



Business Operations

Items Supplied Setup

Purchases

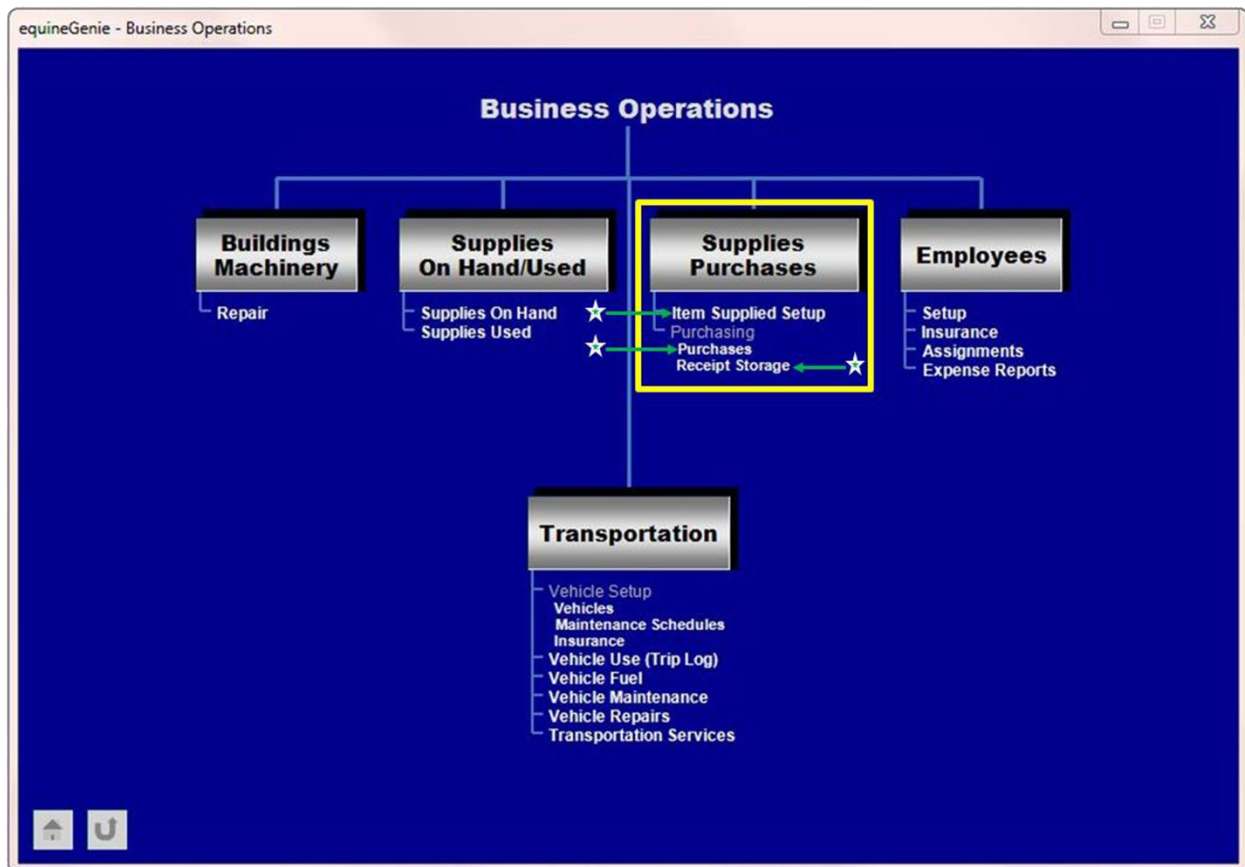
Receipt Storage

Business Operations – Supplies Purchases

Table of Contents

Supplies Introduction	3
Business Operations – Item Supplied Setup.....	5
Business Operations – Purchases	9
Business Operations – Receipt Storage	13

Mouse Over and Click on a content subject to go to that subject



Supplies Introduction

It is unfortunate that most horse business owners think business management is recording their horses' vaccinations, deworming and farrier work, or recording the parameters from a semen collection or a mare's estrous cycle activity, or scheduling training sessions or riding lessons, or entering a purchase in their accounting software. Recording information is work not management. Working a business and managing a business are not the same. They are mutually exclusive, but each can be improved collectively by an accomplished business manager. In many horse businesses the business owner is required to do the work and still manage their business. Horse business owners who understand and utilize business management coordinate their business's tasks and activities to accomplish their goals and objectives using available resources efficiently and effectively. Successful horse business owners are always practicing business management even if they are doing the work. I call this, '*managing before the numbers*'.

A major component of horse business management is managing your business operations. The majority of horse business managers can organize scraps of paper, but not many can manage a business – and even fewer know the function of business operations.

I am sure you have heard the golf expression; you drive for show, but you putt for dough. In horse business management the putting is business operations. It is not the glamorous part of the business (putting), but it is where you have the greatest influence on the dough. *It isn't always what you make, but it is always what you keep and good business operations management will help you keep it!* Good business operations management will insure you have the cash in two weeks to purchase grain when you haven't sold a horse in six months, or you lost four riding lesson students.

Business operations management is the important functions of managing your business's resources efficiently and effectively while optimizing your use of cash. Business operations management includes overseeing and managing the processes of:

- Purchasing, tracking and managing your business's supplies and suppliers.

You need to be sure you always have the supplies you need, but never more than you need, and you are guaranteed delivery when you need them. Many supplies that are consumed have a shelf life and as important, unnecessary supplies are cash at rest. If supplies spoil, get damaged or are misplaced it is lost cash. Lost cash is analogous to getting a speeding ticket or losing your wallet. Selecting the right suppliers can insure predictable on time delivery and good quality supplies at the lowest cost. You should always have a second source for supplies that are critical to running your business and maintaining the health of your business's horses.

- Maintaining, managing and keeping your business assets productive.

Assets are generally BIG capital expense items and therefore, consume a lot of cash. Items that fall into the asset category are horses purchased for your business for lessons, trail rides, breeding, etc., and vehicles used in your business, and equipment

like tractors, horse trailers, etc., and buildings. You need to make sure all your assets are producing, and furthermore producing at a level that will provide you with a Return on Investment (ROI). Before an asset is purchased you should determine the ROI that is acceptable to you. An acceptable ROI is generally equal to or better than the ROI you can get using your money in another investment. There is also an element of risk that needs to be considered in any investment – the higher the risk the higher the required ROI. If the asset is not meeting your expectations, then you need to solve the problem or sell it.

I have a simple rule that I apply to capital purchases; is it a must have, is it a nice to have or is it silly. Never let your ego purchase your new truck. Your ego has a terrible ROI.

Supplies are generally a business's largest expense and the demand on its cash. Therefore setting up a business's supplies and suppliers is an important part of managing a horse business's expense and cash. It enables equineGenie to measure and manage a business's supplies and its suppliers. It is important to measure a supplies cost in the unit of measure it is consumed. It is important to track a supplies cost from purchase to purchase to maintain your business's gross margin. It is important to manage a supplies inventory to avoid wasted cash. equineGenie does all this for you. You only need to have the discipline to setup your supplies, their suppliers and enter your purchases sooner than later after a purchase is made. The following training assists you in setting up your supplies and suppliers so you can manage the purchasing part of your business operations.

[Return to the Table of Content](#)

Business Operations – Item Supplied Setup

Path: Home: Business Operations: Supplies Purchases: Item Supplied Setup

There is no prerequisite setup required.

Think/Plan before you setup your business's supplies to be purchased! The Item supplied Setup screen is used to enter items that are purchased and used in your business. DO NOT enter services such as utilities, insurances, farrier or things billed and not purchased on this screen.

- ① To **Enter** an item, select [New Item] from the Enter / Select Purchased Item dropdown, click in the Enter / Select Purchased Item dropdown and enter the items name.

Note (1): If you need to change the item's name or any information associated with the item, select the item from the Enter / Select Purchased Item dropdown and make the appropriate changes.

Hint: Be careful not to add individual items that can be categorized (lumped together) – For example: hardware items like screws, bolts and nuts. Entering them individually will drive you nuts - no pun intended! Enter them as Hardware.

- ② **Select** the item's inventory category in which you want to track the item's quantity on hand by selecting the appropriate category displayed in the Enter / Select Item Inventory Category. **An inventory category must be selected to proceed with the item's setup.**

Note (2): You can add an inventory category by selecting [New Category] from the Enter / Select Item Inventory Category dropdown. Adding a new inventory category is rarely necessary. Additional categories will create more work counting items in categories that may not add value to your business. If you think a category adds value, then add it!

- ③ To **Enter** the item's supplier select [New Supplier] in the Enter / Select Vendor or Supplier dropdown, click in the dropdown and enter the supplier's name. **Enter** the suppliers contact information: address, city, state, zip, telephone #, email address and website URL (address) in the appropriate boxes.

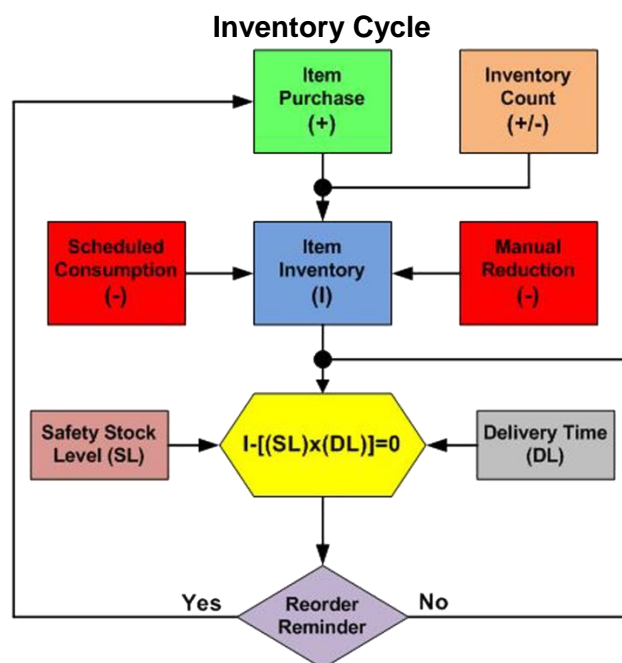
Note (3): Enter as much of the suppliers contact information that you know. If you do not know it, it does not affect the operation of equineGenie. Once a supplier and their contact information are entered it is available throughout equineGenie without having to be reentered.

Hint: If an item being entered is supplied by a supplier that has already been entered, you do not need to enter the supplier again. You **select the supplier** from the Enter / Select Vendor or Supplier dropdown

- ④ **Enter** the quantity of safety stock that you want to have on hand before equineGenie notifies you to reorder the item.

Note (4): equineGenie calculates an item's reorder date based on the item's consumption rate, supplier delivery lead time and stocking level. **If you don't want a reorder reminder for an item, set the item's stocking level to '0'.** The stocking level is a positive contributor to minimizing your use of cash, spoilage and waste. Inventory is cash at rest. If it spoils, gets lost or is never used it is wasted money (lost wallet).

Hint: Hardware items such as screws, bolts and nuts should not only be categorized as Hardware, their inventory category should be Miscellaneous and their safety stock should be '0'.



- ⑤ Select the item's units by selecting its unit of measure from the Units dropdown. After you have selected an item's unit of measure lock its units by selecting the Units Locked? button changing it from a **Red 'No'** to a **Green 'Yes'**. An item's unit of measure can be changed by unlocking the units and selecting a new unit of measure from the Units dropdown. If an item's unit of measure is changed an inventory of the item must be taken to reset its reorder reminder to match the item's new unit of measure.

Note (5): An item's unit of measure must be the same when purchasing it, consuming it and inventorying it. For example; you feed hay by the pound or kilogram (if you don't you should), you must inventory by the pound or kilogram and therefore, you must purchase by the pound or kilogram.

Information: Knowing how much you feed a horse is extremely important to a horse's health and your pocketbook. Here is a link to an easy, inexpensive way to measure the weight of the feed you are feeding: <https://www.youtube.com/watch?v=vIFy9bViKLU>

It is suggested that you read the equineGenie Blog on nutrition to better understand the importance of a well thought out and consistent nutrition program for each of your horses. Horses are individuals just like us and therefore, have own unique nutrition requirements. The link to the nutrition blog is: <http://equinegenie.com/horse-nutrition/why-track-manage-and-communicate-your-horses-nutrition>

- ⑥ If the supplier of the item is the primary supplier select the Primary Supplier button. The primary supplier is the supplier who should be contacted first when an item needs to be ordered.

The delivery lead time should be identified for all suppliers of an item. Select the supplier's delivery lead time, in days, from the Delivery Lead Time dropdown. The delivery lead time is used in an item's reorder reminder calculation.

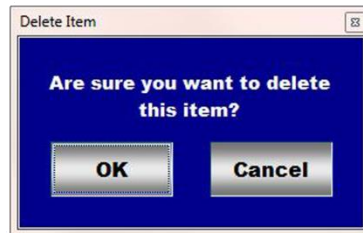
Note (6): It is a good business practice to have a second source for any item that is essential to operating your business. equineGenie allows multiple suppliers for any item purchased.

- ⑦ A supplier's contact information can be added to equineGenie's address book by selecting the Add To Address Book button.

Note (7): The supplier information added to the system's address book is the contact information entered on this screen. The address book screen provides for additional information. If addition information needs to be added it can be added on the address book screen. *Path – Home: Calendar Contacts: Contacts: Address Book.*

- ⑧ If an item has a second source, and it is good business practice to have a second source for all items critical to your business's operation, the second source supplier can be added by selecting the **Same Item Another Supplier**. Selecting the **Same Item Another Supplier** will enter and clear the previous supplier's contact information and delivery lead time. The second source supplier's contact information can then be added and their deliver lead time selected.

- ⑨ If you need to remove an item, it can be removed by displaying the item's information and selecting the **Remove Selected Item (Caution!) Red** button. When the button is selected a **Delete Item** popup will be displayed to make sure you want to remove the item.



Caution!: Do Not remove an item that has been previously used in any financial or business transaction. Removing it will make it unavailable in other system dropdowns where it could be needed. An example is vaccines, dewormers or medications. **Leaving an item in the system that is no longer used does not influence the performance of equineGenie and could cause more harm than good. When in doubt – leave it in the system!**

- ⑩ If the item's Supplier/Vendor's financial account information has not been enter in equineGenie the **green Go To supplier Financial Account** button should be selected. Selection of the button will enter the item, its information, its supplier information, safety stock, units, delivery lead time and display the Vendor Setup screen in the Financial Business Setup section. *Path – Home: Financials: Financial Business Setup: Vendor Setup. (See the Genie Academy, Financial Setup – Accounts training document).*

- ① **Select Enter before leaving the Business Operations – Item Supplied setup screen if the vendor financial information has been previously setup.**
- ② **Selection** of the 'View Suppliers Supplies' will enable the supplies by supplier to be viewed, exported and/or printed.
- ③ **Selection** of the 'View Suppliers Contact Information' will enable the suppliers contact information to be viewed, exported and/or printed.

Information: Many more supply and supplier reports are available in the Executive Summary: Business Summary section. *Path – Home: Executive Summary: Business Summary: Supplies or Supplies/On Hand.*

[Return to the Table of Content](#)

Business Operations – Purchases

Path: Home: Business Operations: Supplies Purchases: Purchases

There is no prerequisite setup required. However, it is highly recommended that all items purchased should be previously setup on the Item Supplied Setup screen. If they are not, equineGenie will not track, measure or manage the item or the items supplier. Valuable management information could be lost. When in doubt set it up on the Item Supplied Setup screen. It is only a one-time setup.

Think/Plan before you purchase any item for the business! The Purchases screen is used to purchase all items used in the business – not services. An item can be purchased, expensed or capitalized and accounted for on the purchases screen. Purchases are tracked, measured, managed and reported by item, by supplier, by item category and in total. This is where a significant portion of your cash is used – it is worth the effort to understand it and do a good job.

equineGenie Business Operations - Purchases

Purchase

Enter / Select Item To Be Purchased ①

Enter / Select Item Inventory Category ②

Purchase Date ③ Delivery Date ④

Expiration Date ⑤ Expiration Reference ⑥

Quantity ⑦ Unit ⑧

☐ Immediate Use (Less Than 1 Year)

☐ Used Over Time (1 Year or Longer)

☐ Add To Inventory/Supplies ⑨

Receipt # ⑩

Sales Tax (\$) ⑪ Cost ⑫

☐ Go To Add Asset ⑬

⑭

Purchases Comments

Enter ⑮

Popup And Red Flag

equineGenie Notes

Purchase Reports On Next Page ⑯

① **To purchase** an item, select the Item from the Enter / Select Item To Be Purchased dropdown.

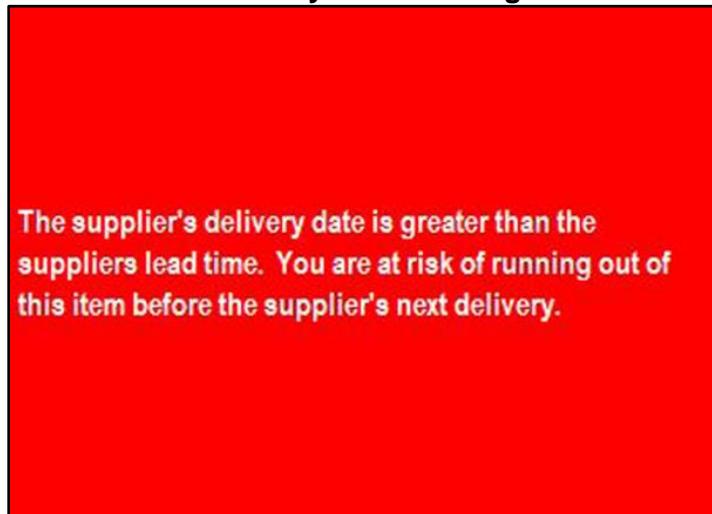
If the selected item was previously setup and its inventory category was identified, the item's inventory category will be automatically displayed in the Enter / Select Item Inventory Category dropdown.

Warning: An item can be purchased that hasn't been setup on the Items supplied setup screen (**Item Supplied Setup**), but it isn't recommended. If you purchase an item that hasn't been setup you will lose valuable supplier and financial measurement and management information. When in doubt set it up. It is only a one-time setup that takes less than a minute per item.

- ② **Enter** the item's Purchase Date and the Delivery Date by selecting the dates from the calendar icons or entering the date format set in your windows operating system. (mm/dd/yyyy or dd/mm/yyyy).

Note (1): If the delivery date entered is beyond the delivery lead time set on the **Item Supplied Setup** screen equineGenie will display a delivery warning message in the Genie Notes display window.

Delivery Date Warning



- ③ If the item being purchased has an expiration date, **Enter** the expiration date using the calendar icon or entering the date format set in your windows operating system. (mm/dd/yyyy or dd/mm/yyyy). This is useful when purchasing vaccines, medications, some types of feed, etc.

If an item has an expiration date and an expiration reference, **Enter** the expiration reference (lot #) in the Expiration Reference box.

Note (2): equineGenie will track an item's expiration date and report on any expired items before they are administered or used.

- ④ **Enter** the quantity of the item being purchase in the Quantity box. The item's unit of measure will automatically display the unit of measure setup and locked on the **Item Supplied Setup** screen.

Note (3): If the item has not been setup on the **Item Supplied Setup** screen and its unit of measure locked then all units of measure in equineGenie will be available in the Units dropdown.

Remember, an item's unit of measure needs to be consistent throughout its use in equineGenie: **unit of measure = purchase unit = consumed/used unit = inventory unit.**

- ⑤ **Select** how a purchased item is going to be consumed or used by the business. The selections will assist equineGenie in determining if the purchased item is expensed or capitalized and depreciated. The selections are:

- **Immediate use (Less Than 1 Year)**
- **Used Over Time (1 Year or Longer)**
- **Add To Inventory**

Note (4): If an item is going to be **consumed or used up in less than one year select the Immediate Use button**. If an item is going to **last longer than one year select the Used Over Time button**. If the item's quantity on hand needs to be **tracked, managed, measured and reported select the Add To Inventory button**.

For example: If **hay** is purchased you would select the **Immediate Use and Add To Inventory** buttons. If a **show saddle** is purchased you would select the **Used Over Time button and the Add To Inventory button**. If you purchased some **hardware (nails, screws, bolts, etc.)** you would only select the **Immediate Use button**. When in doubt, you can ask theGenie (free) or your accountant (\$\$).

- ⑥ If the item purchased includes a receipt, and it is a good idea to have one, **Enter** the receipt in the Receipt # box.

Note (5): The IRS may require a receipt for a purchase over \$25. A credit card statement entry may not be sufficient proof. It is always better to be safe than sorry when you are subjected to an audit. When in doubt enter the receipt number. A receipt can be scanned and saved in equineGenie on the **Receipt Storage** screen.

- ⑦ If the item purchased includes sales tax, **Enter** the sales tax amount in the Sales Tax (\$) box.

Note (6): equineGenie tracks, measures and manages, and reports the amount of sales tax paid by the business. This is included in equineGenie's tax filing records report.

- ⑧ **Enter** the item's total purchase cost, including any taxes, in the Cost box. To complete the purchase select the **Red \$** button beside the Cost box. **Selection** of the **Red \$** will display the **Payment Method popup** where the purchase payment method is selected. *The Payment Method is explained in the Genie Academy, Deposit and Payment Method training document.*

Note (7): When the Payment Method is selected on the **Payment Method popup** the **Payment By popup** will appear. On all **Payment By popup** screens, selecting the **Green Pay** button will complete the financial transaction for the purchase and redisplay the Purchase screen. *The Pay button is explained in the Genie Academy, Deposit and Payment Method training document.*

- ⑨ If an item's cost is equal to or greater than the Asset Capitalization Value entered on the Business Owner – Preferences screen ([Home: Business Information: Preferences](#)) and the Used Over Time (1 year or Longer) button has been selected,

the **Go To Add Asset** button will be active (**Green**) and available for selection when the **Red \$** button ⑧ is selected.

If the purchased item is an asset and needs to be capitalized and depreciated, DO NOT select Enter to exit the purchases screen. Selection of the Go To Add Asset button will complete the purchase and update all the purchase, supplier and financial reports. The Financial Setup – Fixed Asset screen will be displayed and the item name, its cost and the purchase date will be displayed on the Financial Setup – Fixed Asset screen. *Path – Home: Financials: Financial Business Setup: Fixed Assets. (See the Genie Academy, Financial Setup – Loans and Assets training document)*

- ⑩ **If you need to remove a purchase**, it can be removed by displaying the purchase information and selecting the **Remove Selected Purchase Red** button. When the button is selected a **Delete Item** popup will be displayed to make sure you want to remove the purchase.



Note (8): Read the '**RED**' Genie Note beside the **Remove Selected Purchase** button. The '**RED**' Genie Note will explain what conditions must be met to remove the selected purchase. Removing a purchase will completely remove the selected purchase from equineGenie.

- ① If the purchased item is NOT an asset and does not need to be capitalized and depreciated, **select Enter to exit the purchases screen. Selection of Enter will complete the purchase and update all the purchase, supplier and financial reports.**
- ② **Selection** of the 'Purchase Reports On Next Page' arrow will display several current year purchase reports that can be viewed, exported and/or printed.

Information: Many more purchases reports are available in the Executive Summary: Business Summary section. *Path – Home: Executive Summary: Business Summary: Purchases.*

[Return to the Table of Content](#)

Business Operations – Receipt Storage

Path: Home: Business Operations: Supplies Purchases: Receipt Storage

There is no prerequisite setup required.

A purchase receipt can be stored in equineGenie. A stored receipt can be in any file format including a PDF. A receipt can be scanned or imported from another receipt storage program like the Neet product. Your saved receipts will be invaluable if you need to recall a receipt or produce them for an audit.

① To store a receipt, **Select** the receipt's vendor/supplier from the Select Vendor / Supplier dropdown.

Note (1): All vendor/suppliers previously entered in equineGenie will be displayed in the Select Vendor / Supplier dropdown.

② Enter the receipt's date by selecting the date from the calendar icon or entering the date format set in your windows operating system. (mm/dd/yyyy or dd/mm/yyyy).

③ If the receipt has a receipt number enter it in the Receipt # box.

Note (2): Make sure the receipt number entered in the Receipt # box matches the receipt number entered when the item was purchased.

④ You can identify a receipt by giving it a name. To give a receipt an identifying name select [New Item] from the 'Identify The Receipt' dropdown, click in the dropdown and enter the name.

⑤ To Enter a receipt, **Select** locate to **Locate** the receipt file. Selecting open will enter the receipt in equineGenie. You can view the receipt by selecting **View**. You can clear the receipt by selecting **Clear**.

If you have other receipts to enter from the same supplier on the same date selecting the **Another Receipt Same Date** will enter the previous receipt's information and clear the identifying name for another receipt to be identified and entered into equineGenie.

Note (3): To save time and disk space, several receipts from the same supplier on the same date, can all be saved on one document.

⑥ **Select Enter before leaving the Business Operations – Purchase Receipts screen.**

① **Selection** of the '*Receipts List Current Year*' will enable the current year receipt list to be viewed, exported and/or printed.

② **Selection** of the '*Receipts List All Years*' will enable the list of all the receipts saved in equineGenie to be viewed, exported and/or printed by year.

[Return to the Table of Content](#)