



PROPHETLINE FOR WINDOWS



The Retail Stock Ledger

This single sheet of paper can give you comparatives on vendors, items, classes, and departments. Who gives you the best turn rates and sell-thrus, vendor A or Vendor B? Knowledge to make smart business decisions.

The typical retailer is overstocked by 10-25% at any given point in time, meaning that for every \$100,000 in sales, there can be \$5,000 to \$25,000 (at retail) in excess inventory on the shelves. When you start looking at \$500,000 in sales, the wasted investment runs into six figures. Imagine converting \$100,000 of excess inventory into cash.

- **UNITS** = Item Count
- **RETAIL** = UNITS x Retail Price
- **COST** = UNITS x Cost of Merchandise
- **OPENING INVENTORY at Retail or Cost** = ENDING INVENTORY from last EOM Processing
- **PURCHASES at Retail** = (UNITS Purchased x Retail Price) - (UNITS Returned x Retail Price)
- **PURCHASE PRICE VARIANCE** = COST of item on Vendor Invoice - COST of item on Receiving Ticket
- **PURCHASES at Cost** = (UNITS Purchased x Cost) - (UNITS Returned x Cost) + PURCHASE PRICE VARIANCE this Month
- **SURCHARGES (always Retail)** = Amount added to a Receipt Line on Sales and Returns
- **ADDITIONAL MARKUPS (always Retail)** = Price Increases to Inventory On-Hand + Price Increases at POS + SURCHARGES
- **NET TRANSFERS at Retail or Cost** = Inventory Transfer Out + Inventory Transfer In
- **AVAILABLE INVENTORY at Retail** = OPENING INVENTORY at Retail + PURCHASES at Retail + ADDITIONAL MARKUPS + NET TRANSFERS at Retail
- **AVAILABLE INVENTORY at Cost** = OPENING INVENTORY at Cost + PURCHASES at Cost + NET TRANSFERS at Cost
- **SALES (always Retail)** = (UNITS Sold x Retail Price) - (UNITS Returned x Retail Price)
- **COST OF SALES (always Cost)** = (UNITS Sold x Cost) - (UNITS Returned x Cost)
- **MARKDOWNS (always Retail)** = Price Decreases to Inventory On-Hand + Price Decreases at POS
- **DISCOUNTS (always Retail)** = Amount deducted from Receipt Line on Sales and Returns
- **INVENTORY ADJUSTMENTS at Retail or Cost** = Value of Inventory Quantity Increases and Decreases from Modules/System Manager/Adjust Inventory
- **ENDING INVENTORY at Retail** = AVAILABLE INVENTORY at Retail - SALES - DISCOUNTS - MARKDOWNS + INVENTORY ADJUSTMENTS at Cost
- **ENDING INVENTORY at Cost** = AVAILABLE INVENTORY at Cost - COST OF SALES + INVENTORY ADJUSTMENTS at Cost
- **STORE %** = SALES / Total Sales on the Report
- **IMU %** = (PURCHASES at Retail - PURCHASES at Cost) / PURCHASES at Retail
- **CURRENT MARKUP %** = (ENDING INVENTORY at Retail - ENDING INVENTORY at Cost) / ENDING INVENTORY at Retail
- **ACTUAL GROSS PROFIT \$** = (SALES - DISCOUNTS) - COST OF SALES
- **ACTUAL GROSS PROFIT %** = ((SALES - DISCOUNTS) - COST OF SALES) / (SALES - Discounts)
- **PERFORMANCE GROSS PROFIT \$** = SALES - COST OF SALES
- **PERFORMANCE GROSS PROFIT %** = (SALES - COST OF SALES) / SALES
- **TURN RATE** = Annual SALES / Average OPENING INVENTORY
- **SELL-THRU (Units)** = UNITS SOLD / (OPENING INVENTORY + PURCHASES + NET TRANSFERS in units)
- **MARKDOWN %** = MARKDOWNS / SALES
- **SHRINKAGE %** = INVENTORY ADJUSTMENTS at Retail/ SALES
- **STOCK/SALES** = ENDING INVENTORY at Retail / SALES