Beacon
SMALL BUSINESS SOLUTIONS

As Published in yc magazine

How to Use Quickbooks© for More than Accounting

Many people use QuickBooks (QB) to manage the cash flow in and out of their businesses. It is by far the most commonly used accounting product used by businesses with less than 10 employees.

Since 1996, I have served as a consultant to many small businesses, and have taught 70 courses in Basic and Advanced QB for various colleges in the area.

A favorite topic is how easy it is to use the Accounting (I prefer Accounting and Management Control) system to support marketing, human resources, collection efforts, and other important efforts we all face.

Here, then, is a collection of easy-to-use and easy-to-implement "tricks of the trade".

MARKETING

Use the Customer Type feature to classify customers according to some variable that is important to you.

A plumber may classify customers by residential vs commercial. A real estate agent may classify customers by housing subdivision. We classify customers by the year we acquired them (2006, 2005, 2004, etc.).

We then can edit the Sales By Customer Summary Report to determine the breakdown by Customer Type. Unfortunately, QB can show only one Customer Type at a time, but each report can be exported to Excel, and combined there.

Editing the Sales By Customer Report takes a little doing, but it's not hard at all when you know the routine.

First, set the date range. We use the entire Fiscal Year to get a broad picture. Then click the Modify Report tab in the upper left-hand corner.

Click "Filters" and scroll down to the Customer Type filter. Then click "Selected Customer Types", select your customer, and click OK.

The Report should then show the sales for the selected date range just for that customer type.

Here's a couple more tricks, while we're at it. Go back to Modify Report, and now click on "Header/Footer". Change the report title from "Sales by Customer Summary" to "Sales to (put in your own customer type).

And so you won't have to go through all *that* again, click the Memorize Button, and QB will memorize your settings. It doesn't memorize the numbers, of course. It memorizes the customer type, the date range, and any font changes you may have made.

Then, you go back through Modify Reports/Filters/Customer Type Filter/Select Customer Type, and choose a different Type.

Rename this report, and save it as well. Repeat this process for your 4 main customer types, and see if it doesn't Improve your marketing insights.

Human Resources

The newer versions of QB have added a number of new fields for employees. Nevertheless, you can greatly enhance the power of QB by using the Defined Fields capability.

Go to Employee List, then edit an employee. (Any employee will do). Click on Additional Info.

Click on "Define Fields" in the lower left-hand corner. You'll see a column for labels, and 3 checkboxes for each label. The checkboxes activate that label for Customers:Jobs, Vendors, and/or Employees.

Birthdays are a popular Defined Field for employees and for customers. Spouse Name is another.

In our practice, we use Date of Last Performance Review, various professional certification numbers, and Job Title.

This is a perfect way for a Home Health Agency to maintain nursing licensure information and renewal dates.

Similarly, it's a perfect way for a contractor to track General Liability Certificate Numbers and expiration dates.

Collections

A sure-fire to win a case in Small Claims Court is to use the Notes feature built in to QB. The Notes feature is sprinkled liberally throughout the various lists, and it works for customers, vendors, and employees.

Simply click on the Note for the individual that you want to write about. In this case, we're talking about a customer who promises to pay you, but never does.

Click Date Time Stamp, and then record the essence of the conversation.

When you have the next conversation, repeat the process. Over time, you will have a documented record of your failed attempts. Print it and take it to the court with you.

You'll have a documented record. The other side never does. All other things equal, you win.

There are obvious parallel uses of the Notes feature for employees.

It's very easy for me to tell when clients are not using these features. I just look for the yellow sticky notes!

The client is using a manual system with no record-keeping capability. It's much easier, faster, and safe to do it in QB.

Here's hoping you will use your Accounting and Management Control System to do more than Accounting!

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