SECOND EDITION EBOOK

The Inventory Handbook

HOW TO UNDERSTAND, MANAGE, AND LEVERAGE YOUR GREATEST ASSET FOR GROWTH

Accountfully
Outsourced Accounting for Modern Brands

ACCOUNTFULLY KNOWS BEING AN ENTREPRENEUR IS HARD.

That's why we provide simple accounting resources designed for the non-accountant to understand and put to use.

Our growing library of accounting resources is designed to help you navigate the challenges of being an entrepreneur. We know how good accounting can grow a business, especially when it comes to the more complex inventory based venture. Your inventory is your greatest asset, which is why you need to understand how to maximize it for success.

The Inventory Handbook will familiarize you with the basics of accounting for and building upon your inventory. We hope you find this information helpful and that it contributes to your success. Should you need some help along the way, we are here for you.

Good luck and happy number-crunching!
The Accountfully Team

THE INVENTORY HANDBOOK, SECOND EDITION IS WRITTEN AND PUBLISHED BY ACCOUNTFULLY LLC

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CHAPTERS

THE INVENTORY HANDBOOK • SECOND EDITION

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About Accountfully

ACCOUNTFULLY PRIDES ITSELF ON BEING A NON-TRADITIONAL ACCOUNTING FIRM — WE DON'T WEAR SUITS, AND OUR OFFICE IS CLOSE TO PAPERLESS.

We partner with our clients to brainstorm and troubleshoot by communicating regularly, leveraging technology, and planning ahead instead of looking back. We also like having a little fun from time to time. It's a different approach—different in a good way.

ACCOUNTFULLY IS HEADQUARTERED IN CHARLESTON, SC AND ALSO HAS AN OFFICE IN NASHVILLE, TN.

WE BELIEVE IN THE LITTLE GUYS, THE STARTUPS, THE CREATIVES, THE ENTREPRENEURS

While we partner with visionaries across all industries, we have significant experience working with inventory entrepreneurs, and product-based businesses. These engagements are led by our industry specific experts who understand our clients' businesses at a foundational level and can provide beneficial benchmarking data that can help you grow. We help you simplify the complexity of inventory management so you can leverage your asset to scale.

WE ARE YOUR FULLY OUTSOURCED ACCOUNTING TEAM

At Accountfully, we do more than the day-to-day work of professional accountants and bookkeepers. We also serve as a long-term strategic partner to help you navigate complex financial challenges and opportunities.

WE ARE A FULLY OUTSOURCED ACCOUNTING TEAM. WE ARE YOUR BOOKKEEPERS, ACCOUNTANTS, CFOS, CONTROLLERS, AND CPAS.

MEET THE FOUNDERS: BRAD AND MEREDITH EBENHOEH: LEADING THE WAY SINCE 2012.

BRAD

CEO AND PARTNER

Never one for suits and ties or long days in windowless offices, Brad Ebenhoeh, Managing Partner, abandoned the world of corporate accounting to found Accountfully, a modern outsourced accounting firm that serves modern brands and businesses. By challenging the traditional accounting firm model, embracing technology, and emphasizing the importance of a work-life balance for himself and his entire team, Brad has proven that with a little imagination and a lot of hard work, accounting can be as cool as the clients he partners with.

MEREDITH

COO AND PARTNER

Meredith's influence at Accountfully is felt through excellent client service and a happy workforce. She advises clients of all sizes and industries on high level strategy; helping them increase efficiency and implement best practices that support growth and improve performance. Internally, she oversees the heart of the company - its people. Through Meredith's operations leadership, the complex puzzle of client needs are met with optimal use of the company's resources, providing a consistent, quality service experience.

1

THE INVENTORY WORKBOOK

The Inventory Workbook

The complexities of being an inventory entrepreneur begin with just that - the inventory. This is why it is imperative this type of business understands, logs, manages and accounts for each step of the raw material-to-finished-product process in order to intelligently plan for and maximize profit margins. Accountfully's Inventory Workbook and its in depth analysis make us an industry leader in the inventory entrepreneur space. This is because through this process, we understand your entire supply chain and all of the touch points from raw material to finished product. This is a meticulous, templated process in which Accountfully gets to know each new inventory based client during the on-boarding phase. The Inventory Workbook serves as the main management document for the business's products and encompasses items such as vendors, manufacturers, raw materials, costs of goods sold, overall process map, and more. Let's dive into what this Workbook offers, what it logs and how it will start the process of streamlining business processes as it serves as the basis for all things inventory.

THE INVENTORY EVALUATION AND SUPPLY CHAIN DISCOVERY PROCESS

To improve upon something, it is best to understand it first. We start with an in depth discovery of your products and the supply chain. This is where we can begin to organize and piece together each step and each cost involved in the product's formation. Questions are answered here like, which inventory account does an item hit, how much does this packaging cost to source, and where is it sourced? We will develop the intricate list of bill materials, where all of the raw items laid out, and at hand are accounted for. Here the assembly process begins to unfold and be tracked.

We get to know your 3PL's (aka logistics services), co-packers, and understand your sales channels. Do you sell through Amazon or other online channels? Any dealers and/or distributors at play? Where is all of your inventory physically located and stored? Is there inventory there right now? How about the terms of any sales or upfront costs? Perhaps there are costs associated with storing inventory at certain locations. This is a rigorous, in depth, yet essential process that will begin the layout of the Inventory Workbook.

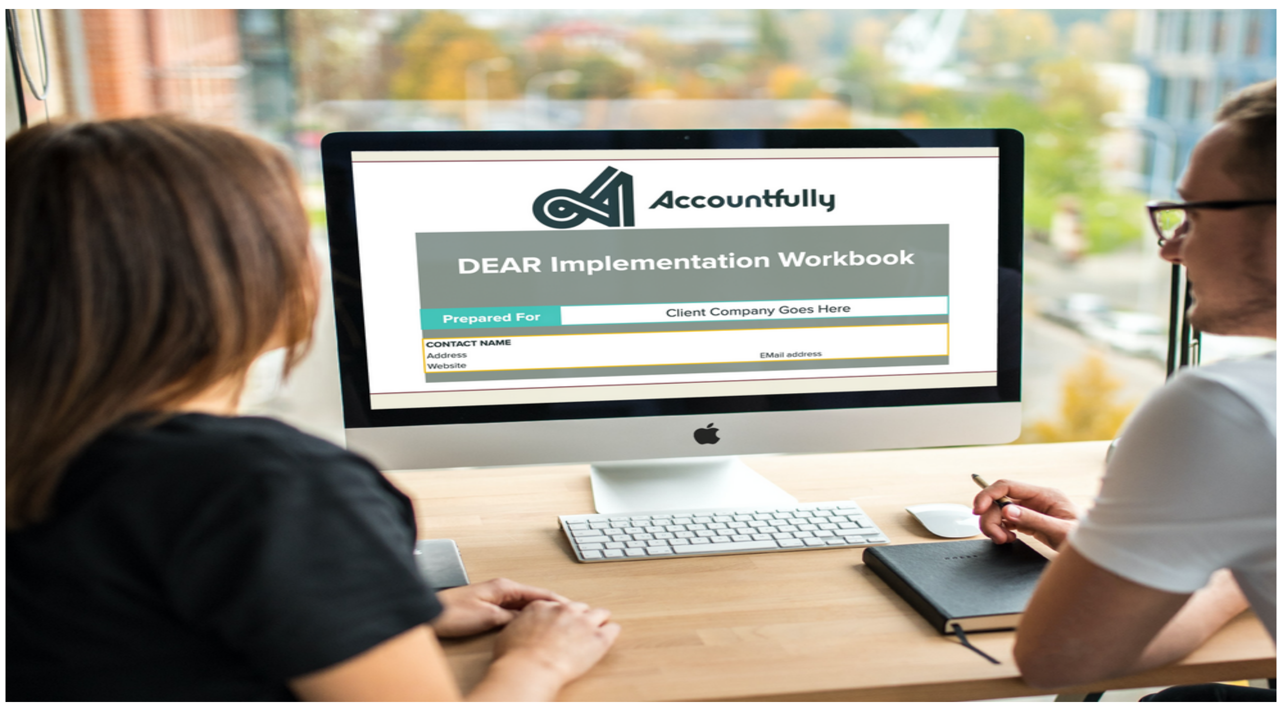
Here, some of the basic fees and costs associated with each item will be laid out: raw materials, outflows related to freight, taxes, duties, co-packing fees, in-house labor on W2 payroll, packaging, labels, all of the items purchased on their way to becoming your final, end product.

THE BUSINESS PROCESS LIVES HERE

Once we have pieced together all of the data in our discovery, it can start to be organized in the Workbook. We not only learn your products, but learn your contacts and stakeholders; manufacturers, vendors, etc. These contacts and their information live inside their own section of the Workbook in the contact list - all on-premise and off-premise involved in each product. Along the way, we identify the costs associated with each step and start the assessment of this process. The various calculations and costs are linked throughout the pages of the Workbook, so that it provides an accurate and dynamic view of each item as cost change. Don't worry, if numbers and spreadsheets are not your thing, we have you covered. This data is also inputted into a workflow map that shows the entire process visually. This helps the less number - centric business owner picture and understand how the process flows (more details on that later).

THE PRODUCT LIST

Some clients will be more complicated than others, depending on how complex their supply chain is and the number of finished goods sold. Some of our clients pay for a finished good at one cost, then resell with a markup - a much less complex scenario. For most of our inventory based clients, however, there's a lot of products at hand and multiple raw materials that each product stems from. Whether it is one or one hundred, we have each product listed out for reference alongside their basic stats. Each product SKU, type and basic identifying information, i.e, finished-good unit of measure, location where each sits, and raw material cost(s) are at the ready.



COST OF GOODS SOLD - WHAT ARE THE ACTUAL NUMBERS?

As we better understand and map out the complex process in which raw material turns into finished goods, we never neglect the meaning of the costs associated with each step. This is where the true analysis comes into play. As each step of the process adds another dollar sign (or few), the profit margin decreases in conjunction with these steps. Until you can pinpoint where items may have an opportunity to become less costly, or end products that need a new pricing structure, you aren't truly on top of your COGS, aka Cost of Goods Sold. When each step of the way is mapped out and assigned a value, it is much easier to identify areas of improvement and areas currently performing well. Here is where we can gather the information and do a gross profit analysis.

Fluctuations or predictions surrounding finished good unit cost is easy to see once each step is assigned its cost. Since the numbers and steps are all linked together through the Workbook, it is easy to adjust pricing along the way to see how it affects the end product cost.

Imagine being able to identify the exact areas to focus your efforts toward reducing costs, to enable a wider margin.

INVENTORY VALUE - THE TRUE COST OF WHATS SITTING IN A WAREHOUSE

The smaller company doesn't necessarily have multiple warehouses at the same time, but it is still important to understand the value of your inventory as it sits or travels at any given time. It is also valuable to understand the costs associated with freight-in and freight-out, i.e., when your product leaves the manufacturer and arrives to you, as well as when it leaves you to go to its next destination. Once it reaches its destination, there are more factors involved there as well. Depending on sales channels, you may forget that those 200 units sitting at Amazon are still an asset. You are most likely sending out samples of your product too, which also needs to be accounted for. This may range from having a few products hanging around the office to use, to items sent out for product reviews, social media influencers, friends and/or clients. So yes, those awesome product samples that we love to get from our clients, those are included in our Workbook.

At the end of the day, inventory has a value and it is a major player in your business's value, overall. Best case scenario, you don't have much sitting for too long. Before it becomes a sale, its value still needs to be understood and reported each month.

The other caveat is that you will need to have an understanding of your inventory's value at a) all life cycles within the raw material to product phase, and b) an up to date inventory value at the end of the month as part of your month end financial reporting. We can provide you with both of these, by keeping track of the items as they sit, sell and develop into finished goods. An additional calculation is applied and associated with inventory moving to a new location before a sale.

WHERE YOUR INVENTORY SITS AFFECTS YOUR TAXES

In addition to understanding inventory's value as it sits (or moves to sit somewhere else), one of the major benefits of tracking inventory location is understanding its associated tax implications. After we locate and log where your inventory is, we can easily reference this information when it comes time to file the appropriate state sales taxes. Understanding the cost of selling from a certain location can also help influence where you should best focus your efforts. There may be significant cost changes when selling from one state to another. Since we have all of this information handy and offer tax services, it is easily transitioned to our tax filing process, as needed.

Benefits Clients See Using The Inventory Workbook:

- A TRUE UNDERSTANDING OF WHAT IT TAKES TO CREATE EACH PRODUCT; FROM RAW GOODS TO SHIPPED ITEM.
- VISIBILITY OVER ACCURATE VALUE OF INVENTORY AT HAND, WHICH IS REPORTED MONTHLY AND EASILY ACCESSED ANYTIME.
- INCREASED EFFICIENCY IN THE ACCOUNTING TEAM; HAVING ALL STAKEHOLDER, CUSTOMER, AND VENDOR CONTACTS IN ONE PLACE TO REFERENCE.

THE WORKFLOW MAP MAKES IT ALL MAKE SENSE

We alluded to this portion of the Workbook above. At the end of the day, the numbers will tell us everything, but sometimes it really helps to visualize what is going on to truly understand it. Accountfully can translate these complexities for the client. This is why we include a workflow map in the Workbook that depicts the entire process of raw material to each finished good, visually. In one clean view, you will see where you buy from, freight-in and freight-out points, an overview of all your sales channels, warehouses, and more. This is the ultimate resource for the more high level business thinker. Similar to diving into the numbers associated with each step, seeing how things are organized visually will also pinpoint areas of improvement at a high level.

EASIER INTEGRATION WITH MODERN PROGRAMS

Many of our product based clients use DEAR Inventory or similar programs to manage their more complex inventory process. This is a cloud based program that manages most of these aspects we are describing in the Workbook. So why do both? The assessment of the product life cycle is going to take place whether or not the client ultimately uses an Inventory Management system. Even if we don't use DEAR, we leverage the data from the Workbook to manage inventory in a more manual manner via spreadsheets and Quickbooks Online. When it comes time to implement DEAR, having all of this information laid out in a simple-to-understand fashion, means it will be phenomenally easier to enter all of the required details into the system.

A Proprietary Workbook Essential to the Inventory Entrepreneur

At the end of the day, by diving in to all of the intricate details of an inventory entrepreneur's supply chain and product process, we are providing two important deliverables to the client: 1) a complete and detailed understanding of their inventory and cost of goods sold (COGS), and 2) the basic foundation from which to streamline the process and improve its efficiency, which ultimately translates into cost savings.

Clients will enjoy a true understanding of what it takes to create their products and the updated and accurate value of their inventory at hand and reported monthly. By having all stakeholders, customers, vendors and contacts in one place, the Accountfully team will be able to do their jobs much more efficiently by being empowered with the information. They will know who to call, where to assign purchases and sales, as well as the terms associated with any purchase or sales agreements.

For the most accurate look into your inventory based operation, having this dynamic and helpful Inventory Workbook will be the foundation for scaling your business properly and truly understanding your costs of goods sold.

2

ACCOUNTING FOR INVENTORY AND THE COST OF GOODS SOLD

CHAPTER TWO

Accounting For Inventory and the Cost Of Goods Sold (COGS)

It's no secret that inventory is complicated and dynamic for the inventory entrepreneur. It seems simple - figure out a cool product to sell, find all the bits and pieces needed to create the product, sell it and live happily ever after in the business world. The small business dreamer will start to get bogged down almost immediately when all of the little pieces that turn into that product need to be tracked and have a cost associated with it. Those finished products have to sit and wait somewhere until they get sold, get in the hands of people to try and promote them, and sometimes they get broken, spoiled or stolen (all with costs associated). So many factors need to be considered when accounting for inventory. So where do you start and how should you do it? Let us enlighten you a bit, so you, the aspiring entrepreneur, can get a handle on the accounting side of inventory and cost of goods sold.

INVENTORY BASICS: FROM ASSET TO EXPENSE

The easiest way to start understanding how inventory applies to your business, accounting wise, is to understand where it is in relation to its production, sale and after it is sold. You'd be surprised to know that many people think inventory is simply an expense, because they are purchasing it for resale. It's an asset. You are buying/creating an asset, so it should be shown on your balance sheet as such in an inventory asset account. The value of the inventory is in its potential sale. Once it is sold, that is what changes. Now it turns into an expense as it is applied to a cost of goods sold account.

That is a lot of accountant-ey sounding terminology already, we know. As your outsourced accounting firm, we want to not only ensure we are properly accounting for your inventory from raw material to finished goods, but understanding the data so we can analyze and understand your margins. Assessing these important items means we can accurately address areas to ensure the company is making the most of their products on both the cost and the revenue side. That's why it is important to account for these items correctly.

HOW TO KEEP TRACK OF THE DATA: SIMPLE TO COMPLEX

To ensure the best chance at getting to know the true numbers and understanding the ins and outs, is to analyze the supply chain and have a central document that records the process and numbers behind each product - this is where the Inventory Workbook comes in. This displays the variables in one place, and is dynamic and interactive. This allows you to adjust for any changes in cost, revenue, and production process notes on the micro level to see the effects throughout the product life cycle.

By having all of this data centralized in the Inventory Workbook, it provides you with a foundation from which to decide how complex you want to get when it comes to inventory accounting. It also provides you with an easy way to access all of the data and change it as needed. Some may choose to keep it very simple, having one inventory asset account and basic COGS accounts for labor, freight-in, etc., and some may want to get deeper into the weeds. We have narrowed it down to a few basic areas that can affect your decision on how intricate your accounting should be.

Complexity Factors to Consider

1 HOW MANY ACCOUNTS TO HAVE

A good first question to ask yourself in deciding how many accounts to have is how detailed do you want to be on your balance sheet. Would you like one big inventory account or many accounts? If you are dealing with a ton of variables in getting the raw materials to become the final product, (i.e, a complex supply chain), it might make sense to keep track of all of the tiny factors affecting your margins along the way.

One major benefit is the balance sheet presentation can look really nice drilled way down, but there can be more mistakes with more variables at play. You will need to be more meticulous and exacting to ensure it is not just a pretty report, but an accurate one. The higher the complexity of this reporting, the higher skilled accountant team, is a good general rule.

2 TIMING OF SALES VS. SHIPPING

PRO TIP: IT MAKES A DIFFERENCE

Another complexity to address is when to account for a sale of the product. Small deviations in dates could change the balance sheet drastically. Imagine selling a massive amount of inventory at the end of the month - let's say March 30th - but shipping it out April 3rd. The date you consider this inventory as a "cost of goods sold" could shift your data to not only a new month, but a new quarter. Setting a standard for making these adjustments needs to stay consistent, so that your data is dialed in. The COGS should be inline with the associated revenue from the sale.

Accountfully recognizes the ship date as the date of the sale, for simplicity's sake. Based on the ship date, you recognize the ship date as the date it turns into revenue. On this same date, is when we apply the cost of those sales. This is where it gets tricky again, and that has to do with how you access your sales data from each sales channel. Merging all of the sales data together and staying inline with the dates can get complicated.

3 SALES CHANNELS AND USING EACH OF THEIR REPORTS

The amount of sales channels a product is sold through, will up your sales report complexity. If you are basing your sales and COGS reporting on pulling these reports, there are variables at play from each report to consider. How do you pull these reports? Are they from your website? Amazon? Are each channel's dates inline with how you need to apply your sales and costs? How accurate is it?

Let's also consider drop shipping as an example. Are you sending a PO or an order manually, then waiting for an invoice/shipping document with tracking info and dates, or something similar? There will certainly be lag time involved between the product selling and receiving this information. This is an example of where (and why) it makes sense to apply the sale to the shipping date versus the sale date. The product is technically sold, so you sent a PO to an alternate warehouse to fulfill, but using the tracking info on the corresponding invoice helps to keep track of the timing in line with applying it to your COGS account(s).

Another item you will need to look at for accuracy are the SKUs. Are they different on Amazon listings than your website? That same wholesaler you drop shipped from may have their own SKU for your products too. You will need to comb through these and make sure nothing is missing.

If you are using co-packer or 3PL reports, the same variables may come into play. Check their dates associated with the sales and shipping, as well as the SKU number consistency. The more locations and sales channels involved in the product's storage and sales, brings us to another complexity to consider in accounting - locations and freight cost.

4 WAREHOUSE LOCATIONS AND FREIGHT COST

You will need to know where all of your inventory sits and how much of it is in each location at any given time.

Whether you are relying on labor to provide you with this information on a regular basis (there's another cost) or a report to show you (see complexity factor three), knowing how much inventory is at hand and its location affects things like state sales tax and storage fees. In addition to the locations, is the transit to and from each location. Here is where you will dive into freight-in and freight-out costs.

To get more detailed in your full margin analysis, you need to add these into your calculation. Consider all of the costs that are associated with getting your product to the point of it sitting in a warehouse, ready to be sold.

To drill down even further into freight costs, you need to consider a few more things. How did the inventory travel? By air, truck, train, boat? Were there variables in things fuel cost and these transport costs? These costs can be allocated to accounts like COGS: Freight-in, COGS: Freight-out, etc. It is important to know when these items are in transit as well, to better understand these variables when they apply.

These items are all things that should be allocated to the inventory value as landed costs, which encompass all of the costs associated with getting the product to the final point: ready to be sold.

5 DON'T FORGET THE FREEBIES AND DAMAGED GOODS

A major part of product companies are samples, testers, spoilage, and breakage. Remember, inventory is an asset and not all of it gets to the point where it is successfully sold. This still needs to be accounted for. Every time you give out a sample, send a tester for a review or to share, and hand things out at a trade show, you are tapping into your inventory for the hope to gain more exposure and promote more sales.

Whether you order a certain amount to dedicate to this process, or log them as they go, these should be accounted for as a marketing and advertising expense. These ones happen on purpose, but what about the mishaps? Those need to be accounted for as well. For the food or drink focused inventory, spoilage is a major factor. Sometimes inventory will get damaged in the warehouse, while shipped, or potentially stolen. Especially when items are headed overseas.

6 PREPAID INVENTORY

What about prepaid inventory? How does that hit your books? This is a payment you have made for an asset that isn't here yet. You will need to account for when you receive it after paying for it. Again, in the Inventory Workbook are all of the arrangements and terms for any of these agreements.

By having all of this data centralized in the Inventory Workbook, it provides you with a foundation from which to decide how complex you want to get when it comes to inventory accounting.

SO WHY BE SO METICULOUS ANYWAY?

Answering off the cuff, it is a good idea to be meticulous when it comes to inventory accounting because it gives you the real picture of your product's success - gross profit margin and cost of goods sold. That concept (as we are diving into thoroughly here) also means it requires a high degree of accuracy on the bookkeeping end to avoid inaccuracies. Running an inventory based company doesn't have to be an accounting nightmare, there are upsides to diving in deep. Having the right team in place to keep up on the intricacies, and with a great foundational document mapping out your supply chain to draw from, it can be quite simple and hugely beneficial.

Remember when we mentioned that inventory is an asset and it should be on your balance sheet? This is a major player in valuing the business for two major things: getting funding, and reporting accurate information to investors. When you are aware of the current value of the business and accurately reporting your inventory on the balance sheet, this will help paint the correct value picture. Not only does more finite reporting help to get funding, but also to report to your investment team the true goings-on of the business and its inventory. Any true investor will rely on a professional, accrual based method of accounting, where the inventory will be shown on the balance sheet and the true COGS are accounted for inline with sales. Overstating your margins and inventory will not help when you need a true picture of the business.

Accountfully is a strong leader in the inventory entrepreneur space because we dive into the details and help automate systems for our clients.

HOW TO EASE THE INVENTORY ACCOUNTING BURDEN

Naturally, at this point you are probably overwhelmed by the complexities we have outlined. That's OK, the good part is a lot of this can be managed and implemented with the right team in place. The more capable an accounting team is when it comes to inventory, the better. Once a business decides how complex they should get when it comes to accounting for their inventory, the process is pretty smooth.

Accountfully is a leader in the inventory entrepreneur space because we dive into the details and help automate systems for our clients. By diving into each business and understanding all elements of its supply chain; it's vendors, suppliers, manufacturers, sales channels, etc, we can start with a great roadmap (the Inventory Workbook) that dictates how we need to best proceed. It also gives us a central document from which we can make finite adjustments and better calculate margins.

The goal is to not let the supply chain hold the business back from growth. Without an understanding of the intricacies up front, it is difficult to predict how to fill orders, when to reorder and understand where potential raw material cost savings are. Once a predictable pattern of cost, timing, and product revenue is established, more intelligent decisions can be made for business growth. This is why it is best to have a strong team handling the accounting side of your inventory based business. As timely adjustments are made for sales, noting when the inventory hits the COGS account, patterns are established and more items can be automated, making less work in the long run.

CONCLUSION AND TAKEAWAYS

In conclusion, it is up to the type of business in how detailed you can/want to get when it comes to accounting for inventory. With the right team in place that both understands the supply chain inside and out and stays consistent and timely in their reporting, a true margin analysis is a lot simpler. With the added complexity comes a need for higher accuracy. This is why it matters how strong your accounting team is.

Inventory should be initially shown as an asset on the balance sheet, because that's what it is. The business's value is easier to understand and show current or potential investors. Keeping the COGS reported in the same time frame as the associated sales of the product will also show the true picture of the business. Understanding the factors involved in the product's life cycle also allows for better understanding of timing and cost involved, so you can better fulfill orders and make decisions to grow the business, maximizing your margins.

Why having a strong accounting team in place matters:

- THE RIGHT TEAM NEEDS TO UNDERSTAND YOUR SUPPLY CHAIN INSIDE AND OUT.
- THEY MUST BE CONSISTENT AND TIMELY IN THEIR REPORTING, MAKING TRUE MARGIN ANALYSIS IS A LOT SIMPLER.
- WITH THE ADDED COMPLEXITY OF MULTIPLE SALES CHANNELS, COMES A NEED FOR HIGHER ACCURACY IN REPORTING AND ANALYSIS.

3

MARGIN ANALYSIS: KPIS AND WHICH MARGINS TO ANALYZE

Margin Analysis: KPIs and Margins to Analyze

While most business owners may not like to get in the weeds, sometimes it is important to dig in to the details to navigate forward intelligently. This becomes especially important for the inventory entrepreneur. Margin analysis, in layman's terms, is getting into the Profit and Loss (P&L) weeds to better understand the impact the small pieces have on the big picture - the overall operating profit. The intelligent business owner knows better than to just throw ideas and money at a concept and hope it sticks. This is a great way to waste resources and time. It takes forecasting and analysis to see where every decision along the way; from product development to final sale, impacts the bottom line. Let's dive into the details for a bit, so you can better understand what items affect a company's profit and what these five key lines in your P&L show.

WHAT THE DETAILS GIVE YOU

So why do we get into the weeds instead of just getting the high level view? That's what most executives want anyway, right? Well yes and no. It's super important to establish and understand your key performance indicators (KPIs) and benchmarks starting at the micro level so you can make little, positive adjustments as needed. This is where you can spot less favorable trends before they become major disasters.

As far as the executive "high level" viewpoint being best, we beg to differ. If you are a company with investors involved, they are going to want to understand where their money is going and how you intend to grow their investment. The best way to forecast is to have an accurate understanding of your historical data - costs and sales. Being in the weeds helps provide this key data for forecasting intelligently. When you have the little details in check, the high level is much more accurate, not just a wishful, BS version of things to get you by for another quarter.

Accountfully uses an amazing platform called Fathom, specifically designed to provide information in a clear, understandable format. It lets you monitor and view KPIs, predict trends, and report on complicated inventory based companies. It allows us to better understand the profitability of a company through different sales channels and see how things will pan out when making adjustments, all in a simple graph/chart type dashboard. We also leverage Quickbooks to help us pull reports and access data to understand and forecast intelligently.

The Five Key Sections to Consider in Your Analysis

Picture a funnel. We will start at the top of the lines on your P&L and work our way downward. As each line takes into account more expenses, it will filter out and condense the big picture into a more finite view of what a company really ends up with after each sale. It also shows your overall unit economics. At the top are the hefty general numbers: sales revenue. At the bottom is the overall operating profit - everything after all of the costs and expenses are accounted for. Within each of these lines, we can break out each by sales channel and customer to further see how each channel affects the profitability along the way. The easiest way to get a handle on each line, is to look at what each line considers as it filters down to the overall operating profit.

GROSS REVENUE

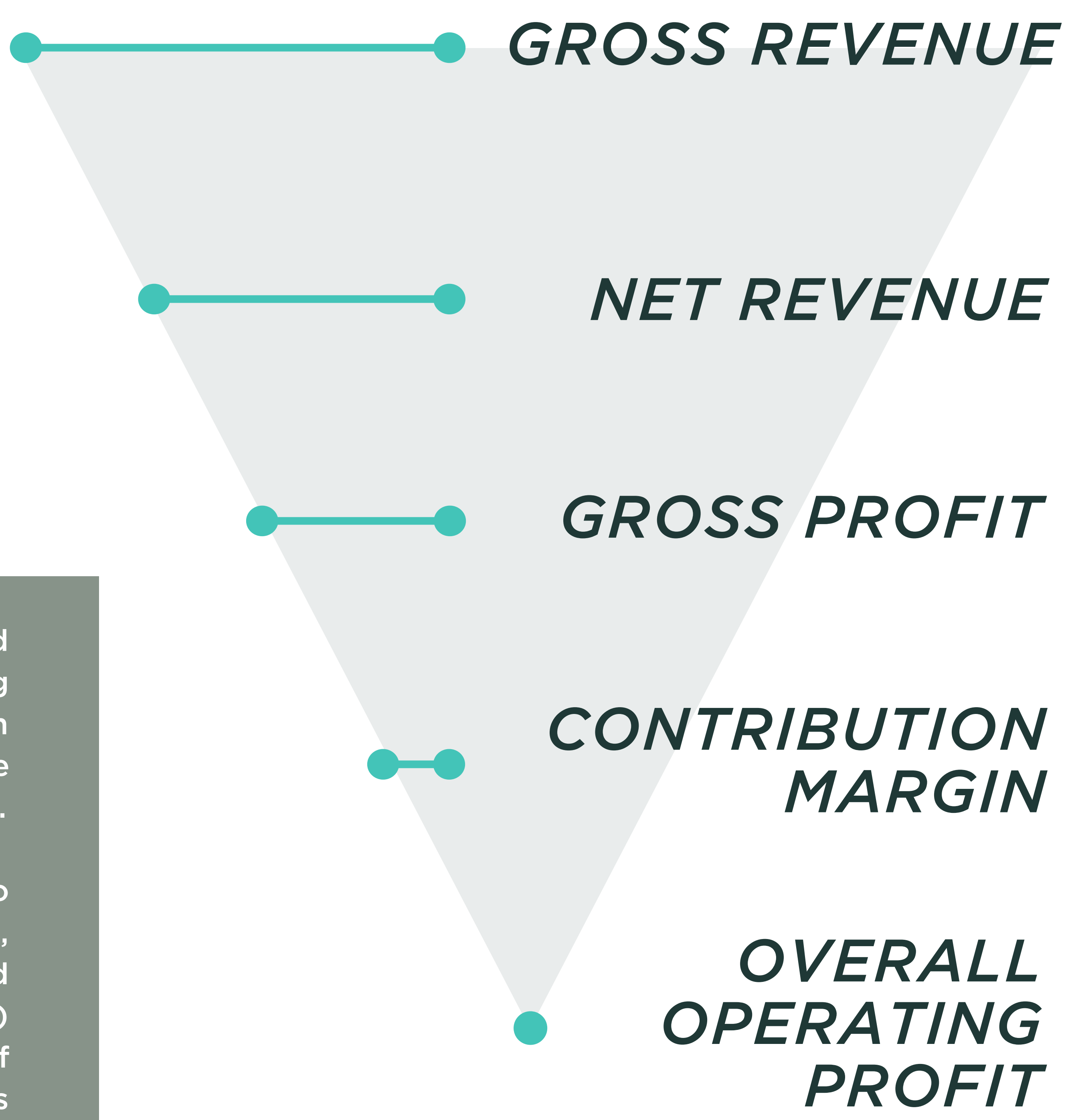
1

This is your top line revenue. This is that number that gets you excited when your Shopify app pings your phone with a sale. While it would be awesome to think that this is the amount of revenue you get to keep, that is not the case. Buzz Kill Alert: while it's great you have cash coming in, don't get too excited just yet. We still have a few more layers of analysis to work through.

NET REVENUE

2

The next layer in the overall view of your operating profit is net revenue. This is your top line minus direct selling items like discounts or returned products. In accounting lingo, net means adjustments made to the original. In the online store example, this is seen when you run a promo and offer a discount code - all of those sales with the 15% taken off and the inevitable returns that happen will be accounted for here.



GROSS PROFIT

3

This is the line where your all important cost of goods sold (COGS) come into play. In the gross profit line, you will be taking your net revenue and comparing it against your COGS. This can get complicated on its own, so you will need to ensure you have a good handle on your COGS to have the most accurate numbers.

Remember that your COGS are all of the expenses related to getting your product ready to sell; raw materials, packaging, freight-in, labor, etc. This line is where you start to understand your margins. Are your expenses considerably (or not so much) less than what you sell the product for? And by how much? If things are getting a bit ugly here, it is a big red flag, as far as margins and profitability go.

Accountfully's goal for each client is to get precise data across different channels at multiple levels. The model of historical sales allows us to make decisions based on sales channels and profitability, not generic reports pulled from sales websites.

CONTRIBUTION MARGIN

4

In this line you will see the costs associated with getting the product to the customer from the warehouse. Things like freight-out, credit card processing fees, warehousing fees, pick-and-pack fees, etc. Here is where you can start to get a feel for whether or not you are overpaying when it comes to getting the product out. Are you paying too much for pick-and-pack services? How do these costs stack up next to your COGS? Look at things like labor and the elements required to ready the product for sale.

OVERALL OPERATING PROFIT

5

Now we are at the base of the lines - the "bottom line". Here is where we add in more sales channel-specific costs and can get a better understanding of how each sales channel affects this overall line. When you break this out by sales channel, the biggest costs that come into play tend to be advertising and commissions. Here is where you will see items like platform fees. Remember our website sales example? Sales-based websites cost money to host those sales and we apply that fee in this line. Also included here are sales-related costs, like commissions for your sales team or social media influencers and affiliate programs. Here you can get a sense of the overall break even report by customer as well. You can much better understand the end result of selling through each platform as the last round of costs are added in.

THE ULTIMATE GOAL OF MARGIN ANALYSIS

When we get into the weeds of our clients' sales channels and understand their sales on a micro level, we can properly report and forecast. Many of the companies that choose to outsource their accounting are in startup mode, which means success can be massively affected by how their sales and associated revenue is reported, analyzed, and forecasted. They need to use their investments to the best of their ability to see a positive return to prep them for growth. Without learning and analyzing these nuances, it's hard to provide this.

Accountfully's goal for each client is to get precise data across different channels at multiple levels, so the model of historical sales allows us to make decisions based on sales channels and profitability, not generic reports pulled from sales websites. By leveraging reporting tools like Fathom, Quickbooks, and noting KPIs and benchmarks, we help our inventory entrepreneur clients move forward with confidence to make better decisions for the growth and profitability of their companies moving forward.

4

MARGIN ANALYSIS: SALES CHANNEL REPORTING BENEFITS

Margin Analysis: the Benefits of Sales Channel Reporting

Once the business owner understands that margins need to be analyzed and KPIs assessed in order to make intelligent business decisions, it's time to dive even deeper into each level of reporting. If we were getting into the weeds by identifying different margin analysis areas, we are going to be splitting hairs with the sales channel breakouts of each. Again, a good thing when it comes to compiling accurate historical data to move forward and forecast with confidence. Accountfully is intensely committed to learning every detail of the business to better advise its owner on performance.

SALES CHANNEL LAYERS WITHIN YOUR ANALYSIS

A key viewpoint when it comes to the overall operating profit is the sales channel breakout. You'd be surprised at how many nuances are involved in each channel and their effects on the bottom line. Many times the sales channel specific reports from your online account dashboard don't show you everything involved. While they can be insightful to a degree, you shouldn't rely solely on these.

Think of it this way: if all of our data was at a high level, a profitable sales channel may make up for the bleeding of the lesser profitable one when reported so vaguely. It could look like you are doing OK overall, but that's just because your success in one area is pulling the weight of a lesser successful one. Anyone who has been graded on a bell curve in school can relate to this. The A students pull the weight of the slackers. Not cool. Especially where your margins are concerned.

Imagine cutting ties with the profit sucking sales channel and enjoying better margins by focusing your sales efforts on the profitable sales outlet. That's what the details can do. There are a few basic sales channels that make sense to break out within each line in your P&L.

Imagine cutting ties with the profit sucking sales channels and enjoying better margins by focusing on the profitable sales outlet. That's what the details can do.

LET'S CHECK OUT A FEW EXAMPLES OF HOW MARGIN ANALYSIS BY SALES CHANNEL WILL WORK

AMAZON/ FBA

This is a key sales channel to note. It is its own animal in that it has many fees associated with it, especially selling fees, fulfillment, and advertising. Think of the benefit of selling on Amazon to begin with: exposure to a massive audience. You are also paying for their fulfillment and storage services. If inventory is not moving fast enough, you are paying for this too; either in storage fees, or the added advertising to get them moved. Just the difference between storing these less popular items at your HQ (that already has its costs associated with it), may mean better margins. Think about the extra fees associated with manually fulfilling sales items from Amazon as needed, versus a bulk removal from Amazon's FBA warehouse to its preferred location. Little things add up, so track them.

ECOMMERCE VIA WEBSITE SALES, DIRECT TO CONSUMER

Sometimes companies enjoy their best profitability when they sell directly to their customers through their website. Others may do best with a solid dealer network.

These sales websites like Shopify, WooCommerce, etc. have their own fees associated with them. Hosting and monthly fees or per-sale fees will need to be considered in your analysis.

Maybe the sales you get by sending customers straight to the site through targeted ads is worth it, but you don't know this until you report and analyze it in detail.

WHOLESALERS: DISTRIBUTORS AND/OR DEALERS

If you have dealers and distributors, this is one to also consider. Sometimes this is the easiest way to sell, because the bulk of the cost of selling is now handed off to the dealer. There can be extra costs associated with selling through a dealer that can go unnoticed or add up in small increments. Don't forget the inevitable marketing involved to make sure your product is worth it to sell by a wholesaler or dealer. Things like brochures, posters or display items dealers will want are a cost that's on you. There is also the inherent brand value your company needs to maintain on your end to be a wanted product.

RETAILER

Similar to the wholesaler or dealer, it seems easier because they buy and you've made a sale. Many times your product can come back to you. Returns, broken items, etc. may become a cost associated with these retailers. Keep in mind that even if you get re-sellable items back, the packaging could be damaged or worn from sitting somewhere and being handled in a not-so-ideal way.

THIRD PARTY SELLERS, DROP SHIPPING PORTALS

Here you may get more exposure by using multiple hosts for your goods through other sales sites, but the "juice may not be worth the squeeze" at the end of the drop shipping line. Many hosting fees can be associated with just getting your product on these sites. Not only are you paying the drop shipper, but the host of these multiple drop shipment platforms. An example may be Inventory Source, Printful or similar. Other drop shipping arrangements, like a dealer that wants to offer your product without the upfront cost of buying at wholesale prices, can put a strain on manpower, which turns into a cost in labor and admin time. Delays in shipping, disconnects in stock levels, and updating records for these dealers may make it not worth it to continue. In a perfect world, these all integrate with your online stock records through your website, but a lot of these mom and pop operations rely on manual stock updates. You will see this once you break out your sales channels and customers.

EVENTS AND TRADE SHOWS

If you attend trade shows or host sales at industry specific events, this is a big one. The flurry of sales with the added traffic can easily distract you from the cost side of these. Items involved like labor to man the booth, processing fees, shipping your set up (and the initial purchase of said set up), samples handed out, hotel, drinks, and booth rental need to add up favorably in the end. If you're not coming out with a small profit, or breaking even, is the advertising (aka exposure) cost worth it in the long run? Drilling down further, by breaking these events out by customer, you will see which trade shows tend to make more sense, and which ones add more expense and hassle.

FOOD SERVICE PROVIDERS, RESTAURANTS

Let's not forget the epitome of the complex inventory based business, the food entrepreneur. In this case, you may be selling directly to restaurants or food service providers. Addressing these channels are very important. Having your product in big name restaurants or on that trendy food truck may be worth it for the exposure (aka advertising), but not super profitable. Either way, it is an important breakout. You may even be able to see which locations are doing better or worse with your products, the more you dive into the details.

SHOWN BY CUSTOMER WITHIN EACH SALES CHANNEL

Within each sales channel you can break it out further into customers. Maybe there are some heavy hitters that should be nurtured more within these sales channels to improve profitability. It is well known that you can get a major return on your advertising investment when investing back into your top and repeat customers. Whether this is a select list of actual individuals who always buy the latest release of your product, big spenders, or a category of store, etc. this is a seriously important break down when it comes to focused advertising and sales.

Example:

IMAGINE IDENTIFYING A VIP LIST OF YOUR TOP CUSTOMERS THAT HAVE SPENT $500 OR MORE AT YOUR ONLINE STORE. IF THEY HAVE BEEN THIS LOYAL TO YOU, IMAGINE WHAT A SPECIAL MARKETING CAMPAIGN OR THANK YOU GESTURE GEARED TOWARD ENGAGING THESE CUSTOMERS WOULD DO TO BOOST SALES (AND THE GOOD WILL AND WORD OF MOUTH IT COULD SPAWN). THIS WOULD BE A GREAT EXAMPLE OF THE COST OF ADVERTISING, DISCOUNTS OR FREEBIES THAT PAY FOR THEMSELVES. HOWEVER, YOU CAN ONLY IDENTIFY THIS BY THE DRILLING DOWN OF EACH, AND REPORTING IT PROPERLY. PERHAPS A FREE HAT TO EACH CUSTOMER ON YOUR VIP LIST MAKES A TON MORE SENSE THAN HANDING THEM OUT RANDOMLY AT TRADE SHOWS?

You've Got The Details, Now What?

By now, you get it. Not only do you need accurate reporting on the micro level in your business, you need to analyze the details. As you can see by some of these breakout examples, there are a ton of areas that may offer some serious profitability insight, just by looking at them. When you, as the brains behind the brand concept of your company, can focus on nurturing the areas that show good margins and the potential for success, you can strategically grow your business. It's a lot harder for the big thinker to get into these weeds initially, so that's why it makes sense to outsource your accounting, and let Accountfully gather and show you the stats, so you can move ahead with your big ideas in the right areas.

5

INVENTORY SYSTEMS

Inventory Systems

You're a product based company and have worked tirelessly to apply proper inventory accounting methods. You've got a good handle on your margins and the steps and costs associated with each part of your product lifecycle. However, things may still be quite complex, and maintaining records is a struggle. Now is the time to apply an inventory system to help manage, track and display current inventory status in a less cumbersome way than your tried-and-true spreadsheet.

What is an Inventory System?

By definition, an inventory system is a stand alone, ERP (Enterprise Resource Planning) system that focuses on the inventory lifecycle. Some key items these programs manage and display are:

- THE PURCHASE OF THE PRODUCTS THROUGH THE RECEIPT OF THOSE PRODUCTS.
- THE ASSEMBLY OF THE PRODUCTS FROM RAW MATERIALS TO FINISHED GOODS.
- THE SALE OF THE PRODUCTS: FROM SALES ORDER TO A PICK/PACK/SHIP CENTER, TO AN INVOICE SENT TO THE CUSTOMER.
- INVENTORY CONTROL: SHOWING WHAT THE TOTAL COUNT OF INVENTORY IS ON-HAND, AMONGST ALL YOUR RESOURCES FROM AN INVENTORY EVALUATION PROCESS.
- PRODUCT REPORTING AND MANAGING THE RE-ORDERING AND PURCHASING OF THOSE PRODUCTS.

In short, this system/program is focused on your inventory and cost of goods sold accounting. That's what the system does.

WHEN SHOULD YOU CONSIDER USING AN INVENTORY SYSTEM?

If you are still teetering toward the side of maintaining your trusty manual spreadsheet, but are intrigued by the professionalism of an "official" system, let us share a few areas that mean you need a system in place. Chances are you've reached the complexity level that requires an inventory management system when:

1 THERE'S ADDED COMPLEXITY IN THE INVENTORY, OR THE PROCESS IN GENERAL:

If you're involved in manufacturing, and have raw materials and/or employ labor to create finished goods to sell, you're officially at a complex level of inventory management. Having an inventory system in place will provide greater understanding of the various inputs involved every step of the way.

2 YOU'RE NOT CLEAR ON YOUR COGS, OR THEY NEED TO BE MORE PRECISE:

For companies with more complexities in areas like landed costs (freight-in costs, labor, etc.), it is best to err on the precise side, when it comes to costs of goods sold. From a margins or general assessment standpoint, you may need to dig into the weeds a bit more. These systems are great at providing a more precise view of your COGS.

3 ADDITIONAL SUPPORT IS OFTEN REQUIRED, FUNCTIONALLY:

For help with ordering and being able to stay ahead of business needs, an inventory system will clearly show you where you stand on counts and status. This beats manually going through your data to figure out if it makes sense to reorder now, later, or whether or not you are equipped to fulfill a large order.

4 YOU REQUIRE A HIGHER LEVEL OF REPORTING:

Sometimes the classic report from your spreadsheets or Quickbooks just doesn't cut it. You will need something more precise to pull from. Especially when you need an understanding of your Inventory velocity, aka, the amount of turn on a week-over-week basis. Having better reporting, means better decision making.

5 MORE THAN ONE FULFILLMENT LOCATION IS INVOLVED:

For the company that pulls inventory and sells from multiple locations, an inventory system will help you out a lot. If you have multiple 3PLs (third party logistics) at play, having more accurate tracking of the costs behind each location in one spot is important.

6 MULTIPLE TEAM MEMBERS ARE INVOLVED IN DIFFERENT FUNCTIONS OF THE INVENTORY PROCESS:

An inventory system will allow better visibility over all of these functions. From purchasing, to selling and seeing the segregation of duties within each.

7 MORE EFFICIENCIES IN PROCESSES AND AUTOMATIONS ARE NEEDED:

Like the other systems we recommend and use, these are cloud-based, integrate nicely with other systems like Shopify, WooCommerce and synch with accounting and fulfillment systems to pull data through each seamlessly. For the business hosted by Shopify, shipping through ShipStation and accounting with Quickbooks, you're all set - you'll see sales orders, understand shipments and more. All in one spot and without entering the same data twice.

Remember, no one gets an award for managing the most detailed, manually-inputted spreadsheet to track their inventory. Keep it as simple as possible.

If you don't have proper control of your inventory; where it is, how much is on hand, and how much you need, you're not running your business very effectively. This means lackluster reporting and likely grumpy investors, when their investment isn't tracked properly.

WHICH SYSTEM SHOULD YOU USE?

Once you've run through our checklist of items suggesting it is time to implement a formal system, which one should you choose? We recommend DEAR Systems. Its basic subscription is a couple hundred dollars a month and includes five users. For that cost, it is very much worth it when it comes to the features it provides and the benefits to your business. In a nutshell, DEAR can do the following:

- supports the delineation and segmentation of complex inventory details.
- shows inventory assemblies.
- narrows down and shows the intricacies of your COGS.
- adds in finite COGS aspects, like landed costs.
- shows controlling locations.
- shows you what is on hand, and at which location.

As we mentioned earlier, DEAR is cloud based and integrates well with EDI partners, CRM databases, etc. If you are using this system correctly and leveraging its data you can go from zero dollars to millions in revenue. It is flexible and functional for all sizes of businesses, to say the least.

WHO MANAGES THE INVENTORY SYSTEM?

So you're officially on board and you've signed up. Now what? Automation is inevitable with the efficiency of the system, but it won't run itself. Now it is time to get your operations in order. The system is only good as its initial set up and data entry. This is where you will need to put an operations point of contact on the case. You will need to know what level of support is involved for your business. Some businesses may benefit from operations consultants like Siddhi Shot or Rodeo CPG. Others may do well with their own team members that can handle the data entry. This will depend (again) on the size and complexity of your business.

The person in charge of this important task will need to have a handle on managing purchases, the various steps in fulfillment, and have an understanding of what goes on in each warehouse. Inventory counts will need to be updated in real time in order for your business to benefit from pulling these reports. You will also need to have the initial data to enter in the first steps of set up. All aspects of your COGS need to be included for the foundation to be on point.

If a big operations consulting firm or in-house option doesn't feel quite right, Accountfully sets up each client for success in our inventory accounting management processes. Remember the all important Inventory Workbook? This is the key to a simple transition from intricate spreadsheet to complex (and wildly beneficial) inventory management system set up. We are able to not only help with the initial set up, but can maintain and manage the system as it is integrated in the business operations. We also translate and pull reports to help with major decision making. Pretty cool, huh? Since we have great relationships with many of these operations consultants and integrate into our client businesses well, a marriage of the three works great too; Accountfully, your operations team and a consultant, all working together to keep your inventory running at maximum efficiency.

In short, when the complexities of your inventory based business get to the point where you are doing too much manual work, it is best to employ an inventory system.

IN CONCLUSION

When the complexities of your inventory based business get to the point where you are doing too much manual work, it is best to employ an inventory system. This will help you better understand and account for your COGS and automate many time consuming tasks. Using a cloud based system like DEAR, that integrates seamlessly with eCommerce websites, other fulfillment channels, and accounting software, will provide more accurate reports, from which you can make more informed decisions. When it comes time to implement the system, Accountfully's team will help set you up for success by providing the correct data to enter and the ongoing support to maintain the system with real time information.

6

BUYING INVENTORY

Buying Inventory

Buying inventory seems like it should be a no-brainer for the business that offers a product to sell as their main source of revenue. You offer a product, consumers buy it, you restock, and the cycle goes on. Seems like a simple concept until you are juggling having enough cash to buy inventory to sell, launch a new product, and maintain the business at the same time. Like most parts of running and growing a successful business, it takes planning. Buying inventory can be narrowed down to proactively understanding and maintaining five areas. To best navigate the inevitable complexities of purchasing inventory, let's review the aspects of each.

REORDER POINT AND SAFETY STOCK

You never want to be in a position where you tell an eager customer or wholesaler "no" when they come to you excited to buy your product. This is one of the biggest business buzzkills out there. Just let word get out that you don't actually know if or when your product will be back in stock and see what that does for growth. Actually, don't - we don't want your business to die a slow death. Do this instead: have safety stock. This is where knowing your reorder point and having safety stock in place means a ton for business success. Even if you are waiting on a new product to come in, at least having items on hand to fulfill orders or sell alternatives will go a lot further for you than saying "sorry, we don't have that."

Best case scenario, your reorder point is when your stock levels meet the minimum amounts before reordering is necessary. This is also when those stock quantities selling will match the time it takes to get new stock in. As any business owner knows, this is not a 100% reliable fixed time frame, so you will likely need some built in buffers as well. You will also need to understand the quantity typically needed to reorder. This is probably a no-brainer, but still a factor to plan for, manage, and consider in accordance with your other factors at play (read on for these).

LEAD TIME: FROM PO TO RECEIPT

The simplest way to define lead time is the time it takes from purchase order to delivery. You know your suppliers and manufacturers well, so there may be some considerations across all of them. Maybe the artsy, but really skilled supplier that creates your really high demand product needs a few more weeks built in to compensate for their lack of discipline getting your order finished (they just needed that one extra day in Santa Fe, NM for inspiration). Or your overseas supplier may inevitably be one to build in extra days for shipments clearing customs.

Hopefully you have at least one source that you can lean on for accurate updates and delivery times. Either way, having ordered before, there should be a general understanding of the timing of each. With that knowledge, you can plan accordingly.

QUANTITY TO REORDER

So how much do you really need to properly restock, anyway? There should be a minimum order in place in your calculations that meets your typical sales requirements. Knowing the cost of this typical order quantity will help greatly in your planning. This is considered one of your more fixed variables. If you have your go-to suppliers or manufacturers on board with this number, it will also help in their planning too, as they will be able to plan for and manage your reorders (and the associated money headed their way) more efficiently in the future.

VELOCITY OF MOVEMENT

This is the speed at which your products sell. Considering the other variables at play, this is probably the most direct variable as it pertains to buying inventory. Whether you gauge this as a month-over-month or week-over-week figure, you will need it to understand how quickly you should reorder, and which products move best. It will also give you a good idea of how your cash flow will look. Best case scenario, you are increasing your velocity. This is also something to consider as you manage the timing of your ordering process.

You can look at this figure as an overall view, which averages over a number of factors - by SKU and by sales channel, but don't forget to drill down into these items too. This will also dictate some marketing strategies to move slower moving products. Again - with the goal to increase velocity over all SKUs and sales channels, and to obtain those numbers for cash flow and reorder amounts.

YOU NEVER WANT TO BE IN A POSITION WHERE YOU TELL AN EAGER CUSTOMER OR WHOLESALER "NO" WHEN THEY COME TO YOU EXCITED TO BUY YOUR PRODUCT

HOW AUTOMATION AND SYSTEMS HELP

In the back of your head, you are probably relating this to your business and realizing how much labor is involved manually recording and studying these factors. Then you need to find the time to implement reordering within the time frames to maintain your safety stock and navigate the order process without running out. Can you see how managing a manually inputted spreadsheet would become very overwhelming, very quickly for the business managing multiple SKUs over various sales channels? This is where we dive back into those helpful inventory systems mentioned earlier.

Having a regimented methodology applied to your inventory review will automate many of these mini research tasks. You can pull easy-to-understand reports to show you the many factors influencing your orders. Imagine being able to see the actual lead times you had when you last ordered by each supplier. You can also view your velocity by SKU and sales channel in various date ranges. Systems like DEAR Inventory will automatically compile these reports for you. It will create smart order reports and give you some serious insight into each channel. So, how is that spreadsheet working for you?

DON'T FORGET CASH FLOW

The last, most pivotal factor that dictates how easily all of these other pieces can be managed is cash flow. If all of these factors seem complicated to you just reading through them, try doing this without the large amounts of cash on hand to make it all happen. There are a few key things that will help your understanding of cash flow, and having accurate reporting (and a reliable, quality reporting function) will help you predict cycles of sales and timing of purchases and sales.

Accountfully manages all of these factors, but most importantly, the cash flow. We provide weekly cash flow snapshots, so the business owner can see exactly what they are working with. Since we monitor and understand the ins and outs of your inventory, we also earmark cash for these much needed purchases, so you are not deciding between paying bills and paying suppliers for more products.

There are a few alternatives to just having a ton of cash hanging around. First and foremost, you will need to maintain good relationships with your suppliers. After all, they are a key element in your revenue stream. If you can negotiate really good terms that allow you to get orders started without a massive upfront cost, you can be in a much better spot, cash flow wise. Be clear (and reliable) about payment expectations, though. No one wants to have unsold inventory sitting in their warehouse waiting on your “get out of jail” payment to actually receive it.

There are some alternative funding mechanisms if having terms isn't doable. Things like debt financing, cash flow loans, etc. can work for you in a pinch. Depending on the position of your business, the interest rates can be high and the repayment terms can be overwhelming if you are not going to make enough money to pay back the loan easily with your expected sales revenue. Again - the key to making these decisions is in accurate reporting and forecasting, so you can plan better and don't get into a bind financially.

At the heart of inventory-based business success is:

- UP-TO-DATE BOOKS THAT PROVIDE CURRENT AND ACCURATE DATA, FROM WHICH YOU CAN MAKE DECISIONS FROM.
- SYSTEMS IN PLACE THAT HELP YOU MANAGE YOUR FORWARD PROGRESS WITHOUT HOURS UPON HOURS OF MANUAL ENTRY.
- THE RIGHT ACCOUNTING TEAM IN PLACE, SO YOU CAN BE FREE TO MANAGE YOUR NEXT MOVE, MAINTAIN POSITIVE SUPPLIER RELATIONSHIPS, AND GROW YOUR BUSINESS WITH CONFIDENCE.

Fit It Into The Business For The Best Results

Inventory management is complicated, which is why you need to make it part of your daily operations in order to be successful. It’s OK (and in your best interest) to get help if it's not your thing. A strong accounting team managing your books is what helps get you on the path to success. At the heart of business success is having proper bookkeeping methods that provide current data, so you have accurate reporting from which to make decisions from. That, coupled with the right systems and efficiencies in place, you can be free to manage your next move, maintain positive supplier relationships, and grow your business with confidence.

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