



PUT SCOTT'S 35+ YEARS
OF EXPERIENCE TO
WORK FOR YOU!



Quickbooks For Manufacturing Businesses And Job Shops

7 More Things You Need To Know

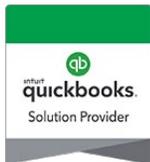


Presented by **Scott Gregory**

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 MARQUARDT, APPLIED HOME HEALTHCARE EQUIPMENT



Don't let QuickBooks be a pain in the asset...

- Getting headaches from trying to figure out QuickBooks?
- Not sure how QuickBooks is supposed to work?
- Discovered your accountant doesn't know QuickBooks?

Help is here!

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!

▶ ABOUT SCOTT

▶ CONTACT SCOTT TODAY

A Quick Introduction...

Welcome!

This guide will build on my earlier "[QuickBooks for Manufacturing and Job Shops – 7 Things You Need to Know](#)" publication.

Based on conversations with QuickBooks clients around the country, I have pulled together a list of seven **more** things that manufacturers commonly ask about when it comes to using QuickBooks and the features it contains.

I can't emphasize enough that just because QuickBooks has the word "manufacturing" in the product title, it very well may **not** be the right solution for your manufacturing business. There are many variables in whether QuickBooks alone is a good fit for the specific needs of your business.

Sure, QuickBooks can do a great job at handling the bill paying and financial reporting, but when it comes to other requirements, it may fall well short.

Enjoy the additional insights below, and I hope you find them informative...



7 MORE TIPS - QUICKBOOKS FOR MANUFACTURING: TIP #1

QuickBooks Does Not Do a "Hard Allocation" of Materials

So you landed the big order – congratulations!

Now you start to assemble all the facts and begin your materials planning to fill the order. You go to look at your stock status report in QuickBooks and you see the following:

9:59 AM
12/15/20

Advanced Inventory File
Inventory Stock Status by Item
December 1 - 15, 2020

Inventory	Pref Vendor	Reorder Pt (Min)	Max	On Hand	On Sales Order	For Assemblies	Available	U/M	Order	On PO	Reorder Qty	Next Deliv	Sales/Week
AN spring (Anchor Spring)	Anderson...	100		1,550	0	600	950 ea			100	0	12/14/2020	0
Anchor-12x1 (Anchor, 12x1 RedCap)	Fran's Fas...	100		784	36	500	248 ea			40	0	12/05/2020	0.5
Anchor adhesive (Adhesive, Anchor)	Caylor's H...	50		41	0	12	29 ea		✓	0	10		0
Base - BL (Anchor Base, Black)	Philip Pum...	100		28	5	55	-32 ea		✓	5	68	12/05/2020	0
Connectors - UR (UR - Connectors)	Anderson...	100		415	4	264	147 ea			64	0	11/26/2020	0
Cord - 12G (Electrical Cord, 12 Gauge)	Perry Cut...	50		20	6	23	-9 ea			31	0	12/05/2020	0

QuickBooks provides what is known as a "soft allocation" of inventory. As you can see in the example above, the "on sales order" and "for assemblies" columns will tell you how many of an item is required to fill sales orders or assemblies.

If that is all you need, you're in business with QuickBooks!

However, many firms need what is known as a "hard allocation", where the quantity on hand is decreased and items taken out of stock and allocated specifically to an order/build.

None of the versions of QuickBooks (Pro, Premier or Enterprise) offer the ability to do a hard allocation. If you need this, you'll want to take a closer look at the add-ons for QuickBooks mentioned at the [end of this guide](#).



QUICKBOOKS FOR MANUFACTURING: TIP #2

Min, Max and Lead Time Variables

The Premier: Manufacturing/Wholesale and [Enterprise: Manufacturing/Wholesale](#) editions of QuickBooks offer you the ability to track a min and a max for an item as shown in the screen shot below:

TYPE
Inventory Part Use for goods you purchase, track as inventory, and resell.

Item Name/Number 5029-03-55 Subitem of Bath/Vanity Fixtures **Manufacturer's Part Number** 057-BN187756

Barcode Number

UNIT OF MEASURE
U/M Set By the each:ea Edit...

PURCHASE INFORMATION
Description on Purchase Transactions
Brushed Nickel with Opal Glass
Cost 18.50 per ea
COGS Account 5000 · Purchases (Cost ...
Preferred Vendor Foster Lighting

SALES INFORMATION
Description on Sales Transactions
Brushed Nickel with Opal Glass Item is inactive
Sales Price 25.00 per ea
Markup 35.14%
Margin 26.0%
Income Account 4100 · Revenue

INVENTORY INFORMATION (QUANTITIES IN EA)

Asset Account	Reorder Point (Min)	Max	On Hand	Average Cost	On P.O.	On Sales Order
1121 · Inventory ...	100		73	18.50	30	1

However, if you need a separate field for tracking the lead time for an item, QuickBooks does not offer that.

You could use a custom field to track this information, but it will not be used in any inventory calculations. If you need to have the vendor lead time worked into your inventory planning and calculations, you'll want to take a closer look at the add-ons for QuickBooks mentioned at the [end of this guide](#).



QUICKBOOKS FOR MANUFACTURING: TIP #3

Need Barcoding? Evaluate Carefully...

The [Platinum level subscription for Enterprise: Manufacturing/Wholesale](#) does offer a barcoding solution (no other editions of QuickBooks offer it though).

However, it is essential that you have a good feel for your specific barcoding needs, rather than just saying “we need barcoding” (which I hear quite often!!).

Of course, if the activities you are looking to bar code are broken or not performing up to expectations, barcoding is just going to get bad data into your system faster – and we don’t want that!

For example, are you hoping to have your pick lists barcoded so the picking team can scan and open up the order for picking? The QuickBooks barcoding solution does not offer that.

Were you looking to do some customization of the bar code labels that print? QuickBooks barcoding offers you very little flexibility in that regard.

Do you have the need for multiple barcodes for a single item? The QuickBooks barcoding solution does not offer that either.

As you can imagine, due diligence will be in order as you evaluate your needs in this area against those offered within the QuickBooks package itself.

[Handifox](#) offers a very robust barcoding solution, as do the add-ons that are listed at the [end of this guide](#).



QUICKBOOKS FOR MANUFACTURING: TIP #4

Need Bill of Lading Generation?

Many manufacturers ship by truck, and therefore need bills of lading generated on a regular basis.

Unfortunately, none of the versions of QuickBooks can provide an automated solution when it comes to creating the bills of lading. QuickBooks can easily handle the creation of pick lists and packing slips (even multiple versions of these documents), but not the bill of lading.

If this is of interest to you, you’ll want to take a closer look at [SmartBOL](#) – it may be an excellent fit to help you streamline your operations when it comes to shipping.

In addition, if your company regularly gets multiple truck/LTL freight quotes, consider a look at the [FreightView solution](#). It offers a terrific way to simplify that process – customers love it!



QUICKBOOKS FOR MANUFACTURING: TIP #5

Simple or Multi-level Bills of Material?

The Premier: Manufacturing/Wholesale and [Enterprise: Manufacturing/Wholesale](#) versions of QuickBooks offer a functionality known as “inventory assemblies” (this functionality is NOT available in the Pro version of QuickBooks).

Within these assemblies, you then create a bill of material that lists the components that are used to manufacture the end item. To see the key differences in how Premier and Enterprise handle bills of material and assemblies, take a look at [my YouTube video](#) that discusses them in more detail.

For relatively simple items, QuickBooks can certainly handle things very well.

However, in the event you have bills of material that are multi-layered/many levels deep, you will likely find that QuickBooks will be quite limited in terms of materials and inventory planning. It just doesn't have the horsepower that firms need when dealing with more complex products.

If your business is trying to find a solution for this need, the add-ons listed at the [end of this guide](#) is a good place to start. Of course, some businesses simply choose to do all this type of management in Excel – your choice as to how simple or complex you need this functionality to be!



QUICKBOOKS FOR MANUFACTURING: TIP #6

Can QuickBooks Track Work in Progress (WIP)?

As mentioned above, the The Premier: Manufacturing/Wholesale and [Enterprise: Manufacturing/Wholesale](#) versions of QuickBooks offer a functionality known as “inventory assemblies” (this functionality is NOT available in the Pro version of QuickBooks).

Based on that functionality, those versions of QuickBooks are able to provide a baseline report called “Pending Builds” as shown in the screen shot below:

Manufacturing Sample File
Pending Builds
All Transactions

Date	Num	Item	Qty	U/M	Memo
01/09/2020	01	2000-PT (POWERTRAK-2000)	1	ea	Build point goal met
02/05/2020	02	1500-PM (POWER MANUAL 1500)	3	ea	45960452056 45960452057 45960452058
02/19/2020	03	3000-UL (ULTIMATE 3000)	1		
03/03/2020	04	1000-MC (MANUAL COVER 1000)	2	ea	
04/07/2020	05	1000-MC (MANUAL COVER 1000)	3	ea	45960452062 45960452063 45960452064
05/20/2020	06	2000-PT (POWERTRAK-2000)	1	ea	
06/01/2020	07	3000-UL (ULTIMATE 3000)	1		
08/21/2020	08	1500-PM (POWER MANUAL 1500)	1	ea	
11/01/2020	11	1500-PM (POWER MANUAL 1500)	3	ea	45960452080 45960452081 45960452082 4596...
11/01/2020	10	2000-PT (POWERTRAK-2000)	8	ea	
11/01/2020	09	3000-UL (ULTIMATE 3000)	5		
12/01/2020	12	1000-MC (MANUAL COVER 1000)	2	ea	
12/02/2020	13	1500-PM (POWER MANUAL 1500)	3	ea	
12/03/2020	14	2000-PT (POWERTRAK-2000)	5	ea	
12/15/2020	15	1000-MC (MANUAL COVER 1000)	1	ea	Verified work order with Dunning's Pool
12/15/2020	16	1000-MC (MANUAL COVER 1000)	1,000	ea	Waiting for supplier.
12/15/2020	18	2000-PT (POWERTRAK-2000)	1	ea	
12/15/2020	17	3000-UL (ULTIMATE 3000)	3		

This report provides a quick and handy way to see what “build assembly” orders are open and not yet completed in QuickBooks. In other words, a pending build = work in progress.

For some businesses, they take this report at the end of a month, export it to Excel, and do a rough calculation of the value of Work In Progress, and that is all they need. Everyone is happy with that.

For others, this type of report is nowhere near powerful enough to provide the visibility they need into their WIP. Those businesses will likely need to reach beyond QuickBooks for the functionality of an add-on such as those mentioned at the [end of this guide](#).

Where does your business fall in relation to WIP reporting needs?



QUICKBOOKS FOR MANUFACTURING: TIP #7

E-Commerce/Web Store Connectivity?

If your business is selling on the web, that opens up an entirely new realm of requirements and reporting to run those operations effectively.

As you have read above, QuickBooks can certainly provide the ability to track inventory to a certain extent.

However, most of that tracking is done internally, and is definitely not linked to the outside world of web sites or shopping carts.

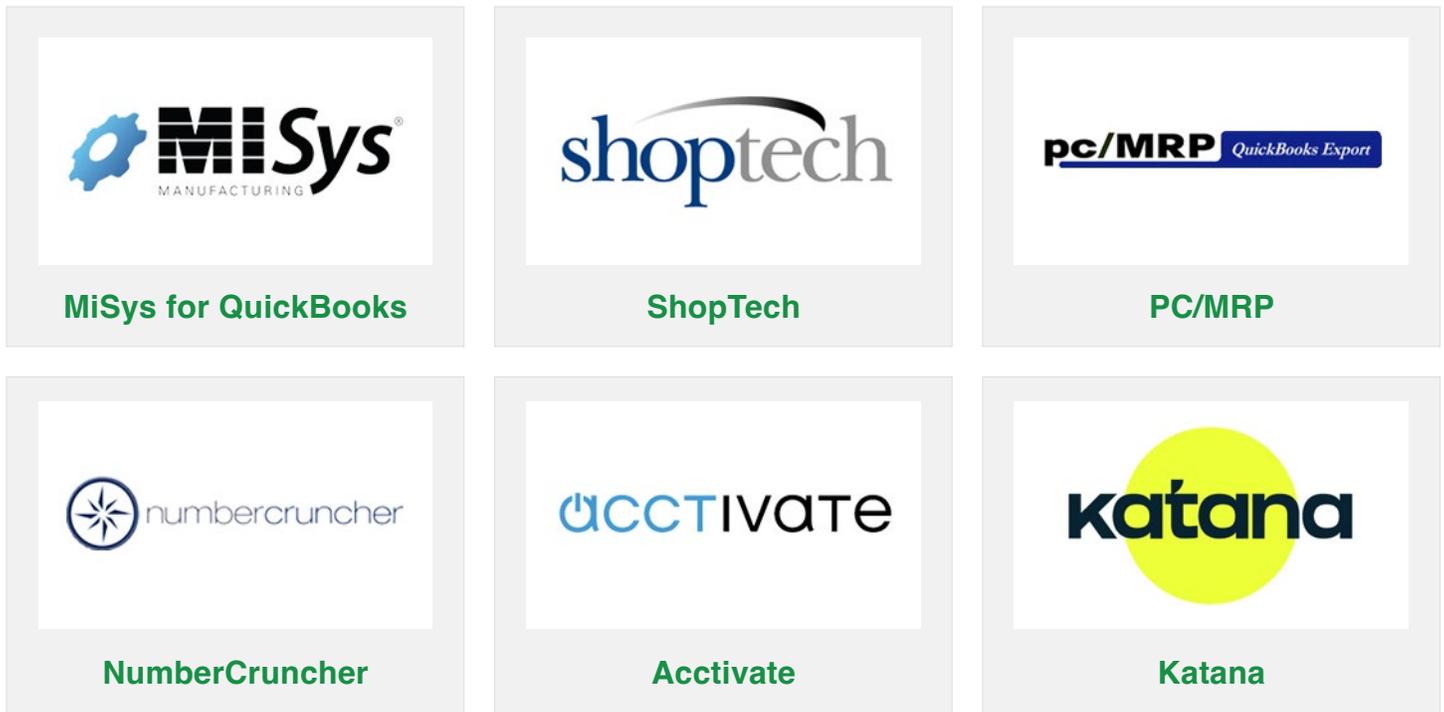
None of the versions of QuickBooks can provide a direct connection into the world of e-commerce. For that, you'd have to turn to add-on solutions such as the following:

- [Webgility](#)
- [The Super Manager](#)
- [Connex](#)
- [Atandra](#)

These add-on solutions allow QuickBooks to do what it does best – accounting and financial reporting. The add-ons fill in the gaps and help reduce (or even eliminate) the double-data entry phenomenon that usually exists between the in-house system and the web site of a business.

Naturally, each of these products has their own learning curve and price tag, so be sure to evaluate them carefully against the needs of your business in the e-commerce arena.

Quickbooks Add-Ons That Can Be A Good Fit For Manufacturers



DISCLAIMER: It is essential that your business completely evaluate the features, functionality, pricing, support and related topics for any third-party package. The links above are provided solely as a resource to begin that conversation.

Need Help Figuring Out What Your Business Needs?



Take advantage of Scott's 35+ years of manufacturing, QuickBooks, IT and inventory experience, including 10+ years as CFO for a \$15 million manufacturing firm!

Scott can help you make heads or tails out of the QuickBooks add-on marketplace when it comes to manufacturing.

He offers a value-priced mini-needs assessment service to help you save time on your initial search. He also offers a more comprehensive needs analysis service for more complicated environments.

Don't waste another minute trying to sort through the thicket of tech jargon to determine what is right for you.

👉 **Contact Scott Today for Help Making Sense Out of All These Options!**