



Open-to-Buy

Quick Guide

LS Retail NAV 6.2

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Date : October 27, 2012

1 Introduction

The purpose of this document is to give a quick overview of Open-to-Buy.

1.1 Functional Overview

The Open-to-Buy (OTB) module allows retailers to plan purchases and monitor how much stock is needed within a period – given that the value of stock at the end of the period should not exceed a certain value. This is an important tool to make sure that the value of stock on hand is within limits at any given time.

This is especially important if the retailer wants to minimize the capital invested in stock at any given time.

The main part of the OTB module is the sales budget. A good sales budget allows the retailer to plan purchases accurately which in turn gives better stock control. Purchase budgets can also provide useful information – but are not strictly required in the OTB calculation.

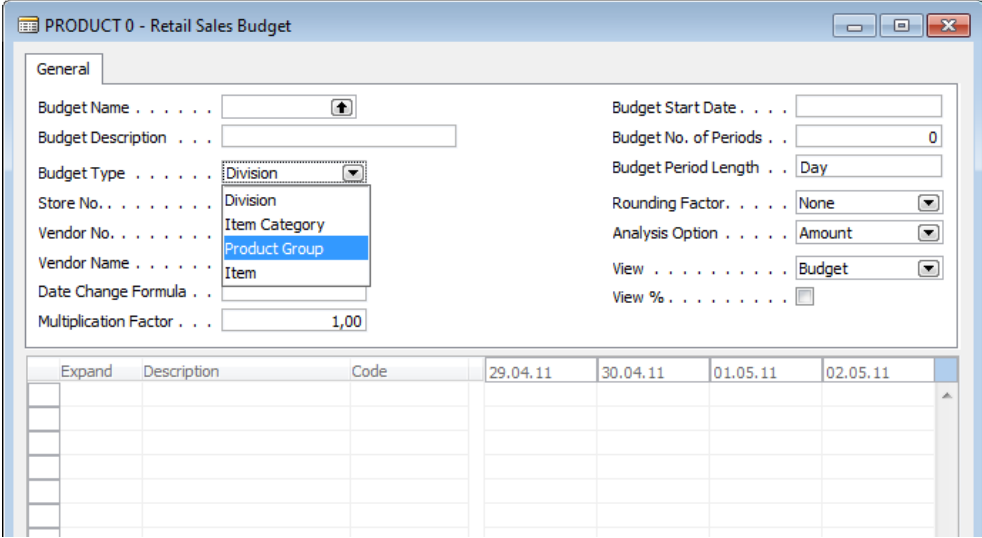
2 Retail Sales Budgets

2.1 Creating a Budget

Retail Sales Budgets can be made on **Division, Item Category, Product Group** or **Item** level. This means that if a budget is based on Division, all Budget Entries will be aggregated on Division level. Sales Budgets can vary in length and number of periods as well.

In this example we will create a budget based on Product Group but same approach applies to budgets based on Division, Item Category and Item.

The first step in making Open-to-Buy is to create the sales budget for the period. Click **LS Retail - Open-to-Buy, Retail Sales Budget**. The Retail Sales Budget form appears.



Expand	Description	Code	29.04.11	30.04.11	01.05.11	02.05.11

When data has been entered the several features can be viewed.

PG SALESB 2 - Retail Sales Budget

General

Budget Name PG SALESB

Budget Description . . . PG Sales Budget

Budget Type Product Group

Store No.

Vendor No.

Vendor Name

Date Change Formula . . . 1Y

Multiplication Factor . . . 1,10

Budget Start Date . . . 01.01.07

Budget No. of Periods . . 12

Budget Period Length . . Month

Rounding Factor None

Analysis Option Amount

View Budget

View %

Expand	Description	Code	Jan 2007	Feb 2007	Mar 2007	Apr 2007
▶	Food Items	FOOD	121.499,14	110.540,39	117.737,71	116.691,10
▶	Beverages	BEVERAGES	4.158,48	3.881,31	3.985,83	4.092,13
	Coffee	COFFEE				
	Distilled Water	DISTILLED	1.403,16	1.418,12	1.357,84	1.437,70
	Soft Drinks	SOFT DRINK	2.755,32	2.463,19	2.627,99	2.654,43
▶	Bread and Rice	BREAD/RICE				
▶	Dairy Products	DAIRY	14.044,23	11.742,83	13.630,65	13.545,40
▶	Desserts	DESSERTS				
▶	Drinks	DRINKS	13.795,54	13.080,76	12.871,98	13.904,44
▶	Fruits and Vegetables	FRUIT/VEG.	16.360,78	15.075,39	15.671,15	14.926,23
▶	Ingredients	INGR	5.634,20	5.005,00	5.662,80	6.349,20
▶	Food	MEALS	67.505,90	61.755,10	65.915,30	63.873,70
▶	Nonfood Items	NONFOOD	7.952.717,43	6.966.816,01	7.886.659,53	7.673.029,91

1 7 31 3 12 [F3] [F11] [F12] [F13] [F14] [F15] [F16] [F17] [F18] [F19] [F20] [F21] [F22] [F23] [F24] [F25] [F26] [F27] [F28] [F29] [F30] [F31] [F32] [F33] [F34] [F35] [F36] [F37] [F38] [F39] [F40] [F41] [F42] [F43] [F44] [F45] [F46] [F47] [F48] [F49] [F50] [F51] [F52] [F53] [F54] [F55] [F56] [F57] [F58] [F59] [F60] [F61] [F62] [F63] [F64] [F65] [F66] [F67] [F68] [F69] [F70] [F71] [F72] [F73] [F74] [F75] [F76] [F77] [F78] [F79] [F80] [F81] [F82] [F83] [F84] [F85] [F86] [F87] [F88] [F89] [F90] [F91] [F92] [F93] [F94] [F95] [F96] [F97] [F98] [F99] [F100]

Edit Budget Collapse All Expand All Functions Help

The next step is to create a Sales Budget to use. Do a lookup in the **Budget Name** field. The **Retail Sales Budget Names** form should appear.

Retail Sales Budget Names

Name	Description	Type	Sales Star...	No. of Per...	P...	Date Chang...	Budget St...	Multiplication ...
▶ PG SALESB	PG Sales Budget	Product Gr...	01.01.06	12 M..		1Y	01.01.07	1,10
PRODUCT	Product Group	Product Gr...	01.01.07	12 M..		1Y	01.01.08	1,00

OK Cancel Budget Help

We want to create a new budget for all Product Groups. Create a new record by selecting the **Budget** button and **F3** for a new record.

General

Name: MYBUDGET Store No.: S0001

Description: Budget Start Date: 01.01.07

Type: Product Grou... Sales Start Date: 01.01.06

Vendor No.: 40000 No. of Periods: 12

Division Filter: Period Type: Month

Item Category Filter: Date Change Formula: 1Y

Product Group Filter: Multiplication Factor: 1,00

Item Filter:

Help

After filling in the fields in the Retail Sales Budget Card as shown above, the Retail Sales Budget Names window shows the new entry.

Name	Description	Type	Sales Star...	No. of Per...	P...	Date Chang...	Budget St...	Multiplication ...
MYBUDGET		Product Gr...	01.01.06	12	M..	1Y	01.01.07	1,00
PG SALESB	PG Sales Budget	Product Gr...	01.01.06	12	M..	1Y	01.01.07	1,10
▶ PRODUCT	Product Group	Product Gr...	01.01.07	12	M..	1Y	01.01.08	1,00

OK Cancel Budget Help

Note that you can limit the budget to a single Product Group by entering a filter in the **Type Filter** field. Click **OK** to close the window. The **Sales Budget** window should now look like this:

General

Budget Name: MYBUDGET Budget Start Date: 01.01.07

Budget Description: Budget No. of Periods: 12

Budget Type: Product Group Budget Period Length: Month

Store No.: S0001 Rounding Factor: None

Vendor No.: 40000 Analysis Option: Amount

Vendor Name: Lewis Home Furn... View: Budget

Date Change Formula: 1Y View %:

Multiplication Factor: 1,00

Expand	Description	Code	Jan 2007	Feb 2007	Mar 2007	Apr 2007
▶	Food Items	FOOD				
▶	Nonfood Items	NONFOOD				

1 7 31 3 12 Edit Budget Collapse All Expand All Functions Help

When criteria are set on the Retail Sales Budget card it has to be set on the lowest level that the settings are supposed to affect. The changes will then be implemented from bottom up to the highest level of the hierarchy. It does not work reversed, however, top down through the hierarchy levels.

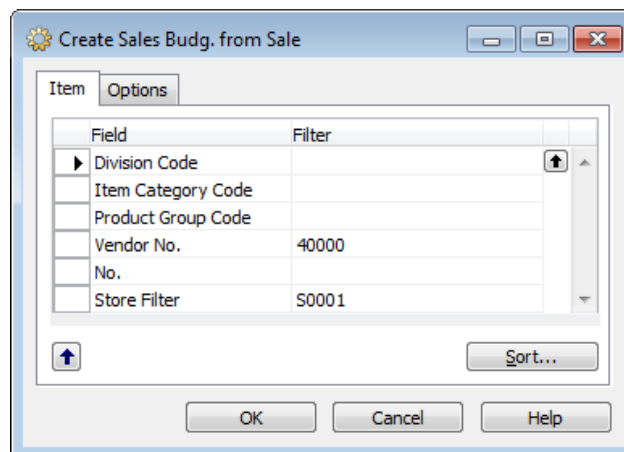
2.2 Entering Budget Data

2.2.1 Create Budget from Sales

Note – this feature only works if you have posted sales data (Value Entries) for the budget period.

This feature is very useful since it allows you to base your budget on a previous period's sales.

To create budget data based on sales data click **LS Retail – Open-to-Buy, Retail Sales budget, Functions** button, **Create Budget from Sales**. The following window should appear:



You can review your budget's settings under the **Options** tab. Click **OK** to start the creation. A progress bar will be displayed while the system calculates the budget values.

Once the calculation is complete the window should display sales data. A budget with posted sales data is selected to display this.

PG SALESB 37 - Retail Sales Budget

General

Budget Name PG SALESB

Budget Description . . . PG Sales Budget

Budget Type Product Group

Store No.

Vendor No.

Vendor Name

Date Change Formula . . . 1Y

Multiplication Factor . . . 1,10

Budget Start Date 01.01.07

Budget No. of Periods . . . 12

Budget Period Length . . . Month

Rounding Factor None

Analysis Option Amount

View Budget

View %

Expand	Description	Code	Jan 2007	Feb 2007	Mar 2007	Apr 2007
▼	Food Items	FOOD	121.499,14	110.540,39	117.737,71	116.691,10
▶	Beverages	BEVERAGES	4.158,48	3.881,31	3.985,83	4.092,13
▶	Bread and Rice	BREAD/RICE				
▶	Dairy Products	DAIRY	14.044,23	11.742,83	13.630,65	13.545,40
▶	Desserts	DESSERTS				
▶	Drinks	DRINKS	13.795,54	13.080,76	12.871,98	13.904,44
▶	Fruits and Vegetables	FRUIT/VEG.	16.360,78	15.075,39	15.671,15	14.926,23
▶	Ingredients	INGR	5.634,20	5.005,00	5.662,80	6.349,20
▶	Food	MEALS	67.505,90	61.755,10	65.915,30	63.873,70
▶	Nonfood Items	NONFOOD	7.952.717,43	6.966.816,01	7.886.659,53	7.673.029,91
▶	Audio/HiFi	AUDIO	175.847,98	148.200,91	164.156,19	159.403,53
▶	Clothing	CLOTHING	7.623.789,80	6.679.027,30	7.569.783,65	7.352.100,25
▶	Fuel	FUEL				
▶	Office furniture	FURNITURE				
▶	Gift Cards	GIFT CARDS				

1 7 31 3 12 | Edit Budget | Collapse All | Expand All | Functions | Help

Note that the **Analysis Option** field controls which data is displayed in the form. If you want to view **Quantities** instead of the sales **Amounts** click the **Analysis Option** field and select **Quantity**.

Analysis Option Amount

View Amount

View %

Quantity

Cost Amount

Discount Amount

Neg. Adjust Amount

Closing Stock Value

Opening Stock Value

Jan 2007	Feb 2007	Mar 2007

The sales numbers change accordingly and show the quantity of the sold items instead of the amount.

PG SALESB 37 - Retail Sales Budget

General

Budget Name PG SALESB

Budget Description . . . PG Sales Budget

Budget Type Product Group

Store No.

Vendor No.

Vendor Name

Date Change Formula . . . 1Y

Multiplication Factor . . . 1,10

Budget Start Date . . . 01.01.07

Budget No. of Periods . . 12

Budget Period Length . . Month

Rounding Factor None

Analysis Option Quantity

View Budget

View %

Expand	Description	Code	Jan 2007	Feb 2007	Mar 2007	Apr 2007
▼	Food Items	FOOD	26.606,8	23.850,2	26.034,8	25.748,8
▶	Beverages	BEVERAGES	4.430,8	4.129,4	4.283,4	4.369,2
▶	Bread and Rice	BREAD/RICE				
▶	Dairy Products	DAIRY	6.767,2	5.757,4	6.569,2	6.536,2
▶	Desserts	DESSERTS				
▶	Drinks	DRINKS	2.134	1.997,6	2.123	2.142,8
▶	Fruits and Vegetables	FRUIT/VEG.	2.974,4	2.798,4	3.042,6	2.895,2
▶	Ingredients	INGR	433,4	385	435,6	488,4
▶	Food	MEALS	9.867	8.782,4	9.581	9.317
▶	Nonfood Items	NONFOOD	74.712	65.000,1	74.013,5	72.647,3
▶	Audio/HiFi	AUDIO	2.187,9	1.950,3	2.272,6	2.160,4
▶	Clothing	CLOTHING	67.502,6	58.632,2	66.699,6	65.430,2
▶	Fuel	FUEL				
▶	Office furniture	FURNITURE				
▶	Gift Cards	GIFT CARDS				

1 7 31 3 12 Edit Budget Collapse All Expand All Functions Help

Note that the budget window can show either budgeted values, actual sales values or the difference between the two. This is selected via the **View** field.

PG SALESB 37 - Retail Sales Budget

General

Budget Name PG SALESB

Budget Description . . . PG Sales Budget

Budget Type Product Group

Store No.

Vendor No.

Vendor Name

Date Change Formula . . . 1Y

Multiplication Factor . . . 1,10

Budget Start Date . . . 01.01.07

Budget No. of Periods . . 12

Budget Period Length . . Month

Rounding Factor None

Analysis Option Quantity

View Actuals - Budget

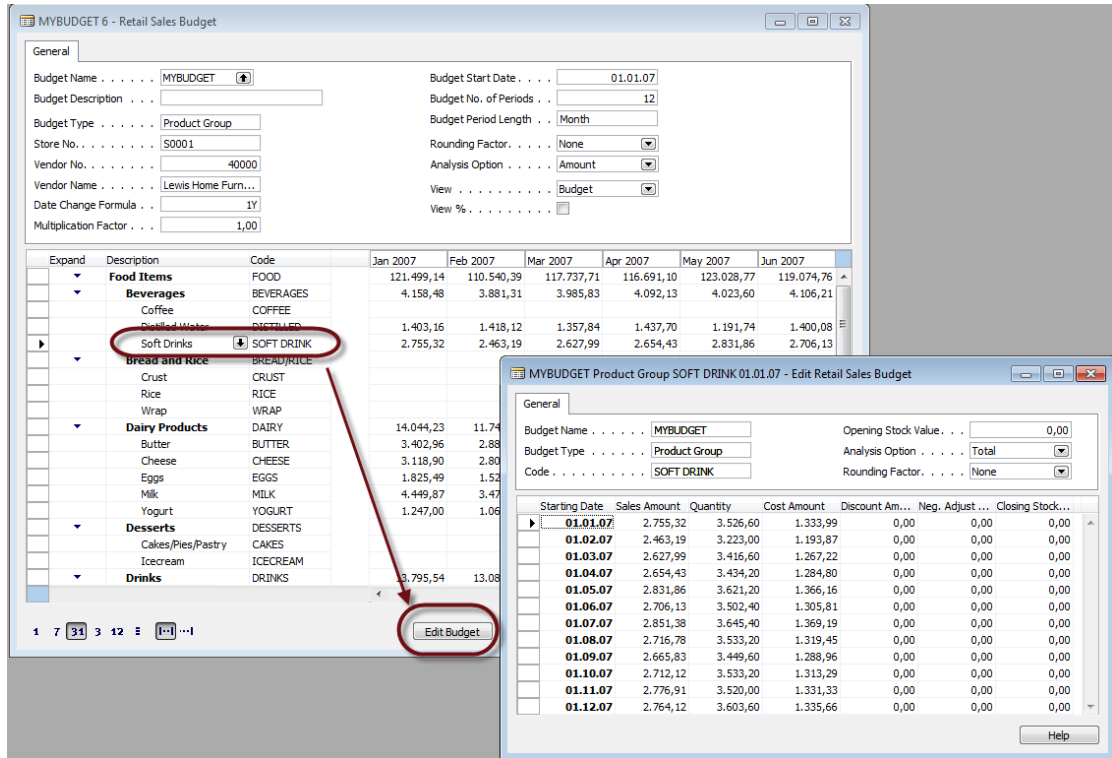
View %

Expand	Description	Code	Jan 2007	Feb 2007	Mar 2007	Apr 2007
▼	Food Items	FOOD	-2.830,8	-1.916,2	-1.842,8	-2.344,8
▶	Beverages	BEVERAGES	-466,8	-273,4	-261,4	-579,2
▶	Bread and Rice	BREAD/RICE				
▶	Dairy Products	DAIRY	-1.015,2	-379,4	-555,2	-546,2
▶	Desserts	DESSERTS				
▶	Drinks	DRINKS	-172	-147,6	-93	-134,8
▶	Fruits and Vegetables	FRUIT/VEG.	-150,4	-296,4	-250,6	-161,2
▶	Ingredients	INGR	-21,4	-53	-67,6	-148,4
▶	Food	MEALS	-1.005	-766,4	-615	-775
▶	Nonfood Items	NONFOOD	-7.094	-3.596,1	-6.334,5	-6.315,3
▶	Audio/HiFi	AUDIO	-208,9	-29,3	-283,6	-76,4
▶	Clothing	CLOTHING	-6.606,6	-3.380,2	-5.885,6	-5.694,2
▶	Fuel	FUEL				
▶	Office furniture	FURNITURE				
▶	Gift Cards	GIFT CARDS				

1 7 31 3 12 Edit Budget Collapse All Expand All Functions Help

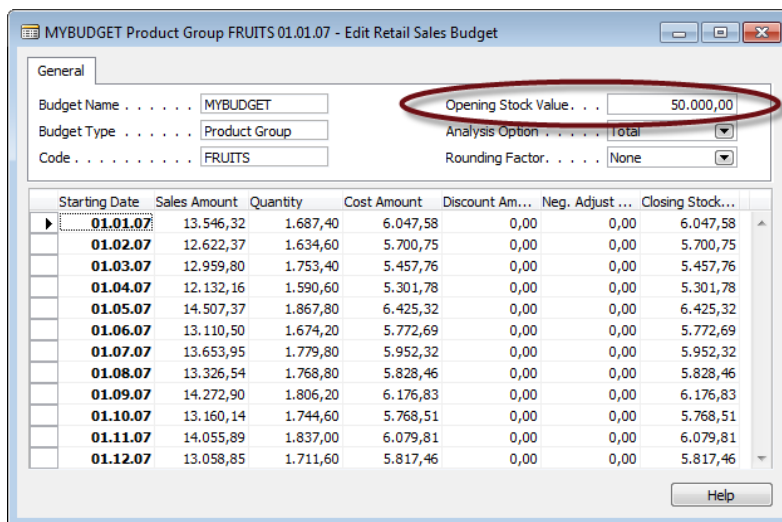
2.2.2 Modifying budget data by hand

You can also enter and modify budget data by hand. To do so select the line you want to edit (on the item level in the hierarchy) and click the **Edit Budget** button. The following window should appear:



Here you can enter values for the periods within the budget. **Note** that you can view total values and average values in the form.

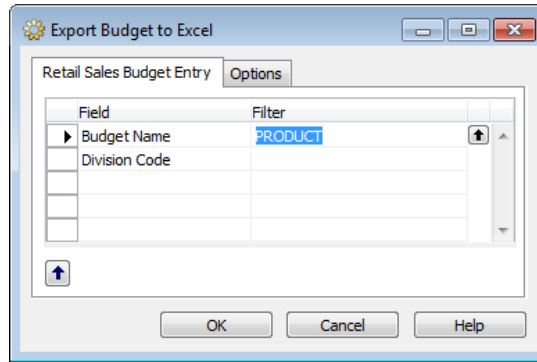
You can also enter the Opening Stock Value for this product group – which is required in the Open-to-Buy calculation. **Note** that this is the only place where you can enter the **Opening Stock Value**.



Close the form when you have finished the updates.

2.2.3 Export to Microsoft Excel

It is sometimes convenient to create the budget in Microsoft Excel. It is easy to export the budget to Excel. To do so click **LS Retail – Open-to-Buy, Retail Sales Budget, Functions** button, **Export Budget to Excel**. The following window should appear:



Click **OK** to start the export. A progress bar will be displayed during the export. When the export has completed, Microsoft Excel will be opened. The window should look like this:

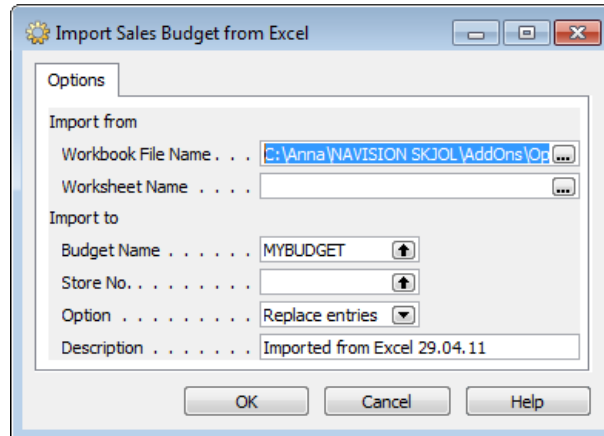
	A	B	C	D	E	F	G	H	I	J	K	L	M
1	Export Filters												
2	Budget Name	PRODUCT	Product Group										
3													
4	Type	Division Code	Item Category Code	Product Group Code	Item No.	Item Description		1.1.2008	1.2.2008	1.3.2008	1.4.2008	1.5.2008	1.6.2008
5	Sales Amount	FOOD	BEVERAGES	COFFEE				0					
6	Sales Amount	FOOD	BEVERAGES	DISTILLED				1.234,40	1.268	1.211,80	1.087	1.263	1.232
7	Sales Amount	FOOD	BEVERAGES	SOFT DRINK				2.502,78	2.320,28	2.505,90	2.406,98	2.501,60	2.385,92
8	Sales Amount	FOOD	BREAD/RICE	CRUST				0					
9	Sales Amount	FOOD	BREAD/RICE	RICE				0					
10	Sales Amount	FOOD	BREAD/RICE	WRAP				0					
11	Sales Amount	FOOD	DAIRY	BUTTER				2.830,64	2.831,32	3.185,88	2.954,68	2.923,08	2.982,44
12	Sales Amount	FOOD	DAIRY	CHEESE				2.653,96	2.430,50	2.997,88	2.854,08	2.905,62	2.799,14
13	Sales Amount	FOOD	DAIRY	EGGS				1.632	1.406,24	1.560,94	1.542,58	1.465,74	1.488,52
14	Sales Amount	FOOD	DAIRY	MILK				3.475,96	3.520,60	3.692,96	3.857,64	4.184,84	3.697,72
15	Sales Amount	FOOD	DAIRY	YOGURT				1.064,08	1.009,56	1.144,92	1.156,20	1.060,32	1.141,16
16	Sales Amount	FOOD	DESSERTS	CAKES				0					
17	Sales Amount	FOOD	DESSERTS	ICECREAM				0					
18	Sales Amount	FOOD	DRINKS	BEER				2.244,20	2.095,60	2.272,60	2.437,20	2.239	2.440,40
19	Sales Amount	FOOD	DRINKS	SPIRITS				0					
20	Sales Amount	FOOD	DRINKS	WINE				10.412	9.932	11.136	9.840	10.124	9.736
21	Sales Amount	FOOD	FRUIT/VEG.	FRUITS				12.741,60	10.389,48	11.212,80	11.861,56	12.028,20	11.461,92
22	Sales Amount	FOOD	FRUIT/VEG.	VEGETABLES				2.551,82	2.455,90	2.647,92	2.512,40	2.574,58	2.388,68
23	Sales Amount	FOOD	INGR	INGR				5.356	4.316	4.784	4.420	5.538	4.758
24	Sales Amount	FOOD	MEALS	CHICKEN				7.138	6.157	7.119	6.591	6.877	6.241
25	Sales Amount	FOOD	MEALS	INGRED				0					
26	Sales Amount	FOOD	MEALS	MEAT				19.222	18.404	20.138	19.310	19.474	18.950
27	Sales Amount	FOOD	MEALS	PIZZA				10.262	9.484	10.791	9.416	10.361	9.633
28	Sales Amount	FOOD	MEALS	SEAFOOD				14.970	13.381	14.136	13.176	13.793	13.583
29	Sales Amount	FOOD	MEALS	SIDE				10.063	8.316	10.324	10.135	10.657	9.307
30	Sales Amount	FOOD	MEALS	VEGGIES				0					
31	Sales Amount	NONFOOD	AUDIO	ACC				7.135	6.618,50	7.018	7.141	7.301,50	6.519,50
32	Sales Amount	NONFOOD	AUDIO	CATALOGS				0					
33	Sales Amount	NONFOOD	AUDIO	DVD				0					
34	Sales Amount	NONFOOD	AUDIO	RADIO				102.487,20	97.959,20	105.872	111.833,60	106.136,80	99.828
35	Sales Amount	NONFOOD	AUDIO	VCR				38.800	36.600	37.800	41.000	38.400	40.200
36	Sales Amount	NONFOOD	CLOTHING	ACCESS				66.460	57.860	60.100	59.560	56.000	59.580
37	Sales Amount	NONFOOD	CLOTHING	CATALOG				0					

Here you can modify the same values as you could if the budget were edited within LS Retail.

It is important to note that you can only modify the values within Microsoft Excel – you cannot create new periods or product groups. You need to save the workbook when you are done editing.

2.2.4 Import from Microsoft Excel

Importing works similarly to exporting. From the **Retail Sales Budget** window click **Functions** button, **Import Budget from Excel**. The following window should appear:



Here you can choose if you want to replace the entries in the selected budget or add to them. Note that replacing the entries will delete all existing entries for the selected budget.

Click **OK** to start the import. The system will display a message when the import is completed and the budget updated.

2.2.5 Copying and Clearing Budgets

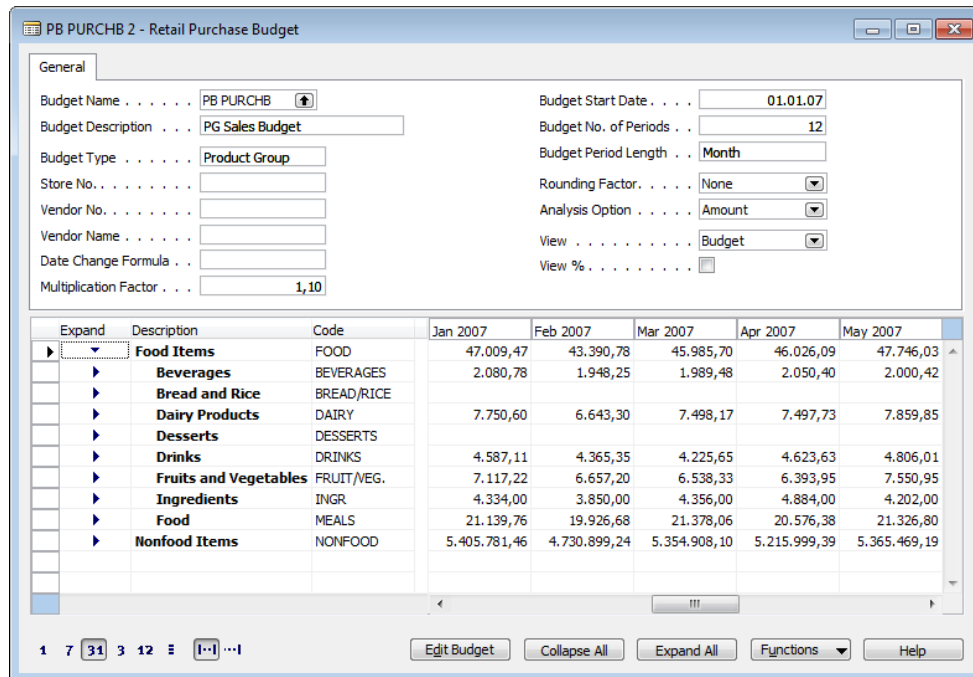
From the Functions button you can find four options that are useful when working with budgets.

- **Copy Budget** – this function copies all entries in the current budget to a new budget.
- **Copy Budget to Purchase Budget** – this function copies the current budget to a purchase budget. **Note** that only Cost Amount and Quantity values are copied since other values are not used in the purchase budget.
- **Copy Budget to G/L Budget** – this function copies the budget entries to a G/L Budget.
- **Clear Budget** – this function deletes all budget entries in the current budget.

3 Retail Purchase Budgets

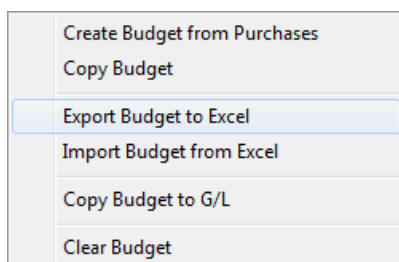
Retail Purchase Budgets are not used as a part of the Open-to-Buy feature as such, but provide useful information that can be used, for instance, to find out average prices.

To view the Purchase Budget window for a Product Group click **LS Retail – Open-to-Buy, Retail Purchase Budget**, set **Budget Type** field to **Product Group**. The following window should appear:



The main differences between sales and purchase budgets are as follows:

- Purchase budgets should always be linked to a sales budget. This can be done by clicking the **Budget Name** and selecting a sales budget in the window that appears.
- Since purchase budgets are not used directly in the OTB calculation they only contain Amount (cost amount) values and Quantities in the **Analysis Option** field.
- It is possible to view average values in the purchase budget form.
- The following options are available in the Functions menu:



- If you want to create a purchase budget automatically it is easier to create a sales budget for the period and copy it to a purchase budget.

4 Open-to-Buy

4.1 Overview

The Open-to-Buy view can have a number of lines. The type field in each line is used to select data that is displayed in the Open-to-Buy view. Each type represents a property that can be used in the Open-to-Buy calculation. The following types are included:

- **Empty** - empty line, can be used as a delimiter or for formulas
- **Sales Budget Amount** – displays the amount values from the selected sales budget
- **Sales Budget Amount (Cost)** – displays the cost amount from the selected sales budget
- **Closing Stock Value** – this field is calculated based on the following formula:
Opening Stock Value
 - Sales Budget Amount (Cost)
 - Discount Amount (Planned)
 - Negative Adjustment (Planned)
 + Purchases (Committed)
 + Purchases

 = **Closing Stock Value**

This field is not the actual closing stock value but should be used during the planning phase to calculate the replenishment need during the planning period.

Description	Jan 2007	Feb 2007	Mar 2007	Apr 2007
▶ Opening Stock Value (Planned)	1.000.000,00	96.059,07	-198.657,14	141.716,86
Purchases	4.550.000,00	4.480.723,80	5.742.417,80	5.250.863,80
Purchases (Committed)				
Sales Budget Amount (Cost)	5.452.790,93	4.774.290,02	5.400.893,80	5.262.025,48
Negative Adjustment (Planned)	1.100,00	1.100,00	1.100,00	1.100,00
Discounts (Planned)	50,00	50,00	50,00	50,00
Closing Stock Value	96.059,07	-198.657,14	141.716,86	129.405,18
Closing Stock Value (Planned)				
Open To Buy	-96.059,07	198.657,14	-141.716,86	-129.405,18

In the above example for January, the values are as seen here, in this case the Purchases (Committed) row does not have a value:

1000000
 -5452790,93
 -50
 -1100
4550000
 96059,07

- **Closing Stock Value (Planned)** – displays the closing stock value from the selected sales budget
- **Sales Amount** – displays the sales amount (actual) for sales entries from the value entry table based on the filters set in the selected sales budget.
- **Sales Amount (Cost)** – displays the cost amount (actual) for sales entries from the value entry table based on the filters set in the selected sales budget.
- **Discounts** – displays the discount amount for sales entries from the value entry table based on the filters set in the selected sales budget.
- **Discounts (Planned)** – displays the discount amount from the selected sales budget.
- **Purchases** – displays the cost amount for purchase entries from the value entry table based on the filters set in the selected sales budget
- **Purchases (Planned)** – displays the amount from the selected purchase plan
- **Negative Adjustments** – displays the cost amount for negative adjustment entries from the value entry table based on the filters set in the selected sales budget
- **Negative Adjustment (Planned)** – displays the negative adjustment amount from the selected sales budget
- **Opening Stock Value** – not supported in this version, will always be set to zero.
- **Opening Stock Value (Planned)** – displays the opening stock value from the selected sales budget for the first budget period only. Subsequent periods are based on the closing stock value for the previous period.
- **Open To Buy** – this is the default Open-to-Buy value displayed by the system. It is based on the following formula:
Sales Budget Amount (Cost)
+ Discounts (Planned)
+ Closing Stock Value (Planned)
+ Negative Adjustment (Planned)
+ Discounts (Planned)
- Purchases
- Purchases (Committed)
- Opening Stock Value

= Open-to-Buy

Filling in the January numbers from the previous example gives this result. **Note** that two rows are missing a value, Closing Stock Value (Planned) and Purchases (Committed):

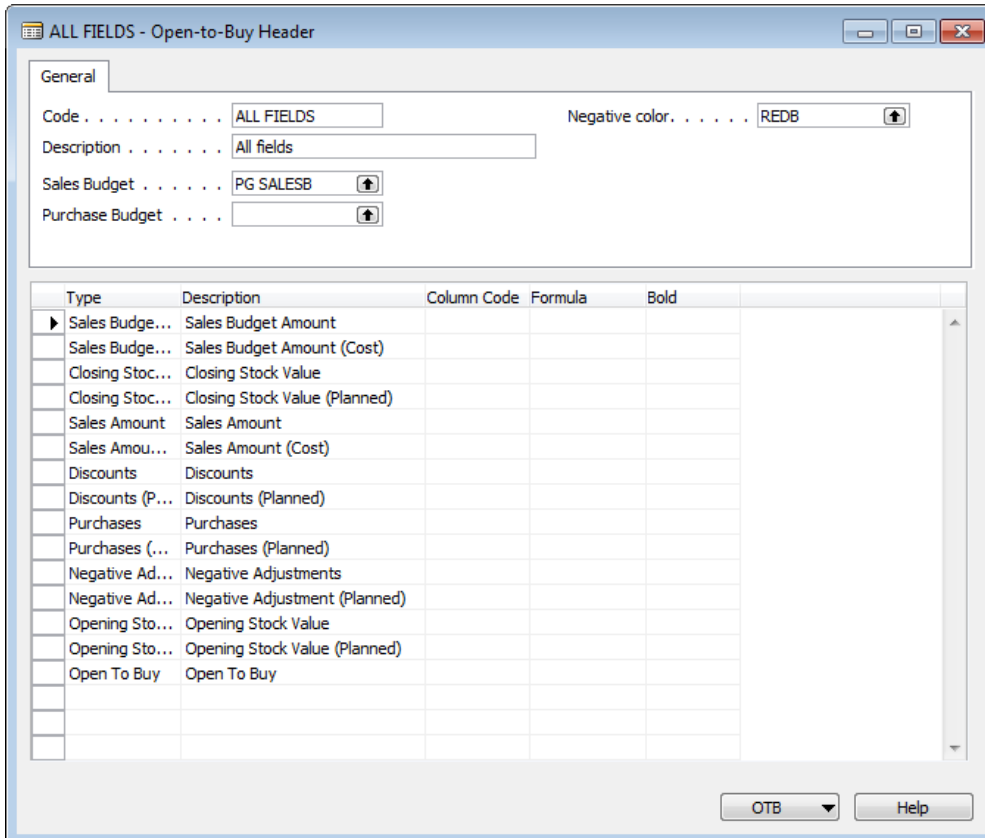
```

5452790,93
      50
      1100
     -4550000
     -1000000
     -96059,07
  
```

- **Purchases (Committed)** – displays the cost amount for purchase orders that have been released but not posted in the system, based on the filters set in the selected sales budget.

4.2 Configuration

Click **LS Retail – Open-to-Buy, Setup, Open-to-Buy Header** to configure Open-to-Buy. A window similar to this should appear:



Type	Description	Column Code	Formula	Bold
▶ Sales Budge...	Sales Budget Amount			
Sales Budge...	Sales Budget Amount (Cost)			
Closing Stoc...	Closing Stock Value			
Closing Stoc...	Closing Stock Value (Planned)			
Sales Amount	Sales Amount			
Sales Amou...	Sales Amount (Cost)			
Discounts	Discounts			
Discounts (P...	Discounts (Planned)			
Purchases	Purchases			
Purchases (...)	Purchases (Planned)			
Negative Ad...	Negative Adjustments			
Negative Ad...	Negative Adjustment (Planned)			
Opening Sto...	Opening Stock Value			
Opening Sto...	Opening Stock Value (Planned)			
Open To Buy	Open To Buy			

- Here you can select each of the lines you want to display in the Open-to-Buy view.
- You can also assign column codes to each line which can be used in formula calculations within the view.
- You can select a color for negative values as well as if a line is displayed in bold or not.

Note that you can configure your own Open-to-Buy formulas if you wish – the default formula is only included as a reference.

Close the window when you have finished making changes.

4.3 Viewing Open-to-Buy

Click **LS Retail – Open-to-Buy, Open-to-Buy View**. In the window that appears select the OTB view and sales budget you just created. Click the **Update** button to update the form. The window should look like this:

Open-to-Buy View

Options

View Code OTB

Purchase Plan Filter PB PUR.CHB

Budget Filter MYBUDGET

Rounding Factor None

Description	Jan 2007	Feb 2007	Mar 2007	Apr 2007	May 2007
Opening Stock Value (Planned)	50.000,00	-5.403.940,93	-10.179.380,94	-15.581.424,74	-20.844.600,22
Purchases					
Purchases (Committed)					
Sales Budget Amount (Cost)	5.452.790,93	4.774.290,02	5.400.893,80	5.262.025,48	5.413.215,21
Negative Adjustment (Planned)	1.100,00	1.100,00	1.100,00	1.100,00	1.100,00
Discounts (Planned)	50,00	50,00	50,00	50,00	50,00
Closing Stock Value	-5.403.940,93	-10.179.380,94	-15.581.424,74	-20.844.600,22	-26.258.965,43
Closing Stock Value (Planned)	5.596.743,35	4.774.290,02	5.400.893,80	5.262.025,48	5.413.215,21
Open To Buy	11.000.684,27	14.953.670,96	20.982.318,53	26.106.625,70	31.672.180,65

1 7 31 3 12

Update Help

The Opening Stock Value has been set to 50.000,00 and you can also set the Closing Stock Value. In this case it is set to 50.000,00 for January 2007:

1. Go to the Retail Sales Budget card.
2. Find the product that you want to set Closing Stock Value for. This is done on the Product Group level and can only be edited there.

MYBUDGET 4 - Retail Sales Budget

General

Budget Name MYBUDGET

Budget Start Date 01.01.07

Budget Description

Budget No. of Periods 12

Budget Type Product Group

Budget Period Length Month

Store No. S0001

Rounding Factor None

Vendor No. 40000

Analysis Option Amount

Vendor Name Lewis Home Furn...

View Budget

Date Change Formula 1Y

View %

Multiplication Factor 1,00

Expand	Description	Code	Jan 2007	Feb 2007
	Food Items	FOOD	121.499,14	110.54
	Beverages	BEVERAGES	4.158,48	3.88
	Coffee	COFFEE		
	Distilled Water	DISTILLED	1.403,16	1.41
	Soft Drinks	SOFT DRINK	2.755,32	2.46
	Bread and Rice	BREAD/RICE		
	Dairy Products	DAIRY	14.044,23	11.74
	Desserts	DESSERTS		
	Drinks	DRINKS	13.795,54	13.08
	Fruits and Vegetables	FRUIT/VEG.	16.360,78	15.07
	Ingredients	INGR	5.634,20	5,00
	Food	MEALS	67.505,90	61.75
	Nonfood Items	NONFOOD	7.952.717,43	6.966.81

1 7 31 3 12

Edit Budget

MYBUDGET Product Group COFFEE 01.01.07 - Edit Retail Sales Budget

General

Budget Name MYBUDGET

Opening Stock Value 0,00

Budget Type Product Group

Analysis Option Total

Code COFFEE

Rounding Factor None

Starting Date	Sales Amount	Quantity	Cost Amount	Discount Am...	Neg. Adjust...	Closing Stock Value
01.01.07	0,00	0,00	0,00	0,00	0,00	50.000,00
01.02.07	0,00	0,00	0,00	0,00	0,00	0,00
01.03.07	0,00	0,00	0,00	0,00	0,00	0,00
01.04.07	0,00	0,00	0,00	0,00	0,00	0,00
01.05.07	0,00	0,00	0,00	0,00	0,00	0,00
01.06.07	0,00	0,00	0,00	0,00	0,00	0,00
01.07.07	0,00	0,00	0,00	0,00	0,00	0,00
01.08.07	0,00	0,00	0,00	0,00	0,00	0,00
01.09.07	0,00	0,00	0,00	0,00	0,00	0,00
01.10.07	0,00	0,00	0,00	0,00	0,00	0,00
01.11.07	0,00	0,00	0,00	0,00	0,00	0,00
01.12.07	0,00	0,00	0,00	0,00	0,00	0,00

Help

When you update the sum amount in the Open-to-Buy View is adjusted accordingly after you have pressed the **Update** button.

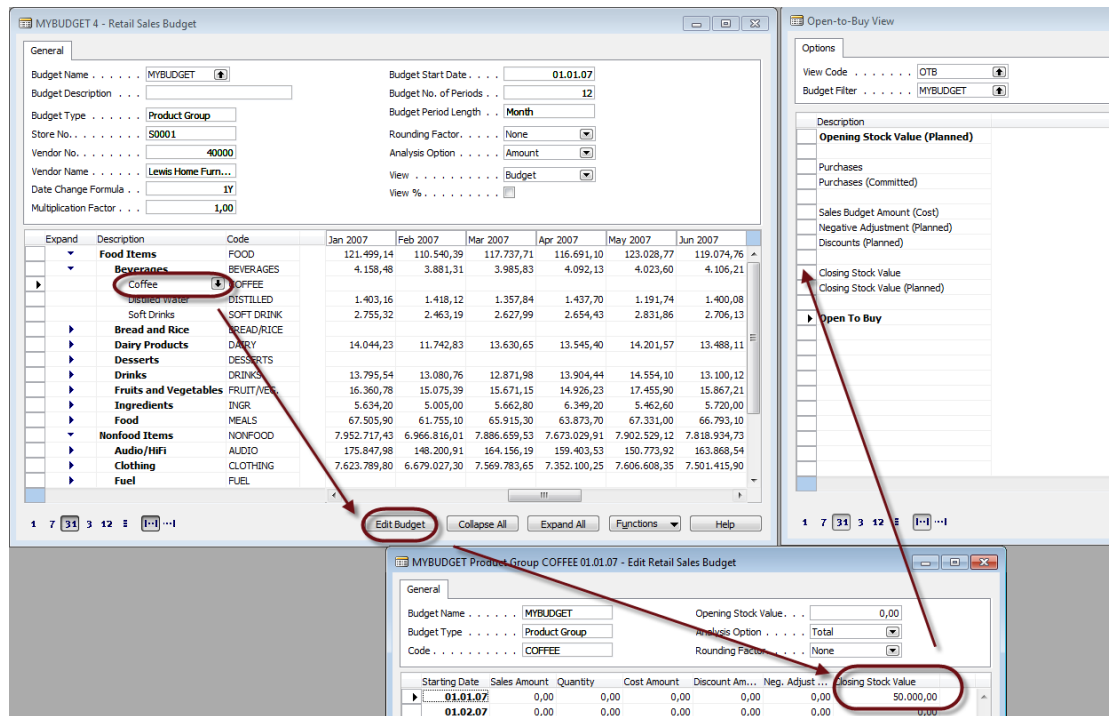
As already stated, the Open-to-Buy value is based on this formula:

$$\begin{aligned}
 &\text{Sales Budget Amount (Cost)} \\
 &+ \text{Discounts (Planned)} \\
 &+ \text{Closing Stock Value (Planned)} \\
 &+ \text{Negative Adjustment (Planned)} \\
 &+ \text{Discounts (Planned)} \\
 &- \text{Purchases} \\
 &- \text{Purchases (Committed)} \\
 &- \text{Opening Stock Value} \\
 &----- \\
 &= \text{Open-to-Buy}
 \end{aligned}$$

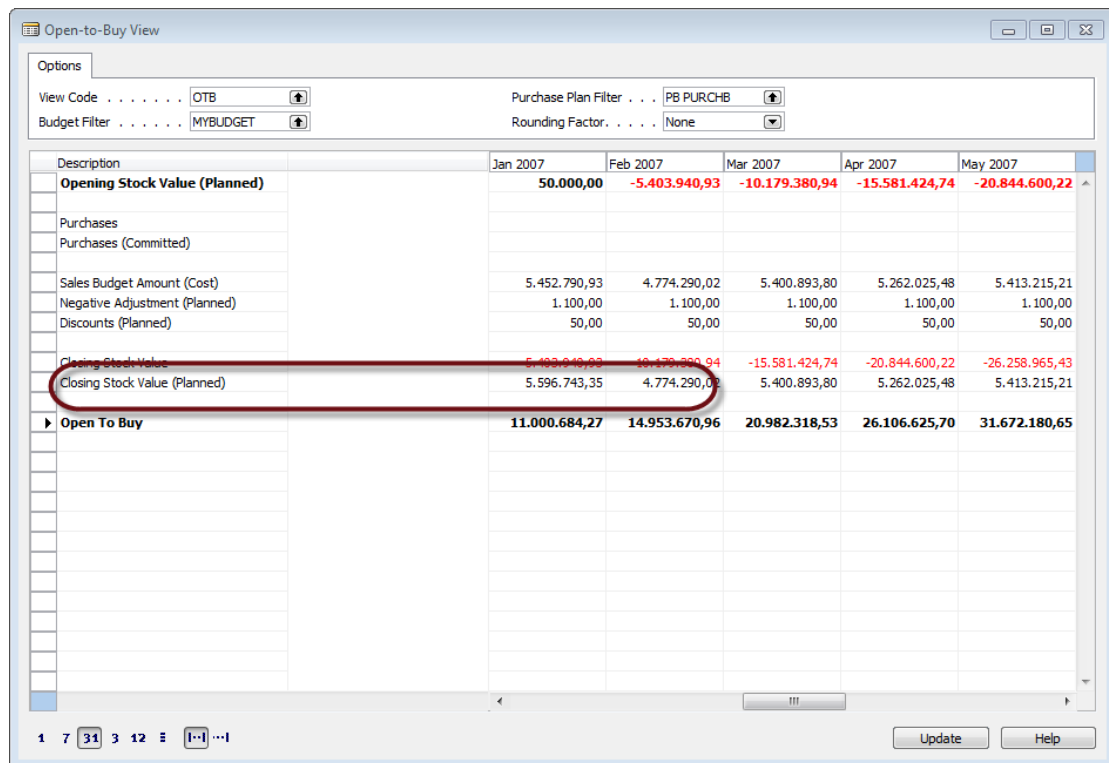
Therefore: When you change the Closing Stock Value and set it to 50.000,00 instead of 0 in this particular month the Open-to-Buy amount is increased by 50.000,00.

Description	Jan 2007	Feb 2007	Mar 2007	Apr 2007	May 2007
Opening Stock Value (Planned)	50.000,00	-5.403.940,93	-10.179.380,94	-15.581.424,74	-20.844.600,22
Purchases					
Purchases (Committed)					
Sales Budget Amount (Cost)	5.452.790,93	4.774.290,02	5.400.893,80	5.262.025,48	5.413.215,21
Negative Adjustment (Planned)	1.100,00	1.100,00	1.100,00	1.100,00	1.100,00
Discounts (Planned)	50,00	50,00	50,00	50,00	50,00
Closing Stock Value	-5.403.940,93	-10.179.380,94	-15.581.424,74	-20.844.600,22	-26.258.965,43
Closing Stock Value (Planned)	5.646.743,35	4.774.290,02	5.400.893,80	5.262.025,48	5.413.215,21
Open To Buy	11.050.684,27	14.953.670,96	20.982.318,53	26.106.625,70	31.672.180,65

Below is a more detailed procedure:



When the numbers are compared to the formula, the updated view shows that the changes reflect the formula and the outcome is, accordingly:



- Since no sales have been done within the period, the Difference field shows a negative value (we define the Difference as the difference between actual sales and budgeted sales).
- If we want to view purchase plans as a part of this view we have to define a purchase plan filter.

4.4 Estimating the Closing Stock Value

The reports menu contains a stock turnover report that can be used to calculate stock turnover and stock turnover rates for Divisions, Item Groups and Product Groups.

Depending on the turnover rate a retailer can estimate the need for stock on hand. This report can be useful when estimating the stock on hand figure.