



# **Business Operations**

**Items Supplied Setup**

**Purchases**

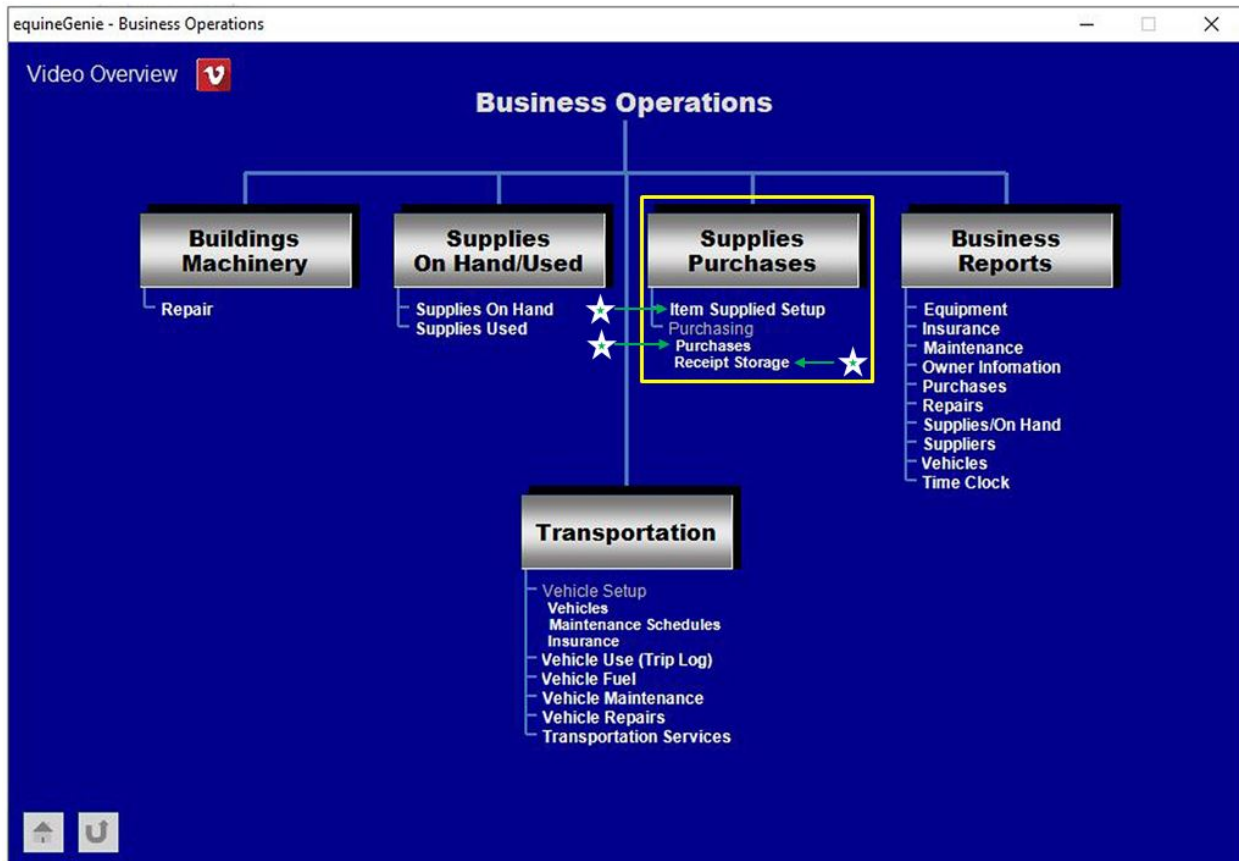
**Receipt Storage**

## Business Operations – Supplies Purchases

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## 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, more supplies than you need 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 greatest expense and 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 (cash at rest). 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.

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## Business Operations – Item Supplied Setup

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***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.***

equineGenie Business Operations - Item Supplied Setup

**Item Supplied Setup**

Enter / Select Purchased Item ①

Enter / Select Item Inventory Category ②

Enter / Select Vendor or Supplier

Address

City, State, Zip Code ③

Telephone # email Address

Website URL

Units Locked/changed? ☐ Yes

Safety Stock ④ Units ⑤

⑥ Primary Supplier/Lead Time Days

⑦ Add To Address Book

Same Item Another Supplier ⑧

Remove Selected Item (Caution!) ⑨

Go To Supplier Financial Account ⑩

**Supplied Item Comments**

1

Enter ② Video Tutorial

Popup And Red Flag

equineGenie Notes

View Supplier's Supplies ③

View Suppliers Contact Information ④

- ① To Enter a supply, select [New Item] from the *Enter / Select Purchased Item* dropdown, click in the *Enter / Select Purchased Item* dropdown and enter the supply's name.

**Important:** If you need to change an 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.

**Suggestion:** 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* dropdown. **An inventory category must be selected to proceed with the item's setup.**

**Note 1:** 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 **Enter the item's supplier** by selecting [**New Supplier**] in the *Enter / Select Vendor or Supplier* dropdown, click in the dropdown and enter the supplier's name.

**Enter** the supplier's address in the *Address* box.

**Enter** the supplier's city, state, and zip code in the *City, State, Zip Code* box.

**Enter** the supplier's telephone number in the *Telephone #* box.

**Enter** the supplier's email address in the *email Address* box.

**Enter** the supplier's website address in the *Website URL* box.

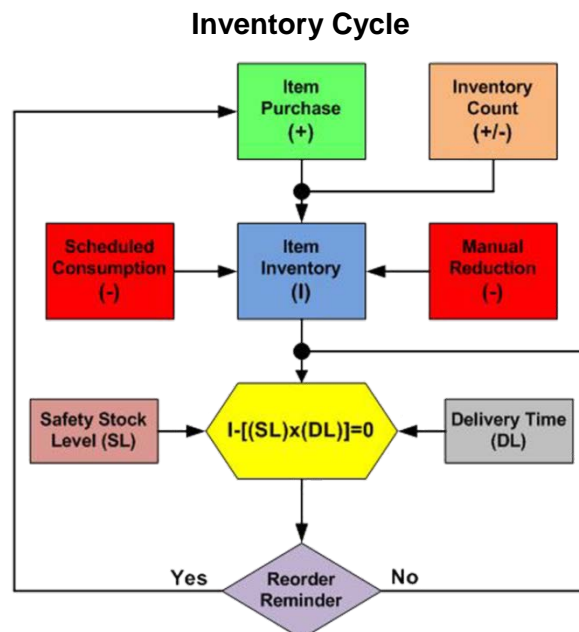
**Note 2:** Enter as much of the suppliers contact information that you know. If you do not know it, it does not affect the operation of equineGenie. Once a supplier and their contact information are entered it is available throughout equineGenie without having to be reentered.

**Important:** 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 3:** equineGenie calculates an item's reorder date based on the item's consumption rate, its 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).

**Suggestion:** Hardware items such as screws, bolts and nuts should be inventoried 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**.

**Important:** 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.

**Very Important:** 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. (Enter the following URL in your browser: <https://www.youtube.com/watch?v=w5k3PC2Mb38>).

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. (Enter the following URL in your browser: <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 supplier's delivery lead time should be identified** for all suppliers. Select the supplier's delivery lead time, in days, from the *Days* dropdown. If the needed delivery days are not available in the *Days* dropdown, mouse over a selected days and entered the desired days. The delivery lead time is used in an item's reorder reminder calculation and for reporting the delivery timeliness of your supplier.

**Note 4:** 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 supplied item.

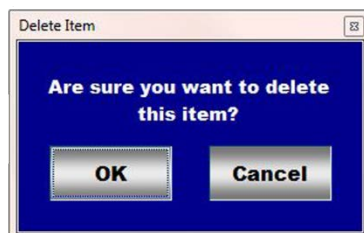
- ⑦ A supplier's contact information can be added to equineGenie's address book by selecting the *Add To Address Book* button.

**Note 5:** 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 delivery lead time identified.

- 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.



After selecting **OK** on the **Delete Item** popup you need to select the **Enter** ❶ button.

**Very Important:** 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!

- ❷ **If the item's supplier or vendor's financial account information** has not been enter on another screen in equineGenie, select the **Green Go To supplier Financial Account** button. Selection of the button will enter the item, its information, its supplier information, safety stock, units, delivery lead time and display the Financial Business Setup - Vendor Setup screen in the Financial Business Setup section. *Path – Home: Financials: Financial Business Setup: Vendor Setup.* (See the Genie Academy, Financial Setup – Vendor and Customer Financial Setup training document).
- ❶ **Enter** any comments or notes associated with the selected item supplied setup information.
- ❷ **Select** enter before leaving the *Business Operations – Items supplied Setup* screen.
- ❸ **Selection** of the 'View Suppliers Supplies' button will enable the supplies by supplier to be viewed, exported and/or printed.
- ❹ **Selection** of the 'View Suppliers Contact Information' button will enable the suppliers contact information to be viewed, exported and/or printed.

**Information:** Additional purchases and supplier reports are available in the *Business Reports – Purchases* screen. *Path - Home: Business Operations: Business Reports: Purchases*

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## Business Operations – Purchases

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*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 may appear tedious, but it is only a one-time setup and will save valuable time on every purchase.*

*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.*

The screenshot shows the 'equineGenie Business Operations - Purchases' window. On the left, the 'Purchase' section has dropdowns for 'Enter / Select Item To Be Purchased' (1) and 'Enter / Select Item Inventory Category'. Below these are fields for 'Purchase Date', 'Delivery Date', 'Expiration Date', 'Expiration Reference', 'Quantity', and 'Unit'. There are checkboxes for 'Immediate Use (Expense)' (5), 'Used Over Time (Fixed Asset/=>ACM\*)', and 'Add To Inventory/Supplies'. Further down are fields for 'Receipt #' (6), 'Sales Tax (\$)' (7), and 'Cost' (8). A 'Remove Selected Purchase' button (9) is at the bottom left. At the very bottom is a 'Go To Add the Fixed Asset' button (10). On the right, the 'Purchases Comments' section has a text area (1) and a 'Video Tutorial' link (2). A large yellow box with the text 'Popup And Red Flag equineGenie Notes' is overlaid on the right. A note at the bottom right states: '\*NOTE: '=>ACM' = \$ Equal to or Greater than the Asset Capitalization Minimum'. A button at the bottom right says 'Purchase Reports On Next Page 3'.

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

If the selected item was previously setup on the *Business Operations – Items Supplied Setup* screen (*Items Supplied Setup*) and its inventory category was identified, the item's inventory category will be automatically displayed in the *Enter / Select Item Inventory Category* dropdown.

**Important:** An item can be purchased that hasn't been setup on the *Business Operations – Items Supplied Setup* screen (*Item Supplied Setup*), but it is not recommended. If you purchase an item that hasn't been setup you will lose valuable supplier and financial

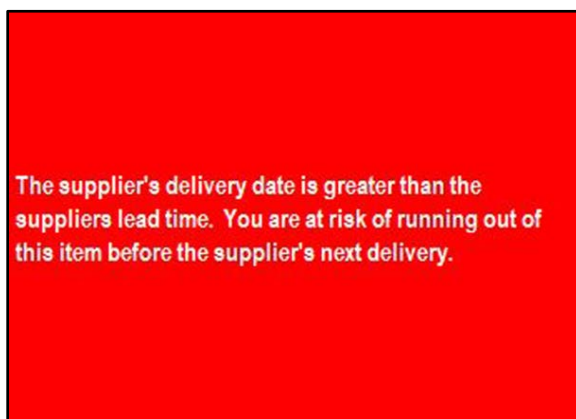
measurement and management information. When in doubt set it up. It is only a one-time setup that takes less than a minute per item.

② **Enter the item's purchase date** in the *Purchase Date* dropdown by selecting **[New Date]** or selecting the date from the calendar icon. If **[New Date]** is selected from the *Purchase Date* dropdown, the computer's current date will be displayed. You can change the date by mousing over it and entering the correct date in the date format set in your windows operating system. (mm/dd/yyyy or dd/mm/yyyy).

**Enter the item's delivery date** in the *Delivery Date* box. 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).

**Important:** If the delivery date entered is beyond the delivery lead time set on the *Business Operations – Items Supplied Setup* screen (*Item Supplied Setup*), 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 in the *Expiration Date* box 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 reference, enter** the expiration reference (lot #) in the *Expiration Reference* box.

**Important:** equineGenie tracks an item's expiration date and reports on any expired items before they are administered or used.

④ **Enter the quantity of the item being purchase** in its unit of measure set up on the *Business Operations – Items Supplied Setup* screen (*Item Supplied Setup*) or its consumed unit of measure if not setup in the *Quantity* box.

**The item's unit of measure** will automatically display in the *Unit* dropdown the unit of measure setup and locked on the *Business Operations – Items Supplied Setup* screen (*Item Supplied Setup*). If the item was not set up and its unit of measure not locked, then all units of measure in equineGenie will be available for selection 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 1:** 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 be used for one year or longer, needs to be capitalized and its cost is equal to or greater than the *Asset Capitalization Minimum* set in your business preferences on the *Business Owner – Preferences* screen, 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.

**Example:** If **hay** is purchased you would select the **Immediate Use** and **Add To Inventory** buttons. If a **show saddle** is purchased that cost more than the *Asset Capitalization Minimum* set in your business preferences on the *Business Owner – Preferences* screen, 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 asktheGenie (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 2:** 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 Business Operations – Purchase Receipt screen. (*Receipt Storage*)

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

**Note 3:** 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, Deposits and Payments training document*)

**Note 4:** 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 *Business Operations - Purchases* screen. (*The Pay button is explained in the Genie Academy, Deposits and Payments training document*)

- ⑨ **If you need to remove a purchase**, it can be removed by displaying the entire 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.



After selecting **OK** on the *Delete Item* popup you need to select the **Enter** ② button.

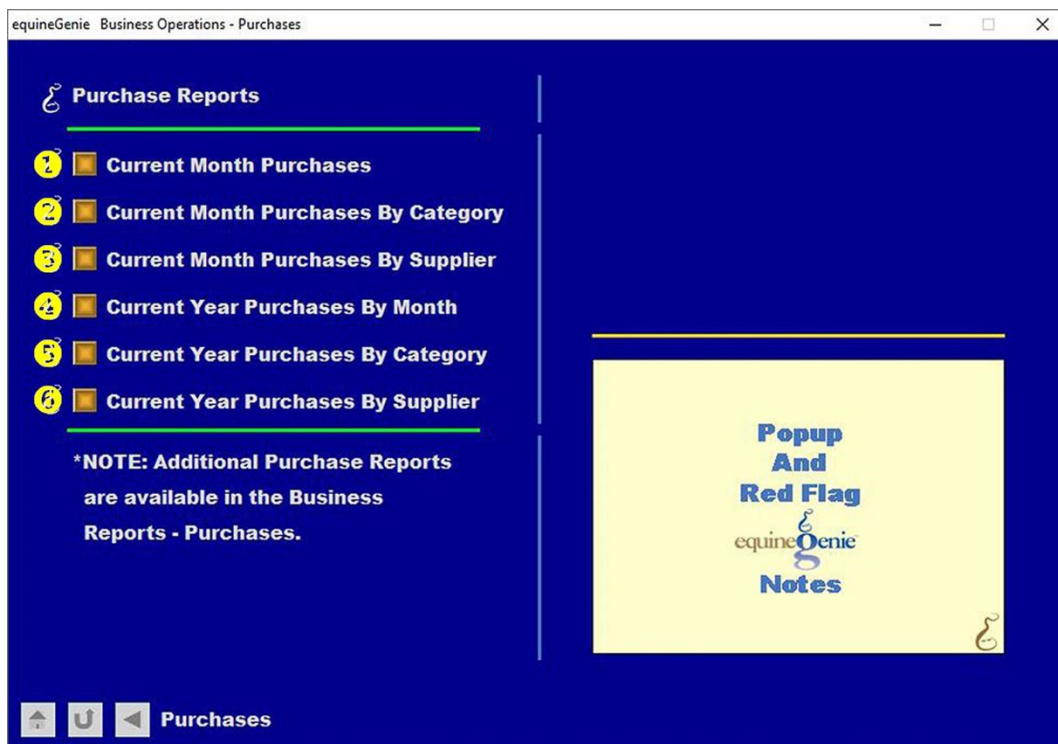
- ⑩ **If an item's cost is equal to or greater than the Asset Capitalization Value** entered on the *Business Owner – Preferences* screen ([Home: Business Information: Preferences](#)) and the *Used Over Time (1 year or Longer)* button has been selected, the *Go To Add the Fixed Asset* button will be 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** ② to exit the purchases screen. Selection of the *Go To Add the Fixed 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 – Fixed Assets training document*)

- ① **Enter** any comments or notes associated with the selected purchases information.
- ② If the purchased item is NOT an asset and does not need to be capitalized and depreciated, **select enter** before leaving the *Business Operations – Purchases* screen.
- ③ **Selection** of the 'Purchase Reports On Next Page' arrow will display several current year purchase reports that can be viewed, exported and/or printed.

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## Purchase Reports



- ① **Selection** of the 'Current Month Purchases' button will enable the current month purchases to be viewed, exported and/or printed.
- ② **Selection** of the 'Current Month Purchases By Category' button will enable current month purchases by category to be viewed, exported and/or printed.
- ③ **Selection** of the 'Current Month Purchases By Supplier' button will enable current month purchases by supplier to be viewed, exported and/or printed.
- ④ **Selection** of the 'Current Year Purchases By Month' button will enable current year purchases by month to be viewed, exported and/or printed.
- ⑤ **Selection** of the 'Current Year Purchases By Category' button will enable current year purchases by category to be viewed, exported and/or printed.
- ⑥ **Selection** of the 'Current Year Purchases By Supplier' button will enable current year purchases by supplier to be viewed, exported and/or printed.

**Information:** Additional purchases and supplier reports are available in the *Business Reports – Purchases* screen. *Path - Home: Business Operations: Business Reports: Purchases*

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## Business Operations – Receipt Storage

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***There is no prerequisite setup required.***

***A purchase receipt can be stored and recalled 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. Your saved receipts will be invaluable if you need to recall a receipt or produce them for an audit.***

equineGenie Business Operations - Purchase Receipts

**Purchase Receipt Storage**

Select Vendor / Supplier ①

Receipt Date ②

Receipt # ③

Select A Department (if applicable) ④

Identify The Receipt ⑤

**Store and View Receipt**

Locate View Clear ⑥

Another Receipt Same Date ⑦

**Receipt Storage Comments**

Enter ⑨

Video Tutorial

**Popup And Red Flag**

equineGenie Notes

① Receipts stored Current Year

② Receipts Stored (Date Specified)

③ Department Receipts Stored (Date Specified)

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

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

② **Enter the receipt's date** in the *Receipt Date* dropdown by selecting [New Date] or selecting the date from the calendar icon. If **[New Date]** is selected from the *Receipt Date* dropdown, the computer's current date will be displayed. You can change the date by mousing over it and entering the correct date in 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 If a department is applicable, select a department from the *Select A Department (if applicable)* dropdown.

- ⑤ **You can identify a receipt by giving it a name.** To give a receipt an identifying name, 'click' in the *Identify The Receipt* dropdown and enter the name.
- ⑥ **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**.
- ⑦ 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.

- ⑧ **Enter** any comments or notes associated with the selected receipt storage information.
- ⑨ **Select** enter before leaving the *Business Operations – Purchased Receipts* screen.
- ① **Selection** of the '*Receipts Stored Current Year*' button will enable the current year receipt list to be viewed, exported and/or printed.
- ② **Selection** of the '*Receipts Stored (Date Specified)*' button will enable the list of all the receipts stored in a specified date range to be viewed, exported and/or printed by year.
- ③ **Selection** of the '*Department Receipts Stored (Date Specified)*' button will enable the list of all receipts stored by department, within a specified date range, to be viewed, exported and/or printed by year.

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