Purchasing and Receiving Overview

Creating and receiving *purchase orders* is crucial to have the right products on your shelves, at the right price.

Objectives

- Purchasing and Receiving Workflow
- Settings and Security

Purchasing and Receiving Workflow

Although the process of selling an item at POS may appear easy, the journey that item took to get to the sales floor and then to the customer is an important one. Let's go over the steps.

On the *Add New Product* page, products are added along with a *retail* price and a *cost*.

Products might also be added from a supplier *catalog* or added digitally with a transmitted supplier 'order confirmation' or invoice.

Once the product is entered, you can create purchase orders to send to your supplier.

Your purchase order contains the cost that you *expect* to be charged from your supplier.

You will need to make sure this is the *same* cost you see when you get the final vendor invoice.

You can email your purchase order or, with certain vendors, transmit it right from the purchase order page.

The supplier *receives* your purchase order and then *picks* the ordered items and eventually *ships* them to you.

Typically, items arrive with a packing slip, a manifest or an invoice. This allows you to see what was shipped and the amount you will be billed.

The other crucial part of the process is making sure the quantity you *ordered*, equals the quantity you *received*.

The number of items you received along with the amount you are going to be billed, will affect the average cost of the product.

For example, if an item used to cost $1.00 to buy from your vendor but now costs $1.50, your average cost will increase when you finalize the receiver.

Your retail prices *may* need to be adjusted to maintain your profit margin.

Freight charges or other miscellaneous costs need to be accounted for as well.

You can distribute those charges across all the items on the purchase order or just treat them as an expense. When the PO is finalized, the quantity on hand is updated.

If there were any changes to retail prices, you will need a new bin label so that your consumer knows how much the item costs.

Once the item is on your shelf, its ready to be sold.

Here is a tip, using location codes makes it really easy to figure out where the new merchandise or new bin label should go out on the sales floor.

Settings and Security

Your purchasing and receiving workflow can be customized using various settings.

Users with the correct permissions can select *Purchasing* and then *Setup.*

In the *Setup* page, select *Settings.*

Here you can see a list of all the options.

Review each one and configure them to match *your* business process.

Details about each option can be found in the Help documentation.

Security permissions can also be set for the *Roles* that are assigned to *Users*.

Administrators, with access, can open the *Edit Role* page and filter by the purchasing application.

Use these settings to *limit* or *allow* access and control who is able to perform specific purchasing functions.

Recap

Following a defined purchasing and receiving workflow allows you get true profit margin figures and keep accurate inventory values. Create best practices for buyers, managers, and administrators for a consistent outcome.

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