Easy Inventory Management Process

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Intro 1. [*Back to top*](#Top)

Are you ready to set inventory up in your account?

Typically, it makes sense to be using ThermoGrid for at least 4 weeks and all techs, sales, dispatchers are onboard and like the flow of the system how it is currently setup. This way there should not be many adjustments needed once inventory is setup.

Enable Inventory 2. [*Back to top*](#Top)

Check to see if inventory in enabled on your account. If you click on Administration from the navigation bar at the top you will see a list of pages you can go to. Inventory management should be listed here, it may be the 3rd from the bottom.

If inventory is not enabled, you can contact support via phone, email, or submit a ticket and let them know you would like it activated.

Creating Locations 3. [*Back to top*](#Top)

* ***Administration>Inventory Management>Manage Locations>Add Location***

Typically, each truck is a location as well as the warehouse, select type according to what it is.

The name field is what will show up under Manage Stock Levels when you add your standard stock as well as for reporting.

Example Name: Jeff’s Truck, Type: Truck, Description: Service

Remember to save when complete.

What Items are typically included in inventory? 4. [*Back to top*](#Top)

There are a couple types of items you may want to track.

1. Inventory items with count and are used individually on jobs.
2. Inventory of tools and consumables.
3. Inventory items with count and are used individually on jobs. These are items such as fittings, capacitors, contactors, motors, shut offs, receptacles, remotes, strips, etc. These are items that are sold and used for specific jobs and get reordered as they are used.
4. Inventory of tools and consumables. Some companies will setup a separate location for these items and will assign this location to a tech along with there other location. They do not need to be treated as separate locations though if you prefer not to.

The benefit is being able to keep consumables and tools separate from the main location and easily seeing issues with missing items. Consumables are items that are used on many jobs vs one job. Example of a consumable; caulking, tape, show covers, screws, etc. Examples of tools; hands tool set, drill, vac pump, gauges, Pittsburgh Machine, Shear Machine, etc.

For consumables.

You can ensure techs are keeping the consumables they need job to job as well as make sure they do not have too much in consumables when you do your counts. Technicians love to acquire items over time, and this can cause items to get damaged and clutter up a truck. When you perform your count, it is documented how many rolls of tape they should have so no one forgets, and any excess gets turned back in.

For tools.

If this is created as a location it can be your list of what needs to be supplied to a tech when they start and show that it was provided. If the tech leaves the company, you have your list on what needs to be turned back in.

Adding a Standard Stock to the Service Catalog 5. [*Back to top*](#Top)

* **Administration>Manage Service Catalog>Cog Wheel/Gear>Export**

 First you must Identify which items are in your service catalog already. Make sure all items in the service catalog that will be in inventory are listed as "Inventory” for the supplier name.

Adding new inventory items to the service catalog is the same as adding any other item to the service catalog except the supplier is listed as inventory.

For reference on adding Items to the service catalog please visit this link:

* https://help.thermogrid.com/index.php/Service\_Catalog

A standard stock list may be available to for trade if you contact support.

Caution! Make sure that you test the items with your team before adding items to the locations. Meaning it is good to see how the order in which items show up in the price book from the order estimate, are the category names complicated and hard to find, are there too many categories, are the actual name of each item is it easy to find and makes sense?

Typically, it makes sense to be using ThermoGrid for at least 4 weeks and all techs, sales, dispatchers are onboard and like the flow of the system. This way there should not be many adjustments need once inventory is setup.

Adding Inventory to a Location 6. [*Back to top*](#Top)

*Caution!! When you create stock levels editing descriptions and ID in the service catalog will cause you to have to re-add those items to the location. Make sure you have used ThermoGrid for a period of time to ensure the techs are able to easily select items from the price book before setting up inventory, this will save you time. Meaning, you do not want to setup inventory and then completely revamp the service catalog descriptions and such.*

*If you have 2 different prices for one item that is in inventory you need to check this out before you set a location up.* [*Click Here*](#A15)

Once you are ready for adding items to a location you can start here.

There are a couple ways to add items to a location:

1. By exporting to csv
2. One item at a time at the location.
3. **Exporting to csv:**
* ***Export: Administration>Inventory Management>Stock Levels>Select a Location>Cog Wheel/Gear>Import/Export>Export***

This will download the entire service catalog and allow you to add the items you want to this location. To add items, add a bin number, min order, min quantity, max quantity, quantity in Hand.

Bin Number = This is used for being able to label bins on a truck to easily find them to restock items quickly.

Min Order = Most businesses do not need this function and can leave this as zero. This means that when you reorder this item no matter what it orders this quantity. This can be helpful to ensure you get discounts on bulk orders.

Min Quantity = This is the minimum amount you want to have in this location. Once the quantity falls below this level it will tag the item for reorder.

Max Quantity = This is the maximum amount you want to have in this location. Typically, it is good to have this as the same as your minimum quantity so you can just hold that level and keep less inventory overall. The benefit in having a higher max level is if you cannot reorder on a frequent basis, meaning once you reorder the tech will be good for a longer period of time before getting down to a min quantity where it will trigger a reorder.

Quantity in Hand = This is how many of this item you currently have in this location. When going live with inventory control you will setup your standard stocks for all locations and then perform a count on the locations to determine how many of each item you actually currently have.

A standard stock list may be available to for your trade if you contact support.

* ***Import: Administration>Inventory Management>Stock Levels>Select a Location>Cog Wheel/Gear>Import/Export>Import***

When importing your inventory, it must be CSV file.

1. **Another way to add an item to an inventory location is one item at a time.**

***Administration>Inventory Management>Stock Levels>Select a Location>Cog Wheel/Gear>Add***

Here you can select one of these two:

1. Add Stock Item = Exists in the service catalog already.
2. Add item to Service Catalog = Doesn’t exist in the service catalog yet. This will allow you to add to the service catalog and the location both.

Now you can simply fill in the fields.

Bin Number = This is used for being able to label bins on a truck to easily find them to restock items quickly.

Min Order = Most businesses do not need this function and can leave this as zero. This means that when you reorder this item no matter what it orders this quantity. This can be helpful to ensure you get discounts on bulk orders.

Min Quantity = This is the minimum amount you want to have in this location. Once the quantity falls below this level it will tag the item for reorder.

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A standard stock list may be available to for your trade if you contact support.

Setting up Additional Locations 7. [*Back to top*](#Top)

To quickly duplicate a location’s standard stock, from the location you created first you can follow these steps. This can be beneficial for building one service truck location and duplicating it to fill all other service truck locations.

* ***Administration>Inventory Management>Stock Levels>Select a Location>Cog Wheel/Gear>Copy to another location>***Select the location you want to copy this standard stock from the drop down.

Assigning an Inventory Location to a Tech 8. [*Back to top*](#Top)

* ***Administration>Manage Users> Manage User Accounts>Select a Rep>Edit>Select Inventory Location(s) you want them to access.***

In most cases it is best to have one location per rep to keep it simple for managing and keeping the locations accurate.

Using Inventory 9. [*Back to top*](#Top)

There are two areas where inventory can be accessed for use; the Order Estimate and Items Used pages from the Order.

Order Estimate:

Using inventory on the Order Estimate is usually done by service technicians. This way when they access a repair in the price book, they can see how many are on their truck. This is a kill two birds with one stone approach.

Here’s how it happens; the tech will click “+Add Item” on the order estimate and see how many are on their truck.

When they add the item:

1. It will add to the clients order for the sake of pricing out the repair.
2. When the Order is submitted it will reduce the count of the inventory item so you can easily create a reorder list for this location.

Items Used:

Using inventory on the Order Estimate is usually done by installers. This way an installer can add inventory items that are used for the sake of job costing without effecting the client’s invoice.

Here’s how it happens; the installer will click “+Add In Stock Item” on the items used page and they can see how many are on their truck at that time. Once they select an item and quantity used it reduces the count of the inventory item so you can easily create a reorder list for this location.

Creating a PO to this Order and job:

If the item they need is in the service catalog but not in stock with the location assigned to them they can click “Add Out of Stock Item”.

If they need an item that is not in the service catalog they can click “Add Purchase Item”. This is typically used for one off items as well as going to pick things up items from Home Depot or something along those lines for a job. Here you can add each individual Item needed along with cost and quantity, so you have all the details of what was used on this job. If you do not need to see the details you can put a description of where you are getting the items from and total cost with quantity of one.

Once items have been added from “Add Out of Stock or Add Purchase Item” it can be deleted or edit by using the trash can and pencil icons.

Typically, the techs/Installers would add their items here and notify a purchasing coordinator to create a purchase order. The Purchasing Coordinator would click on their order and access the items used page they are working from. From here they are able to select the boxes on the line items they want to create a purchase order for. Typically, you would create one PO for each vendor. Once the items are selected, they can click Create Inventory Order at the top. Once you Create Inventory Order you are no longer able to edit the line item or delete it.

Now they can select the PO number from the drop down and view the inventory Order. From here you can add notes and notes, print email, receive items, cancel the order. To go back to the Items used page you can simply click on the Order Number.

Reduced Count Inventory 10. [*Back to top*](#Top)

This is a concept of not keeping a surplus of items in the warehouse. The benefit in this is that you do not have all your cash tied up in inventory, you buy it when you need it.

This means you may have backup in your warehouse, but it is really limited and for on-call or emergencies only. In many cases you may stock 2 trucks worth of inventory up to 10 technicians.

To manage this process, you reorder frequently. Each day a purchasing coordinator will check each location and reorder each location separately. It is important to have your vendor on the same page where when you order for a location they pick and deliver the items separated for each location. This way each day that they deliver all the items are separated by location when they arrive and can be checked in and placed in a holding area for the location (truck). This will reduce the time and effort for a purchasing coordinator.

Creating a Purchase Order 11. [*Back to top*](#Top)

There are two places you can create a PO, the Manage Stock Levels and Items used Pages.

Manage Stock Levels:

This is used to purchase random items as well as pull restock sheets for each location.

* ***Administration>Inventory Management>Stock Levels>Select Location***

Any items lower than the minimum Quantity levels will be checked to reorder. If you only want to see items that are low quantity, you can click the cog wheel in the top right and then show low products.

If you do not want to order any of these items, you can simply uncheck the box on the line item.

Now you are ready to reorder. Click the cog wheel in the top right and then reorder. It is good to have communication with your supplier to bundle the items together based on how they are ordered with each PO. This way they are sorted for each location when they arrive so you do not have to sort them for the technician, and it will make it easier to receive the items in ThermoGrid.

Items Used:

This is a way of creating a PO for and order and job so they are linked together, and the cost will go into job costing automatically.

If the item they need is in the service catalog but not in stock with the location assigned to them they can click “Add Out of Stock Item”.

If they need an item that is not in the service catalog they can click “Add Purchase Item”. This is typically used for one off items as well as going to pick things up items from Home Depot or something along those lines for a job. Here you can add each individual Item needed along with cost and quantity, so you have all the details of what was used on this job. If you do not need to see the details you can put a description of where you are getting the items from and total cost with quantity of one.

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Managing Costs and the Balance Sheet 12. [*Back to top*](#Top)

When you sent up your inventory for the first time you will be filling the inventory to the min/max levels for each location. This is important.

Example: Truck 1 inventory need

1. Widgets: min order 0, min quantity 5, max quantity 5, make sure in hand quantity is 5 on they are on the truck.
2. Flux Capacitors: min order 0, min quantity 3, max quantity 3, make sure in hand quantity is 3 on they are on the truck.

Let say each Widget is $25 and each Flux Capacitor is $75.25.

5\*$25 = $125

3\*$75.25 =$225.75

At the bottom of the location, you will find Total inventory cost: $350.75 for this example. This is the amount that would hit the balance sheet as inventory assets.

Now when you create a reorder or restock for a location on items you have used you can just expense the items, so they hit the P&L for COGS.

At the end of the year… hopefully more frequently but at min at the end of the year you will do a true up count.

Here is what you do, count all the items and update the in-hand quantity.

If your current count dollar amount is higher than the number on the balance sheet, you need to update the balance sheet to the higher number.

If your current count is lower than the number on the balance sheet you have two options.

1. Restock the location to the full quantity and expense it for that year.
2. Adjust the number on the balance sheet down to the current value in the location.
	1. If you adjust the number down to close the year out, you will need to adjust back up to start the new year and have a full quantity.

Reporting 13. [*Back to top*](#Top)

**Re-Order Report** [*Back to top*](#Top)

This report Allows you to see each location’s items:

* + M#
	+ Category
	+ Min Order
	+ Min Quantity
	+ Max Quantity
	+ Quantity in Hand
	+ Product Price
	+ Total value of the in-hand quantity for each item
	+ Quantity needed to be ordered of each item

**Current Stock Report** [*Back to top*](#Top)

This report Allows you to see each location’s items:

* + M#
	+ Category
	+ Min Order
	+ Min Quantity
	+ Max Quantity
	+ Quantity in Hand
	+ Product Price
	+ Total value of the in-hand quantity for each item.

**Surplus Quantity Report** [*Back to top*](#Top)

This report Allows you to see each location’s items:

* + M#
	+ Category
	+ Min Order
	+ Min Quantity
	+ Max Quantity
	+ Quantity in Hand
	+ Product Price
	+ Total value of the in-hand quantity for each item.
	+ The surplus of each item in this location.

**Variance Report** [*Back to top*](#Top)

This report Allows you to see each location’s items:

* + M#
	+ Product Price
	+ Min Quantity
	+ Max Quantity
	+ Total Value of max quantity
	+ Quantity in Hand
	+ Variance number of each item
	+ Variance percentage quantity
	+ Variance dollar amount
	+ Total value of the in-hand quantity for each item.
	+ This information will compare to your company settings on what is acceptable.

FAQ 14. [*Back to top*](#Top)

* **Inventory for Residential vs Commercial or (one part 2 different prices)**

Sometimes people have one item like a capacitor that is $180 for residential and $250 for commercial. The problem with this is it is one component as far as inventory is concerned on the truck location. So how do you have one item act as two different items? People tend to make inventory really difficult and this is one of the most difficult things to address so stay with us on this and we will show you your options with pros and cons.

We have a few ways of resolving this:

1. Make them the same price in each department.
2. Make it 2 separate parts.
3. Set a discount up.
4. Make one main item and tag 2 items to it.
5. So, one easy way is just to have one item and charge the same no matter if it is for residential or commercial.
	1. Challenge: There are reasons why it makes sense to charge more in one department over another sometimes.
6. Another way to resolve this is to make it 2 separate items. Have one capacitor where the description has “commercial capacitor” and another with “residential capacitor”. This makes it very easy to keep things straight in your mind on what item is what, as far as service catalog, setting up inventory, adding items to an order. All you need to do is have 2 categories for the service catalog, one residential service and the other commercial service to keep it clean in the price book.

Challenges: Inventory

* 1. It is now 2 items in your price book but one item in the truck.
		1. Example: In your price book you have commercial capacitor quantity of 3. You also have 3 residential capacitors.
			1. On your truck you would need 2 bins one with 3 commercial capacitors and one with 3 residential capacitors. You may get short on room in the truck to double the amount of bins.
			2. Otherwise, you will have 3 residential capacitors and 3 commercial capacitors. This is a total of 6 capacitors on your truck. So, let’s say you sell all 3 commercial capacitors which technically brings you to zero, but you have another call that you sell one for commercial and you take the one that was reserved for residential. Now your count is off. Technically you cannot go negative on inventory so commercial is still zero and residential still shows 3 but you only have 2.
1. One really easy way to resolve this is to setup a discount. Now if you are one of the few companies that is consistent, we all applaud you and you made this an easy resolution.

All you need to do is have a discount called residential, assuming your residential prices are less. If commercial is less than make one called commercial.

In the previous example we had a capacitor that is $180 for residential and $250 for commercial. This is a 28% discount going from $250 down to $180. Here’s the math, 250-180=70, 70/250=.28

So if all of your parts are like this:

Stat: commercial 225, 162 residential

Door: commercial 1200, 864 residential

Widget: commercial 850, 612 residential

If you have a consistent price percentage difference between departments this is going to be really easy for you. Here’s how you set it up.

***Administration>Financial Settings>Discounts and Fees>Add***

* 1. Name: Commercial
	2. Discount/Fee: Discount
	3. Percent/Amount: Percent
	4. Value: Will be your percent difference between both departments.

Challenge: There is no challenge, you kept it consistent and it was an easy setup.

1. Another way to resolve this is to make one main item and tag 2 items to it. This does involve having some understanding of tags.

Let’s say your prices between departments have no ryhme or reason and you are not able to change that. Let’s also say you want to make sure your inventory is correct and willing to put a little extra effort in to making this happen. Here is how we do it.

1. What you can do is make an item: Description: Capacitor Round 35/5 440V
	* This item will have a part cost and labor.
		+ (assuming labor is the same in both departments)
	* This item will have no selling price.
	* You then would add a main component tag: cap35/5
2. Now we make another item: Description: Commercial Capacitor Round 35/5 440V Installation.
* This item will have no part cost or labor cost.
* This item will have a selling price.
	+ You then would add an accessory component tag: cap35/5
1. Now we make another item: Description: Residential Capacitor Round 35/5 440V Installation.
* This item will have no part cost or labor cost.
* This item will have a selling price.
	+ You then would add an accessory component tag: cap35/5

So now when you set up the inventory location you select the main component: Capacitor Round 35/5 440V and add the quantity of this one item that will be on the truck.

When the tech goes to the price book the select the main component: Capacitor Round 35/5 440V.

Here’s what will load on the order estimate:

Capacitor Round 35/5 440V

* Commercial Capacitor Round 35/5 440V Installation. $250
* Residential Capacitor Round 35/5 440V Installation. $180

The tech would remove the one they do not need.

Benefits:

* When updating cost in the price book there is one item to update.
* The inventory will be accurate.
* You can have different prices for the same item with no consistency.

Challenge

* The tech will need to remove an item every time they create an order with an inventory item.