IDEXX Cornerstone*
Improving Inventory Management
Performance

8.3 Participant Workbook
# Improving Inventory Management Performance

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Introduction

COURSE DESCRIPTION

During this course, inventory managers will learn how to identify their IDEXX Cornerstone* Practice Management System inventory management gaps and take steps to improve quantity accuracies, inventory turns, and profitability within their real data files.

PREREQUISITES

- The current version of the Cornerstone* software installed at the practice.
- Completion of Introduction to Inventory Management or completion of the Introduction to Inventory Management Skill Assessment. Email CornerstoneCoach@idexx.com for more information.
- Minimum of two full end-of-month closed periods.
- Inventory costs (receipts) and sales (invoicing history) transactions.

GETTING STARTED

Throughout this training, you may be working in your own practice’s database.

As you participate in this course, it is most effective if you are working at a Cornerstone workstation so that you can follow along in the participant workbook and complete the exercises.

TRAINING CONTENT

Content of the course includes:

- Inventory Performance Introduction
- Quantity Troubleshooting and Goals
- Cost/Price Troubleshooting and Goals
- Profitability/Margin Troubleshooting and Goals
- Turnover Troubleshooting and Goals

These icons are used throughout the training to provide additional information:

- **Important Information**: Provides critical information about the topic or procedure. Read this information carefully.
- **Note**: Provides additional information about the topic or procedure.
- **Tip**: Provides helpful information about the topic or procedure.
Improving Inventory Management Performance
Inventory Performance Introduction

You’ll learn these important concepts in this chapter:

- **Importance of Accurate Inventory Management**—Learn to identify inventory performance components and set goals.
- **Experiences and Goals**—Based on your inventory experiences, set practice goals for Cornerstone* inventory.
- **Inventory Performance Benchmarking Sources**—Use inventory performance benchmark sources to determine if your goals fall within the benchmark standards and to evaluate your current methods for identifying problematic inventory.
- **Inventory Cost and Quantity Work Flow Overview**—Learn how Cornerstone transactions affect inventory cost and quantity.
- **Identify Performance Improvement Target**—Use provided reports to view cost and quantity transaction information over a period of time to determine target points for performance improvement.

**IMPORTANCE OF ACCURATE INVENTORY MANAGEMENT**

Inventory management is an ongoing process required to achieve your optimal inventory performance levels. Proper training of the inventory team, complete inventory item setup, correct receipting, accurate invoicing, and diligent monitoring are necessary to maximize your return on investment.

**GOALS**

- Necessary inventory only
- No outdated drugs or supplies
- Maintain profit percentages
- Accurate counts and entries

**END RESULTS**

- Increase cash flow
- Remove nonvalue labor expense

**PRODUCES**

- Better equipment
- Better staff
- Better inventory
- Better facility

Learn to identify inventory performance components and set goals. Target an inventory item to improve performance.

- Inventory performance concepts of quantity, cost, margin, and turnover
- Find industry benchmark sources to set goals
- Understand inventory work flow for cost and quantity
- Identify inventory targets using key reports
- Action steps to attain inventory goals
Performance and success, which will be the focus throughout this course, are directly linked to the following parameters:

- **Quantity**—Maintain correct quantities on hand and avoid negative quantities.
- **Cost/Price**—Maintain accurate costs and monitor fees.
- **Profitability/margin**—Monitor the relationship between revenues and costs for accuracy and to maintain a margin that allows you to continue to invest in your business.
- **Turnover**—Track frequency of items that complete a purchase and sale cycle.

**EXPERIENCES AND GOALS**

Each practice will have different experiences and goals with Cornerstone inventory. Here are some examples:

- You may be unsure as to what you should be reviewing and monitoring. You need an approach that guides you through starting your improvement project and provides direction for how to collect your current metrics to determine your starting point.
- You may have experienced negative quantities on hand. You need to identify the transactions, windows, and reports that will help you target the root of the problem.
- You may be unsure about your inventory margin. You need to learn how to use key reports to review and monitor margin and profitability as well as highlight factors that affect your inventory bottom line.
- You may not understand what an inventory turn is. The first step is to understand its meaning and then to understand what the reports are telling you. You may then proceed with improving your inventory turn metrics.

**INVENTORY PERFORMANCE BENCHMARKING SOURCES**

Goal setting can be established using industry benchmarks. Recognized sources include but are not limited to AAHA, Well Managed Practice Study, NCVEI, and VHMA. Throughout this course, we may refer to these sources to help determine if the numbers on your Cornerstone reports are good or poor.

**Discussion:** What other methods are currently used in your practice to identify problematic inventory?

- End of period and inventory reports with inaccurate quantities on hand, skewed costs, or seemingly low revenues and/or margins.
- Visual assessment of product on shelves including quantities, number of same product types (such as NSAIDS), and condition (dusty or expired).
- Anecdotal or mental notes of items that are frequently out of stock or that must consistently be ordered because it’s preferable to order repeatedly rather than tie up cash on the shelves.
### INVENTORY COST AND QUANTITY WORK FLOW OVERVIEW

The diagram below illustrates how transactions in the IDEXX Cornerstone* Practice Management System affect inventory cost and quantity.

<table>
<thead>
<tr>
<th>Beginning Quantity</th>
<th>+</th>
<th>=</th>
<th>Ending Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>+ Inventory receipts</td>
<td>- Performed PVL items</td>
<td></td>
<td></td>
</tr>
<tr>
<td>+ Voided invoices</td>
<td>- Posted invoices</td>
<td></td>
<td></td>
</tr>
<tr>
<td>+ Voided prescriptions</td>
<td>- Saved invoices</td>
<td></td>
<td></td>
</tr>
<tr>
<td>+ Voided medical notes</td>
<td>- Voided invoices</td>
<td></td>
<td></td>
</tr>
<tr>
<td>+ Credit invoices</td>
<td>- Adjustments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>+ Adjustments</td>
<td>- Returns to vendor</td>
<td></td>
<td></td>
</tr>
<tr>
<td>+ Declined PVL items</td>
<td>- Internal usage</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Completed Whiteboard treatments

![Inventory Work Flow Diagram](image-url)
IDENTIFY PERFORMANCE IMPROVEMENT TARGET

Use these reports to view cost and quantity transaction information over periods of time for the previously mentioned transaction types:

Focus: Quantity on Hand (QOH)

Report Title: Inventory—Counts Report

Report Description

Use the Counts Report to view the location of items in your inventory.

Only items set up to maintain quantity on hand (QOH) appear on this report.

Report Fields

- Actual: A box for writing the current quantity on hand.
- Item ID: The unique identifier for each invoice item.
- Description: The name of the invoice item (hospital description).
- On Hand: Current quantity on hand and unit of measure for item, item’s location, expiration date, or lot number.
- Location: Location of current item’s quantity.

Directions to Run the Report

1. On the menu, select Reports > Inventory.
3. Click Create Report.
5. Click Run.
6. From the Sort by list, select the sort order.
7. Optional: Type a range of values in the Starting value and Ending value boxes.
8. Click OK.
**Focus: Cost**

**Report Title: Inventory—Cost Report**

**Report Description**

Use the Cost Report to view the cost of inventory on hand.

- **Only items tracking QOH will appear on this report. Negative QOH/cost will not appear on this report.**

**Report Fields**

- **Item ID: The unique identifier for each invoice item.**
- **Item Description: The name of the invoice item (hospital description).**
- **Base Price: An item’s base price. This is set up on the Information tab on the Invoice Item Setup window.**
- **Quantity on Hand: The amount of the invoice item on hand in inventory.**
- **Average Cost: The average cost of the inventory item. (Total cost divided by total QOH for an item.)**
- **Total Cost: Quantity purchased multiplied by unit cost.**
- **Markup/Margin: The markup or margin on invoice item.**
- **Last Date: The date the invoice item was last purchased.**
- **Purchase Unit Cost: The last purchase cost.**

**Sort Order and Range**

- **Item Description**
- **Class ID**
- **Vendor Name**
- **Location ID**
- **Location Group**

- **Primary Vendor: The name of the invoice item’s primary vendor.**
- **Location: The item’s location.**
- **Group: The item’s location group (only in Sort Option Location Group).**
- **Total: The subtotal of total cost for the current sort order grouping Class ID, Vendor, Location, or Location Group.**
- **Grand Total: Sum of the total cost.**
- **Class: The item’s classification ID. (Only in Sort Option Class ID.)**
- **Subclass ID: The item’s subclassification ID. (This is an extra field included when saving to a file.)**
- **Class Total: The total for each classification. (Only in sort option Class ID.)**
- **Vendor: The vendor’s ID. (Only in sort option Vendor Name.)**

**Directions to Run the Report**

1. In Cornerstone, select **Reports > Inventory**.
2. On the Reports Search window, select **Cost Report**.
3. Click **Create Report**.
4. On the Inventory Reports window, select **Inventory—Cost Report**.
5. Click **Run**.
6. From the **Sort by** list, select the sort order.
7. Optional: Type a range of values in the **Starting value** and **Ending value** boxes.
8. Click **OK**.

---

**Inventory - Cost Report**

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Base Price</th>
<th>QOH</th>
<th>Average Cost</th>
<th>Total Cost</th>
<th>Markup</th>
<th>Margins</th>
<th>Last Purchased</th>
<th>Unit Cost</th>
<th>Primary Vendor</th>
<th>Location Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>Item ID</td>
<td>Item Description</td>
<td>QOH</td>
<td>Average Cost</td>
<td>Total Cost</td>
<td>Markup</td>
<td>Margins</td>
<td>Last Purchased</td>
<td>Unit Cost</td>
<td>Primary Vendor</td>
<td>Location Group</td>
<td></td>
</tr>
<tr>
<td>10077</td>
<td>Abdominal Drainage Tray</td>
<td>$0.00</td>
<td>0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>20077</td>
<td>Abdominal Hernia Repair Kit</td>
<td>$0.00</td>
<td>0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>30077</td>
<td>Abdominal Hernia Repair Kit</td>
<td>$0.00</td>
<td>0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>40077</td>
<td>Abdominal Hernia Repair Kit</td>
<td>$0.00</td>
<td>0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>50077</td>
<td>Abdominal Hernia Repair Kit</td>
<td>$0.00</td>
<td>0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
</tbody>
</table>

---

**Inventory - Cost Report**

Sorted By **Item Description**

1. **Sort Order**: Item Description
2. **Range**: Item Description
3. **Item ID**: Item Description
4. **Class ID**: Item Description
5. **Vendor Name**: Item Description
6. **Location ID**: Item Description
7. **Location Group**: Item Description
Focus: Profitability/Margin

Report Title: Inventory—Items Profit Analysis Report

Report Description

Use the Items Profit Analysis Report to determine profitability of inventory items sold.

End of month must be processed twice and end of year once before data displays for the appropriate columns for this report. The data in this report corresponds to the date in the EOM Inventory Sales Report.

Only items tracking QOH will appear on this report.

This report clears/resets at each end of month and end of year closing.

Sort Order and Range

<table>
<thead>
<tr>
<th>Sort Order</th>
<th>Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class ID</td>
<td>If Sort by is Class ID: Class ID, Item Description, Item ID</td>
</tr>
<tr>
<td>Location ID</td>
<td>If Sort by is Location ID: Item Description, Item ID, Location ID</td>
</tr>
<tr>
<td>Revenue Center</td>
<td>If Sort by is Revenue Center: Item Description, Item ID, Revenue Center</td>
</tr>
</tbody>
</table>

Report Fields

- Class: The unique identifier and description for the classification.
- Revenue Center: The unique identifier and description for each revenue center.
- Item ID: The unique identifier for each invoice item.
- Description: The name of the invoice item (Hospital Description).
- Month to Date—Frequency: Frequency sold this month. Frequency sales of the item.
- Month to Date—Sales: Quantity sold this month. Gross sales of the item (without taxes or discounts applied).
- Month to Date—Cost: Cost of the item sold this month.
- Month to Date—Profit: Profit of the item sold this month (sales minus cost).
- Year to Date—Frequency: Frequency sold this month. Frequency sales of the item.
- Year to Date—Sales: Quantity sold this year. Gross sales of the item (without taxes or discounts applied).
- Year to Date—Cost: Cost of the item sold this year.
- Year to Date—Profit: Profit of the item sold this year (sales minus cost).

Directions to Run the Report

1. On the menu, select Reports > Inventory.
3. Click Create Report.
4. On the Inventory Reports window, select Items Profit Analysis Report.
5. Click Run.
6. From the Sort by list, select the sort order.
7. Optional: Type a range of values in the Starting value and Ending value boxes.
8. Click OK.
Report Title: Inventory—Turnover Report

Report Description
The Turnover Report helps track how many times inventory completes a cycle of being received or sold.

End of Month (EOM) must be processed at least twice to have date selections.

This report only includes items set to track QOH.

Sort Order and Range

<table>
<thead>
<tr>
<th>Sort Order</th>
<th>Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Item Description</td>
<td>• Beginning Period Date Processed</td>
</tr>
<tr>
<td>• Class ID</td>
<td>• Ending Period Date Processed</td>
</tr>
</tbody>
</table>

Report Fields

- Class: The unique identifier and description of a classification.
- Item ID: The unique identifier for each invoice item.
- Description: The name of the invoice item (hospital description).
- Beg. QOH: The beginning quantity on hand for the item.
- Received: The quantity of items received into inventory.

Directions to Run the Report

1. On the menu, select Reports > Inventory.
3. Click Create Report.
4. On the Inventory Reports window, select Turnover Report.
5. Click Run.
6. From the Sort by list, select the sort order.
7. Optional: Type a range of values in the Starting value and Ending value boxes.
8. Click OK.
Based on the report findings, determine targets to use for the remaining lessons.

Targets can be:
- Classifications of items
- Locations
- Specific invoice items

Once the target is established, set goals that will improve QOH, cost, profitability, and/or turnover.

The following action items can lead to goal achievement:
- Fix setup.
- Reduce the quantities on the shelves.
- Make sales price adjustments.
- Remove items from the shelves and stop selling those items or revise your selling strategy.
- Do nothing (if metrics for quantity, cost, turns, and margin are reached).

Chapter Summary

You learned these important concepts in this chapter:
- **Importance of Accurate Inventory Management**—Learn to identify inventory performance components and set goals.
- **Experiences and Goals**—Based on your inventory experiences, set practice goals for Cornerstone inventory.
- **Inventory Performance Benchmarking Sources**—Use inventory performance benchmark sources to determine if your goals fall within the benchmark standards and to compare your current methods for determining and identifying problematic inventory.
- **Inventory Cost and Quantity Work Flow Overview**—Learn how Cornerstone transactions affect inventory cost and quantity.
- **Identify Performance Improvement Target**—Use provided reports to view cost and quantity transaction information over a period of time to determine target points for performance improvement.
Quantity Troubleshooting and Goals

You'll learn these important concepts in this chapter:

- **Item Setup**—Learn the factors to consider and review to maintain accurate inventory quantities and maximize profitability.
- **Quantity Troubleshooting Checklist**—Determine the areas that can cause quantity issues within your Cornerstone* inventory.
- **Quantity Troubleshooting Reports**—Determine the reports that the practice can use to determine discrepancies within your Cornerstone inventory.

**ITEM SETUP**

**Invoice Item—Reorder Points, Buy/Sell Ratios, Expiration Date/Lot Tracking, and Linked Items**

Maintaining accurate quantities on hand is especially challenging. Maintaining a lean* inventory (≤ a 30-day supply on hand) without running into shortages maximizes profitability; however, attaining this goal takes careful and diligent monitoring.

When quantities on hand are incorrect, one or more of the following factors must be considered and reviewed:

- Item setup
- Invoicing
- Ordering
- Receiving
- Internal use
- Returns
- Adjustments
- Shrinkage
# Quantity Troubleshooting and Goals

Use the following checklist to manage inventory quantities.

<table>
<thead>
<tr>
<th>Area</th>
<th>Guideline</th>
<th>Explanation/Example of Potential Problem</th>
<th>Common Trouble Categories or Invoice Items</th>
<th>Cornerstone Report</th>
</tr>
</thead>
<tbody>
<tr>
<td>Item Setup</td>
<td>□ Clear descriptions</td>
<td>Include the smallest sell unit in the description. For some, also include the normal sell package.</td>
<td>Heartworm/flea/tick prevention pharmaceuticals</td>
<td>Report &gt; Invoice Item &gt; Invoice Item Setup Report</td>
</tr>
<tr>
<td></td>
<td>□ Correct buy and sell unit of measure (UOM) set up</td>
<td>Example: Buy ratio set up incorrectly as 1 bottle = 1 tablet.</td>
<td>Rimadyl® 75 mg 90 ct bottle, Rimadyl 75 mg tablet</td>
<td>Range: Type I</td>
</tr>
<tr>
<td></td>
<td>□ Quantity on hand (QOH) tracking</td>
<td>Items marked to maintain QOH are not being received into inventory but are being invoiced to a client. Example: Single dose of flea preventative invoiced to client but not entered on inventory receipt.</td>
<td>Items with same strength</td>
<td>Inventory Evaluation Report</td>
</tr>
<tr>
<td></td>
<td>□ Reorder and overstock points</td>
<td>Reorder levels and quantities based on incorrect buy/sell ratios or sales history not used to determine ideal levels.</td>
<td>Seasonal items</td>
<td>View on inventory setup tool window</td>
</tr>
<tr>
<td></td>
<td>□ Linking of QOH items not invoiced</td>
<td>Example: PureVax® rabies dose is marked to maintain QOH but dose is not linked to feline rabies vaccination service.</td>
<td>Vaccine inventory linked to vaccine service</td>
<td>Inventory Evaluation Report</td>
</tr>
<tr>
<td>Invoicing</td>
<td>□ Incorrect quantities invoiced to client</td>
<td>Example: 10 tablets invoiced as 1.</td>
<td>Canned foods</td>
<td>Inventory Sales (EOP) report</td>
</tr>
<tr>
<td></td>
<td>□ Incorrect item invoiced to a client</td>
<td>Example: Feline C/D 10 lb bag invoiced as canine C/D 10 lb bag.</td>
<td>Species-specific item</td>
<td>Invoice Item report</td>
</tr>
<tr>
<td></td>
<td>□ Client returned items not invoiced</td>
<td>Returned items are not invoiced with a negative quantity.</td>
<td>Any item returned by client and resold; typical—canned food, unopened flea/tick/heartworm</td>
<td>No report</td>
</tr>
<tr>
<td></td>
<td>□ Patient Visit List and saved invoice</td>
<td>Items are not marked as ‘Performed’ on the Patient Visit List (PVL). Inventory details are not verified on the PVL. Saved invoices are not deducted from QOH if inventory details are not verified.</td>
<td>Any items when details do not auto-verify</td>
<td>Inventory Open Audit Details report</td>
</tr>
<tr>
<td>Area</td>
<td>Guideline</td>
<td>Explanation/Example of Potential Problem</td>
<td>Common Trouble Categories or Invoice Items</td>
<td>Cornerstone Report</td>
</tr>
<tr>
<td>-------------</td>
<td>---------------------------------------------------------------------------</td>
<td>---------------------------------------------------------------------------------------------------------</td>
<td>-----------------------------------------------------------------------------------------------------------</td>
<td>-----------------------------------------------</td>
</tr>
</tbody>
</table>
| **Ordering**| Incorrect amounts placed on order                                          | Incorrect reorder and/or overstock points.  
Incorrect buy/sell ratios.                                                                                     | Seasonal items  
Returned items  
Food  
Heartworm/flea/tick prevention pharmaceuticals                                                                 | Inventory Evaluation Report                      |
|             | Ordering based on reported QOH                                            | Reported QOH is not current.                                                                              | Any item where QOH tracking not set up or used correctly                                                                 | Inventory Counts Report                         |
| **Receiving**| Posted incorrect quantity on inventory receipt                           | Example: Posted 1 instead of 10 units (posted to sell UOM rather than buy UOM; 1 tablet instead of 1 bottle of 100 tablets). | Any items where package size varies                                                                                                                                  | Inventory Receipt Report  
Inventory Purchase History Report                 |
|             | Receipts not posted                                                       | Receipts only saved, not posted.  
Note: Only posted receipts update the QOH.                                                                      | N/A                                                                                                         | Inventory Receipt Report  
Inventory Partial Receipt Report                   |
|             | Receipts not entered in a timely manner                                    | Late entry of inventory causes incorrect counts.                                                          | N/A                                                                                                         | No report                                      |
| **Internal Use**| QOH reports lower than on shelves                                         | Duplicate transactions entered.                                                                           | In-house QOH used items  
Catheters  
Fluids  
Food  
Medications                                                                                             | Inventory Internal Usage Report                  |
<p>|             | QOH reports higher than quantities on the shelves                          | Items used internally not entered and/or communicated                                                   |                                                              |                                               |
|             | Incorrect quantities recorded or quantities entry error                    |                                                              |                                                              |                                               |
| <strong>Returns</strong>| Incorrect quantity returned                                               | Example: Returned 10 tablets instead of 100 tablets (defaults to sell UOM).                               | Buy/sell ratios incorrect                                                                                   | Inventory Returns Report                       |
|             | Incorrect UOM selected and quantity returned not changed appropriately      | Example: Return qty defaults to QOH and sell UOM. Changed to buy UOM and quantity not changed.            |                                                              |                                               |</p>
<table>
<thead>
<tr>
<th>Area</th>
<th>Guideline</th>
<th>Explanation/Example of Potential Problem</th>
<th>Common Trouble Categories or Invoice Items</th>
<th>Cornerstone Report</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjustments</td>
<td>□ Wrong quantity entered</td>
<td>Incorrectly entered quantity to be adjusted.</td>
<td>Adjustments—any item can be an issue</td>
<td>Inventory Adjustment Report</td>
</tr>
<tr>
<td></td>
<td>□ Incorrect Item adjusted</td>
<td>Wrong cost amount adjusted.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>□ Multiple entries for same item in period because multiple people are doing the same task</td>
<td>Too many people with access who are not checking adjustment report priority.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shrinkage</td>
<td>□ Unaccounted for QOH variances</td>
<td>Items given to client without being invoiced; broken or damaged items not deducted from inventory; theft.</td>
<td>Food Heartworm/flea/tick prevention pharmaceuticals</td>
<td>Inventory Adjustment Report (look at user ID) Internal Usage Report</td>
</tr>
</tbody>
</table>
If QOH is High:

1. Review the item setup, including linked items.
   - Use the Inventory Evaluation Report and the Inventory Linked Items Report.
     - Are items “under linked”—not being depleted?
       Example: Bordetella vaccine service is not linked with bordetella inventory item.
     - Are items marked QOH being received into inventory but not being invoiced or used internally?
       Example: Bandage material is received into inventory but is not invoiced to a client, linked to other items/services being invoiced, or internally used.

2. Evaluate use.
   - **Sales**—Does the item have sales history?
     - Use the Invoice Item Sales Information Report.
     - Use the Audit Report (for linked items).
     - Use the Cost of Goods Sold Report (for QOH tracking items only).
   - **Purchases**—Duplicate receipts entered or wrong quantity received.
     - Use the On Order Report, Audit Report, or Receipt Report.
   - **Internal use**—Items used but not reported.
     - Use the Internal Usage Report.
   - **Adjustments**—Unconfirmed or incorrect adjustments made.
     - Use the Adjustment Report or view the Inventory Adjustment List.
   - **Other**—PVLs with items:
     - Not at the Performed status
     - Inventory details not verified
     - Saved invoices with items with unverified inventory details are not deducted from QOH.
     - Use the Open Audit Details Report (only items with verified details)

3. Make adjustments. With the invoice item set up properly you need tighter protocols to for:
   - Entering receipts
   - Internal use
   - Reviewing Patient Visit List items

Remember to look before making QOH adjustments!

**Chapter Summary**

You learned these important concepts in this chapter:

- **Item Setup**—Learn the factors to consider and review to maintain accurate inventory quantities and maximize profitability.
- **Quantity Troubleshooting Checklist**—Determine the areas that can cause quantity issues within your Cornerstone inventory.
- **Quantity Troubleshooting Reports**—Determine the reports that the practice can use to determine discrepancies within your Cornerstone inventory.
Cost/Price Troubleshooting and Goals

You’ll learn these important concepts in this chapter:

- **Cost and Pricing**—Develop strategies for inventory cost and pricing for your practice using the IDEXX Cornerstone Practice Management System.
- **Common Issues**—Learn the common issues associated with inventory cost and pricing for your practice.

**COST AND PRICING**

Inventory cost is the second largest expense of veterinary hospital operations. Keeping costs down and creating pricing strategies that are reasonable in today’s economy are critical. As costs increase, so must fees.

When developing pricing strategies based on costs, keep in mind the three components of cost:

- **Unit cost**—The price paid for the item, plus tax and shipping when applicable. Cornerstone uses only the price paid in tracking cost.
- **Ordering cost**—The labor cost to review, place, receive, and document inventory. (15-20%)
- **Holding cost**—The cost of keeping inventory until it is sold—property taxes, storage, insurance, and anti-theft measures. (8-25%)

This means that pricing should be based on total cost, not just “unit.” Holding and ordering costs can add 25-40% to unit cost. The longer a product sits on the shelf, the higher the holding cost. When calculating dispensing fees and/or markup, consider these additional costs.

Cost and pricing discrepancies can be allotted to:

- Invoice item set up
- Receipting
- Returns to vendor
- Adjustments

**COMMON ISSUES**

There are several common issues associated with cost and pricing.

**Invoice Item Setup**

- Prices are not updating based on new costs.
  - Example: Invoice items not set up with auto-calculate price and/or markup percentage.
- Prices (client prices) are changed frequently on invoices.
  - Example: Price change allow settings.

**Receipting**

- Incorrect cost entered.
  - Examples: Cost entered based on wrong UOM (sell vs. buy); receipt total is not verified before posting.
- Last cost listed as zero.
  - Example: Items received at no charge were not marked as “special price.”
- Returns to vendor.
- Cost of returned product is incorrect.
  - Examples: Higher priced items returned but cost not changed from default (default is the last vendor cost). Returns default to sell UOM; changed to buy UOM and changed the quantity but did not update the return price for buy.
Cost Adjustments

Examples: Incorrect cost adjustment entered; cost adjustment of $1.50 entered as total cost instead of average cost.

Use these reports to watch for these common issues:

- Inventory—Cost Report looks at Average Cost = Total Cost (QOH x average cost) / total QOH.
- Cost of Goods Sold Report lists the cost (based on average cost at time of invoice), net sales, gross profit, and margin.

To review items needing cost adjustments:

1. Run the Inventory—Cost Report (sort by item description, class ID, or location ID).
2. Focus on the target item (set in range values).
3. Review the report for off-scale costs (extreme lows/highs).
4. Review the report for missing or low markup percentage.**
   - Negative costs will not appear on the report.

   You can also view cost on hand in the Total Cost column on the View Quantity on Hand window, including items with a negative QOH and/or cost.

** Use the Inventory—Evaluation Report to determine which items have the auto-calculate price feature turned off or on. The Auto-calculate price check box must be selected (Info tab on the Invoice Item Information window) for prices to auto-calculate based on cost and markup percentage.

Discussion: Discrepancy discussion points

Cost High

- When received, cost and/or UOM was entered incorrectly; special pricing was not used.

Cost Low

- Incorrectly entered on receipt by cost and/or UOM; item new to QOH tracking and only QOH adjustment made and cost never adjusted.

Negative Cost

- Negative cost will not appear on report, regardless of QOH; the cause is usually negative QOH. Alternately, review the End of Month—Cost of Goods Sold Report for off-scale costs for items that have been sold.
  - Negative costs/QOH can be viewed on the View QOH window.

  The Inventory—Cost Report updates immediately after any QOH or cost adjustments.

- Perform cost adjustments after verifying QOH is correct.
- Cost adjustments affect current month cost of goods sold and inventory item profitability reports and will take at least one full EOM closing to normalize. The Inventory Item Profitability YTD column will take a year to normalize.
- Review the Invoice Item Price Information Report to see when pricing setup (base, dispensing, or minimum) was changed. Sort order is: Invoice Item Description or Invoice Item ID only.
- Use the Standard Fee Exception Report (EOD reports) to see which item prices are being changed on invoices.
Chapter Summary

You learned these important concepts in this chapter:

- **Cost and Pricing**—Develop strategies for inventory cost and pricing for your practice using the IDEXX Cornerstone* Practice Management System.
- **Common Issues**—Learn the common issues associated with inventory cost and pricing for your practice.
Profitability/Margin Troubleshooting and Goals

You'll learn these important concepts in this chapter:

- **Profitability and Margin**—Learn how profitability and margin are key indicators to a practice's performance.
- **Factors Affecting Profitability**—Determine the key factors that affect a practice's profitability.

**PROFITABILITY AND MARGIN**

Inventory is an asset, and a practice should see a reasonable return on that investment. To maximize profits, costs must be kept low and items must be sold in a timely manner. Profitability is a key performance indicator that needs to be closely measured and managed.

For inventory purposes, we define profit and margin as follows:

- **Profit** is sales less cost.
- **Margin** is the percentage profit of sales.

**FACTORS AFFECTING PROFITABILITY**

**Item Setup**

- **Allow Change Settings**—Set up items. Items with smaller margins should be set to either the Never option or the Only Increases option.
- **Price Change Reasons List**—Set up items to track why prices are changed by selecting the Only with Reason option.
- Use the Standard Fee Exception report (an end-of-day report) to review reasons per price change, by frequency, or by staff.
- **Prices**—Set up prices to automatically calculate.
- **Markup Percent and Margins**—Markup percentage and margins must be set appropriately.

**Cost**

- Receipts entered in a timely manner and are entered correctly for costs and UOM.
- Cost adjustments.

**Invoicing**

- Discounts diminish profitability.
- Manually lowering prices.
- Quantities not accurate on invoice. (Prescription quantity 1 warning provides a good counter-measure.)

The Cost of Goods Sold Report lists net sales (less discounts and manually changed prices) and includes dispensing fees.

- Inventory—Items Profit Analysis Report lists gross sales (does not factor discounts or manually changed prices) and includes dispensing fees.

- Cost adjustments affect profit analysis and cost of goods sold reports. Items sold (invoiced) looks at current average cost at time of invoice. Profit analysis and cost of goods sold (current period) update after EOD is processed.
Example:

- 20 tabs at current average cost of $1 are invoiced.
- Cost adjustment afterwards changes average cost to $1.25.
- Cost of goods sold for the current period after EOD run; cost for 20 tablets sold is $20.
- Another 20 tablets sold. Next day’s Cost of Goods Sold Report show cost for 40 tablets is $45 (average of cost of 20 at $1 and 20 at $1.25).

To review inventory items for profitability:

1. Run the Cost of Goods Sold, by Class, Item Report for last closed month (range of class ID or item ID).
2. Review for off scale costs, profit, and gross margins.

Discussion: Discrepancy discussion points

Quantities

- Fractional amounts for tubes, bottles, tablets, bags, etc. Possible workaround by staff of price change, minimum price, and discount restrictions.

Net Sales

- Includes dispensing fees, discounts (preset and manual), and manually changed prices.

Cost

- Off scale costs: very high, very low or negative.

Profit

- Sales less cost as a dollar value. Profit is affected by skewed sales and/or costs.

Gross Margin

- The percentage profit of sales. Skewed sales and/or costs will affect this calculation.
  
  Do not confuse with markup percentage on Invoice Item Setup window.

  Example: $100 in sales with $50 in costs (100% markup) is a 50% margin.

Percent of Gross Profit

- The percent of total profit for all goods sold.

Chapter Summary

You learned these important concepts in this chapter:

- Profitability and Margin—Learn how profitability and margin are key indicators to a practice’s performance.
- Factors Affecting Profitability—Determine the key factors that affect a practice’s profitability.
Turnover Troubleshooting and Goals

You’ll learn these important concepts in this chapter:

- **Turnover**—Learn how turnover is calculated and what activities in the IDEXX Cornerstone* Practice Management System affect your practice’s turnover.

- **Factors That Can Affect Turnover Rates**—Determine the key indicators that affect turnover and, ultimately, your practice’s performance. Learn how to decipher turnover discrepancies (what causes low turnover or high turnover).

**TURNOVER**

Inventory sitting on the shelf is not profitable. Inventory turnover is a key indicator of inventory performance. Turnover is calculated from processed EOM periods and is a culmination of all inventory functions: purchases, returns, internal use, and adjustments. An accurate QOH (at all times) is essential to extract valid information from the Inventory—Turnover Report.

Inventory turnover is calculated based on these activities and compared from a beginning to an ending period:

- Purchases
- QOH adjustments
- Returns to vendor
- Internal stock use (deducted from ending QOH)
- Sales (deducted from ending QOH)

As a goal, 8–12 turns per year is ideal. Not all items will achieve this turn rate, as 20% of your inventory brings in 80% of inventory revenue. Fewer turns per year increases holding costs. More turns per year is not necessarily profitable as it increases ordering costs.

Turn = How many times inventory completes a cycle of being received and sold.

Turnover Equation:

\[
\text{Turn} = \frac{(\text{Beginning QOH} + \text{Qty Received} + \text{Qty Returned to Vendor} +/\text{- Qty Adjusted} - \text{Ending QOH})}{\text{Avg QOH}}
\]

\[
\text{Avg QOH} = \frac{\text{Beginning QOH} + \text{Ending QOH}}{2}
\]

**FACTORS AFFECTING Turnover Rates**

**Invoice Item Setup**

- Tracking quantity on hand (QOH). Is QOH being correctly deducted (single, 6, 12 example)?
- Reorder quantity/overstock is too high—purchasing quantity is too high.

**Adjustments**

- Errors in adjusted quantities.
- Adjustments not confirmed.
Turnover Troubleshooting and Goals

Returns
• Returns not processed through the Cornerstone software.
• Wrong quantities returned (UOM changed).

Internal Usage
• Internally used/consumed items taken off shelves and not reported or invoiced.
• Incorrect QOH entered; duplicate entries.

Invoicing
• Incorrect quantities are listed on invoices.
• Invoices are saved without verifying inventory details.
• PVLs that include items that are not performed or with inventory details not verified.

To review turnover for inventory items:
1. Run the Inventory—Turnover Report.
2. Sort by item description or class ID.
3. Use beginning periods and ending periods that encompass a three-month (quarterly) period.
4. Look at target items used throughout course—are turn rates at 2-3 per quarter? (Calculated by 8-12 turns year goal / 4.)

Discussion—Discrepancy discussion points

Turns too low:
• Large quantity received during the month (bulk purchase).
• Seasonal variances—look at items over a 12 month period.
• Adjustments (increasing QOH).
• PVL/saved invoices without verified inventory details.
• Internal use not recorded.
• Voided invoices; returned items on invoices.

Turns too high:
• Frequent ordering (small quantities).
• Seasonal variances.
• Adjustments (reducing QOH).
• Returns to vendor.
• Receipts saved but not posted.

Chapter Summary
You learned these important concepts in this chapter:

• Turnover—Learn how turnover is calculated and what activities in the IDEXX Cornerstone* Practice Management System affect your practice’s turnover.
• Factors That Can Affect Turnover Rates—Determine the key indicators that affect turnover and, ultimately, your practice’s performance. Learn how to decipher turnover discrepancies (what causes low turnover or high turnover).
# Invoice Item Setup List

**Information Tab**

<table>
<thead>
<tr>
<th>Field</th>
<th>Description/Explanation</th>
<th>Inventory</th>
<th>Service</th>
<th>Group</th>
<th>Pick</th>
<th>Dispensing</th>
<th>Inventory Exclusive Field</th>
</tr>
</thead>
<tbody>
<tr>
<td>ID</td>
<td>The unique ID assigned to each invoice item ID. This ID can automatically be assigned by the computer or you can create your own using alpha and/or numeric characters.</td>
<td>R</td>
<td>R</td>
<td>R</td>
<td>R</td>
<td>R</td>
<td></td>
</tr>
<tr>
<td>Type of Invoice Item</td>
<td>Categorizes the invoice items and controls which fields are now available for setup and modification.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Selection Required (Choose One)</td>
</tr>
<tr>
<td>Hospital description</td>
<td>How do you want to look up this item and have it listed in medical history?</td>
<td>R</td>
<td>R</td>
<td>R</td>
<td>R</td>
<td>R</td>
<td></td>
</tr>
<tr>
<td>Client description</td>
<td>How do you want this item to appear on an invoice, estimate, or reminder card? If you leave the client description blank, it will automatically use the hospital description.</td>
<td>O</td>
<td>O</td>
<td>O</td>
<td>O</td>
<td>O</td>
<td></td>
</tr>
<tr>
<td>Classification - Primary</td>
<td>Used for invoice item searching, reporting selection, travel sheet management, creating pick lists, mass markup selection for mass price/tax/discount/dispensing changes, General Ledger manual extract, and staff commission exceptions.</td>
<td>R</td>
<td>R</td>
<td>R</td>
<td>R</td>
<td>R</td>
<td></td>
</tr>
<tr>
<td>Classification - Subclass</td>
<td>Used for invoice item searching, reporting selection, travel sheet management, creating pick lists, mass markup selection for mass price/tax/discount/dispensing changes, and staff commission exceptions.</td>
<td>O</td>
<td>O</td>
<td>O</td>
<td>O</td>
<td>O</td>
<td></td>
</tr>
<tr>
<td>Default revenue center</td>
<td>Used during invoicing. If the invoice item doesn't have a default revenue center assigned, then Cornerstone* looks at the invoice item's classification revenue center. If nothing is assigned there, then Cornerstone looks at the staff on the invoicing line. Revenue centers for invoice lines can be changed at the time of invoicing. Revenue centers are used in reports such as the monthly report Serv. and Inv. Sales by Revenue Center – Class Desc.</td>
<td>O</td>
<td>O</td>
<td>O</td>
<td>O</td>
<td>O</td>
<td></td>
</tr>
<tr>
<td>Sell barcode</td>
<td>If you have a bar code scanner, list the barcode for the buy and/or sell unit of measure.</td>
<td>O</td>
<td>O</td>
<td>O</td>
<td>O</td>
<td>NA</td>
<td></td>
</tr>
<tr>
<td>Status (Active or Inactive)</td>
<td>Mark an invoice item as inactive only when you have discontinued use of the item and do not want it to display on lookup lists related to invoicing.</td>
<td>R</td>
<td>R</td>
<td>R</td>
<td>R</td>
<td>R</td>
<td></td>
</tr>
<tr>
<td>Miscellaneous item</td>
<td>Select this check box only if you want your staff to have the ability to overwrite the description while invoicing. <strong>Recommendation:</strong> Do not use for inventory items.</td>
<td>O</td>
<td>O</td>
<td>O</td>
<td>O</td>
<td>O</td>
<td></td>
</tr>
<tr>
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<tr>
<td>----------------------------</td>
<td>--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>-----------</td>
<td>---------</td>
<td>-------</td>
<td>------</td>
<td>------------</td>
<td>---------------------------</td>
</tr>
<tr>
<td>Controlled substance</td>
<td>Select this check box to track the item on the Controlled Substance Report.</td>
<td>O</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>X</td>
</tr>
<tr>
<td>Hazardous/MSDS</td>
<td>Select the Hazardous check box if the product is considered hazardous. If you select Hazardous, select MSDS if your practice has the product’s Materials Safety Data Sheet required by law.</td>
<td>O</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>X</td>
</tr>
<tr>
<td>Unit of measure</td>
<td>Select the selling unit of measure from the drop-down list. If you don’t want to use a unit of measure, then select [None]. If this item is marked to maintain QOH, the UOM should be the lowest unit administered or dispensed. If the UOM is not on the list of options, close out of the window, and select Controls &gt; Units of Measure to set it up.</td>
<td>R</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>X</td>
</tr>
<tr>
<td>Minimum price</td>
<td>Type the minimum price to charge the client. This price displays on the invoice until the invoice item’s (quantity x price) + dispensing fee equals the base price located in the Amount field to the right. Then the item is priced as usual.</td>
<td>O</td>
<td>O</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td></td>
</tr>
<tr>
<td>Dispensing fee</td>
<td>Included in the price of the item when the item is invoiced.</td>
<td>O</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>O</td>
<td></td>
</tr>
<tr>
<td>Override the inventory price and apply only the dispensing item fee</td>
<td>When the type of invoice item is Dispensing, select this check box to override the inventory price and use only the dispensing item fee.</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>O</td>
<td></td>
</tr>
<tr>
<td>Omit dispensing fee for multiple patients</td>
<td>Select this check box to charge the dispensing fee only once per invoice.</td>
<td>O</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>X</td>
</tr>
<tr>
<td>Dispensing</td>
<td>Click this button to open the Dispensing Information window, where you can select an invoice item that is linked to another inventory invoice item record. Allows you to add an additional amount or percentage of price to an item. Item price and dispensing item price are combined as one on invoice to display only one item price. <strong>Note:</strong> When a dispensing fee is selected, the button displays Dispensing... Select the Allow All check box to allow staff to click Show All, which allows them to see all dispensing fees for selection when entering charges.</td>
<td>O</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>X</td>
</tr>
<tr>
<td>Estimate markup</td>
<td>Type the percentage used to estimate the high price range on estimates for this item.</td>
<td>O</td>
<td>O</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td></td>
</tr>
</tbody>
</table>
### Information Tab

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</thead>
<tbody>
<tr>
<td>Auto calculate price</td>
<td>If the vendor has increased your cost, the item will be marked up appropriately when the order is received. (The item will never be marked down.) If you have selected this option, specify to calculate by Percentage, or Dollar Amount. If an amount does not calculate evenly, select the amount to Round To.</td>
<td>O</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>X</td>
</tr>
<tr>
<td>Base</td>
<td>Type the price to charge the client in the <strong>Amount</strong> field based on the quantity listed in the Qty field to the left.</td>
<td>Can be zero</td>
<td>Can be zero</td>
<td>Can be zero</td>
<td>Can be zero</td>
<td>Can be zero</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Calculation: Cost x Markup + Cost = Selling Price</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Example: A can of food is sold for $2.00 each, but, if the client buys a case of 12 cans, they are charged $1.85 per can for the case. In the Base Amount field, the price would be $2.00; the next line would list 12.00 in the Qty field with $1.85 in the Amount field. If the client buys 13 cans, the client would still be charged $1.85 per can.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Allow change</td>
<td><strong>Always</strong> allows the price to be overwritten. <strong>Never</strong> does not allow the price to be overwritten unless the user has administrator security privileges. <strong>Only increases</strong> allows the price to be increased, never decreased. Administrators are not limited by this price change reason. <strong>Only with reason</strong> allows the price to be changed, but a reason must be entered for the change. To use this option, you must create a list of price change reasons. When a price is changed the reason will print on the Standard Fee Exception Report, along with the staff who changed the price. (Recommended) <strong>Require change</strong> always forces the price to be changed. This safeguard is used in cases where the price fluctuates and ensures that the correct price is charged. The item price must be set to zero.</td>
<td>R</td>
<td>R</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td></td>
</tr>
</tbody>
</table>
### Instructions Tab

<table>
<thead>
<tr>
<th>Field</th>
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<th>Pick</th>
<th>Dispensing</th>
<th>Inventory Exclusive Field</th>
</tr>
</thead>
<tbody>
<tr>
<td>Departing instructions</td>
<td>Prints at the end of the invoice. Press F2 or double-click in the ID field to select an instruction. This instruction displays when creating the invoice, but it can be changed on an individual basis.</td>
<td>O</td>
<td>O</td>
<td>NA</td>
<td>NA</td>
<td>O</td>
<td></td>
</tr>
<tr>
<td>Prescription instruction</td>
<td>Prints at the end of the invoice. Press F2 or double-click in the box to select the instruction.</td>
<td>O</td>
<td>O</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td></td>
</tr>
<tr>
<td>Pharmacy link information</td>
<td>Available with purchase of the Veterinary Pharmacy Reference® module. This is used to link the invoice item with the generic drug name in the module. The result is the ability to calculate dosages and receive interaction information.</td>
<td>O</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>X</td>
<td></td>
</tr>
</tbody>
</table>

### Reminders Tab

<table>
<thead>
<tr>
<th>Field</th>
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<th>Pick</th>
<th>Dispensing</th>
<th>Inventory Exclusive Field</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reminders to Generate Letter</td>
<td>To set up an invoice item to generate a reminder postcard or a call back and to satisfy letter reminders, use the Reminders tab.</td>
<td>O</td>
<td>O</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td></td>
</tr>
<tr>
<td>Reminders to Satisfy</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Tax/Disc Tab

<table>
<thead>
<tr>
<th>Field</th>
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<th>Group</th>
<th>Pick</th>
<th>Dispensing</th>
<th>Inventory Exclusive Field</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales tax to apply</td>
<td>If this is a taxable item, highlight the appropriate sales and usage taxes. If discounts apply to this invoice item, select all discounts that apply. When this invoice item is used, the sales taxes, usage tax, and discounts are automatically applied if the client is set up to accept tax or a particular discount. Tax and discounts can be changed at the time of invoicing. Do not select Not Taxable.</td>
<td>O</td>
<td>O</td>
<td>NA</td>
<td>NA</td>
<td>O</td>
<td></td>
</tr>
</tbody>
</table>
### Inventory Tab

<table>
<thead>
<tr>
<th>Field</th>
<th>Description/Explanation</th>
<th>Inventory</th>
<th>Service</th>
<th>Group</th>
<th>Pick</th>
<th>Dispensing</th>
<th>Inventory Exclusive Field</th>
</tr>
</thead>
<tbody>
<tr>
<td>From and To</td>
<td>If the item is seasonal, change the months for which the information is valid and enter the Reorder Pt, Reorder Qty, and Overstock Qty for each period. If the item is not seasonal, type the information for the January to December period.</td>
<td>O</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Reorder Pt.</td>
<td>The number of doses at which the reorder should be placed.</td>
<td>O</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Reorder Qty.</td>
<td>How many units should be reordered.</td>
<td>O</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Overstock Qty.</td>
<td>The number of units in inventory after which additional units would be considered overstock. This is the maximum number of units you want to have in the practice.</td>
<td>O</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
</tbody>
</table>

### Vaccine Tab

<table>
<thead>
<tr>
<th>Issue vaccination tag</th>
<th>Vaccine tags to encompass all types of vaccinations, including rabies and large animal vaccines (e.g., Brucellosis vaccinations).</th>
<th>O</th>
<th>NA</th>
<th>NA</th>
<th>NA</th>
<th>NA</th>
<th>X</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rabies tag</td>
<td>Select this check box if this vaccine is for a rabies tag.</td>
<td>O</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>X</td>
</tr>
<tr>
<td>Producer/Mfg:</td>
<td>The producer/manufacturer for the vaccine. This ties the information directly to the product being administered.</td>
<td>O</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>X</td>
</tr>
<tr>
<td>Brand</td>
<td>The brand of vaccine. This ties the information directly to the product being administered.</td>
<td>O</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>X</td>
</tr>
<tr>
<td>Type</td>
<td>Select the type of vaccine: Killed, MLV (modified live virus), Recombinant, Other, or &lt;None&gt;.</td>
<td>O</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>X</td>
</tr>
<tr>
<td>Administration by species</td>
<td>You can now set up the most frequently used Manner of Administration/Years combinations for each species.</td>
<td>O</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>X</td>
</tr>
<tr>
<td>Manage List</td>
<td>Click this button to open the Manner of Administration/Years window, where you can add, delete, and manage the combinations of administration/years.</td>
<td>O</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>X</td>
</tr>
<tr>
<td>Available lot numbers and expiration dates</td>
<td>You can create a list of available lot numbers/expiration dates that will be available to select when creating the vaccine tag.</td>
<td>O</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>X</td>
</tr>
</tbody>
</table>
### Link Items Tab

<table>
<thead>
<tr>
<th>Field</th>
<th>Description/Explanation</th>
<th>Inventory</th>
<th>Service</th>
<th>Group</th>
<th>Pick</th>
<th>Dispensing</th>
<th>Inventory Exclusive Field</th>
</tr>
</thead>
<tbody>
<tr>
<td>Link items</td>
<td>The <strong>Link Items</strong> tab helps you to maintain quantity on hand for inventory items that are associated with a service item or another inventory item. Linked items are removed from inventory totals as the result of a sale.</td>
<td>O</td>
<td>O</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>X</td>
</tr>
</tbody>
</table>

### Special Actions Tab

<table>
<thead>
<tr>
<th>Field</th>
<th>Description/Explanation</th>
<th>Inventory</th>
<th>Service</th>
<th>Group</th>
<th>Pick</th>
<th>Dispensing</th>
<th>Inventory Exclusive Field</th>
</tr>
</thead>
</table>
| Special actions| Use the drop-down lists to add any special actions associated with this invoice item and indicate when to apply them. Selections include:  
• Feeding Guide Software  
• Image Request  
• Lab Request  
• Mark as Deceased  
• Prescription Label  
• Print Document  
• Sex Modification  
• Update Microchip ID  
• Update Vital Signs  
• Vaccine Tag | O         | O       | NA    | NA   | NA   | NA         |                           |

### Travel Tab

<table>
<thead>
<tr>
<th>Field</th>
<th>Description/Explanation</th>
<th>Inventory</th>
<th>Service</th>
<th>Group</th>
<th>Pick</th>
<th>Dispensing</th>
<th>Inventory Exclusive Field</th>
</tr>
</thead>
<tbody>
<tr>
<td>Travel sheets to appear on</td>
<td>Highlight travel sheets on which you want this invoice item to appear. This can also be accomplished through <strong>Lists &gt; Travel Sheets</strong>.</td>
<td>O</td>
<td>O</td>
<td>O</td>
<td>O</td>
<td>NA</td>
<td></td>
</tr>
</tbody>
</table>

### Whiteboard Tab

<table>
<thead>
<tr>
<th>Field</th>
<th>Description/Explanation</th>
<th>Inventory</th>
<th>Service</th>
<th>Group</th>
<th>Pick</th>
<th>Dispensing</th>
<th>Inventory Exclusive Field</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type</td>
<td>The name of the Patient Order item field as it appears in its associated column on the Patient Orders window.</td>
<td>O</td>
<td>O</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td></td>
</tr>
<tr>
<td>Value</td>
<td>The default value to use for this field on the Patient Orders window.</td>
<td>O</td>
<td>O</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td></td>
</tr>
<tr>
<td>Rules</td>
<td>Icons in this column indicate the current “change rules” set for this field. See the corresponding field explanations below for information on these icons.</td>
<td>O</td>
<td>O</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td></td>
</tr>
</tbody>
</table>
## Whiteboard Tab

<table>
<thead>
<tr>
<th>Field</th>
<th>Description/Explanation</th>
<th>Inventory</th>
<th>Service</th>
<th>Group</th>
<th>Pick</th>
<th>Dispensing</th>
<th>Inventory Exclusive Field</th>
</tr>
</thead>
<tbody>
<tr>
<td>[Field type] default</td>
<td>Depending on the field type selected on the left, a drop-down list, text box or check box may display, allowing you to specify the default value for this Patient Orders item field. If you want to require staff to enter or select the value at the time the order item is added on the Patient Orders window, set the default value to &lt;Blank&gt;.</td>
<td>O</td>
<td>O</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td></td>
</tr>
<tr>
<td>Quantity</td>
<td>The default value used on the Patient Orders window.</td>
<td>O</td>
<td>O</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td></td>
</tr>
<tr>
<td>When this default is changed on the Patient Orders window</td>
<td>Allows you to select one of the following &quot;change rules&quot; to be followed when this field's value is changed on the Patient Orders window.</td>
<td>O</td>
<td>O</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td></td>
</tr>
<tr>
<td>• Also change the above default</td>
<td>When this field's value is changed on the Patient Orders window, Cornerstone will make the change value the new default value for this file (and automatically update the default value listed on the Whiteboard setup tab). For all fields except Quantity, this is the option that will be selected by default upon installing Cornerstone and when setting up a new invoice item.</td>
<td>O</td>
<td>O</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td></td>
</tr>
<tr>
<td>• Do not change the above default</td>
<td>When this field's value is changed on the Patient Orders window, Cornerstone will not make the changed value (it will leave the default value as it is listed on the Whiteboard setup tab). For the Quantity field, this is the option that will be selected by default upon installing Cornerstone 8.2 and when setting up a new invoice item.</td>
<td>O</td>
<td>O</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td></td>
</tr>
<tr>
<td>Editing permissions</td>
<td>Allows you to select one of the following rules to determine which staff are allowed to edit/overwrite the default value for this field on the Patient Orders window.</td>
<td>O</td>
<td>O</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td></td>
</tr>
<tr>
<td>• All staff may edit</td>
<td>All staff with Patient Orders permissions are allowed to edit/overwrite the default value for this field on the Patient Orders window, regardless of whether they have been granted Whiteboard Orders Override security permissions. This is the option that will be selected by default upon installing Cornerstone and when setting up a new invoice item.</td>
<td>O</td>
<td>O</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td></td>
</tr>
<tr>
<td>• Only staff with security permissions may edit</td>
<td>Only those staff members with Whiteboard Orders Override security permissions in Cornerstone are allowed to edit/overwrite the default value for this field on the Patient Orders window.</td>
<td>O</td>
<td>O</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td></td>
</tr>
</tbody>
</table>

*If a field's default value is set to <Blank> on the Whiteboard setup tab and therefore appears blank on the Patient Orders window, all staff with Patient Orders permissions are allowed to enter or select a value for this field, regardless of whether they have been granted Whiteboard Orders Override permissions in Cornerstone.*
15 Steps to Inventory Setup

1. **Classifications/Subclassifications (Lists > Invoice Item Class)**
   Classifications and subclassifications can be used to categorize invoice items to generate more specific information in reports, to mark up or mark down entire groups of similar invoice items, to narrow invoice item searches, and to create pick lists to use in invoicing. Use this option to add or modify classification and subclassification information.

2. **Departing Instructions (Lists > Departing Instructions)**
   Use departing instructions to explain the patient care after treatment, after surgery, or after administering medications or vaccinations. These educational paragraphs recommend needed services and advise when a return visit is necessary. Invoicing an item that has departing instructions linked will automatically print the departing instructions on the invoice.

3. **Prescription Instructions (Lists > Prescription Instructions)**
   Setting up prescription instructions includes creating a list of instructions and then linking a specific instruction to an invoice item. You can link one (1) prescription instruction per invoice item.

4. **Units of Measure (Controls > Units of Measure)**
   Units of measure are used to designate how invoice items are bought and sold.

5. **Price Change Reasons (Controls > Price Change Reasons)**
   Use price change reasons to specify if invoice item prices can be changed. If prices can be changed, your practice can set up codes to track the reasons prices were changed.

6. **Vendor Setup (Inventory > Vendors)**
   Set up vendors to manage the ordering source for inventory items, placed orders, and received orders. You can link vendors to an individual invoice item.

7. **Locations (Inventory > Locations)**
   Use this feature to designate areas where inventory is being stored. Examples of locations include Pharmacy, Central Storage, Refrigerator A, and Refrigerator B.

8. **Cost Center (Inventory > Cost Centers)**
   Use cost centers to track inventory costs associated with specific areas in your practice for items used within your practice but not invoiced. Examples of cost centers include boarding/kennel, lab supplies, expired drugs, breakage, and truck.

9. **Adjustment Reasons (Inventory > Adjustment Reasons)**
   Adjustment reasons are used to track adjustments of quantity on hand (QOH) within inventory. Examples of adjustment reasons include broken, cycle count, free sample, unaccounted for, expired, and entry error.

10. **Inactivate Invoice Items Not Used (Lists > Invoice Item)**
    Inactivating items not used by the practice will help keep your lists smaller and more pertinent. To inactivate an inventory or service, from the Invoice Item List locate the item and click **Update**. Inventory items must have the **Maintain QOH** check box cleared to be marked as inactive.

11. **Set up Inventory Items (Lists > Invoice Item)**
    Setting up inventory items can take a substantial amount of time. Try to pick a category of inventory (e.g., canned foods or antibiotics) and complete the setup of those items. Setup includes buy/sell ratios, reorder information, and marking the item to maintain QOH for tracking purposes. Most of the details on inventory reports include QOH information.

12. **Link Inventory Items (Lists > Invoice Item)**
    Inventory items can be linked to services or other inventory items. Linking items can be helpful when you do not want items listed separately on invoices. Examples of inventory items to link include canine and feline vaccination services (should have a dose of the appropriate vaccine linked) and the Heartgard® services (should have a Heartgard® product linked).

13. **Receive Past Invoices (Inventory > Receipt List)**
    Enter past invoices from the vendors to allow your facility to see receipt and cost history for the items. **Warning:** DO NOT input past invoices after a physical count has been adjusted within Cornerstone, because receiving orders will add to the current quantity on hand.
14. **Cycle Count**
   Physically count the inventory items marked to maintain quantity on hand.

15. **Adjust Quantity on Hand, Cost, and/or Expiration Dates (Inventory > Adjustment List)**
    When you’ve completed taking a physical inventory, adjust the quantities on hand, cost, and expiration date information.
## Key Reports List

<table>
<thead>
<tr>
<th>EOP Reports (items sold)</th>
<th>Frequency</th>
<th>Inventory Reports (all QOH items)</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>EOD</td>
<td>Standard Fee Exception Report</td>
<td>Monthly, as needed¹</td>
<td>Adjustment Report</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Audit Report</td>
<td>Monthly at minimum</td>
</tr>
<tr>
<td>EOM</td>
<td>Cost of Goods Sold</td>
<td>Monthly, as needed from current²</td>
<td>Audit Open Details Report</td>
</tr>
<tr>
<td></td>
<td>Inventory Sales Reports (multiple selections)</td>
<td>Monthly</td>
<td>Cost Report</td>
</tr>
<tr>
<td></td>
<td>YTD Net Sales by Type, or by Class</td>
<td>Monthly</td>
<td>Counts Report by Class ID or Location</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Internal Usage Report</td>
<td>Monthly at minimum</td>
</tr>
<tr>
<td>EOV</td>
<td>Inventory Sales Reports (multiple selections)</td>
<td>Annually, as needed from current</td>
<td>Items Profit Analysis Report</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Turnover Report</td>
<td>Monthly and quarterly</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Returns Report</td>
<td>Monthly</td>
</tr>
</tbody>
</table>

¹To run a report for multiple days (weeks, months, quarters), select the date at beginning of range, press and hold the **Shift** key, and then select last date to be included. All dates within the first and last dates selected will be highlighted. Preview, print, or save the report.

²For additional sorting options, you may save a report to .csv format. Then, open the saved report in Microsoft® Excel® and select **Filter** to add filters to top of each column. Columns can sorted by desired fields displayed as high to low or low to high. Any Cornerstone report can be saved in .csv format. Excel is required to open and use the filter options.
INVENTORY TIPS

Determining What and How Much to Order

- Apply the “80-20 rule”. 20% of the products account for 80% of sales or use
- Identify which products comprise the 20% and monitor closely.
- Do not overstock products that make up the 80%
- As a general rule, keep a 30 day supply on hand
- Optimal profitability is 8-12 turns per year
- Use the sales reports to forecast consumption and set your reorder and overstock points accordingly.
- Consider seasonality and set the seasonal reorder and overstock points accordingly (Example: flea prevention products)
- Place large orders on the day after the vendor closes their statements so you have a full month to sell inventory before the statement arrives at the end of the following month. Example: Vendor closes February on Feb. 27th. Place your order on the 28th, and your bill will not be due until the 10th-15th of April.

Determining Markup Percentage

- 100% = 2x cost
- 200% = 3x cost
- 300% = 4x cost

Three Costs Associated with Inventory

- Unit cost = Vendor cost. Ideally this cost should also include shipping, hazardous material fees, and taxes
- Ordering cost = Labor (wage, taxes, benefits) for all inventory functions (research, order, receive, stock, control, vendor relations). It can be 15%-20% of unit cost.
- Holding cost = The cost of keeping inventory on shelf until it is sold (8-25% of Unit cost).

Holding and ordering costs together comprise 25%-40% of unit cost.

- 40% markup would be the break even point for an inventory item.
- Consider lower markups (less than typical 125%-150%) for “shoppable” items. Example: Flea/Tick/HW) or chronic medications, such as Thyroxine or Rimady®.

Other Tips

- Minimize bulk purchasing unless the amount purchased can be sold before the bill is due and savings exceeds the additional holding costs.
- Put everything in its place rather than multiple places.
- For every new product added, at least one product leaves.
- Decrease the numbers of alike products (NSAIDS, HWP, flea products, shampoos, etc.)
- Avoid generics—use brand name, veterinary-specific products only to offset human pharmacy offerings.
- Write prescriptions for special order items or items when you cannot compete with prices.
**MODIFIED INVENTORY WORK FLOW**

<table>
<thead>
<tr>
<th>QOH In</th>
<th>QOH Out</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inventory Receipts</td>
<td>Invoicing linked items</td>
</tr>
<tr>
<td>Invoice returns</td>
<td>Internal Stock Use</td>
</tr>
<tr>
<td>Adjustment</td>
<td>Returns to Vendor</td>
</tr>
<tr>
<td></td>
<td>Adjustments</td>
</tr>
</tbody>
</table>

- **Cost**—Cost associated with obtaining inventory: unit, ordering, holding.
  - Types of cost: vendor, last, average
- **Turns**—Number of times an item completes the cycle of being received to being sold.
- **Margin**—Sales less average cost of inventory sold, divided by sales multiplied by 100%.
Skill Assessment and Evaluation
# Improving Inventory Management Performance
## Skill Assessment

**Practice Name:**

**Your Name:**

**Completion Date:**

**Instructions:** After completing your training, please read each of the following skill assessment statements and evaluate your ability to perform each task. Mark only one X for each skill statement.

<table>
<thead>
<tr>
<th>Inventory Performance Introduction</th>
<th>Can Perform</th>
<th>Can Perform but NOT Using</th>
<th>Cannot Perform</th>
<th>Not Applicable</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. I understand the inventory workflow.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. I can identify methods to determine inventory improvement targets.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. I can list inventory performance objectives.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Quantity Troubleshooting and Goals</th>
<th>Can Perform</th>
<th>Can Perform but NOT Using</th>
<th>Cannot Perform</th>
<th>Not Applicable</th>
</tr>
</thead>
<tbody>
<tr>
<td>4. I can identify features that deplete an item’s quantity.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. I can use reports to monitor current QOH.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. I can use reports to monitor quantities sold.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. I can use reports to determine reorder and overstock points.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8. I can modify individual inventory items (buy/sell ratio, maintain QOH, reorder information, etc.).</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9. I can perform modifications to multiple inventory items at one time (reorder information, track expiration dates, or lot numbers).</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10. I can adjust quantity on hand.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cost/Price Troubleshooting and Goals</th>
<th>Can Perform</th>
<th>Can Perform but NOT Using</th>
<th>Cannot Perform</th>
<th>Not Applicable</th>
</tr>
</thead>
<tbody>
<tr>
<td>11. I can identify functions that affect cost.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12. I can determine price based on an item’s cost.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>13. I can modify inventory items to calculate and maintain price.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>14. I can use reports to monitor costs and prices.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>15. I can use reports to monitor profitability/margin.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>16. I can perform a cost adjustment.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Profitability/Margin Troubleshooting and Goals</th>
<th>Can Perform</th>
<th>Can Perform but NOT Using</th>
<th>Cannot Perform</th>
<th>Not Applicable</th>
</tr>
</thead>
<tbody>
<tr>
<td>17. I can identify functions that affect profitability.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>18. I can use reports to monitor profitability/margin.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Turnover Troubleshooting and Goals</th>
<th>Can Perform</th>
<th>Can Perform but NOT Using</th>
<th>Cannot Perform</th>
<th>Not Applicable</th>
</tr>
</thead>
<tbody>
<tr>
<td>19. I can identify functions that affect inventory turns.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>20. I know what ideal turn rates are.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>21. I can use the Inventory Turnover report.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## Results of the Skill Assessment

Please return this skill assessment using one of the following methods:

- **Return this information to:**
  - Cornerstone Education Department at CornerstoneCoach@idexx.com.

- **Mail this information to:**
  - IDEXX Laboratories
  - Attn: Cornerstone Education Department/Gina Toman
  - One IDEXX Drive
  - Westbrook, Maine 04092

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IDEXX Cornerstone • Improving Inventory Management Performance • Page 40 •
Improving Inventory Management Performance Evaluation

We value your opinion! Tell us what you think about the Improving Inventory Management Performance course.

Practice: __________________________ Date: __________________

Trainer: __________________________

Feedback received from you regarding the training is vital to our continued improvement.

Course Description

During this course, inventory managers will learn how to identify their Cornerstone inventory management gaps and take steps to improve quantity accuracies, inventory turns, and profitability within their real data files. Key training components are:

- Inventory Performance Introduction
- Profitability/Margin Troubleshooting and Goals
- Quantity Troubleshooting and Goals
- Turnover Troubleshooting and Goals
- Cost/Price Troubleshooting and Goals

1. How likely would you be to recommend an IDEXX Cornerstone course to a friend or colleague?

1 Not Likely............................................................................................................................................................. Likely 10

1 2 3 4 5 6 7 8 9 10

2. For us to better understand the opinions of our participants, please explain why you selected the rating above?

3. The prerequisites for this course are:

- Running the current version of Cornerstone installed at the practice.
- Completion of the Implementing Inventory Management course or skill assessment. E-mail CornerstoneCoach@idexx.com for more information.
- Minimum of two full end-of-month closed periods.
- Inventory costs (receipts) and sales (invoicing history) transactions.

Indicate which participants were ready for and met the prerequisites for this course.

Please select all that apply.

- Our practice
- All other practices
- Some other practices

12345678910
4. How was the length of the course?

- [ ] Too short
- [ ] Too long
- [ ] Just right

Additional Comments:

5. Referring to the items listed below, did we meet your expectations:

<table>
<thead>
<tr>
<th>Item</th>
<th>No</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th>N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>The course content matched the course description.</td>
<td>o</td>
<td>o</td>
<td>o</td>
<td>o</td>
<td>o</td>
<td>o</td>
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</tr>
<tr>
<td>The course materials were professional looking.</td>
<td>o</td>
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<tr>
<td>The course materials provided contained valuable content.</td>
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<tr>
<td>The trainer arrived well prepared and used appropriate examples.</td>
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<td>o</td>
<td>o</td>
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<td>o</td>
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<td>o</td>
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<td>o</td>
<td></td>
</tr>
<tr>
<td>The trainer used effective communication skills.</td>
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<td>o</td>
<td>o</td>
<td>o</td>
<td>o</td>
<td>o</td>
<td>o</td>
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<td>o</td>
<td></td>
</tr>
<tr>
<td>The trainer answered all of my questions effectively.</td>
<td>o</td>
<td>o</td>
<td>o</td>
<td>o</td>
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<tr>
<td>As a result of this course we can expand our use of Cornerstone’s features.</td>
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<tr>
<td>This course provided a good value for the cost.</td>
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</tbody>
</table>

Additional Comments:

6. Did you follow along with the participant workbook during the course presentation?

- [ ] Yes—I followed the participant workbook the majority of the time.
- [ ] No—I didn’t use the participant workbook.
- [ ] Sometimes—I used the participant workbook some, but not most, of the time.

If No or Sometimes, why not?
7. What was the most valuable aspect of this course?

8. What suggestions do you have for future revisions of this course?

9. Using the roles listed, count and record how many participants (from your practice) attended some or all of this course. If someone holds more than one of these roles, record their primary role only.

<table>
<thead>
<tr>
<th>Primary Roles</th>
<th>Number of participants with this primary role that attended this course</th>
</tr>
</thead>
<tbody>
<tr>
<td>Veterinarian</td>
<td></td>
</tr>
<tr>
<td>Technician or nurse</td>
<td></td>
</tr>
<tr>
<td>Reception or client services</td>
<td></td>
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<tr>
<td>Office, practice, or business manager</td>
<td></td>
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<tr>
<td>Practice owner</td>
<td></td>
</tr>
<tr>
<td>Other (List role and record number)</td>
<td></td>
</tr>
<tr>
<td>Other (List role and record number)</td>
<td></td>
</tr>
</tbody>
</table>

Thank you! We appreciate your feedback.

Testimonial Permission:

(Please check the box below)

☐ Please have an IDEXX Computer Systems representative contact me to discuss featuring my comments in promotional materials.

Your Name: ________________________________
Practice Name: _____________________________
Practice City, State: _______________________
Practice Telephone #: _______________________

Reminder: Please return this evaluation using one of the following methods:

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