



Increase Revenue by Managing Consignments with Paladin

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May 16, 2023

WHAT YOU'LL LEARN

- What is selling on consignment
- Building the foundation to support consignment sales
 - Setting up a consignment department
 - Adding a consignment supplier
 - Adding a consignment item into inventory
 - Receiving a consignment item into stock on hand
- Selling an item on consignment
- Reporting on consignment items and consignment customers/suppliers
- Inventory Valuation Summary report
- Consignment item taxation options

What is selling on consignment

Consignment is an arrangement in which goods are left with a third party to sell. The party that sells the goods on consignment receives a portion of the profits, either as a flat rate fee or commission.

Paladin can help manage consignments by setting up a consignment department and customers, managing inventory, and organizing revenue and commission income reporting.

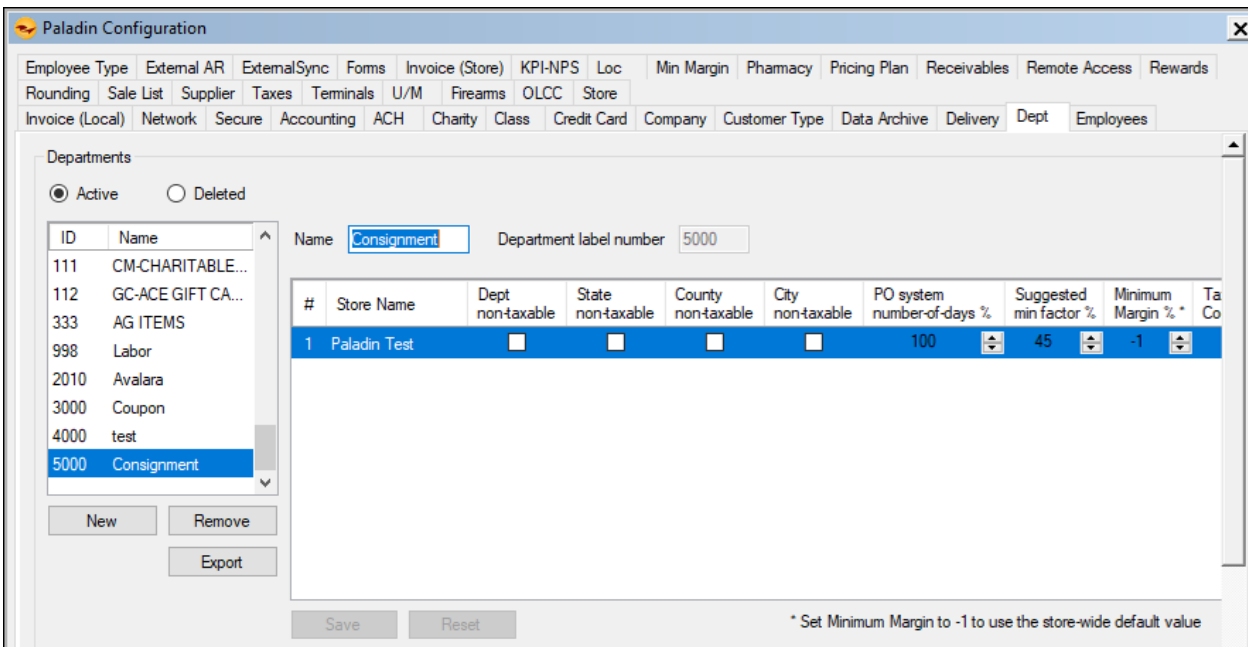
Setting up a consignment department

Adding a department specifically for consignment items provides an easy mechanism to track revenue and report on consignment items.

Setting up a consignment department

To set up a department:

1. In Paladin, from the main menu, select **File > Setup**.
2. Select the **Dept** tab.
3. In the **Departments** pane, under the **ID/Name** field, click **New**.
4. Enter **Consignment** in the **Name** box.
5. In the **Department label number** box, enter a number that exceeds existing department ID numbers. This will provide a method for segregating the consignment department when reporting.
6. Click **Save**, then click **Close**.



Paladin Configuration

Employee Type External AR ExternalSync Foms Invoice (Store) KPI-NPS Loc Min Margin Pharmacy Pricing Plan Receivables Remote Access Rewards
Rounding Sale List Supplier Taxes Terminals U/M Firearms OLCC Store
Invoice (Local) Network Secure Accounting ACH Charity Class Credit Card Company Customer Type Data Archive Delivery Dept Employees

Departments

Active Deleted

Name Department label number

#	Store Name	Dept non-taxable	State non-taxable	County non-taxable	City non-taxable	PO system number-of-days %	Suggested min factor %	Minimum Margin % *	Ta Co
1	Paladin Test	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	100	45	-1	

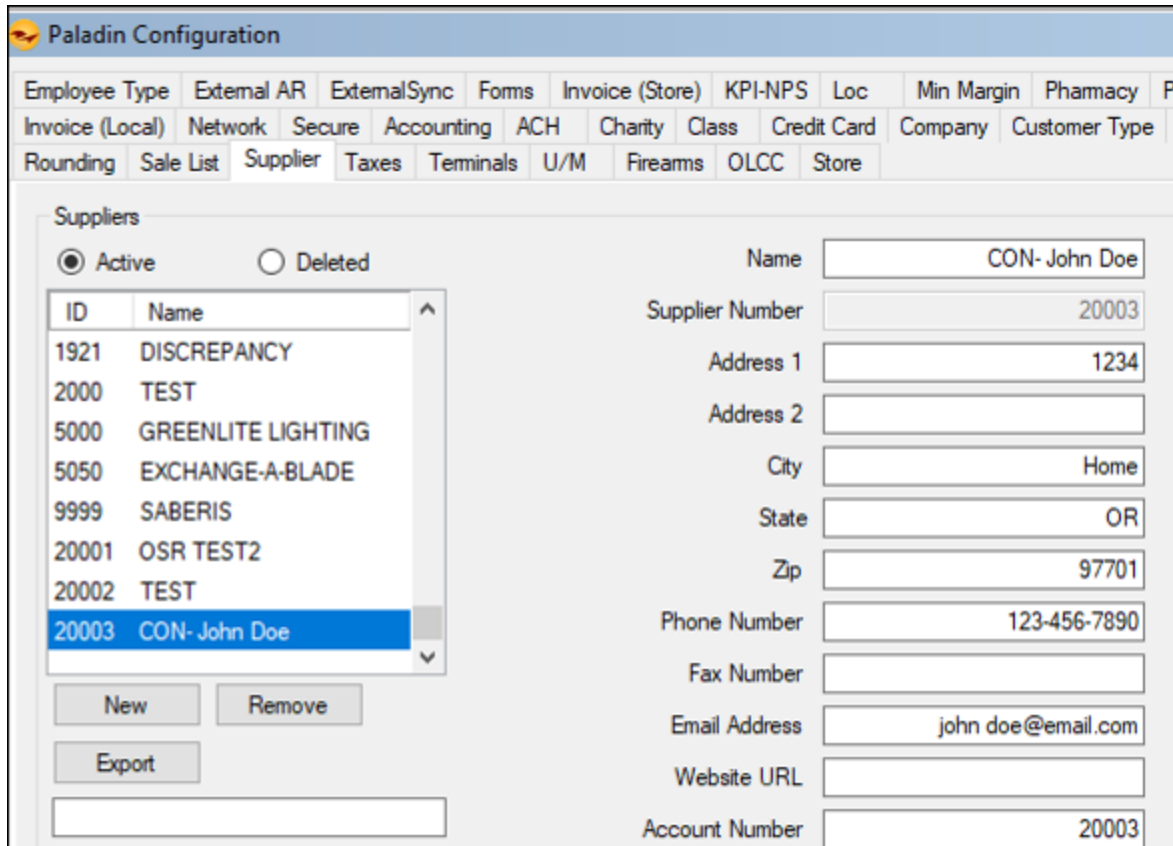
New Remove Export Save Reset

* Set Minimum Margin to -1 to use the store-wide default value

Adding a consignment supplier

When a customer is interested in selling through consignment, the best approach is to add them as a supplier in Paladin. This makes it easier for tracking and reporting as well as managing their commission or percentage of sales.

Adding a consignment supplier



The screenshot shows the 'Paladin Configuration' window with the 'Suppliers' pane active. The 'Suppliers' pane has a list of suppliers on the left and a form for editing a selected supplier on the right. The selected supplier is '20003 CON- John Doe'. The form fields are filled with the following information:

Field	Value
Name	CON- John Doe
Supplier Number	20003
Address 1	1234
Address 2	
City	Home
State	OR
Zip	97701
Phone Number	123-456-7890
Fax Number	
Email Address	john.doe@email.com
Website URL	
Account Number	20003

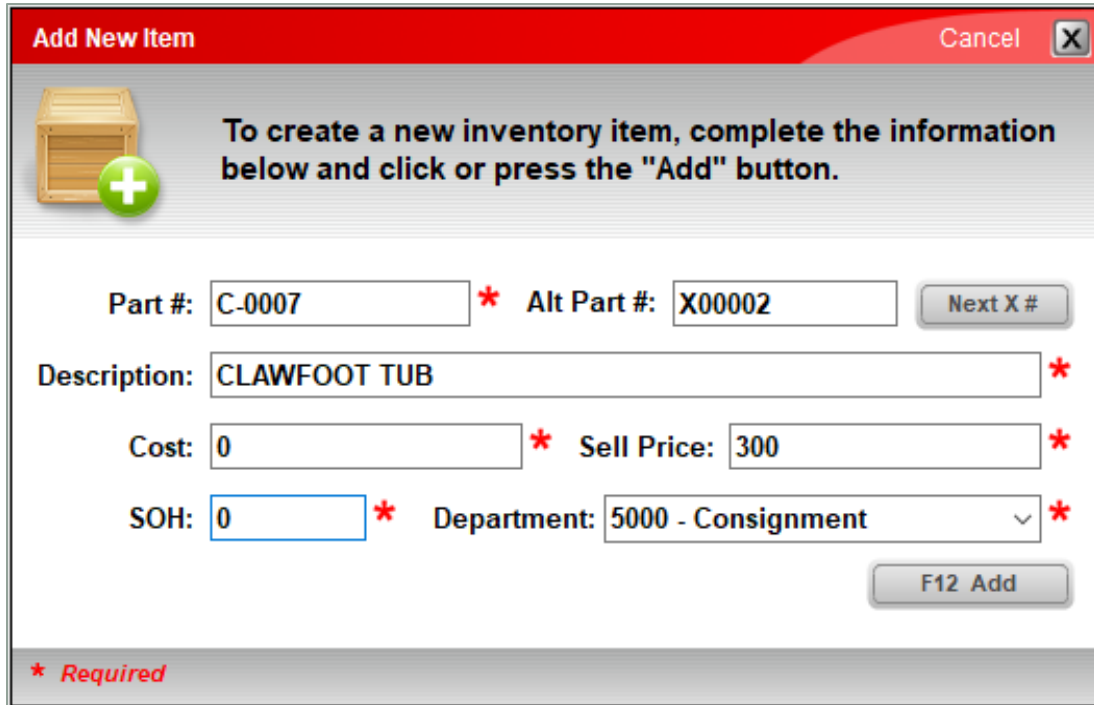
To add a consignment supplier:

1. From the main menu, select **File > Setup**.
2. Select the **Supplier** tab.
3. In the **Suppliers** pane, under the **ID/Name** field, click **New**.
4. In the **Name** box, preface the name with “CON“ in order to segregate the consignment suppliers into their own grouping when viewing a supplier list.
5. In the **Supplier Number** box, enter a supplier number that exceeds the existing ID range to push the consignment suppliers to the end of the supplier list.
6. In their respective boxes, enter the address, city, state, zip, phone number, and email.
7. in the **Account Number** box, enter the same number as the supplier number.
8. Click **Save**, then click **Close**.

Adding a consignment item into inventory

Now you are ready to add your consignment item to the inventory.

Adding a consignment item into inventory



Add New Item Cancel X

To create a new inventory item, complete the information below and click or press the "Add" button.

Part #: * Alt Part #: Next X #

Description: *

Cost: * Sell Price: *

SOH: * Department: *

F12 Add

* Required

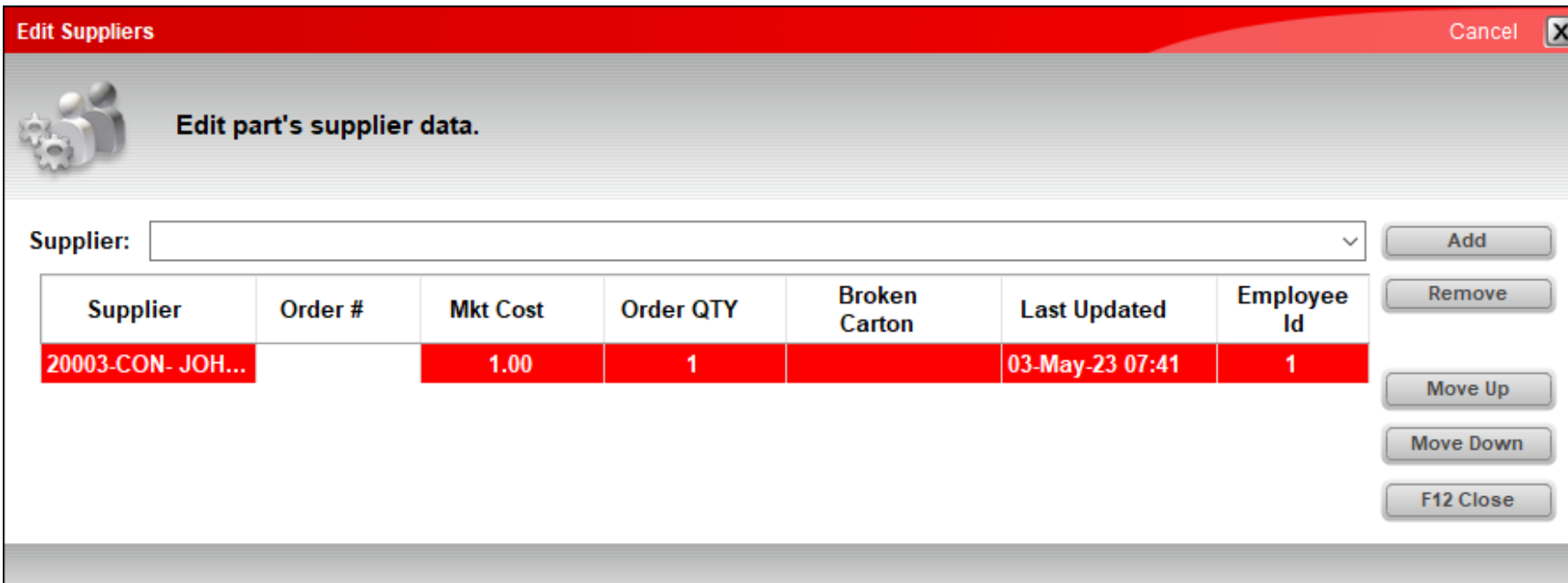
1. Select the **Inventory** module.
2. On the bottom ribbon, select **F2 Add Item**.
3. In the **Add New Item** window, enter information as follows:
 1. **Part #** – Enter a part number that is unique. Tip: Preface with "C-" for quick searching.
 2. **Alt Part #** – If you want to auto-assign an alternate part number, click **Next X #**.
 3. **Description** – Enter a concise description of the item. For example: Clawfoot tub.
 4. **Cost** – Enter a zero. You will assign this item a margin percentage in a subsequent step.
 5. **Sell Price** – Enter the retail selling price.
 6. **SOH** – Enter zero.
 7. **Department** – From the list, select the consignment department.
 8. Click **F12 Add**.

Assigning a consignment supplier to the new inventory item


Now you are ready to associate the new inventory item with the consignment supplier.

Assigning a consignment supplier to the new inventory item

1. Open the **Order Control** tab.
2. On the bottom ribbon of the tab, select **F11 Suppliers**.
3. In the **Edit Suppliers** window, from the **Supplier** list, select the supplier you created.
4. Click **Add**.
5. The information on the consignment appears.
6. Click **F12 Close**.



Edit Suppliers [Cancel] [X]

 Edit part's supplier data.

Supplier:

Supplier	Order #	Mkt Cost	Order QTY	Broken Carton	Last Updated	Employee Id
20003-CON- JOH...		1.00	1		03-May-23 07:41	1

[Add] [Remove] [Move Up] [Move Down] [F12 Close]

Establishing a consignment price for the new item

Now you are ready to add the agreed upon pricing to the consignment item.

Establishing a consignment price for the new item

1 Item Cost
Last:

Avg:	Mkt:	Cost	Qty / Date
<input type="text" value="0.00"/>	<input type="text" value="0.00"/>	0.00	0 01-Jan-00
Cost Per:		Item v	

2 Pricing Levels

	Quantity	Sale Price	Margin	Mkt Margin	Ref	Rounding
1	<input type="text" value="1"/>	<input type="text" value="300.00"/>	<input type="text" value="100.0"/>	<input type="text" value="100.0"/>	<input type="text" value="50"/>	<input type="text" value="v"/>
2	<input type="text" value="0"/>	<input type="text" value="0.00"/>	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="v"/>
3	<input type="text" value="0"/>	<input type="text" value="0.00"/>	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="v"/>
4	<input type="text" value="0"/>	<input type="text" value="0.00"/>	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="v"/>

1. Open the **Pricing** tab.
2. In the **Pricing Levels** pane, add a price and a **Ref** margin.
3. Click **F12 Save** and exit the Inventory module.

The reference margin amount may be equal to the margin you will realize from the sale of this consignment item. For example, if you expect to get 50% of the purchase price and the other 50% goes to the consignment supplier, then the amount of the reference margin will be 50. Another example is if you expect to receive 40% of the purchase price and the other 60% goes to the consignment supplier, then the amount of the reference margin will be 40% or \$120, and the commission to the seller would be 60% or \$180.

Receiving a consignment item into stock on hand

Now that the item has been successfully added to the inventory, the next step is to account for the quantity being added to stock. Best practice dictates that you enter the product into a purchase order and receive it into stock using the PO Receive method. This process is the most favorable option for accounting purposes.

However, instead of adding this item to a purchase order and receiving it into stock, there is another option: using F5 Manual Receive in the Inventory module. This tracks the receiving event, but it doesn't provide a purchase order for enhanced traceability and reporting.

Receiving a consignment item into stock on hand

To receive a consignment item into stock on hand using the preferred PO Receive/Order method. First create your order using the process below:

1. In Paladin, on the top ribbon, select the **PO** module.
2. From the **Supplier** list, select the consignment supplier created.
3. Under **Part Number**, enter the part number created for the consigned item.
4. Press **Enter**.
5. Under **Quantity**, enter the number of items being received.

Part Number		Description	SOH/ORD	Quantity	Cost	Extension
<input type="checkbox"/>	0007	Clawfoot tub	EACH 0	1	\$ 0.000	\$ 0.00
<input type="checkbox"/>	0007	Need: 0, OrdQty: 1.00, Min: 0.00, Max: 2.00, Ord%: 100%	0			
<input type="checkbox"/>			SOH			
<input type="checkbox"/>			ORD			

Receiving a consignment item into stock on hand (continued)

6. Press **Enter** twice.
7. Press **F8 Confirm PO**.
8. In the **Confirm PO** tab, select **F1 Buy**.

The item is now on-order in the purchase order module and will show on-order in the inventory module as well.

Purchase Order		Confirm PO				Cancel X	
Days 21	Supplier 20003 - CON- JOHN DOE	Address 2	Phone 123-456-7890				
EDI <input type="checkbox"/>	Address 1 1234	City/State/Zip Home, OR, 97701	Fax				
Part Number	Description	SOH/ORD	Quantity	Cost	Extension		
<input type="checkbox"/> 0007	Clawfoot tub	EACH 0	1	\$ 0.000	\$ 0.00		
0007	Need: 0, OrdQty: 1.00, Min: 0.00, Max: 2.00, Ord%: 100%	0					
<input type="checkbox"/>		SOH					
<input type="checkbox"/>		ORD					

Receiving a consignment item into stock on hand (continued)

9. On the bottom of the **PO** module, toggle **F5 Mode PO** to **F5 Mode Receive**.
10. On the bottom of the **PO** module, click **F6 Find PO**.
11. In the **Find PO** window, under the **Matching Purchase Orders** pane, highlight the consignment PO created.
12. Click **F12 Open**.
13. In the **Receive PO** tab, click **F8 Process**.
14. In the **Confirm Receive** tab, click **F1 Process**.

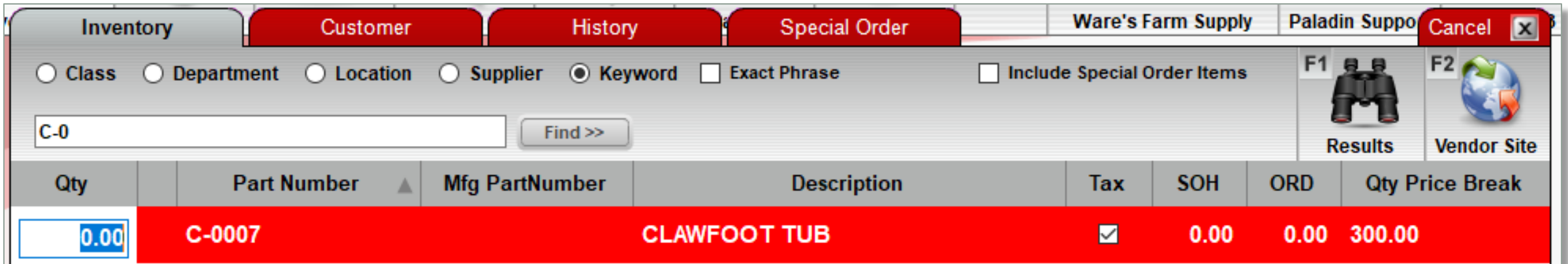
2 Matching Purchase Orders							
PO #		Vendor	PO Date▼	# Items	PO Cost	Rcvd Cost	Closed
2282		CON- JOHN DOE	03-May-23	1	\$0.00	\$0.00	<input checked="" type="checkbox"/>
12345678		TEST	27-Feb-23	1	\$22.44	\$0.00	<input type="checkbox"/>

Selling an item on consignment

The item is now in the inventory and available for sale. Selling a consignment item is no different than checking out any other inventory item.

Selling an item on consignment

1. Select the **Invoice/ Quote** module.
2. Under **Part** number, enter the item's part number.
3. If you do not know the part number, click **F1 Adv. Lookup**.
 1. Search by **Keyword** or **Department**.
For keyword you can begin the search with "C-" if part numbers were setup accordingly. As an option you can also search by the consignment department.
 2. Highlight the item, and under **QTY**, add a quantity.
 3. Click **Enter**.
 4. Click **F8 Add Items to Invoice**

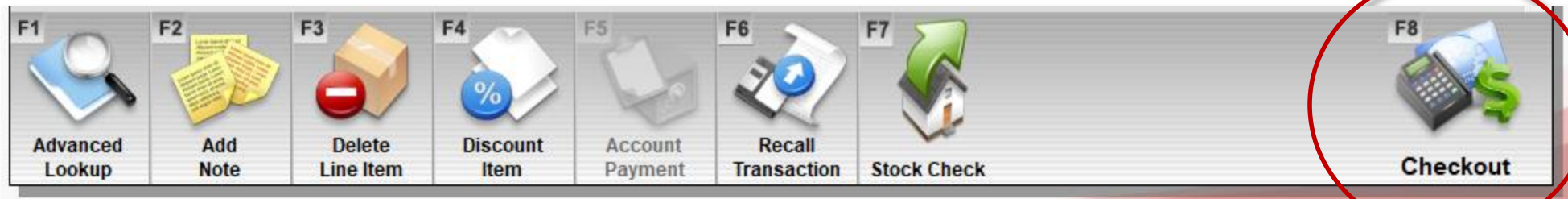


The screenshot shows a software interface with a search bar containing 'C-0' and a 'Find >>' button. Below the search bar is a table with the following columns: Qty, Part Number, Mfg PartNumber, Description, Tax, SOH, ORD, and Qty Price Break. The row for 'C-0007 CLAWFOOT TUB' is highlighted in red, with a quantity of 0.00 entered in the Qty column.

Qty	Part Number	Mfg PartNumber	Description	Tax	SOH	ORD	Qty Price Break
0.00	C-0007		CLAWFOOT TUB	<input checked="" type="checkbox"/>	0.00	0.00	300.00

Selling an item on consignment (continued)

4. On the bottom ribbon of the **Invoice/Quote** tab, click **F8 Checkout**.
5. On the bottom ribbon of the **Checkout** tab, select a **payment type** and press **Enter** to complete the sale.



Reporting on consignment items and consignment customers/suppliers

There are several reports that can help track consignment items, including:

- Comparative Revenue Report
- Transaction Report
- Inventory Count List
- Inventory – Master Report
- Inventory – Summary Report

Comparative Revenue report

Comparative Revenue reports can be used to determine revenue gains and margin/commission.

Comparative Revenue report

1. In Paladin, on the top ribbon, select the **Reports** module.
2. In the **Report Area** pane, select **Sales Analysis > Revenue**.
3. In the **Report List** pane, select **Period Comparative Revenue**.
4. In the **Choose Report** pane, click **F12 Next**.
5. In the **Period Comparative Revenue** window, under the **Reports Settings** pane:
 1. Set the **Dates** range.
 2. Check **Export to Excel**.

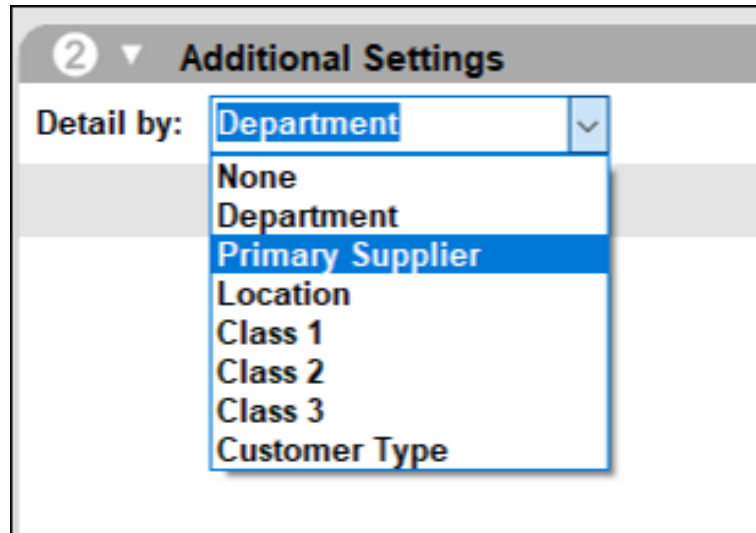
TODAY'S COMPARATIVE REVENUE PAGE 1

SELECTION	BEGINNING	ENDING	THIS PERIOD		LAST YEAR		DATE STAMP	
EMPLOYEE TERMINAL	0	999999999	SEARCH BETWEEN		SEARCH BETWEEN		RAN ON 11-May-23	
SHOW PRIOR YEAR COMPARATIVE TOTALS?	X		Wednesday	01-Mar-23	Tuesday	01-Mar-22	AT 09:57	
DETAIL BY DEPARTMENT?	X		Friday	03-Mar-23	Thursday	03-Mar-22	EMP 1	

REVENUE SOURCES						CASH SOURCES					
THIS PERIOD			LAST YEAR			THIS PERIOD			LAST YEAR		
SOURCE	REVENUE AMOUNT	% OF SALES	# OF INV	REVENUE AMOUNT	% OF SALES	# OF INV	SOURCE	CASH AMOUNT	% OF CASH	CASH AMOUNT	% OF CASH
CASH	1858.51	0.6%	35	8228.74	2.7%	43	CASH	10031.70	2.2%	13078.74	6.7%
CHARGE	289180.35	90.5%	339	265140.31	87.7%	325	CHG CARD	75609.73	16.5%	25841.70	13.1%
CHG CARD	18426.03	5.8%	56	15431.29	5.1%	71	CHECK	371836.95	81.3%	157727.95	80.2%
CHECK	10054.77	3.1%	7	13653.32	4.5%	15	PAID OUT	0.00		0.00	
							CASHDROP	0.00		0.00	
NET \$	319519.66	100%		302453.66	100%		TOTAL	457478.38	100%	106648.30	100%
GROSS \$	+374373.20			-54853.54	+320						
CUSTOMER COUNT	421										

LINE #	DEPT ID	DEPT NAME	NUMBER OF ITEMS	SALES COST	REVENUE	MARGIN	NUMBER OF ITEMS	LAST YEAR SALES COST	REVENUE	MARGIN
1	5	ROOFING	16	18,328.46	21,920.65	16.4%	16	3,317.41	4,128.78	19.7%
2	10	HAND TOOLS	4	45.40	88.73	48.8%	12	111.88	158.59	29.5%
3	15	POWER TOOLS & AC	22	840.90	1,042.36	19.3%	27	1,086.24	1,520.86	28.0%
4	20	FASTENERS	46	2,803.63	3,960.24	29.2%	48	1,987.29	2,897.04	31.4%
5	25	HARDWARE	36	898.95	1,435.94	37.4%	34	1,534.16	2,355.54	54.9%
6	30	PAINT & SUNDRIES	61	934.88	1,318.61	29.1%	53	1,058.93	1,587.11	33.3%
7	32	PAINT OUTSIDE BU	17	299.03	373.86	20.0%	3	248.94	311.19	20.0%
8	35	ELECTRICAL	82	6,235.27	8,648.68	27.9%	86	5,395.73	7,639.46	29.4%
9	40	PLUMBING	135	6,208.58	8,623.74	28.0%	158	6,350.59	9,252.72	31.4%
10	45	HEATING & COOLIN	6	166.34	214.56	22.5%	9	260.27	388.87	5.9%
11	50	HOUSEWARES	4	110.44	152.97	27.8%	1	338.04	500.00	32.4%
12	55	LAWN & GARDEN	2	27.50	37.99	27.6%	1	10.78	13.99	22.9%
13	58	CASE	0	0.00	0.00	0.0%	1	9.88	13.00	24.0%
14	60	FENCING	0	0.00	0.00	0.0%	4	981.48	1,140.25	13.9%
15	65	AUTOMOTIVE	4	55.13	123.98	55.5%	3	16.97	31.30	45.8%
16	70	SPORTING GOODS	1	32.00	42.95	25.5%	3	66.31	87.90	24.6%
17	Totals		767	235,788.76	319,519.66	23.1%	836	221,998.96	302,453.66	22.8%

Comparative Revenue report (continued)



6. In the **Additional Settings** pane, from the **Detail By list**, select either:
 1. **Department** – shows the total consignment sales, cost, revenue, and margin including all consignment suppliers.
 2. **Primary Supplier** – breaks out each consignment suppliers' sales, cost, revenue, and margin. This report setting is a great tool for figuring out commissions/cuts for the store owner and consignment supplier.
7. In the **Sorting Options** pane, click **F12 Run Report**.

Comparative Revenue report (continued)

Detail By Department – Shows the total of all consignment items sold during the requested date range:

		This Period			
DEPT ID	DEPT NAME	NUMBER OF ITEMS	SALES COST	REVENUE	MARGIN
5000	Consignment	1	150.00	300.00	50.0%

Detail By Supplier – Shows the total dollar amount sold for each consignment supplier during the requested date range:

		This Period			
SUPP ID	SUPPLIER NAME	NUMBER OF ITEMS	SALES COST	REVENUE	MARGIN
20003	CON- JOHN DOE	1	150.00	300.00	50.0%

Transaction Report

Transaction reports can be used to generate a list of the consignment sales transactions by date range and/or consignment supplier.

Transaction report

Transaction Report		
1 Report Settings		
Selection	Beginning	Ending
InvoiceDate	11-May-23	11-May-23
PartNumber		zzzzzzzzzz
Terminal	0	999999999
Employee	0 - Default User	999999999
Department	1200 - CONSIGNMEN	200 - CONSIGNMENT
Supplier	0	999999999
Class	0 - New Class 000	999999999
Account	0	999999999
InvoiceNumber	0	999999999

To create a Transaction report for consignments:

1. In Paladin, on the top ribbon, select the **Reports** module.
2. In the **Report Area** pane, select **Sales Analysis > What I Need To Know**.
3. In the **Report List** pane, select **Transaction Report**.
4. In the **Choose Report** pane, click **F12 Next**.
5. In the **Transaction Report** window, under the **Reports Settings** pane:
 1. Set the **Dates** range.
 2. In the **Department** range, in the **Beginning** and **Ending** lists, select the department created for consignment.

Transaction report (continued)

2 ▾ **Additional Settings**

Payment Method

Customer Name

Keyword Search

Detail Display **Customer friendly** Accounting Department

6. In the **Additional Settings** pane, from **Detail Display** enable either **Customer friendly** or **Accounting Department**.
7. In the **Sorting Options** pane, click **F12 Run Report**.

Accounting Department

test		Transaction Details									
Selection	Beginning	Ending	Options		Sortation						
Search Between	03-May-23	03-May-23	Payment Type	None	Sort By:	None					
Part Numbers	All	All	Customer Name	All	Order By:	None					
Terminal #	All	All	Keyword Search Type	None	Sort By:	None					
Sales Person #	All	All	Keyword Search	NA	Order By:	None					
Department #	5000	5000	Search Inv Amount		Sort By:	None					
Supplier	All	All	Less than:	None	Order By:	None					
Class	All	All	Greater Than:	None	Sort By:	None					
Account #	All	All	Equal to:	None	Order By:	None					
Invoice #	All	All									

test		Customer Transaction Details										03-May-23 11:07	By: 1	Page: 1
T D N														
A E E	CASH SALE	Inv:160666	Term:9	Sales Person:1	Dioc Allowed:0.00						03-May-23 09:41			
X F T	Scan Number	Description	Part #	Qty	Price One	Sell Price	Per Qty	Ext						
X	0007	Clawfoot tub	0007	1	300.00	300.00 /	1	300.00						
								CASH	303.00	Sub Total	300.00			
										Total Tax	3.00			
										Grand Total	303.00			

test		Customer Transaction Details										03-May-23 11:07	By: 1	Page: 1
T D N														
A E E	CASH SALE	Inv:160666	Term:9	Sales Person:1	Dioc Allowed:0.00						03-May-23 09:41			
X F T	Scan Number	Description	Part #	Dept	Cost	Qty	Price One	Sell Price	Per Qty	Ext	Margin			
X	0007	Clawfoot tub	0007	5000	150.00	1	0.19	300.00 /	1	300.00	50%			
								CASH	303.00	Sub Total	300.00	50%		
										Total Tax	3.00			
										Grand Total	303.00			

Customer Friendly

Inventory Valuation Summary report

From a software perspective, the inventory that you have in your store is counted towards your inventory valuation. However, if you want to exclude consignment items from your inventory, exclude the consignment department from your inventory valuation settings.

Inventory Valuation Summary report

Note: Since the department code is at the tail end of your department IDs, you can easily exclude it from your report settings. In Figure 15, the consignment department 5000 has been excluded from the Inventory Valuation Summary report settings.

(See next slide)

To create an Inventory Validation Summary report:

1. In Paladin, on the top ribbon, select the **Reports** module.
2. In the **Report Area** pane, select **Inventory > General**.
3. In the **Report List** pane, select **Inventory Valuation Summary**.
4. In the **Chose Report** pane, click **F12 Next**.
5. In the **Report Settings** pane, select the department range that excludes consignment items.

Inventory Valuation Summary report (continued)

6. In the **Sorting Options** pane, click **F12 Run Report**. A PDF of the report opens with no reference to consignments.

Inventory Valuation Summary		
1 Report Settings		
Selection	Beginning	Ending
PartNumber		zzzzzzzzzzzzzzzz
Department	28 - POWER TOOLS	999999999
Supplier	333 AG ITEMS 998 Labor 999 Unknown	999999999
Class	2010 Avalara	999999999
SubClass	3000 Coupon 4000 test	999999999
Location	5000 Consignment 20001 H1	999999999

Consignment Department at end of list and excluded from report

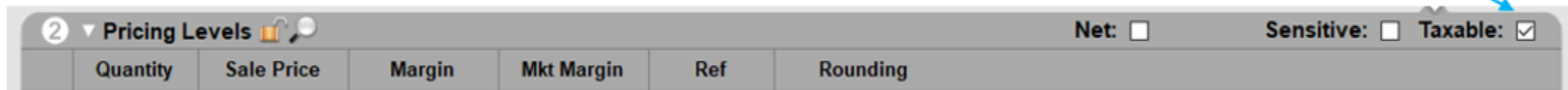
Consignment item taxation options

You can include or exclude taxes on consignment items based on your governmental municipality requirements.

Consignment item taxation options

To include or exclude taxes on consignment items:

1. In Paladin, on the top ribbon, select the **Inventory** module.
2. In the **Part #** box, enter the consignment item's part number. You can also click **F1 Adv. Lookup** on the bottom ribbon of the tab.
3. Open the **Pricing** tab.
4. On the top right of the **Pricing Levels** pane, check or uncheck **Taxable**.





Expand Your Knowledge

Stay relevant in retail:
paladinpointofsale.com/retailsience

Self help at:
portal.paladinpos.com

Webinars available at:
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