Advanced Inventory for QuickBooks Enterprise: 10 Critical Things to Know…

Presented by Scott Gregory
Certified QuickBooks Enterprise Advisor, Intuit Premier Reseller, CPA
“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 Marquard-Schultz, Esq.
  General Counsel & Regulatory Director
  Applied Home Healthcare Equipment, LLC

Contact Scott Today About QuickBooks
For the fastest response, email Scott at:
Scott@BetterBottomLine.com

Contents:
A Note from Scott.................................1
Advanced Inventory Introduction..........2
What’s an Add-On?...............................2
10 Things You Need to Know.................5
Need Help Figuring This Out?..............8
About Scott Gregory............................9
Don’t let QuickBooks be a pain in the asset!

• Getting headaches from trying to figure out QuickBooks?
• Tired of hearing “accountant-speak” from your CPA?
• Frustrated with the QuickBooks tech support group?
• Discovered your accountant doesn’t know QuickBooks?

Benefit from having a trusted, professional advisor on your team at a fraction of the cost of full-time staff. My clients enjoy our working relationship simply because I don’t talk “accounting or technology speak” – I can discuss your problems and offer solutions in plain English. See what my clients are saying about the help and insight I have provided for them.

Contact me for help before you throw up your hands in frustration! Working together, we can determine the extent of your QuickBooks problems and put a solution in place. Let’s get your QuickBooks and accounting problems ironed out soon!
Advanced Inventory Introduction

Based on the calls and e-mails I’ve been getting, there seems to be a lot of confusion regarding what the Advanced Inventory add-on for QuickBooks can and can’t do.

My hope is that this guide will help you sort things out so you can make an educated decision about how Advanced Inventory may or may not work within your business.

What’s An Add-on?

Before getting into the specifics of Advanced Inventory, I thought it best to review just what is meant by an “add-on” for QuickBooks.

As I define it, an “add-on” is another piece of software that helps extend the functionality of the base QuickBooks software. At last count, there are well over 500 different add-on programs that work with QuickBooks, ranging from customer relationship management software to sales and route delivery systems.

Some add-ons are desktop-based software, and others are “in the cloud”. Some have mobile capabilities. Others do not. Add-ons are sold by third party vendors independent of Intuit (the makers of QuickBooks). Some add-ons only work with the desktop version of QuickBooks, some work with both the desktop version and the online versions.

Generally, add-ons have their own pricing and support plans as determined by the vendor.

Most importantly, the add-on has usually been designed so that data flows from it in QuickBooks (and back again in some cases) without the need to rekey or re-enter the data in both systems. A huge plus indeed!

Knowing that, let’s take a closer look at the Advanced Inventory add-on now…
Here is a list of the things that Advanced Inventory can offer your business which are not found in the base QuickBooks software:

- Multiple location tracking (i.e. multi-warehouse and/or multiple locations within a warehouse)
  - You can transfer items from one location to another
- Bin location tracking
- Lot number OR serial number tracking
  - Note the OR above – it can do one or the other, not both
- FIFO inventory costing – remember, the base QuickBooks software uses average cost for inventory valuation and posting to cost of goods sold
- Bar coding – but very limited in its’ functionality

As I tell my clients, if you don’t see the functionality listed above, don’t assume that Advanced Inventory can handle the specific inventory needs of your business. We know what happens when you assume.

Oh sure…

I tell you above that most add-ons are separate pieces of software that connect with QuickBooks. In the case of Advanced Inventory, that is not the case.

Since Intuit owns it, Advanced Inventory is built into the Platinum Edition of QuickBooks Enterprise (it is not available in the Gold or Silver editions)
Once your Platinum subscription is activated, you access Advanced Inventory directly within the inventory preferences of QuickBooks as shown below:

![Advanced Inventory Settings](image)

If this button is “grayed out”, that means you do not have the Platinum Edition of QuickBooks Enterprise.

Once you click the button, you’ll quickly see how to access the various features within Advanced Inventory as shown below:

![Advanced Inventory Interface](image)

### #3: Advanced Inventory Has The Same Interface As Quickbooks – Nothing New To Learn

As mentioned above, Advanced Inventory is directly accessible within the Platinum Edition of QuickBooks Enterprise. Because of that, you are using the same QuickBooks screens that you are familiar with. No extra learning curve involved other than the understanding of how the new features inside of Advanced Inventory work.

For example, here is a screen that shows the Inventory Site list – it looks and acts the same as other QuickBooks lists:

![Inventory Site List](image)

**CRITICAL NOTE:** I always recommend learning the new functionality of Advanced Inventory (or any add-on that works with QuickBooks for that matter) within a sample QuickBooks company data file and NOT your main production file. That way, you can get comfortable with everything in a setting that will not disturb the primary financial information of your business. Once you’ve mastered it in the sample file, then proceed into your main production file.
As of October 2014, the Advanced Inventory module is no longer purchased separately. It is now bundled with the Platinum level QuickBooks Enterprise subscription package. You must renew your subscription each year to have access to both QuickBooks Enterprise and the Advanced Inventory functionality.

Advanced Inventory will not work with the Pro, Premier or Online versions of QuickBooks, no matter how nicely you ask it to.

For some businesses, this requirement is not a problem, as they can benefit from the feature set of QuickBooks Enterprise and the price tag of QuickBooks Enterprise can be justified.

For others, the requirement to use Enterprise may be far more than they need. Maybe your business just needs to have multi-location tracking for your inventory, but you are perfectly happy with QuickBooks Pro or Premier. For you, the good news is that other options exist. See #10 below for details.

I can’t tell you how many conversations I have had where the belief was that Advanced Inventory also provides some additional features that help streamline or simplify the purchasing and purchase order process.

Other than the ability to create orders for multiple locations and serial or lot track product information, there is no “magic button” inside of Advanced Inventory that helps with: purchasing the same item from multiple vendors, purchase orders with multiple release dates, combining purchase orders or any similar type requirements.

QuickBooks Enterprise does have some tools to help with the purchasing process, but those are completely separate from Advanced Inventory. Don’t be misled.
Based on my thirty years of working with manufacturing and distribution firms, there are a plethora of costing schemes in play, such as standard cost, landed cost, management costs, and a host of others.

Be aware – Advanced Inventory provides you the option to use the FIFO costing approach instead of the average costing approach that is standard in QuickBooks. It does NOT provide any other costing options. For those, you’d have to evaluate other inventory add-on packages for QuickBooks. See #10 below for more insights on this costing issue.

In addition to the core inventory reports found in QuickBooks Enterprise, the Advanced Inventory adds these reports to your toolkit:

- Quantity on hand by site
- Inventory stock status by site
- Inventory valuation by site
- Inventory site listing

Since you are creating these reports within the familiar QuickBooks interface, you have the standard QuickBooks report tools at your fingertips as well (i.e. export to Excel, etc.)

I can’t stress this enough…if you are having trouble with various internal processes and procedures before Advanced Inventory, you’re likely to have them after Advanced Inventory is turned on as well.

As a consultant that specializes in manufacturing, distribution and field service businesses, I have rained on the dreams of many prospects that were hoping beyond hope that Advanced Inventory would solve the many problems they were facing in tracking their inventory.

No question – the features within the Advanced Inventory add-on can certainly help reduce certain trouble spots encountered in managing inventory. However, if “people aren’t turning in the right paperwork” or “telling someone when items are pulled off the shelf” (comments I hear again and again), Advanced Inventory isn’t a magic elixir.
This is where the conversation gets very interesting…

As I mentioned before, there are over 500 different add-ons for QuickBooks. In the inventory management space, there are a number of very solid programs out there.

It gets interesting to me because this is the point where we need to sort out exactly what type of functionality it is that your business needs to succeed.

Do you just need multi-warehouse tracking? Do you need landed cost and shop floor reporting? Do you need the ability to have one part number referenced differently for the various vendors you buy from?

See where I’m headed with this?

Rather than making the assumption that Advanced Inventory is the right solution, you may also want to draw up a list of your “must have” and “nice to have features” when it comes to improving the management of your inventory, then also take a closer look at:

- Rapid Inventory
- ACCTivate
- FishBowl Inventory
- Handifox Inventory
- AllOrders
- SKUVault
- DEAR Systems

Full Disclosure: I am a referral partner for each of the software packages listed above as well as many other QuickBooks add-on products. I am also a reseller of QuickBooks Enterprise and Advanced Inventory.

Need Help Figuring This Out?

If all of this discussion about inventory has given you a headache, I completely understand.

I’ve been helping businesses make sense out of this for over thirty years, and can be considered the aspirin to make your headache go away.

As the former CFO for a $15 million manufacturing and assembly business, I understand how all the pieces have to fit together to make it all work better and more efficiently for you.

Put that expertise to work on your project. Consultations begin at $189 for an hour session, and your return on investment will be significant.
About Scott Gregory
Certified QuickBooks Enterprise Advisor and Intuit Premier Reseller

- Certified QuickBooks ProAdvisor
- Certified QuickBooks Enterprise ProAdvisor
- Certified in Integrated Resource Management (CIRM) from the American Production and Inventory Control Society (APICS)
- QuickBooks instructor in such venues as: Ohio Society of CPAs, Ohio Small Business Development Center, Lakeland Community College, Intuit Town Hall Meetings
- CPA
- Worked with QuickBooks software for 18+ years and in business finance and accounting for 30+ years.

Prior to forming Bottom Line Accounting Solutions, Scott served as the chief financial officer (CFO) for a $15 million manufacturing firm. In that position, he was in charge of the accounting, banking, IT, purchasing, inventory control and human resource departments.

Scott serves as a past-president and trustee of the Willoughby Area Chamber of Commerce. He also participates each year in the National Multiple Sclerosis Society Pedal to the Point fundraising bicycle ride, riding over 150 miles to help raise funds for them. You may also see him deep into the music collection on his iPod or learning to play his acoustic guitar too.

I welcome the opportunity to help you make the right decisions as well as getting things done the right way in your QuickBooks.

Contact Scott Today!
For the fastest response, email Scott at:
☑️ Scott@BetterBottomLine.com
📞 1.888.581.2839
🌐 www.BetterBottomLine.com