Inc.

Choosing the Best Inventory Tracking Software

Choosing the best inventory tracking software for your business can be daunting. Here's how to get the basics right—and then toss in some fancy extras.

By Christina DesMarais | @salubriousdish | May 24, 2011

Imagine if you could magically erase 16 costly work hours from your company's business day. That dream-come-true is what has Tim Balsimo, president and founder of Quality Pet Products in Woodbury, Minnesota, touting the benefits of inventory tracking software.

Three years ago, Balsimo was shopping around for a solution that would work with QuickBooks. He wanted to new solution to cut operation time and expense as well as to create a web-based order entry system. Lastly, he wanted to become AIB-certified (American Institute of Banking), which meant he had to have a way to track every single edible item in and out of his warehouse by lot number or barcode—helpful in the event of a recall.

After looking at various options

Balsimo, finally settled on Fishbowl and now he brags about a .001 percent inventory variance—while other companies are satisfied with as much as a 1 to 2 percent variance.

"We've been able to make things as efficient as possible in terms of order taking right on through our picking and shipping process," he said. "For us, the investment certainly was worth it. Some of the other applications we [considered] at the time were four times the cost and the learning curve was significantly higher." Fishbowl is $1,997 for one user and $7,195 for five users.

Today, Balsimo decision would be infinitely harder as there is a veritable ocean of inventory management solutions on the market. For instance, other QuickBooks-friendly software with features similar to Fishbowl include

Acctivate, NumberCruncher, and Aestiva. With a one-user bundle for $1,895 that includes a mobile barcode scanner, Wasp Barcode Technologies is a reasonably-priced choice for SMBs who don't use QuickBooks. Many do, though.

According to the research group IDC Industry Insights, headquartered in Framingham, Mass., more than half of all small businesses use Intuit software. And many are using QuickBooks own inventory management features without add-on software. QuickBooks Plus Online offers inventory management for companies with light inventories that don't need barcode scanners. For only $39-a-month for up to five users, this is hands-down the best deal around.

For SMBs who prefer to use QuickBooks on the desktop, various versions are available. Pro ($299/1 user) provides basic inventory features. Premiere ($399/1 user) has the ability to create assemblies for companies who are light manufacturers or who do kitting. In QuickBooks Enterprise ($3,000/5 users), there is a new add-on called "Advanced Inventory" that allows tracking inventory by location—good for companies with multiple warehouses or trucks, or those that track inventory sent to subcontractors or in staging areas. QuickBooks Pro and Premier can handle 14,500 items, while Enterprise can handle up to a million items. All three

packages can be used with barcode scanners.

Sage Peachtree, while capturing less of the SMB accounting software market share, offers similar tiers with inventory features: Complete ($299/5 users), Premiere ($399/5 users) and Quantum ($2,950-$3,349/5 users). For businesses with manufacturing operations, Peachtree can be used with MISys which includes a host of manufacturing-specific attributes and analyzes a myriad of variables to determine the best times to buy raw materials and build product. MISys also works with QuickBooks and costs about $8,500 on average.

Visco Software for Importers, which can be integrated with Microsoft Dynamics or QuickBooks, is designed specifically for importers and wholesale distributors and manages things like shipment tracking, inventory and logistics. It generally runs between $20,000 to $50,000. While that may sound like a big expense, according to Bob Parker, group vice president for research group IDC Industry Insights, putting down that kind of money might have a great ROI. "The relative merit of investment depends on the size of the problem that is being addressed," he says. "Fifty thousand dollars is not much if you free up $150,000 or more of cash."

As for e-commerce, several players offer order processing, order management

and inventory tracking. Santrio's Open for Busines is strictly cloud-based and designed specifically for use with QuickBooks. It appears to be a good buy—it's only $150-per-month with free technical support, and that includes web site set-up.

Zoovy and Erply also provide SaaS, but offer retailers a desktop version as well. A smaller merchant might only use the online version, but with more transactions most large sellers migrate to the desktop and sync their data with the cloud. Zoovy, which focuses on e-commerce for midsize retailers, costs anywhere from $150 for a web site template and a $39-monthly fee to more than $8,000 (for those not of the DIY mindset). Erply, which is a POS solution for brick and mortar stores, can also integrate with e-commerce solutions such as Magento, Prestashop and Opencart and starts at $70-a-month for up to 50,000 items.

Until June 30, businesses with at least 15 users can take advantage of a deal SAP has going that *Inc.*'s Nadine Heintz recently covered involving its Business by Design SaaS. Basically, Business by Design is for midsize companies that want the benefits of large-scale business applications without having to invest in a large IT infrastructure.

Also for midsize companies, Valogix is geared for wholesale distributors,

retailers and light manufacturers. It's offered through partners such as NetSuite, Sage, SAP Business One and IBM.

Babbleware is an alternative for forward-thinking, cloud-loving SMBs that need custom applications but want it done fast. After building custom inventory management software and applications for Toyota Tsusho America in just over three weeks for about $50,000, Babbleware says the parts supplier saw dramatically reduced picking errors. After implementation, Babbleware charges $300-a-year per user for hosting.

The options for SMBs trying to choose an inventory management solution are seemingly endless. IDC's Bob Parker says there are a few things any SMB should consider before investing in any inventory management software. "Before you get fancy, get the fundamentals right," he says. "Do you have good part numbering and stocking locations? Do you have well-defined and understood processes for receiving, put away, pick, move and ship? Do you employ good control mechanisms like regular cycle counts? Once the fundamentals are in place an SMB can explore more advanced technology like bar code readers and analysis tools if volumes support it."

FOR MORE INFORMATION, SPEAK WITH YOUR RESELLER OR CONTACT:

Fishbowl
1-800-774-7085
www.fishbowlinventory.com