

# Price calculations in Stock Received

## INTRODUCTION

In order to speed up manual invoicing and to help keep your prices and margins correct, Posbrowser has automatic calculations to set the wholesale (or settlement) and retail prices when manually invoicing.

In order to use this facility effectively you should read the document below to gain an understanding of the mechanism behind these calculations.

## MARGIN AND MARKUP

For price calculations, Posbrowser will break items into two distinct groups Margin products or Markup products.

Understanding the difference between the two is the key to making the most of the automatic price calculation system.

**Margin Products** are items that have a retail price set by the supplier. Usually this price is printed on the product and you are given no option but to sell the item at that price. How much money you make on the sale of each item is a percentage of the retail price, or a margin. If the retail price of the item goes up, the amount the supplier charges you also goes up by the same percentage to keep your margin the same. Examples of margin items are Magazines, greeting cards and phone cards.

**Markup Products** are items that the supplier bills you an amount for but does not set a retail price. You are then free to add a percentage or markup to the wholesale price to obtain your retail price. If the suppliers wholesale price increases, you generally wish to increase your retail price to keep your markup the same.

## MANUALLY INVOICING MARGIN PRODUCTS

When manually invoicing margin products, our focus is initially on the retail price as this is the selling price listed for the item.

So when invoicing we will

- 1) We enter the retail price and we will find that the wholesale price changes based on our margin. This accounts for any price change the item may have had as our margin usually stays the same.

- 2) If our margin is not correct then changing it will change the wholesale price and not the retail price as we know the retail price must not change.
- 3) Similarly if we need to make an adjustment to the wholesale price, our margin will change as the retail price is fixed.

## **MANUALLY INVOICING MARKUP PRODUCTS**

When manually invoicing markup products, our focus shifts to the wholesale price. This is the price we have been given by the supplier on our invoice.

So when invoicing:

- 1) We enter the wholesale price and we will find that the retail price changes based on our markup. This accounts for any supplier change in the price of the item, keeping our markup the same.
- 2) If our markup is not correct then changing this will change the retail price and not the wholesale as the wholesale has been fixed by the supplier.
- 3) Similarly if we make an adjustment to the retail price, then our markup will change as the wholesale price is fixed.

## **HOW POSBROWSER DECIDES IT SHOULD USE MARGIN OR MARKUP**

Posbrowser decides if it should use Margin or Markup for the calculations when invoicing based on the stock type, of which Posbrowser has 8 different variations.

The stock type is held in Stock Maintenance on the General Tab

Select

- Stock System
- Maintenance
- General

# POS Solutions

## pos browser - smart software

Australia Pty Limited

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The screenshot shows the POS browser software interface. The 'Stock Type' dropdown menu is highlighted with a red box, showing a list of options: Stationery, Publication, Cards, Tobacco, General, Ethical, Books, and Apparel. The 'Stationery' option is currently selected. Other fields visible include 'Quick Code', 'Description', 'Default Register Note', 'GST Category' (Charge as Normal), 'GST Rate' (0.0000%), 'InstoreCost(Unit)' (\$0.0000), 'AvgInstoreCost(Unit)' (\$0.0000), 'SettlementCost' (\$0.0000), 'Discountable' (unchecked), 'Categories' table, 'Family' (<Select a Family>), 'Class' (<Select a Class>), and 'Associated Category' ([Not applicable]). The bottom toolbar contains buttons for Quick Add, Options, Edit, New, Delete, Save, and Cancel.

Each of these stock types has its own setting to decide if the calculation will be based on Margin or Markup.

This setting is held in the Stock Options section of System Setup Values.

Select

- System Maintenance
- System Setup Values
- Select the Stock tab

In the Stock Maintenance Section there is an entry "Use Margin value as default in prices tab in Stock Maintenance for" each of the stock types in Posbrowser.

This value also controls how Stock Received will treat the stock items in regards to Margin and Markup.

- If you set this option to Yes then the item will use Margin as its basis for price calculation.
- If you set this option to No, then the item will use Markup as its basis for price calculation.

System values   Multi-Entry		
Register   Accounts   Hire Purchase   Stock   Returns   Loyalty   Statements   Other		
Stock Maintenance		
Allow negative prices in Stock Maintenance	No	Local
Automatically copy preferred suppliers wholesale cost to instore when instore is zero	Yes	Local
Record History Of Price Changes from Stock Maintenance	No	System
Record history of Stock-On-Hand changes from Stock Maintenance	Yes	System
Single screen Quick Add Stock feature	Yes	Local
Use Margin value as default in prices tab in stock maintenance for Stationery Stock Type	No	Local
Use Margin value as default in prices tab in stock maintenance for Publication Stock Type	Yes	Local
Use Margin value as default in prices tab in stock maintenance for Cards Stock Type	Yes	Local
Use Margin value as default in prices tab in stock maintenance for Tobacco Stock Type	No	Local
Use Margin value as default in prices tab in stock maintenance for General Stock Type	No	Local
Use Margin value as default in prices tab in stock maintenance for Ethical Stock Type	No	Local
Use Margin value as default in prices tab in stock maintenance for Books Stock Type	Yes	Local
Use Margin value as default in prices tab in stock maintenance for Apparel Stock Type	No	Local

## CHANGING YOUR STOCK TYPE IN BULK

If you find that your automatic calculations are not as you expect, you should check the stock type for your item and the setting for your stock type to see if it is being calculated as a Margin or a Markup Product.

In the process, you may find that some of your stock items are not set to the correct stock type and this is the cause of your problems.

You can set the stock type of items in bulk via Stock Editing

- Select
- Stock Systems
- Stock Editing
- Ensure the Stock Editing option is ticked in the “For box”
- Now select the stock you wish to change by choosing the Criteria in the criteria box.
- Nominate either a dissection, family, class, supplier, etc
- Then click the Find button

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The screenshot shows the 'Stock Editing' tab in the POS Solutions software. The interface includes a toolbar with options like 'Search', 'Stock Edit', 'Stock Inserts', 'Merge Barcodes', 'Merge Stock', 'Split History', 'Stock Deletion', and 'Stock Notes'. Below the toolbar, there are search filters for 'Find Stock' and 'PDT Download'. The 'Search By' section has 'Stock Detail' selected. The 'Stock' section has 'Active Only' selected. The 'For' section has 'Stock Editing' selected. A red box highlights the 'Criterion' section, which contains several dropdown menus: Dissection (<All Dissection>), Family (<All Family>), Class (<All Class>), Stock Category (<All Category>), Manufacturer (<All Manufacturer>), Supplier (<All Suppliers>), GST Category (<All Type>), and Discount Status (<All Types>). To the right of these dropdowns are input fields for 'Stock Name having Text', 'Location', 'In Any Shops', 'Stock Not Moved in the last [ ] day(s)', and 'Invoice Number'. At the bottom right, there are 'Reset' and 'Find' buttons, with the 'Find' button highlighted by a red box.

You will now be placed in the Stock Editing Tab

- In the lower left hand corner tick the option “Type” and select the stock type you wish to set these items to
- In the middle at the bottom, select “All Stock”
- Then click Update to change all of the stock listed in the grid to the stock type you chose.

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Search
  Stock Edit
  Stock Inserts
  Merge Barcodes
  Merge Stock
  Split History
  Stock Deletion
  Stock Notes

**Searched Stock Items (20,115 stock items):**

Description	StockCode	DissCode	FamCode	ClassDesc	GSTCatg	GST%	StockType	LabelT
M/Day Counter Cards	MD003455	CA	MDY	MDY	N	10.00	O	Y
M/Day Counter Cards	MD003456	CA	MDY	MDY	N	10.00	O	Y
M/Day Counter Cards	MD003457	CA	MDY	MDY	N	10.00	O	Y
M/Day Counter Cards	MD003458	CA	MDY	MDY	N	10.00	O	Y
M/Day Counter Cards	MD003459	CA	MDY	MDY	N	10.00	O	Y
M/Day Counter Cards	MD00345A	CA	MDY	MDY	N	10.00	O	Y
M/Day Counter Cards	MD00345B	CA	MDY	MDY	N	10.00	O	Y
M/Day Counter Cards	MD00345C	CA	MDY	MDY	N	10.00	O	Y
M/Day Counter Cards	MD00345D	CA	MDY	MDY	N	10.00	O	Y
M/Day Counter Cards	MD00345E	CA	MDY	MDY	N	10.00	O	Y
M/Day Counter Cards	MD00345F	CA	MDY	MDY	N	10.00	O	Y
M/Day Counter Cards	MD00345G	CA	MDY	MDY	N	10.00	O	Y

**Modify**

FamilyClass  
 Dissection   
 Family   
 Class

Active Status   
 Unit Desc   
 DefCommission   
 DefaultFreight

DiscountRRP   
 Manufacturer   
 Delivery Label   
 Generate Round Code

GST   
 Label   
 Type   
 Ordering   
 Discountable

Category   
 Add  
 Substitute  
 Delete

Supplier   
 Add  Remove  
 Mark As Preferred  
 UnMark As Preferred

All Stocks
  Selected Only