

Integrated Landed Costs for Importing, Shipping & Handling

My.N's Integrated Landed Costs helps you manage profitability by rolling the actual shipping, handling, and import fees into the total cost of goods.

Importing goods can be an effective way of finding low-cost supplies, reducing your costs and making your business more competitive. It also gives you an easy way to branch out into whole new product lines and to sell things that are not generally available in the UK.

The system gives you an accurate stock valuation, based on what the stock is actually costing you, not just on what price you paid for it.

Importing means that it is even more critical to accurately track what your stock is costing you than ever before. You stock cost is more than just the price you have paid for it. Freight, insurance, duties and other taxes have to be

incorporated into the cost of your stock for you to get to the real price you have paid for your goods. Having this accurate picture is what you need in order to make the whole importation process profitable. Undervaluing your stock means that you are in danger of setting your prices too low or even selling at a loss, something you will only pick up when it is too late. To help you through this process is My.N's advanced Landed Costs System. At each point in the process, My.N gives you the answers and makes your job easier, quicker and your stock valuations more accurate. All of this functionality is within a completely integrated business system giving you the best possible platform from which to run your whole business.

Key Elements of Landed Costs

My.N's Landed Costs system allows the costs of importation, including duties and levies to be capitalised into the value of your stock on its receipt into the system. This is done by providing a framework which allows you to build up a profile of the costs

- Standard Shipment Costs
- Voyage Definitions
- Shipments
- Shipments Receipts
- Invoices for Shipments
- Shipment Planner
- Excise Codes
- Levy Codes

associated with landing a shipment. These costs are then linked with the purchase orders on the shipment. When the purchase orders are received into the system, the cost of the goods are automatically combined with the costs associated with the shipment. This provides you with maximum visibility of

cost variances and separates out stock and shipping accruals.

Profiling a Shipment

Creating a Shipment:

A shipment brings together details of the voyage including all costs associated with importing a shipment, and the purchase order lines on that shipment. This associates the two sets of shipment costs and allows them to be apportioned and rolled into the stock costs. Adjustment to a standard cost profile can be done at any point in the process, up to the point that the shipment is received into the system. The apportionment of costs can be managed automatically by weight, volume, quantity or set manually.

Shipment Cost Definitions								
Code	Description	Variance	GRNI A/C	Description	Std. Cost	Type	Calc.Type	Amount / %
1	Container Seafreight	P75310	B26050	GRNI - Shipping Costs	0.00	A	X	0.00
2	Duty	P75315	B26060	GRNI - Duties & Levies	0.00	D	I	0.00
3	UK Shunting	P60015	B26070	GRNI - Port & Transpor...	0.00	A	X	0.00
4	De-Vanning	P70200	B26070	GRNI - Port & Transpor...	0.00	A	X	0.00
5	Port Costs	P60005	B26070	GRNI - Port & Transpor...	0.00	A	X	0.00
6	UK Container Haula...	P75300	B26070	GRNI - Port & Transpor...	0.00	A	X	0.00
7	Demurrage Charges	P60050	B26000	GRNI - Misc. Costs	1.20	P	X	1.20

Fig 2: Setting up a cost definition. Each cost is given a P&L variance account, a GRNI accrual account, an Actual, Duty or Percentage value calculator and an 'X'clusive or 'I'nclusive flag for calculation of VAT values

Features at a Glance

General

- Multi-currency
- Automatic conversion using exchange rates
- Quick and easy visibility of every shipment
- Actual costs incurred by container, given route, product type
- Separate out stock and shipping accruals
- Real-time stock system including allocations
- Minimum stock quantities and re-order levels
- Reserved stock by customer
- Multiple bin locations, warehouses & stock types
- Multiple sourcing options at point of order incl. Back-to-Back ordering
- Stock ageing reports
- Customer product codes

- Full stock factoring (buy in cases, sell in singles)
- Serial and batch number tracking
- Unlimited default suppliers

Pricing

- 99 pricing bands
- Price by currency
- Pricing by customer, stock type, volume

Financials

- Intrastat reporting
- VAT rates set by country code
- Analysis by Prod. Types and Groups
- Stock values held on actual basis
- Calculated average and actual values held for reporting purposes
- GRNI accruals automatically maintained
- Maximum visibility of cost variances

Purchases and costs in foreign currencies

Accounting for landed costs incurred from international suppliers is complicated due to foreign currency invoice amounts. However, My.N helps you to handle these issues quickly and easily. As a dual-base currency system, each entry processed has amounts posted to the ledgers in both the local currency and one other currency. If the source entry is raised in a third currency, then the equivalent amounts for that currency are posted as well. Landed costs entered in the system in their original currency are automatically converted using the systems' exchange rates. On receipt of the stock and expense invoices, the exchange rate can be adjusted ensuring a quick, easy and accurate valuation.

Dealing with On-Costs

My.N also allows you to automatically account for additional costs incurred in the course of managing your stock. Typically, this could be anything from warehousing and insurance to despatch and distribution. For this, you are able to set up 10 additional costs which accrue to the value of the stock on receipt. Each cost can be set as an absolute value or as a percentage. As you would expect from the system, GRNI accruals are maintained throughout the process.

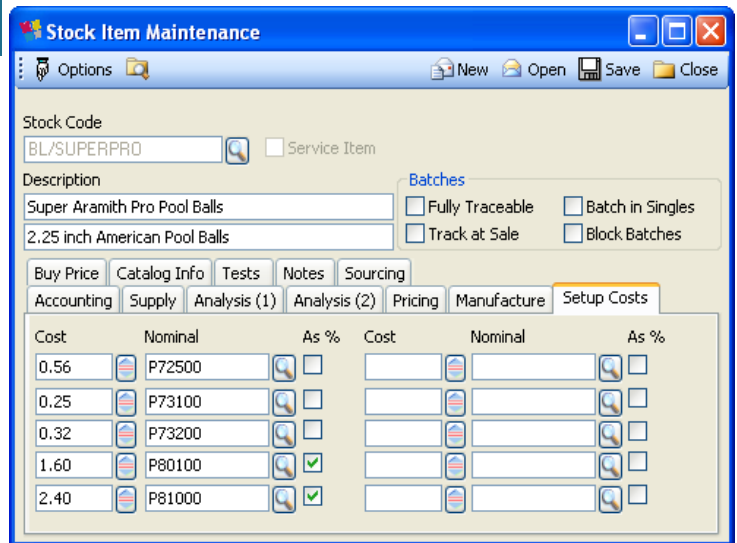
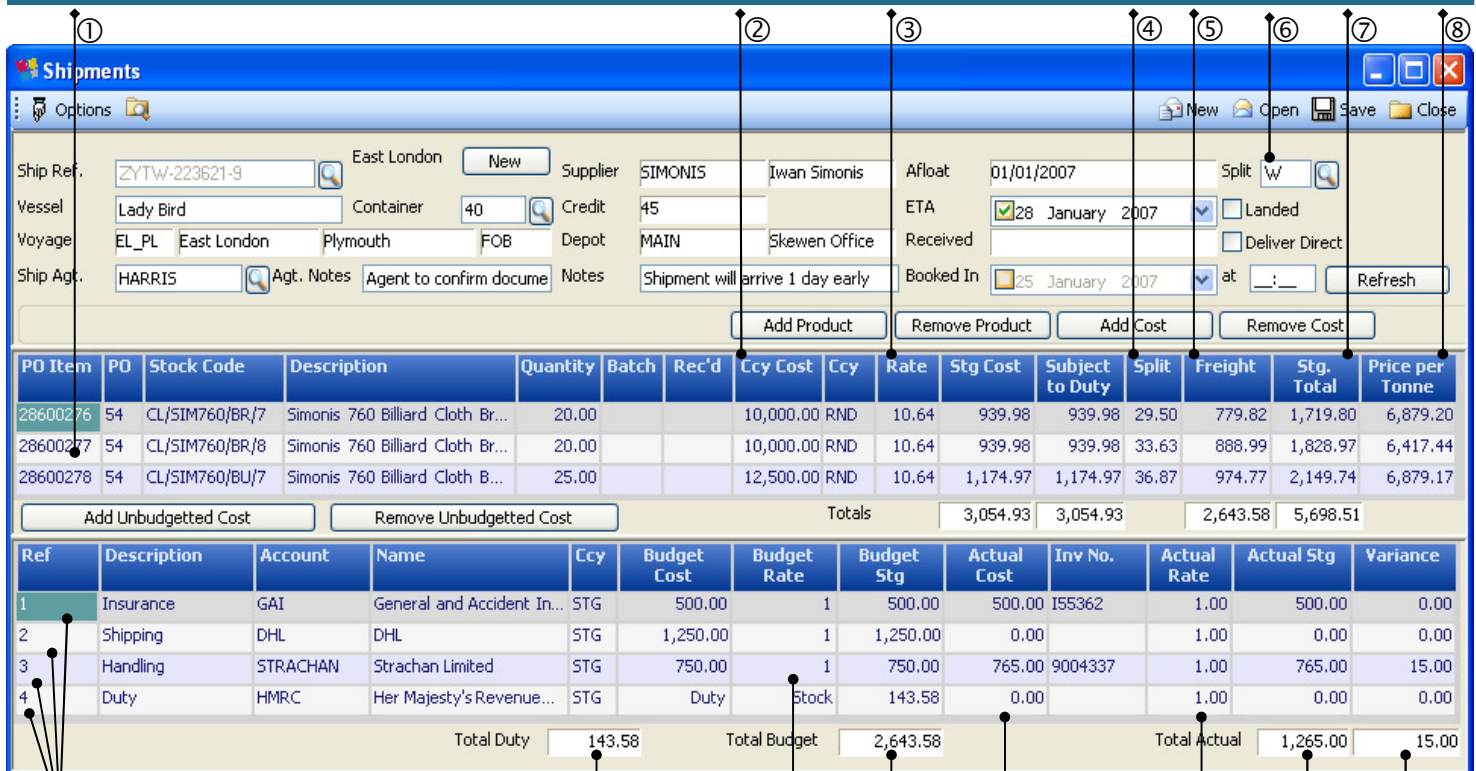


Fig 3: Up to 10 additional costs can be defined on the 'Setup Costs' tab. These costs are further capitalised into the value of the stock upon receipt. They are used for uplifting stock valuations to incorporate on-costs, such as configuration and testing, warehousing and distribution. Setup costs can be calculated either as an amount per case or as a percentage of the cost of stock.

The Shipping Screen in Detail



Ship Ref: ZYTW-223621-9 East London New Supplier: SIMONIS Iwan Simonis Afloat: 01/01/2007 Split: W

Vessel: Lady Bird Container: 40 Credit: 45 ETA: 28 January 2007 Landed:

Voyage: EL_PL East London Plymouth FOB Depot: MAIN Skewen Office Received: Deliver Direct

Ship Agt: HARRIS Agt. Notes: Agent to confirm docume Notes: Shipment will arrive 1 day early Booked In: 25 January 2007 at: Refresh

PO Item	PO	Stock Code	Description	Quantity	Batch	Rec'd	Ccy	Cost	Rate	Stg Cost	Subject to Duty	Split	Freight	Stg. Total	Price per Tonne	
28600276	54	CL/SIM760/BR/7	Simonis 760 Billiard Cloth Br...	20.00				10,000.00	RND	10.64	939.98	939.98	29.50	779.82	1,719.80	6,879.20
28600277	54	CL/SIM760/BR/8	Simonis 760 Billiard Cloth Br...	20.00				10,000.00	RND	10.64	939.98	939.98	33.63	888.99	1,828.97	6,417.44
28600278	54	CL/SIM760/BU/7	Simonis 760 Billiard Cloth B...	25.00				12,500.00	RND	10.64	1,174.97	1,174.97	36.87	974.77	2,149.74	6,879.17
										Totals			3,054.93	3,054.93	2,643.58	5,698.51

Ref	Description	Account	Name	Ccy	Budget Cost	Budget Rate	Budget Stg	Actual Cost	Inv No.	Actual Rate	Actual Stg	Variance	
1	Insurance	GAI	General and Accident In...	STG	500.00	1	500.00	500.00	I55362	1.00	500.00	0.00	
2	Shipping	DHL	DHL	STG	1,250.00	1	1,250.00	0.00		1.00	0.00	0.00	
3	Handling	STRACHAN	Strachan Limited	STG	750.00	1	750.00	765.00	9004337	1.00	765.00	15.00	
4	Duty	HMRC	Her Majesty's Revenue...	STG	Duty	Stock	143.58	0.00		1.00	0.00	0.00	
					Total Duty		143.58	Total Budget		2,643.58	Total Actual	1,265.00	15.00

Upper Key:

- Lines from a single or multiple POs can be added to a shipment
- A PO can be raised in any currency. The system rate is used to convert the value to STG
- The % split of shipping costs is visible across each PO line
- Shows the total freight is added to each line
- Sets the cost split by weight, volume, quantity or manually set.
- Calculated value of the stock cost plus shipping
- The system calculates costs and manages stock by unit quantities or weight.

Lower Key:

- Any combination of costs can be added to a shipment. Unbudgetted costs can be added as required.
- Duty is automatically calculated based on stock duty and levies
- Costs in foreign currencies can be added, with this rate used for STG conversion
- Budget Costs are maintained giving you a projected shipment cost
- Actual costs are updated as invoices are received
- Currency fluctuations which cause cost variances are tracked.
- Actual costs are continually updated as they are received
- Variances are tracked and posted directly to the P&L