of Measure: U/M Set

**Purchase Information**

Description on Purchase Transactions: description of the item that goes on a purchase order

Cost: 0.00

COGS Account: 50100 · Cost of Good...

Preferred Vendor:

**Sales Information**

Description on Sales Transactions: complete Interior door

Sales Price: 0.00

Tax Code: Tax

Income Account: 40100 · Construction...

**Bill of Materials**

Item	Description	Type	Cost	Qty	U/M	Total
Hardware:Doorkno...	Standard Doorkn...	Inv Part	15.00	1		15.00
Wood Door:Interior	Interior wood door	Inv Part	35.00	1		35.00
Hardware:Brass hi...	standard interior ...	Inv Part	3.00	3		9.00
Door Frame	standard interior ...	Inv Part	12.00	1		12.00
<b>Total Bill of Materials Cost:</b>						<b>71.00</b>

**Inventory Information**

Asset Account	Build Point	On Hand	Average Cost	On P.O.	On Sales Order
12100 · Inventory Asset	5	21	100.8481	0	0

Item is inactive

As you can see, the information available for an inventory assembly in QuickBooks is identical to that of a regular inventory item, with these additions:

- The ability to create a bill of material to track the individual components of an assembly
- The use of a “build point” instead of a reorder point

## But What If Your Business Also Needs The Following?

In many cases, the features and functionality offered in the screen shots above are all that is needed for a business to track their inventory. If so, QuickBooks should be a great solution (assuming it is set up and used properly that is!)

However, what if your business needs features such as:

<b>Min/Max Capability</b>	<b>Lot/serial Number Tracking*</b>	<b>“Where used” In Assemblies and Kits</b>
<b>Landed Cost</b>	<b>FIFO or Other Costing</b>	<b>Bar Coding*</b>
<b>Inventory Forecasting</b>	<b>Economic Order Quantities</b>	<b>Multiple ID Codes For Each Product</b>
<b>Matrix Inventory</b>	<b>Replenishment Forecasting</b>	<b>Alternative Inventory Product Descriptions</b>

## Get To Know The World Of “QuickBooks Add-Ons” For The Optimal Solution

If your business requires one or more of the features listed above (or some that aren’t even listed!), there are several options to consider:


- Use some type of manual method (i.e. Excel spreadsheets) for tracking and reporting purposes (warning: this approach may work, but it may drive you crazy pretty quickly and not be cost-effective in the long run!)
- Completely leave QuickBooks behind and move to another system that does have these capabilities (prepare for a pretty substantial investment for this option)
- Keep QuickBooks for your core accounting requirements, and purchase an “add-on” package that takes care of what QuickBooks is lacking when it comes to inventory management. It would look something like this...



## Features

The beauty of the “add-on” approach is that you retain your investment (and all of your work) in QuickBooks and you then also get the functionality you need that QuickBooks simply can’t provide.

I have compiled a list of the leading advanced inventory add-on packages for QuickBooks in the table below and included an outline of key features and functionality within each.

Features	 acctivate	 Fishbowl	 HandiFox	 number cruncher	 AO:Rapid Inventory	 QuickBooks Advanced Inventory
<b>INVENTORY CONTROL</b>						
Real-time inventory visibility from one screen	✓	✓	✓	✓	✓	✓
Multiple warehouse/location tracking	✓	✓	✓	✓	✓	✓
Multiple ID codes for each product	✓	✓	✓			
Alternative inventory product descriptions	✓	✓				
Multiple Units of Measure	✓	✓	✓	✓	✓	
Inventory History	✓	✓	✓	✓	✓	✓
Landed Cost	✓	✓	***	✓		
Added Cost	✓	✓	***	✓		
Management Cost	✓	✓	***			
Vendor Cost	✓	✓	✓	✓		
BOM Kitting & Assembly	✓	✓	✓	✓	✓	✓
Matrix Inventory	✓	✓				
Lot & Serial Numbers	✓	✓	✓	✓	✓	✓
<b>WAREHOUSE ORGANIZATION</b>						
Inventory & warehouse transaction management	✓	✓	✓	✓	✓	✓
Barcoding	✓	✓	✓	✓	✓	✓
Mobile barcode solutions	✓	✓	✓	✓	✓	
<b>PURCHASING</b>						
Purchasing requisitions	✓	✓	✓			
Purchase orders	✓	✓	✓	✓	***	***
Receiving & payment	✓	✓	✓	✓	***	***
Purchasing alerts	✓	✓	✓	✓	***	***
Vendor management	✓	✓	✓	✓	***	***
Replenishment forecasting	✓	✓	✓		✓	
PO creation	✓	✓	✓	✓	***	***

Features						
<b>MULTICURRENCY</b>						
Buy/ sell products in the currency of your customers and vendors	✓	✓		✓		
Track, manage, analyze global activities in multiple currencies	✓	✓		✓		
Create reports in currency of choice	✓	✓		✓		
Maintain price list for each currency	✓	✓		✓		
<b>EDI</b>						
An end-to-end, fully compliant EDI solution	✓	✓		✓		
<b>CRM</b>						
Salesforce Automation	✓	✓	✓			
Customer Service & Support	✓	✓				
Credit, Receivables and Collections Management	✓	✓	***	***	***	***
History and reporting	✓	✓	✓			
Scalable, secure platform with web & mobile integrations	✓	✓				
Credit management	✓	✓	✓			
<b>SALES ORDER MANAGEMENT</b>						
Quote to orders	✓	✓	✓	✓	***	***
<b>eCOMMERCE</b>						
Web store integration	✓	✓		✓		
<b>PICKING AND SHIPPING</b>						
Picking	✓	✓	✓	✓	***	***
Shipping	✓	✓	✓	✓	***	***
<b>DECISION SUPPORT</b>						
Dashboard	✓	✓				
Business activities & alerts	✓	✓				
Analytics & forecasting	✓	✓				
<b>REPORTING</b>						
Access the information you need	✓	✓	✓	✓	✓	
Report Customization Capability	✓	✓	✓	✓		
Inventory Warehouse Reporting	✓	✓	✓	✓	✓	







\* Requires the Platinum level subscription to QuickBooks Enterprise

\*\*\* These activities are performed directly within QuickBooks and not within the add-on

## Additional Information On These Products

Below is information on how to contact the vendors referenced above.

**DISCLAIMER:** It is essential that your business completely evaluate the features, functionality, pricing, support and related topics for any third-party package. The information below is being provided solely as a resource to begin that conversation. Feel free to contact these vendors directly (be sure to mention that I sent you!) for more details on their packages.

	<p><b>Accivate</b>  <b>Ryan Moeller</b>  <i>Product Specialist</i>            Toll Free: 866-877-1311            Email: <a href="mailto:ryan@alterity.com">ryan@alterity.com</a></p> <p><a href="#">▶ VISIT WEBSITE</a></p>		<p><b>Fishbowl</b>  <b>Chris Mann</b>  <i>Inventory Specialist</i>            Toll Free: 800-774-7085, x4111            Email: <a href="mailto:chris.mann@fishbowlinventory.com">chris.mann@fishbowlinventory.com</a></p> <p><a href="#">▶ VISIT WEBSITE</a></p>
	<p><b>HandiFox</b>  <b>Bill McCaslin</b>  <i>Account Manager</i>            Toll Free: 877-942-6343            Email: <a href="mailto:bill.mccaslin@handifox.com">bill.mccaslin@handifox.com</a></p> <p><a href="#">▶ VISIT WEBSITE</a></p>		<p><b>NumberCruncher</b>  <b>Joshua Goldberg</b>  <i>Marketing Supervisor</i>            Phone: 866-278-6243, x821            Email: <a href="mailto:jgoldberg@numbercruncher.com">jgoldberg@numbercruncher.com</a></p> <p><a href="#">▶ VISIT WEBSITE</a></p>
	<p><b>AO: Rapid Inventory</b>  <b>Kevin Reynolds</b>  <i>Product Director</i>            Phone: 303-639-6111, x1260            Email: <a href="mailto:kreynolds@accucode.com">kreynolds@accucode.com</a></p> <p><a href="#">▶ VISIT WEBSITE</a></p>		<p><b>QuickBooks</b> <small>Advanced Inventory</small>  <b>Scott Gregory</b>  <i>Bottom Line Accounting Solutions</i>            Phone: 440-527-5696            Email: <a href="mailto:scott@betterbottomline.com">scott@betterbottomline.com</a></p> <p><a href="#">▶ VISIT WEBSITE</a></p>



*“Your training has literally revolutionized the way we run things here. Everyone in our entire company - from Customer Service, Purchasing, Marketing, Shipping to Management has benefitted greatly from what you have taught us! I couldn’t recommend your expertise more - I would tell any QuickBooks user that a session with you is mandatory. The ROI is literally 50 fold for our company.”* – **Victoria Marquardt, Applied Home Healthcare Equipment**



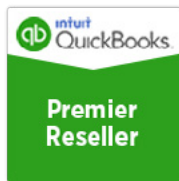
## Need Help Sorting It All Out?

Before starting my QuickBooks consulting practice, I was a CFO responsible for over \$4 million in inventory, so I completely understand the complexities involved in managing and tracking this valuable asset.

If you want the help and insight of someone that have over thirty years of QuickBooks, accounting and inventory management experience, I’m here to help.

### Services provided include:

- [QuickBooks inventory training videos](#)
- Needs analysis to help figure out your “must have”, “nice to have” and related requirements
- Project management to help coordinate the acquisition of an add-on and the related integration with QuickBooks
- Custom consulting and coaching projects to help ensure you’re making the right decisions along the way.



▶ ABOUT SCOTT

## Contact Scott Today!

For the fastest response, email Scott at:

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☎ 1.888.581.2839

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