**Product-based Business and Inventory Questionnaire**

* On a scale from 1-10, how confident are you on your current accounting system’s valuation of inventory?
* What is the margin of error from your current Inventory Valuation report?
* Do you sell “online”; through a website, or other web-based channels like Amazon or eBay?
* Do you feel that the right products are being inventoried? (Other words, are there items that are “non-inventory” in nature, but being tracked as inventory or vice-versa?)
* When was your last complete physical inventory done? How often are they done?
* Do you perform segmented cycle counts? (In other words, counting a small group of sku’s in a cyclical basis)
* Do you ever do VALUE adjustments (this is different that usual QUANTITY adjustments)
* Do you use unique (internally created) part numbers or do you use the vendor/manufacturer’s part number? (or both?)
* Do you sell custom and/or unique items that a are only sold once in a lifetime (for a specific customer or job)?
* If you were to classify your inventory in groups, what would those groups be? (for example: Shirts, Pants, Shoes, etc…)
* Do you have a pre-designated space in the warehouse for every product? (such as cages, racks, or bins, that are uniquely numbered)
* How many people perform activities that can affect your inventory? (for example, anyone that creates a sales order and/or promises the customer a product, anyone that creates purchase orders, anyone that receives inventory and/or signs off on the fact they were received, anyone that creates vendor bills from inventory purchases, and any allows to move product in/out of the warehouse for any reason…)
* If there are multiple people, please tell me what would you like the desired responsibilities and access restrictions to each of these people that are affecting the inventory.
* How often do you take product out of the warehouse for “giveaways”, samples, and/or internal consumption that are not necessary “sold”?
* Are there multiple warehouse locations? And do you have inventory in consignment (physically under the position of your customer, but they belong to you until they are sold)?
* Do all your products come with barcodes from the vendor/manufacturer? And/or do you manually add barcodes to the packaging?
* Do you have product with lot numbers and/or serial numbers? Do you have product that expires?
* Do you track raw materials separate than finished goods? Do you track Work in Process for partially processed raw materials?
* Does the cost of the product vary greatly throughout the year? Do you have any thoughts around the value of using “First-In First-Out” inventory, rather than avg. costing?
* Do your customer pick-up the product from your warehouse? And/or do you ship to them directly? Do you do “drop ships” (where the product goes from the vendor/manufacturer to the end customer)
* How easy or challenging is to physically find products in the warehouse?
* How easy or challenging is to physically find products inside your accounting system when purchasing or selling a product?
* Are there “old”, inactive, or unused products in your accounting system that need to be cleaned up?
* Do the dates in which the you physically receive the inventory and the date that you receive the bill for that inventory vary? Do you often have discrepancies in the qty and/or price in the bill from the original PO?
* Do your vendors send you an updates item/price list regularly? If so, do you “import” them?
* Is the cost of freight, insurance, and/or other direct costs included in the valuation of your inventory?
* Do you base the sales price of your products as a markup directly from your costs? Or do you have a fixed “list” or retail price for the products?
* Do you give your sales people “wiggle room” on setting sales prices? Or Do your customers get a specific price/discount based on the “type” of buyer they are or the volume they generate?
* Do you pay sales commissions? Based on gross sales? Or gross profit?