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# Advanced Inventory for QuickBooks Enterprise: Critical Things to Know...



Presented by **Scott Gregory**

QuickBooks Expert and Small Business Finance Specialist



*“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

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## A Note From Scott

### 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!

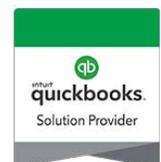


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## Advanced Inventory Introduction

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.

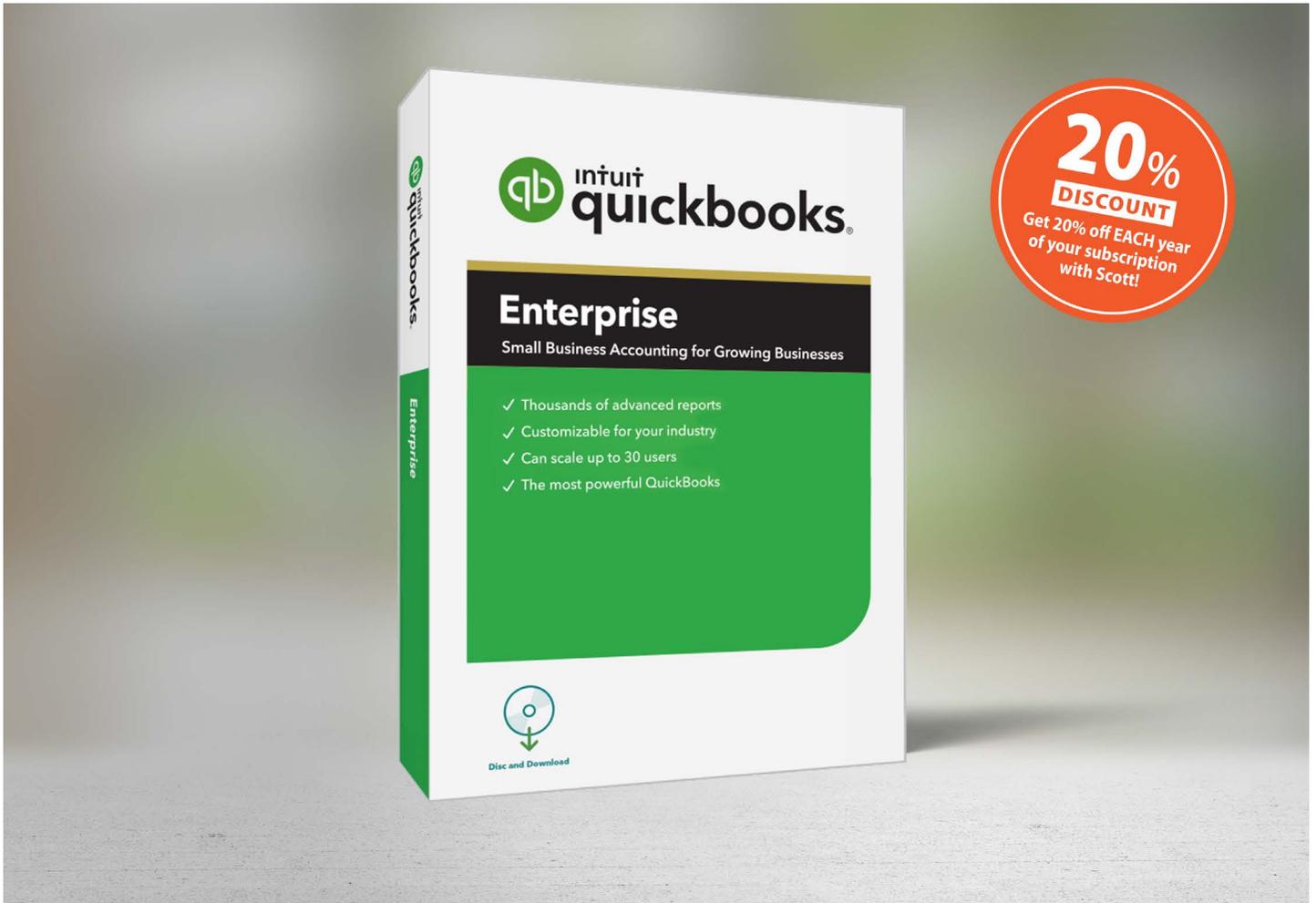
As I define it, an "add-on" is another piece of software that helps extend the functionality of the base QuickBooks software. At last count, there are well over 750 different add-on programs that work with QuickBooks, ranging from customer relationship management software to sales and route delivery 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...



 **Ready to Save 20%?**

## 10 Things You Need To Know



### #1: Advanced Inventory Can Handle These Tasks

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/shelf/rack 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
- Sales Order and Purchase Order Fulfillment Worksheets (does provide some mobile inventory tracking possibilities)
- Landed Cost Calculations

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.



### #2: Advanced Inventory Is Not A Separate Piece of Software

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:

**PURCHASE ORDERS AND INVENTORY**

Inventory and purchase orders are active.

Warn about duplicate purchase order numbers.

When calculating **Quantity Available** for my inventory, deduct:

Quantity reserved for Pending Builds       Quantity on Sales Orders

Warn if not enough inventory to sell.

When the quantity I want to sell exceeds

Quantity On Hand  
 Quantity Available

Advanced Inventory Settings

Access to Advanced Inventory begins here

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 Settings

Learn how to set up Advanced Inventory

Multiple Inventory Locations    Serial/Lot Numbers    FIFO    Barcodes    Site Operations    Landed Cost



### #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	
NAME	DESCRIPTION
• Cleveland Warehouse	
• Columbus Warehouse	
• Drop Ship	Shipped directly from vendor

**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.



## #4: Advanced Inventory Is Now Part Of The Platinum Subscription Package For Quickbooks Enterprise

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.



## #5: Advanced Inventory Requires Quickbooks Enterprise To Operate

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 #9 below for details.



## #6: Advanced Inventory Has Little to do with the Purchasing Function of Your Business

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.

Advanced Inventory does offer you a Purchase Order Fulfillment Worksheet option. This does allow for the addition of some mobility (i.e. scanning in item receipts) to your purchasing process.

Other than that, there is no "magic button" inside of Advanced Inventory that helps with purchase orders having multiple release dates, combining purchase orders, or other commonly needed purchasing functionality.

QuickBooks Enterprise does have some tools to help with the purchasing process, but those are completely separate from Advanced Inventory. Don't be misled.



## #7: Advanced Inventory Does Bring Some New Reports To Your Fingertips

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.)



## #8: Advanced Inventory Is Not A Cure All For Your Inventory Problems

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.



## #9: Yes, There Are Alternatives To Advanced Inventory

This is where the conversation gets very interesting...

As I mentioned before, there are over 750 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:

- [ACCTivate](#)
- [AllOrders](#)
- [DEAR Systems](#)
- [Finale Inventory](#)
- [Handifox Inventory](#)
- [Katana](#)

**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.

*"I have had the pleasure of working with Scott for over five years. His service is priceless to me. Scott is a professional who outperforms any other service provider I employ. Scott takes all of our accounting and puts the numbers into a clear and concise format, including a financial dashboard and actions that need to happen for our business to succeed. This service provides me with insight on what is happening with my business and where additional attention may be needed."* – **MARLENE CORNACHIO, President, Custom Cleaning and Maintenance**



## About Scott Gregory

### QuickBooks Expert and Small Business Finance Specialist

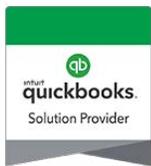
Scott has been helping businesses "get it right" with their QuickBooks and business finances for over thirty-five years.

During that time, he has assisted well over 1,000 businesses, with services such as QuickBooks software installation, training and coaching sessions, and his [part-time controller services](#).

Prior to starting his own practice, Scott served as the CFO for a \$15 million manufacturing firm for more than ten years. During his tenure as CFO, Scott was responsible for: \$4 million in inventory, \$4 million in accounts receivable, inventory control, purchasing, information technology and banking relationships.

He is a member of the Certified QuickBooks ProAdvisor program, a CPA, and certified in integrated resource management (CIRM) by APICS. Scott has taught hundreds of business owners, bookkeepers, and CPAs how to use QuickBooks effectively and efficiently through local community colleges and via webinars.

Thousands of QuickBooks users rely on [Scott's QuickBooks Blog](#) for insight, tips and tricks each and every month.



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