



WHITE PAPER



# Inventory Management Software Compatible with QuickBooks Online: Navigating Serial Numbers/ Lot Tracking & Landed Costs

Essential Guide to Complete Visibility,  
Compliance, and Profitability

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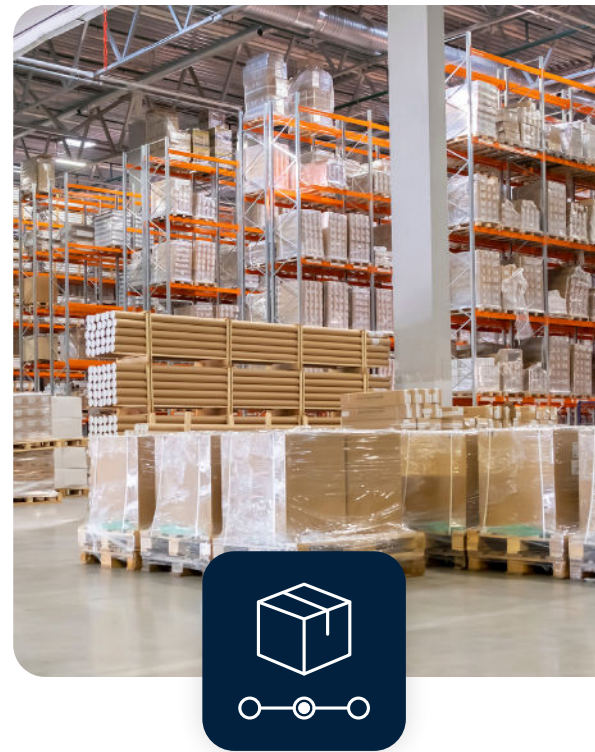
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# Introduction

QuickBooks Online is great for managing business finances. But it doesn't handle all inventory management functions, like tracking serial numbers, lot numbers, or calculating landed costs. Without these, you can't see the true cost of your products or understand how profitable your business is.

This white paper shows you why an inventory tool, like **SOS Inventory**, that can perform these functions matters. You'll learn how these inventory factors affect compliance, profitability, and growth, and we'll explain how you can make inventory management easier and more accurate with a tool that integrates with QuickBooks Online.

By the end, you'll have a simple roadmap to improve inventory control, stay compliant, and increase profitability—all without leaving the QuickBooks ecosystem.



## Recognizing the Inventory Visibility Gap in QuickBooks Online

If you're using QuickBooks Online alone, you may already feel the limits of its inventory features. Many companies in your position struggle with a lack of insight, which often leads to eroding margins, higher audit risk, and slower operations.

To understand why, it helps to look at the different levels of inventory visibility.

### Stages of Visibility:

- **Level 1: Basic Visibility.** You know what you bought and sold, but not much else. Tracking is mostly manual.
- **Level 2: Transactional Visibility.** You can see transactions in QuickBooks Online (POs, SOs, invoices), but costs and traceability don't go deep.
- **Level 3: Operational Visibility.** You finally start tracking landed costs and serial numbers automatically. You know the real cost of goods and can respond quickly to recalls.
- **Level 4: Strategic Visibility.** You're using data to negotiate with vendors, forecast demand, and protect margins.

Most businesses get stuck between basic and operational visibility when relying on QuickBooks Online alone. As you move through this white paper, you'll see how to shift from basic tracking to true strategic visibility, using tools that offer you clarity, compliance, and control.





# Gain Visibility with Serial Number and Lot Tracking

Serial and lot numbers are like ID cards for your products.

Serial numbers are typically used for physical items that require warranty or repair tracking, such as automotive and medical devices. Lot numbers, on the other hand, are appropriate for food and chemical products that are processed in batches with the same expiration date and handling requirements.

Although serial and lot numbers are used for different types of products, both are used to track an item's history, and they matter for three key reasons:

- **Compliance:** Regulations demand full traceability in industries where consumer safety may be at risk. You must be able to tie every product back to its lot number in order to maintain compliance and keep operations running.
- **Faster response to recalls or defects:** If a product issue comes up, you can quickly identify the affected items and act before the problem spreads. Serial numbers can be manually traced back to manufacturing runs for targeted recalls. Lot tracking allows for straightforward, batch-based recall processes, especially for products with expiration dates.
- **Reputation protection:** Customers trust businesses that take quality and safety seriously. By improving product traceability, you protect both your brand and your bottom line.

## Building a Serial Number/Lot Tracking System that Scales

### 1. Prioritize products by compliance and risk exposure

Start with the products that carry the most oversight or liability. If you operate under FDA, FSMA, or ISO regulations, focus there first. However, be aware that FDA-regulated products only use lot numbers, not serial numbers. Next, expand to products tied to customer satisfaction and warranty claims—these often have the biggest impact on margins.



## 2. Standardize the data capture fields

Serial and lot numbers alone don't give you enough visibility into a product's journey. To make tracking useful, consistently record these in addition:

- Supplier
- Receipt date
- Warehouse location
- Lot or batch association
- Expiration or warranty data

Make sure these fields align with both compliance rules and your own reporting needs.

## 3. Define process ownership across the lifecycle

- **Receiving:** Verify and capture serial or lot numbers as items arrive.
- **Warehousing:** Record location moves to prevent misplacement.
- **Sales & fulfillment:** Link serial or lot numbers to invoices, shipments, and returns.
- **Post-sale:** Connect serials and lots to warranty claims or recall events.

## 4. Integrate serial numbers into transaction workflows

Require scanning or entry at each step to cut down on errors. Eliminate side spreadsheets by embedding everything directly in your system of record.

## 5. Establish audit-ready reporting

Compliance depends on proof. Automate exception reports for lot numbers. Keep cross-referenced logs that tie serial numbers to customers and orders. Ensure you can produce recall, warranty, or compliance reports in minutes, not days.

**Quick Tip:** Design your tracking rules around regulatory audits. If you can hand over one report that shows a serial number's supplier, customer, and shipment, you're already ahead.

Scalable serial number and lot tracking starts with high-risk products and expands across your catalog. By standardizing data, assigning clear ownership, and embedding serials/lot number tracking into your workflows, you create a system that improves compliance, reduces risk, and builds trust with customers.



# Protect Profit with Better Landed Cost Allocation

Landed costs are the “hidden costs” of shipping inventory—freight, duties, tariffs, insurance, and handling fees. If you don’t track them, you never see the true cost of your products, which means you can’t price them for profitability, and you don’t truly know your margins.

## Building a Landed Cost Allocation Process that Protects Margins

### 1. Identify all landed cost components

Go beyond freight. Include duties, tariffs, brokerage, insurance, handling, and storage. Standardize a cost “taxonomy” so every shipment is coded the same way.

### 2. Select an allocation method that reflects your business model

Different products require different organization methods, but the item’s value is typically the most important factor to consider when assessing profitability. You can easily measure profit margins for each product with software that allocates landed costs proportionally based on item value during receiving.

### 3. Embed allocation in purchasing and receiving workflows

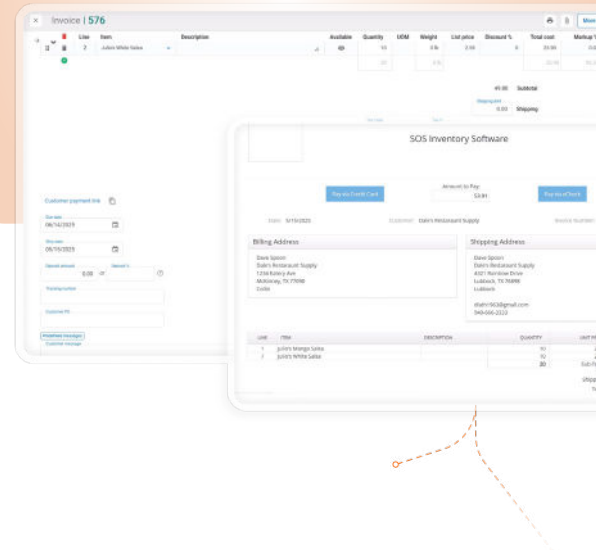
If you wait to add landed costs, you risk forgetting to add them or scrambling to reconcile after the fact. To avoid these scenarios, use software that has landed cost allocation embedded in purchasing and receiving workflows, allowing costs to be captured promptly and reconciled across vendors and shipments, with cross-checks available through variance reports.

### 4. Reconcile across vendors and shipments.

Push landed costs directly into QuickBooks Online through integrated software like SOS Inventory. Managers can access real-time landed cost data per SKU for pricing decisions. All historical landed cost data is available through variance reports to support margin protection.

**Quick Tip:** Use historical landed cost data when negotiating with suppliers. Trends in freight, duties, or tariffs give you leverage to secure better terms.

A solid landed cost allocation process prevents silent margin erosion. By capturing all costs, applying the right method, embedding the process into daily workflows, and making data visible in real time, you protect profits and strengthen decision-making across your supply chain.



# Turning Serial/Lot Number and Landed Cost Data into Actionable Insights

Tracking serial numbers, lot numbers, and landed costs is the foundation. The next step is using this data to make better business decisions. Here's a step-by-step framework to put your data to work.

## Leveraging The Data for Better Decision Making

### 1. Use Landed Cost Data to Set Smarter Prices

Run a landed cost report by SKU in SOS Inventory. Compare the actual cost against the selling price. If the margin falls below target, adjust pricing or renegotiate vendor terms.

**Pro Tip:** Revisit pricing quarterly to account for changes in freight, duties, or tariffs.

### 2. Monitor Margin Erosion in Real Time

Build a dashboard in SOS Inventory that flags SKUs with landed costs up more than 10% over the last 90 days. Decide whether to pass the increase to customers, negotiate with suppliers, or find alternatives.

**Pro Tip:** Share these reports with finance and procurement so adjustments happen before year-end, not after.

### 3. Automate Compliance & Recall Readiness with Lot Data

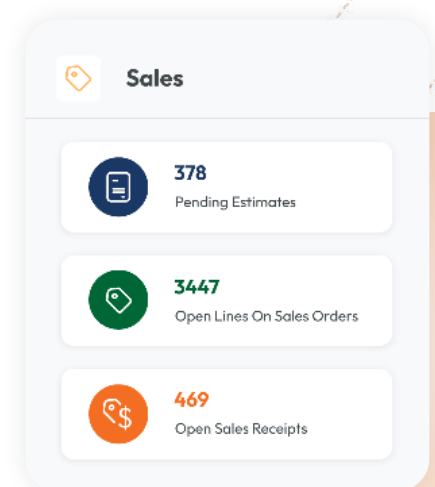
Set up forward and backward traceability reports for lot-based inventory in SOS Inventory. Test your recall process by pulling the full chain of custody for a single item from a specific lot. Maintain accurate records for serial-based inventory and cross-check your information with manufacturing, storage, and shipping histories.

**Pro Tip:** Run a quarterly “mock recall” so your team knows how to act under pressure.

### 4. Improve Forecasting with True Cost Visibility

Combine sales history with landed cost data to see which SKUs deliver the highest margins. Increase purchasing for profitable items and cut back on products where margins have eroded.

**Pro Tip:** Layer landed cost data into demand forecasts so you avoid overstocking items that no longer deliver returns.



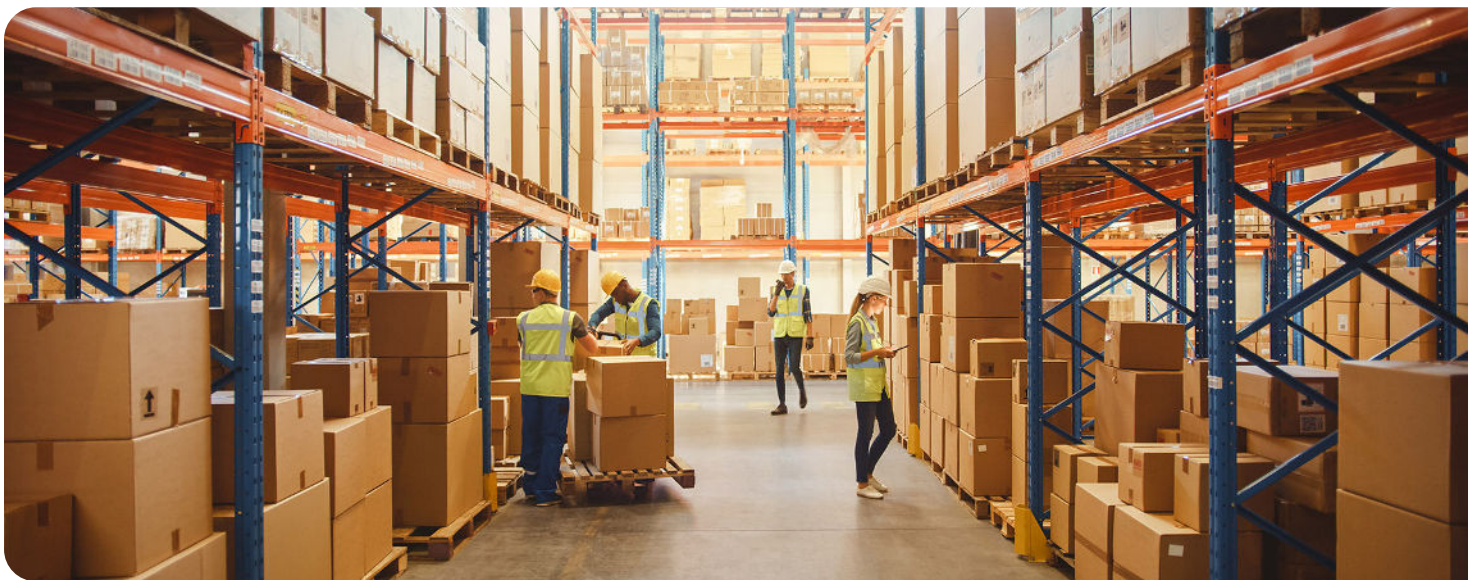
## 5. Use Supplier Cost Data to Strengthen Negotiations

Export landed cost data by vendor. Bring the total cost of ownership, not just unit price, into negotiations.

**Pro Tip:** Present 12–18 months of landed cost trends to demonstrate cost discipline and strengthen your bargaining position.

**Quick Tip:** Make these five steps recurring workflows—monthly or quarterly reviews—so insights become an integral part of your operating rhythm.

Serial number, lot, and landed cost tracking are the foundations for smarter, more strategic decisions. With the right workflows in place, you can protect margins, stay audit-ready, and turn inventory data into a true competitive advantage.



## Key SOS Inventory Capabilities that Enable Strategic Inventory Control

Now that you've seen where most QuickBooks Online users get stuck—and why serial number tracking, lot number tracking, and landed cost allocation matter—it's time to look at how SOS Inventory closes the gap. SOS moves you from operational visibility to true strategic visibility by automating processes, delivering real-time insights, and equipping you with the tools to make better decisions.



## 1. Seamless Real-Time QuickBooks Online Integration

SOS Inventory syncs inventory, sales, and purchasing data directly with QuickBooks Online. With this system, you can eliminate duplicate data entry, reduce errors, and keep your finances and operations fully aligned.

## 2. Serial & Lot Tracking for Full Traceability

With SOS, you can track products by lot number with precision. Because lot numbers refer to batches of products, you'll be able to easily identify all relevant items in the event of a recall, or audit request using traceability reports.

For products with serial numbers or warranty claims, you can track movement histories and manually trace manufacturing batches. Although this requires more hands-on investigating when recalls happen, you can rest assured that the necessary information and movement history will be documented.

## 3. Landed Cost Tracking for Real Profit Insight

SOS automatically captures freight, duties, tariffs, and other fees as part of landed costs. This gives you a dynamic view of true product costs so you can protect margins with confidence.

## 4. Visibility Across Locations with Multi-Location Support

Whether you manage multiple warehouses or sell across different channels, SOS keeps everything in sync. You gain full visibility across locations and maintain accurate stock levels, workflows, and reporting.

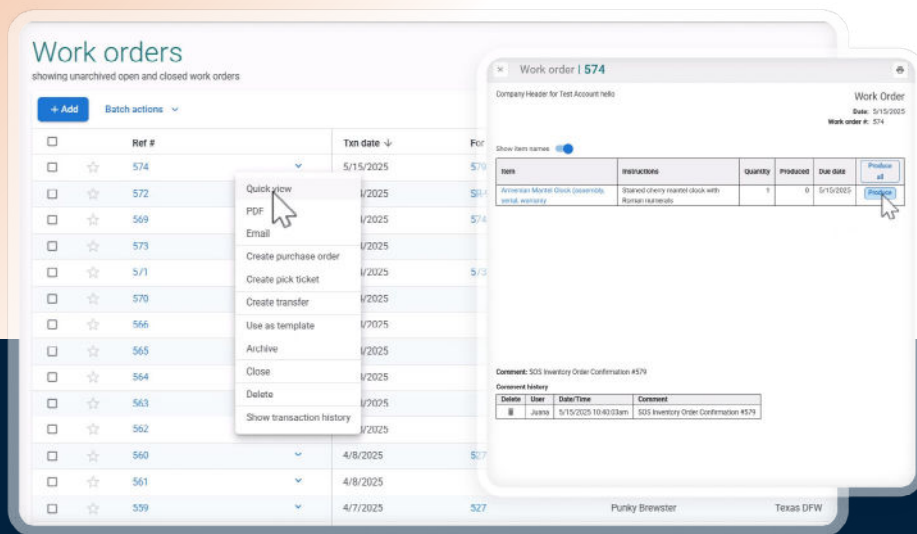
## 5. Order Management and Workflow Automation

SOS extends QuickBooks Online with advanced order management features: sales orders, pick/pack/ship workflows, partial receiving and shipping, and automation that removes manual friction from day-to-day operations.

## 6. Advanced Reporting and Analytics

With more than 50 customizable reports, including inventory valuation, supply chain performance, and landed cost breakdowns, SOS gives you the data you need to make better decisions.





## From Tracking to Strategy with SOS Inventory

Many businesses that use QuickBooks Online face the same challenge: incomplete visibility into inventory and costs. QuickBooks Online alone doesn't provide the robust serial number/lot tracking or landed cost allocation you need to maintain accuracy, ensure compliance, and protect profitability.

The good news is that you don't have to leave the QuickBooks ecosystem to solve these problems. With the right tools, you can go beyond basic operational tracking and achieve true strategic visibility.

**SOS Inventory makes this shift possible. It extends QuickBooks Online with:**

- ✓ Serial and lot tracking for full traceability and compliance.
- ✓ Landed cost allocation to reveal true product profitability.
- ✓ Multi-location management to keep stock in sync across warehouses and channels.
- ✓ Real-time reporting and automation that eliminate manual work and enable better decisions.

See how [SOS Inventory features](#) can work for your business. **Schedule a demo** today and take the first step toward strategic inventory management with QuickBooks Online integrations.

