QuickBooks ProAdvisors & Developers
Partnering Together for Better Solutions

Intuit Developer Network Advisory Council

This article has been contributed by Roxanne Brown, CQA – Professional Business Solutions 4U, LLC &
Managing Editor, IDNAC Newsletter   **August, 2006**

The World of Ecommerce
Mid-High Level Order Importers

Over the last several issues we have taken a look into the daily routine of an eCommerce merchant; hoping it would help Developers and ProAdvisors understand some of the day-to-day challenges these clients face. Also, we wanted take a bit of the mystery out of eCommerce; possibly making more programs and support available to them in the future. If you missed any of the earlier issues, they are available http://www.idnac.org/catalog/articles.php?osCsid=742d0b3df060b806a8ad830bb19b0b4d

In the past, we've used the Yahoo! platform (http://smallbusiness.yahoo.com/merchant/compare.php). However there are many options available; and it's not uncommon to find clients with sites on several different platforms (Miva, MonsterCommerce, StoreFront, etc.). Many of the programs we've discussed the last few months have the ability to work with different store/cart types; and each program has its' own type of target market – be sure to compare all the options when assisting a client on which **Order Importer** or **Order Manager** is best suited for their business needs overall.

When is a Mid to High Level Order Processor Needed?

This month we will look at merchants who are processing 20+ orders a day and need to become more proficient in their day-to-day processes if they expect to grow their business effectively. The available programs offered to users that require a mid to high level Order Processor is actually pretty small.

There are plenty of options if you are not in eCommerce (http://marketplace.intuit.com/)... however, most of the Order Managers that work effectively with inventory, drop shipping, multiple warehouses, etc. simply do not have the extra functionality needed for eCommerce. Many lack shopping cart integration, cannot be customized easily, or is to dependant on QuickBooks, among other things.

Once an eCommerce client reaches a certain level of business; it no longer makes sense to handle the data inside the QuickBooks file. They have too many items and their customer list will grow by 20 to 300 customers a day; this simply cannot be managed in QuickBooks. In fact, one of the largest challenges we face, programs passing to much information into QuickBooks that isn't necessary.

Perhaps the easiest way to explain this is to share what information is really needed at this level in QuickBooks. Think of eCommerce like a regular retail brick and mortar store (B&M) … what do they use?

Regular B&M stores use a POS system. At the end of the day, their POS system (or most of them) will post summary information into their financial software. This information is an Accounting Summary of the day, and will typically be in the form of a Journal Entry. The Deposits will also be posted, broken down by payment type. The JE will include:
- ✓ Sales
- ✓ Sales Tax
- ✓ Inventory (increase/decrease)
- ✓ Cost of Goods Sold
- ✓ Sales Discounts
- ✓ Returns
- ✓ Coupons redeemed or Sold

✓ Possibly an A/R entry (again, only a summary number)

A **good** mid/high level Order Manager handles __ALL__ of the product and sales information; generally there is no need to have this information in QuickBooks in any other format than summary. Additionally, Purchase Orders are generated within the OM. When they receive their product, they 'receive' it into the OM, which will post against a PO (which the OM probably generated for them), close the PO and generate a vendor invoice to be paid. The OM should be able to post this information to QuickBooks as well; with the detail required to pay their vendors directly from QuickBooks. Thus, QuickBooks is now being used as the *'Accounting Package'* - payroll, A/P, etc. Think of QB's POS and QB's Financial, this is the same concept, and it works great.

Detailed reports for A/R, Products (Inventory or Non-Inventory), and Customers can be generated from the OM easily. This becomes the best of both worlds – there is no reason for workers such as pickers, packers, shippers, marketing, web designer, telephone operator, etc. to have access to QuickBooks to do their job. It really isn't any different than a B&M set-up; the Accounting Department and Business Owners are the only ones that need access to QuickBooks and the sensitive information therein.

I can not count the number of clients that have been required to start a new data file every year before they found a good Order Manager; they were housing all of the information inside their data file and would hit the limit of customers or items in a very short amount of time. By starting a new file every year, they lost the ability to compare prior years easily, not to mention the time involved and the very high probability of incorrect information. I have also worked with clients that could not make it an entire year in one data file; even using QuickBooks Enterprise – can you imagine starting a new file every 6 months!

It's important to remember that eCommerce clients may have sales coming from multiple sales channels, inventory that is seasonal, inventory with a wide variety of options (sizes, colors, etc.), and 75-90% are new customers. Once we look at it this way, I think it's easy to see why a good Order Manager becomes so important, and why it is imperative that it not depend on QuickBooks.

In the past few issues we have compared 3 similar products side-by-side, using the same data and procedures to test the products; then summarized the Pro's and Con's of each. This month is different.

While there are certainly other products available (http://marketplace.intuit.com/) there is really one that stands out above the rest; **Stone Edge Order Manager** (http://www.stoneedge.com/). Currently they do not have a web-based option, however, they have just about every thing else. Be sure to read the Developer Interview and the article on how I've worked with the program the last 5 years to integrate the QuickBooks files of many eCommerce clients.

Just to be clear, there are other OM/Inventory programs that are very good. However, many do not integrate with QuickBooks, or depend to highly on QuickBooks, or lack vital eCommerce functionality. A few examples of some very good programs:
  - A great web-based program for eCommerce clients called **Cactus Complete Commerce** (http://ccc.solidcactus.com/) an awesome program with a ton of flexibility; the downside, it doesn't post to QuickBooks yet.
  - A good program, however it is a bit to dependant on QuickBooks is **Advanceware** (http://www.advanceware.net/).
  - A good program that isn't dependant on QuickBooks, but lacks some needed features for eCommerce – **Fishbowl** (http://www.fishbowlinventory.com/).

All three programs above are very good, and may be suitable for some eCommerce clients; however, it's important to really know what the client needs in a program in order to direct them to the **proper solution.** Each of these fit nicely with particular set-ups. **StoneEdge** has a broad market base – it will fit most types of set-ups, with all the functionality needed for eCommerce, including a POS system for the client that branches out to a B&M store... or two.

Rox ☺