

Counterman Quarterly Newsletter

Inventory Value Reduction at Year End

by: Ralph Weaver



COUNTERMAN

INSIDE THIS ISSUE:	
Inventory Value Reduction at Year-End	1
Updated Price Books On This CD...	1
CONTACT INFO COUNTERMAN	2
V-Twin Expo (by Easyriders™)	2
Drop Shipments... And Discounts...	2

As we put 2012 behind us and begin 2013, reducing inventory levels for items that are slow movers should definitely be considered. Because we have to pay tax on existing inventory and end-of-year is when we begin to calculate these amounts, this is a good time to reduce inventory levels. Additionally, you may want to consider "Inventory Depreciation" values for any inventory items you have been stocking for over a year that have had no sales in a year. Counterman provides a report called "Old Inventory Report" to help target these items. This report can be used to liquidate them, or to just get a list of these items for "Inventory Depreciation" value.

Counterman also provides some "Utilities" to help with inventory values. From the "Utilities Menu" you can "Zero Negative Balances", which would fix negative inventory levels. Negative inventory levels will devalue your inventory because a negative quantity available means a negative value. Obviously, you cannot have less than zero of anything, so bringing these balances back to zero would take care of most negative balance issues. The report will show the items adjusted, what the quantity available "was" and what it was changed "to" as part of the process. Although the report will show all adjusted items, we suggest running the "Less Than Zero" report prior to zeroing any negative balances so proper research can be done to help find out why these items were sold when there were none in inventory to begin with. Keeping a handle on negative inventory, at least on a

month-end basis will aid in staying in control of your inventory value.

Also available from the "Utilities Menu" is a way to balance inventory items that have been allocated to Service Orders and the Service Orders have yet to be processed. This utility is called "Balance Allocated Inventory". To better understand this, here is what Counterman does during a Service Order:

1. Asks if the Service Order is a Quote (or Estimate). This has to do with whether or not inventory gets set aside (or allocated) towards the job.
2. If the Service Order is NOT a Quote, inventory is set aside (allocated) towards that job, making those items not available to be sold or allocated to another job.
3. The Service Order is then "saved" and can be recalled later so additional items and labor can be added as needed to complete the repair. No matter what is done in a recalled Service Order (unless it's being processed), it should always be saved before exiting the transaction.
4. Once the job is completed, the saved file can be recalled and processed. Once processed, the save file should be deleted.

Because allocating inventory to Service Repair Orders requires a "save" (a.k.a. "hold") file to be recalled, this is a good process to insure allocated inventory quantities properly match up with any "saved" Service Repair jobs that are NOT quotes/estimates. This utility performs that function by properly balancing allocated inventory to saved jobs.

UPDATED PRICE BOOK VENDORS (ON THIS UPDATED CD) 26-NEWLY UPDATED PB'S!

AR** Arctic Cat
BM** BMW Motorcycle
CA Castle Sales
DS Drag Specialties
FX Fox
HD** Harley-Davidson
HH Helmet House
KM** Kawasaki M/C
KN K&N Engineering

KT** KTM Sport M/C
MA Marshall Dist.
MC McDonald (cost only)
MU Mid USA
PO** Polaris/Victory
PT Power Twins
PU Parts Unlimited
RE Rivera Engineering
RO Romaha

SB Sullivan Brothers
SM Southern Motorcycle
SN Sullivan's Inc.
SZ** Suzuki M/C
TM** Triumph Motorcycle
TR Tucker Rocky
VT Tedd's V-Twin
WP Western Power
YA** Yamaha M/C

IMPORTANT!

**** = OEM Franchise Only!**
(If non-franchise retail prices **only** will be provided)

Custom Chrome has **stopped** supplying quantity breaks in their price book!

Santa Maria Software, Inc.
d.b.a. Counterman
P.O. Box 1239
151 W. Dana Street, Ste. 202
Nipomo, CA 93444



COUNTERMAN

Contacting Counterman is EASY!

Phone: (800)937-6590 (toll free)
Fax: (805)929-8267
Email: support@counterman.net
ralph1@counterman.net



— Remember when we just built a snowman? —



V-Twin Expo (by Easyriders™)

Yep, it's that time of year again! The V-Twin Expo will be happening again this year at the Duke Energy Center in Cincinnati, OH on February 2nd and 3rd. If you plan on attending the show, please make it a point to stop by the Counterman booth #540. We would love to discuss how Counterman can better help you in your dealership and show you some of the latest and greatest additions to the program. Vance and Ralph will be in the booth to answer your questions and help you in anyway possible. So please stop by, even to just shake hands and say hello!

The following important information was previously published in a 2010 Counterman Newsletter:

Drop Shipments...

What's a "Drop Ship"? A "Drop Ship" is when your customer is ordering a specific item from you that you don't have on hand and will be sent directly to that customer from the supplier. This is a great way of doing business, provided the vendor/supplier accepts this type of ordering. It means you don't need to ever touch the item the customer is ordering. All you need to do is order it from the vendor/supplier and reap the profit from the sale. Counterman has a couple of tools that have been in the software for quite sometime to help you process this type of transaction. Not only from the customer standpoint, but all the way through the ordering of the merchandise from the vendor/supplier. Drop shipments can be easily flagged right from the point of Sale screen by pressing F6 on the line item. From that point, Counterman will send all items marked for Drop Ship to the Drop Shipment Purchase Order. When the Drop Ship P/O is processed, each item is printed on the purchase order, with the customer's name, address, and phone number. It's that easy! There is also a Drop Shipment Reconciliation process that allows follow-up on your existing Drop Shipments, and to ensure your customers are getting the item(s) they asked for, a Drop Shipment Report is also available.

Discounting Inventory...

Did you know that selling items at a Discount directly affects the amount of money that you are left with at the end of each month? That's right, that small amount, referred to as "net profit", in other words, the amount of money left in your account after all the bills have been paid, that's the "net profit". And every time you give a discount, you may as well open your wallet and hand the money to your customer. I'm not saying that discounts are ALL bad, just most of them... That said, Counterman has a pretty cool tool that allows you to remove (or add) a discount on groups of items all in one process. The items must be of the same "Category" OR the same vendor. Here's how it works... I think it's important to understand what this process does before actually doing it. So, if you look in "Inventory Maintenance" for any item, you'll see a checkbox labeled "Discounted". If this box is checked (which it always is by default), then Counterman allows that item to be discounted from any transaction. Obviously, no checkmark means no Discounts. This in mind, you can control if something allows for a discount by checking or un-checking this manually. Or, you can have Counterman perform this process "globally" for you. From the main Menu, 2-Utilities, J-Set Inventory Discounted Flag. From here you can select to add or remove the Discount checkbox for all items within a specific vendor code or category.

