

## The Devil in the Dump SKU

Charles Owen Chief Experience Officer January 31. 2023



# WHAT YOU'LL LEARN

- The purpose of a dump SKU
- The devil in the dump SKU
- How to create a dump SKU
- Guidelines for using dump SKU's
- Dump SKU margin reporting
- Optional settings:
  - Apply F4 Discount to dump SKU's
  - Apply margin protection to dump SKU's
- Converting dump SKUs into active inventory items



### The purpose of a dump SKU



A dump SKU (Stock Keeping Unit) can be created and used for the following reasons:

- To use as a generic part number when a product barcode is non-existent.
- To be used for bulk commodity items such as fasteners, nuts, bolts, nails, etc.
- To use temporarily when new items have not yet been added to the inventory system – i.e., new store setup.
  - Press F2 Add Note and add a brief description of the item so it can be added to the inventory permanently, at a later time.



# The devil in the dump SKU



**Warning:** There may be negative effects of using dump SKUs if they are not properly setup. The following issues may occur:

- Skewed daily sales reports
- Skewed margins
- Skewed stock replenishment reports
- Skewed sales history reports
  - Note: Reporting errors don't necessarily mean you're losing money. Additionally, there are solutions for resolving incorrect margins from past sales events.

--Contact your Paladin customer support team for assistance--



# How to create a dump SKU

	To create a new inventory item, complete the information below and click or press the "Add" button.	
Part #:	Alt Part #:	
Description:		*
Cost:	* Sell Price:	*
SOH:	Department: 1 - Housewares	*
	F12 Add	٦

- 1. On the top ribbon, press the **Alt+3** key or click on the **Inventory** module.
- 2. On the bottom ribbon, click **F2 Add Item**.
- 3. Enter information in the following boxes:
  - Part # or department identifying code
    - Make it short and memorable
  - Description
  - Cost (set to \$0.00)
  - Sell Price (set to \$0.00)
  - SOH (set to 0 (zero))
  - **Department** (choose relevant department)
- 4. Click F12 Add.



#### How to create a dump SKU (Continued)

1 V Stock Inf	ormation 🔎				
Order Qty:	1 🔐 Min/D	isplay: 0	🔐 🛛 Max Qty:	0 🔒	
Order %:	100 Su	g. Min: 0	Sug. Max:	4	
0				_	
2 V Pricing	j Levels 🔟 🔎				
Quantity	Sale Price	Margin	Mkt Margin	Ref	
1	159.00	17.4	17.4	0	<u> </u>
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1 V Classes	ſ				
Class: 3333	DUMP SKU v	) - None	~ 0 - None	~	
Subclass: 0 - No	ne v (	) - None	<ul> <li>✓ 0 - None</li> </ul>	~	
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- 5. Next, click on the Order Control tab.
- In the Stock Information pane, in the Max Qty box, enter 0 (zero) and press the Enter key, then click the padlock to lock it and press F12 Save to save changes.
- 7. Next, click the **Pricing** tab.
- 8. In the **Pricing Levels** pane, enter the dump SKU department's average margin in the **Ref** box.
- 9. Click the **General** tab, then select the **Non-Inventory** checkbox.
- 10. Optionally, enter a dump SKU **Class** for searching and reporting purposes.



#### Guidelines for using dump SKUs

Item	Guideline		
Part #	Create a part number that is short and easy to remember.		
Alternate # (Optional Field)	Enter an additional part number or code/name that is easy for cashiers to recognize and recall.		
Description	Enter a description that makes sense to you and your customers as it will appear on receipt.		
Cost	Enter a cost of \$0.00.		
Sale price	Enter a sales price of \$0.00. Optionally, you may set a large amount (i.e., \$500) in this field, which will force the cashier to enter an accurate amount avoiding the customer from leaving the store without paying for the item.		
Department	Create a different dump SKU for each major department for better accounting practices.		
Reference margin	Enter an average reference margin if the sale price for the dump SKU is set at zero. The reference margin will automatically calculate a fixed margin when a retail price in entered at checkout.		
Maximum quantity	Set the Max Qty to zero and then lock it so that the item does not show up on the suggested order report.		
Non-inventory	Check this box so that it will not affect your stock on hand (SOH) inventory counts.		



## Dump SKU margin reporting



- Inventory items are considered a dump SKU if Avg Cost is zero. When this happens, the Ref Margin value on that item must be used to record an estimated margin made during the sale.
- If Ref Margin isn't changed from its default value of zero, the sale is recorded as a zero profit/zero margin event. This effects the margin and profit for the department when reporting.
- The message on the left displays anytime an inventory item is saved that has zero cost and zero Ref Margin.
  - Paladin's Comparative Revenue Report, Invoice Margin Analysis Report, and Inventory Count List Report, can help stores identify errors and discrepancies in margin reporting.



#### Apply F4 Discount to dump SKUs

Paladin Configuration	×
voice (Local) Network Secure Accounting ACH Charty Class ounding Sale List Supplier Taxes Terminals 27M Firearms QL invoice Type External AR ExternalSync Fors Invoice (Store) KP Invoice Signature for Returns Set initial focus on the customer field Enable Kt Functionality Kit Class Number 5000 Enable Hiding Kit Components Kit Class Number 5000 Enable Hiding Kit Components Kit Class Number 5000 Default to Largest Pricing Quantity when Added to Invoices Display Invoicing Pop-Up Message for items with Quantity Discounts Open Cash Drawer For Selected Payment Types (store specific setting) Cash Charge	Credit Card Company Customer Type Data Archive Delivery Dept Employees CC Store HPPS Loc Min Margin Phamacy Pricing Plan Receivables Remote Access Rewards
Charge     Creck Card     Creck     Don't Open Cash Drawer for Zero Dollar Cash Sales     Disable Automatic Receipt at Checkout	Discount Window Cancel
Add Alternate Part Numbers from Invoicing     Use Alternate Core Charge Identifier     Core Charge Identifier:     Disable Auto-Combining of Rows	Please select the discount amount
Display Only Quotes that Match Account # Filter Yard Order Printing by Inventory Location	Custom     %     Custom     0
Location: 1 to 1 Auto Print Yard Orders	
Location: 1 to 1 Auto Print Yard Orders	Respect Minimum Margin

- As an option, you may allow dump SKUs to be discounted at checkout using the F4 Discount function.
- To activate this feature, go to: File->Setup->Invoice(Store) tab.
- Check the box that reads: Invoice
   F4/Discount Applies to Manually Priced Items.



# Apply margin protection to dump SKUs



- As an option, you may activate minimum margin protection when using the F4 Discount function.
- To activate this feature, go to: File->Setup->Invoice(Store) tab.

# Check the box that reads: Invoice F4/Discount Respects Minimum Margin.

• Note: Be sure to verify that your minimum margins are set either across the board (see Min Margin tab on this screen shot) or per individual department (set at the department level).



# Converting dump SKUs into active inventory items

	Reports Choose	Cancel			
	Transaction Report		anter the criteria.	Cancel 🔀	
	1 V Report Settings			2 V Additional Settings	
	Selection	Beginning	Ending	Payment Method All	
	InvoiceDate	27-Jan -23	27-Jan -23 🛛 🔻	Customer Name	
+	PartNumber	HW	Н₩	Keyword Search NoteField ~	
	Terminal	rminal Octail Display Continue (rise 1) Continuing Dep		Detail Display Customer friendly, Checomany Department	
	Employee	0 ~	999999999 ~	Search Invoice Amounts	
	Department	0 ~	999999999 ~		
	Supplier	0 ~	999999999 ~	3 V Sorting Options	
	Class	3333 - DUMP SKU ~	3333 - DUMP SKU 🗸	Sort By	
	Account	0	99999999999999999999999999999999999999	TI D Ascending	
	InvoiceNumber	0	999999999	Then By Oessending F12 Run Report	
				() Descending	
6					

CASH SALE		Inv:25667
Scan Number	Description	Part #
HW	HARDWARE CATCH ALL DUMP SKU	HW
	Zoro Select 4Pe17 Door Handle	

- For new or unscannable items -- When you are forced to use a dump SKU during checkout there will be an opportunity to add the item(s) to the inventory later. Simply follow these steps:
- Step 1) Be sure to add a description of the item and/or scan the barcode into the note field upon checkout.
- **Step 2)** Run a transaction report at the end of the day for all dump SKUs applied at checkout.
- **Step 3)** Go through the transaction report and add all appropriate products to the inventory. This will assure that the next time you scan the product it will recognize the barcode and scan properly.
  - **Note:** Verify the vendor's UPC and Part Number. Confirm the item is not already in the inventory to prevent duplicate inventory items from being added. If so, you can use the <u>merge</u> <u>utility</u> to correct duplicate items.





### **Learn More**

To learn more, see the following resources in our <u>Help Portal</u>

- How to create a dump SKU
- Dump SKU margin protection

A recording of this webinar will be available at portal.paladinpos.com/webinars.



# Next Webinar: Paladin can Help Stores Join the Coupon Craze February 21, 2023 9am PT https://portal.paladinpos.com/webinars/



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