TRAIL GUIDE CONSULTING GROUP

Independent, client-side ERP advisory for manufacturers

The Trailhead Checklist

An executive's year-end checklist for finance, operations & ERP

Every trail has a checkpoint before the final push, the place where you check your pack, review your route, and make sure nothing has been left behind. For manufacturers, year-end is that checkpoint. Here is the checklist I hand clients heading into year-end:

1. FINANCIAL CLOSE & REPORTING

- ☐ Reconcile annual physical inventory counts against ERP records. Reserve for YE and make the adjustments in Q1.
- ☐ Review your reserves (Excess & Obsolete, Scrap, bad debt, shrinkage, etc.)
- ☐ Confirm fixed asset additions/disposals are recorded and depreciation is updated
- ☐ Validate standard costs vs. actual costs. Roll standards annually or capitalize variances on the balance sheet.

2. MANUFACTURING & INVENTORY OPERATIONS

- ☐ Conduct a BOM / Router audit of high-value or high-turn SKUs to improve planning and cost information
- ☐ Ensure your S&OP process is driving close alignment between sales, ops, procurement, and planning heading into Q1
- ☐ Identify and put plans in place for lean events like Kaizens, improvements in automation, 5S projects etc.
- ☐ Evaluate scrap and rework rates for engineering CI efforts next year

3. ERP & DATA INTEGRITY

- ☐ Audit user access and permissions
- ☐ Clean up stale open purchase orders and sales orders
- ☐ Verify master data quality — vendor, item, customers, and contacts for your top customers
- ☐ Update ERP training materials to reflect software changes and to improve onboarding

4. SUPPLY CHAIN & PROCUREMENT

- ☐ Reassess key supplier lead times and pricing ahead of renewal season
- ☐ Pareto out your raw material values and verify quantity on-hand is accurate
- ☐ Review safety stock levels
- ☐ Confirm high dollar POs are still supported with demand. Use blankets with smaller deliveries to negotiate better discounts.

5. WORKFORCE & COMPLIANCE

- ☐ Ensure critical roles have succession plans and review top performers for compensation competitiveness
- ☐ Review headcount and capacity plan increases against next year's forecast
- ☐ Confirm your team has a solid workforce development plan in place (cross-training, leadership development, technical training)
- ☐ Check that safety and compliance certifications are current

6. STRATEGIC & FORWARD-LOOKING

- ☐ Ask whether your ERP system and processes are properly scaling with your business growth
- ☐ Review incentive structures to improve retention and promote ethical behaviors that benefit the entire organization
- ☐ Verify your AI strategy has a measurable action plan
- ☐ Create a formal business risk register with mitigation and contingency plans (regulatory, cybersecurity, OH&S, business continuity)

You can't close out the year on numbers you don't trust. If any of these items raise a flag — especially anything ERP or data related — that's usually where the real story is.

Trail Guide is an independent, client-side advocate for manufacturers running ERP systems — not tied to any software vendor or implementation partner. If you would like a second set of eyes on your year-end checklist, let's talk.

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