



QuickBooks has moved from being software to a Business Operating System due to 3<sup>rd</sup> Party Applications like Fishbowl Inventory

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### Company Information:

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**Hours & Time Zone:** 9 am – 5 pm EDT  
**Established:** June 05      **ProAdvisor Certification:** (One)  
**How long have you been providing QuickBooks Integration services:** One year

### An Interview With

Hart Singh,  
QBProfessor, LLC

*I intend to use Fishbowl to help a client go from \$8 million to \$12 million in sales without adding inventory or people.*

*Hart Singh, President, QBProfessor, llc*

### Business Challenge:

One of my clients is the largest supplier of wooden telephone poles in New Jersey; they also sell hardware and marine supplies. They were using QuickBooks Enterprise Solutions; however they were suffering from the following limitations:

- 1) UOM: They were receiving items in larger units (truckloads) and selling them by the bundle.
- 2) Multiple locations: They had 2 locations and needed a clearer view of the business.
- 3) Forecasting: They wanted to forecast purchases based on the lead time of each supplier, and the rate of consumption.
- 4) Slow inventory turns: Their inventory was turning slower than the industry average.
- 5) Inefficient utilization of picker's time: The warehouse covered an area exceeding 25,000 sq. feet. Since items were spread out over such a large area, the picker would spend a lot of time fulfilling an order.
- 6) Differential pricing: They were offering different customers different price levels, and pennies would make the difference between securing and losing a contract. Once they had set price levels, they wanted the system to remember it.
- 7) Seasonal policy pricing: They wanted to change prices based upon seasonality and demand, but at the policy level – not by product.
- 8) Cycle counting: They needed to keep continuous tab on inventory, without stopping everything for a week, to perform an inventory count.
- 9) Loading and unloading: As space became available, they needed to unload. Thus, locations were dynamic. It relied only on people's memory to remember where things were.

I recommended **Fishbowl Inventory** in order to solve the above challenges.

### Finding a Solution:

The company is more than 30 years old and well established. The new owners are retired Wall Street executives, and wanted to implement a system that helped increase productivity and profits.

The subjective nature of the process, and the discounts, had resulted in past managers becoming kingpins, dispensing favors at the expense of the owners and nearly bankrupting them. The new owners wanted a transparent, yet simple system that gave them the controls they needed, while enabling employees to work smarter. Most importantly, people were carrying information in their heads and doing 'back-of-envelope' calculations to get the job done, which made the system prone to errors and failure.

The company also needed reports on what products were moving, and what were not. They needed to know this before the season ended so they could price aggressively, rather than hold stock through the winter.

They started importing from China. They purchase hardware by the pound, yet sell it by the piece. They needed a system that automatically converted incoming pounds to dollar value per piece, and generate the label. Their current system could not handle it, and they used either market prices to set the price without knowing the cost, or weighed items after arrival to come up with price and cost using a calculator.

As the price of freight went up, due to oil prices; they needed to know the new price for all their items – by merely entering one number at the policy level. Previously, they sold inventory at the old price even while the market was selling at the higher price. This impacted prices between 3 and 5%, which could easily double their profits.

As they added new suppliers from Brazil and China, they had to factor in the longer lead times of 3-4 months. Instead of ordering with greater frequency and earlier in the depletion cycle, they were ordering larger quantities – this tied up their money in inventory, and required them to get a second warehouse to store the excess inventory.

Their QuickBooks setup showed them how much they had on hand, but did not factor the items committed to other orders or the items on order. Consequently, they either sold the same material twice or passed up on orders not knowing what material would be available and when.

These were critical operational issues, and resulted in reduced sales, higher cash needs, higher inventory, and reduced efficiency.

With the combined processes of QuickBooks and Fishbowl in place, I project their sales to go from \$8 million to \$12 million without adding inventory or personnel by the end of the year!

### Add-On Specifics - Installation, Setup & Support:

I attended a 2-day Fishbowl training session at their Utah headquarters. Thereafter, the Fishbowl installation team was able to support me during the installation and data conversion process and was very effective. The software is very intuitive and flexible, with a robust workflow. The clients were not very sophisticated from a technology standpoint – yet they were able to be trained in 1 day; I reserved the second day for observing them at work, and helping them to sort out their issues.

Integration with QuickBooks is a snap – there is a specific Accounting module that points to the QuickBooks file, and synchronizes with QuickBooks. Fishbowl generates the purchase order and receives items; starts the Sales Order, issues Pick/Pack/Ship instructions, and generates the invoice. It updates QuickBooks with inventory accounts and invoices. While it takes away the inventory function altogether from QuickBooks, it has an innovative workaround to enable invoices to be generated nevertheless.

### Results:

The company has implemented rigorous processes that were once impossible:

1. They have an enterprise-wide view of inventory, factoring in items committed to orders and items that are on order.
2. Their warehouse personnel go to their terminal, generate a pick list which tells them what to pick and where to pick it from. This has eliminated wandering around.
3. They hand off to the packing and shipping station, which generates the final invoice and initiates a call to UPS/FedEx as per client needs.

4. The office need not interact with the warehouse personnel, increasing efficiency and establishing performance metrics.
5. On a daily basis, the system generates a Cycle Count Report, instructing the person to go to a particular location and what they should expect to see there. This way, A (80% revenue generators) items get counted 6 times a year, B (15%) items get counted thrice a year and C (5%) items get counted twice a year. This helps them discover misplaced items. If an item is missing, the problem is escalated. This keeps people honest.
6. The owners apply their mind to setting price policy, which automatically translates into price at the item level. This keeps them competitive, while not losing money on old items or old information.
7. The system learns, so anything done once can be repeated. If there is a new Unit of Measure, it is entered once and available for everyone to use.
8. They are able to exercise greater financial control. I have implemented QuickBooks Enterprise 10-user on a Citrix server, so they are able to access it from their ski home in Vermont or their beach home in Florida without needing to pick up the phone.
9. This tight integration between Fishbowl and QuickBooks enables Profit and Loss analysis by job and department (class) so there is no cross-subsidization.

### Closing –

I learned of Fishbowl from Jon Stoddard of CFS Atlanta – I met him since I was using his deck myself for the keynote speech I gave to more than 400 CPAs at their 2005 Annual Conference in Long Island. Fishbowl has moved me into a different league altogether. I have found that while QuickBooks is used by some firms only to count the money and best left to bookkeepers and CPAs, it is really about money. At the center of the organization is a completely different system that helps them with operations. This is the focus of the owner's attention. The sweet spot is in making them work together – the operations system must integrate with QuickBooks so that the two can do some heavy lifting.

I tell clients and ProAdvisors a like that QuickBooks has moved from being software to an Operating System – it is the Business Operating System. There is a whole ecosystem of applications that were written for different industry verticals, but which must integrate with QuickBooks in order to gain greater traction. As ProAdvisors, all we have to do is: meet the client not to ask, "What part of your problem fits my solution?" but instead to ask, "*How's business? How can I help you improve productivity (an operations question) and profits (a QuickBooks question).*" We then need to check out [www.marketplace.intuit.com](http://www.marketplace.intuit.com), type the problem in the search button, and find numerous solutions. Once we identify a solution, we implement it for the client along with QuickBooks. This changes the paradigm – we are no longer selling our time (a subject of much friction) but are solving their problem and dropping savings straight to the bottom line, and thus can charge like neurosurgeons.

Fishbowl has been a home run for me. I have a mechanical engineering degree, an MBA from MIT-Sloan, a manufacturing background, am a University Professor, member of the Intuit Speakers Bureau as well as the Intuit RSP program. Solving inventory challenges comes naturally to me, since it uses all of the above strengths. I now address myself to mid-market clients (\$5 million - \$50 million) and help them improve productivity and profits by at least 20% in one year. That is stunning impact, but would not have been possible without such a powerful software application working with QuickBooks, the powerhouse. They're easy to use and mask great complexity – just like the electric switch. Clients can't live without them.

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