

IQ BUYOUTS

P R E F A C E

This is the IQ Buyouts guide for IQ Retail (PTY) Ltd Accounting Software Systems, IQ Business and IQ Enterprise.

The document will aid in the configuration of the IQ Buyouts for it to function correctly.

Although every effort has been made to keep this IQ Buyouts document up to date, some of the screen examples may not be 100% the same as the ones reflected in previous versions of IQ Business or IQ Enterprise. This is due to the continuous development and improvement of IQ Enterprise.

Unfortunately, there will be a discrepancy from time to time. We do apologize for the inconvenience that it may cause. This document includes functionality as presented in Version 2017.2.0.0.

Should you feel that the IQ Buyouts document is inadequate or requires further explanation or more and better examples, please feel free to email us.

We would love to have some feedback to improve the IQ Buyouts document in some way or another.

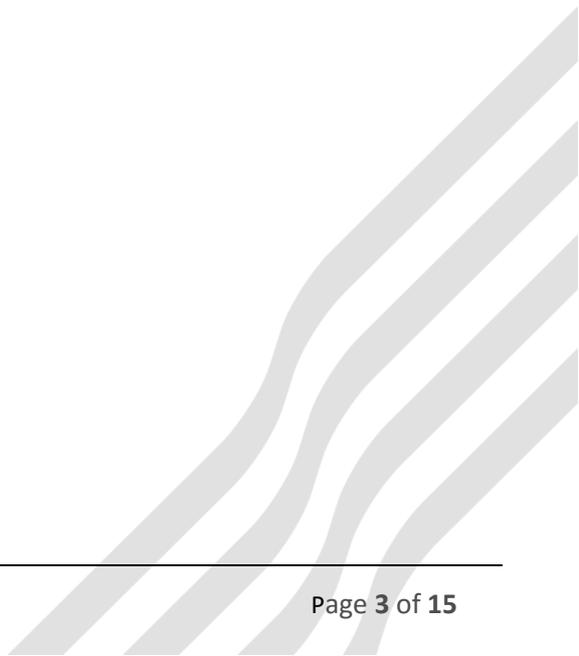
Regards,

IQ Retail (PTY) LTD



CONTENTS

- IQ BUYOUTS.....4**
- INTRODUCTION4**
- SETUP5**
- BUYOUT EXISTING STOCK ITEMS.....5**
 - PROCESSING USING BUYOUTS FOR STOCK ITEMS 6
 - Item Details..... 7
 - Buyout Details 8
 - Purchase Order Automatically Generated..... 9
- BUYOUT NON-STOCK ITEMS.....10**
 - BUYOUT ITEM..... 10
 - PROCESSING USING NON-STOCK BUYOUTS 11
 - Item Details..... 13
 - Buyout Details 13
 - Purchase Order Automatically Generated..... 14



IQ BUYOUTS

INTRODUCTION

The IQ Buyout function enables the user to buy the required stock item from a competitor or alternative supplier and sell it to the customer. The IQ Buyout functionality allows the user to capture a Buyout item on a sales document and a purchase order is automatically generated.

The Buyout function will NOT impact the stock cost levels (FIFO) levels, as buyout items will display in a separate block in the Stock Cost Levels (FIFO).

Customers who find that a stock item is unavailable to buy, are likely to form a bad impression of a retailer and seek to buy the item from a competitor, or the user would like to build his relationship with a customer and sell a required item, even if it doesn't form part of the usual stock list. The IQ Buyout function was created to overcome this problem.

NOTE: Buyouts can't be processed in the Point of Sales module, as the Buyout is usually done by authorised personnel who can source the item for selling, which takes time.

In other words, buyouts can only be processed in the Processing Module.

The following modules will allow for Buyout items:

- Sales Orders
- Invoices and/or Recurring Charges
- Purchase Orders

There are two (2) different methods of using buyouts:

- The user can Buyout an existing stock item in case of an emergency.

In other words, the company usually stocks a specific item, but there is no onhand available and the user must buy the item from a competing company or alternative supplier to finalise a sale.

- The second option is where the company doesn't usually sell the specific item, but the customer wants you to acquire the item for them.

In other words, the specific item is not a stock item in your company, but the customer wants you to buy it from another company and make it part of the sale.

For the second option, the user must create a Buyout item without any cost price or selling prices.

The created Buyout item can be used more than once.

In other words, the user creates one item as a Buyout stock item and use the buyout item repeatedly for buying and selling.

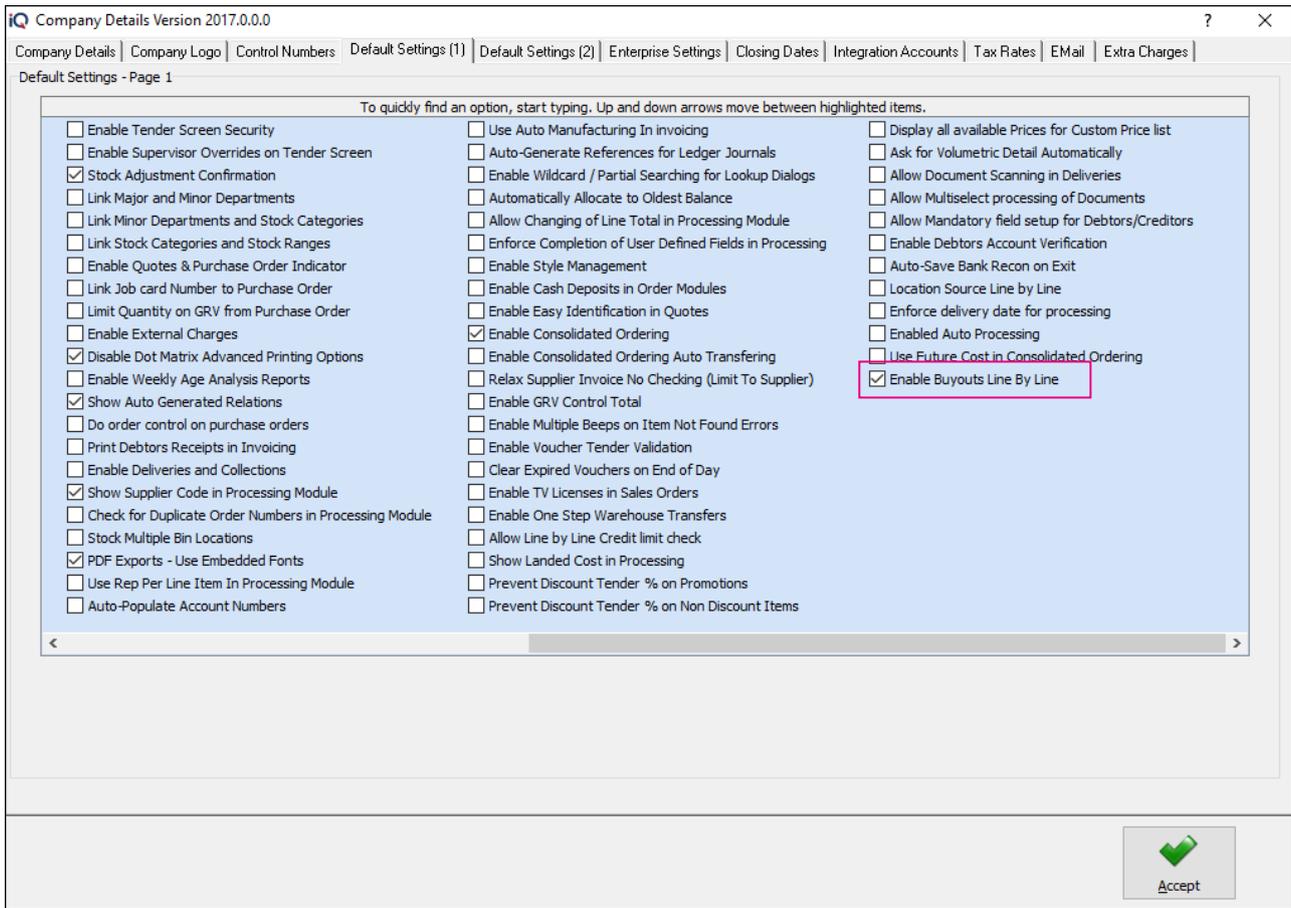
NOTE: It is suggested that the user create a specific Creditor / Supplier account for item buyouts. This supplier account can then be used for all buyout items, instead of creating many supplier accounts for companies not regularly used for buying stock items.



SETUP

Buyouts must be enabled in the Company details.

From the IQ main menu → Utilities → Setup → Company Details → Default Settings (1).



Enable Buyouts for all the required modules and click on the Accept button at the bottom of the screen to save the changes made.

Modules that Allow Buyout Items:

- Sales Orders
- Invoices
- Purchase Orders

NOTE: The system will not allow the user to link Buyout codes to Recurring charges.

BUYOUT EXISTING STOCK ITEMS

Buyout of existing stock items is done when the company usually carries the stock item, but don't have stock onhand. Authorised personnel must phone other companies (possibly competing companies) to get the price you will have to pay for the requested item.

The user will pay the selling price from the supplying company for the item, which will then become the cost price for the item in your books. This once-off cost price is much more than the cost price that you would usually pay for the item, if it is bought from the regular suppliers. The Buyout functionality ensures that this higher cost price doesn't affect the average cost price of the item.

A buyout transaction will usually start in the Sales or Debtors department of a company. This customer wants an item that should be in store, but there are no onhand quantities available for selling. The user would like to help the customer to obtain the item, without losing the sale or customer to a competing company.

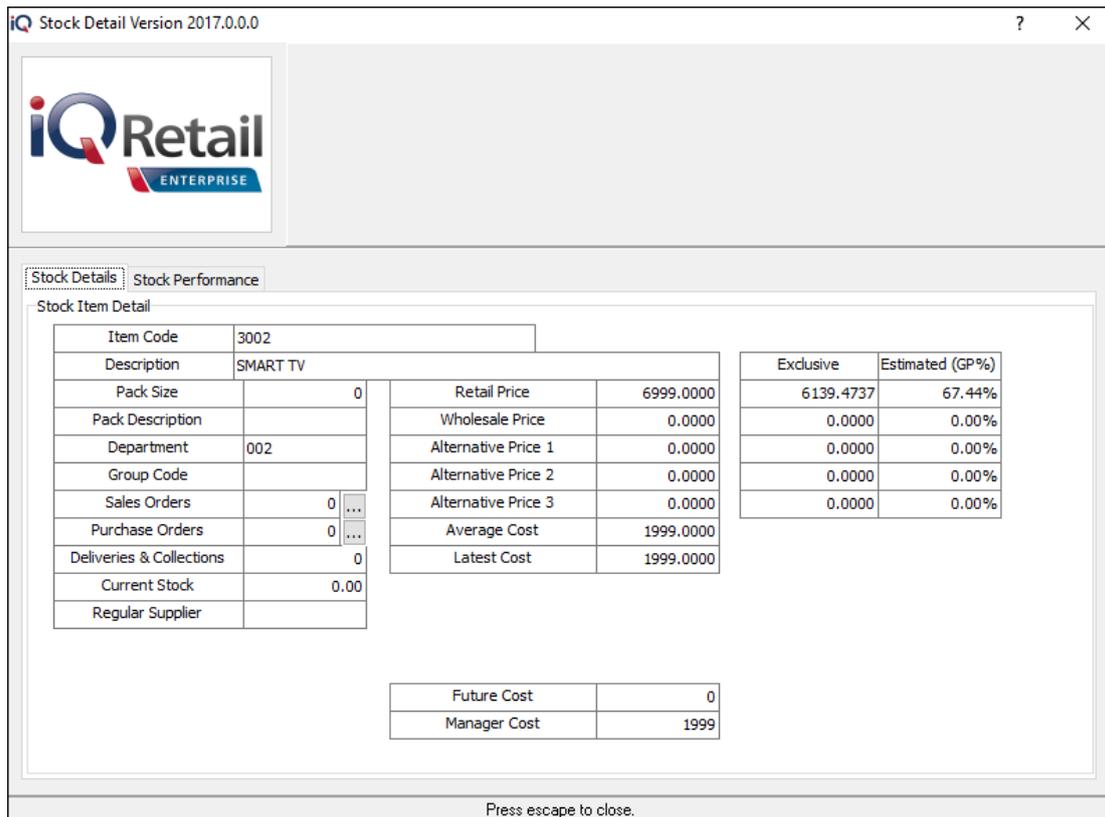
PROCESSING USING BUYOUTS FOR STOCK ITEMS

NOTE: Please note that the method of using the Buyout item as an existing stock item, is the same for Invoices and Sales Orders.

On the example below, the screen displays that the stock item is usually part of the stock list, but there is no onhand stock to sell to the customer.

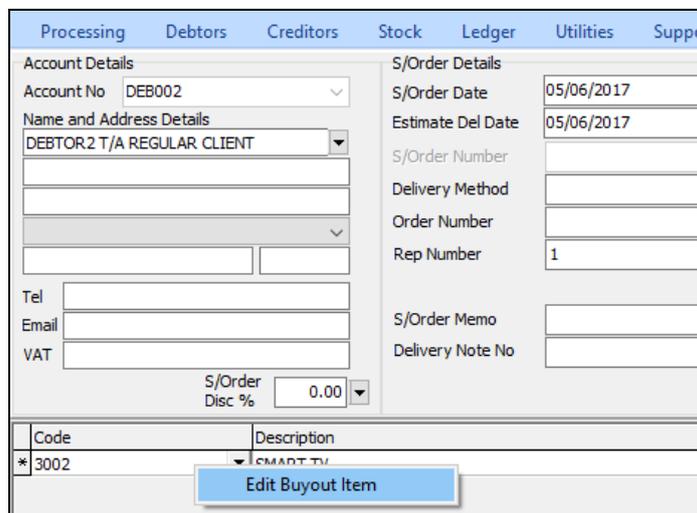
The customer doesn't want to wait for an order to be placed or to be delivered sometime in the future. To keep the customer happy, the user can offer to buy the item from another company.

After sourcing for the item, the user can process the sales document and edit the existing item, to change it to a buyout item.



From the IQ main menu → Processing → Invoice / Sales Order → Processing button → Select New
 Capture all the items the customer want to buy as per normal.

For the item that must be bought, capture the Item code and enter to the description field. Right click on the item code and click on the Edit Buyout Item option and enter.



Once the Edit Buyout Item option is selected, the following screen will appear:

The Buyout Item Details screen allows the user to see the item details as on the system and lets the user capture the actual cost (the price you pay) and supplier information.

ITEM DETAILS

ITEM CODE	The Stock item code on the stock list.
ITEM DESCRIPTION	The description of the item.
RETAIL PRICE INCL	The Selling price (Vat incl) of the item as per the system.
LATEST COST	The latest cost of the item.
AVERAGE COST	The average cost of the item.
COST EXCL	The price the user will pay for the item when it is bought out, exclusive of VAT.
COST INCL	The price the user will pay for the item when it is bought out, VAT included.
MAJOR DEPARTMENT	The major Department this stock item should belong to. If the user has created a special major department for buyout items, the department can be changed.
MINOR DEPARTMENT	The minor department of the stock item.

BUYOUT DETAILS

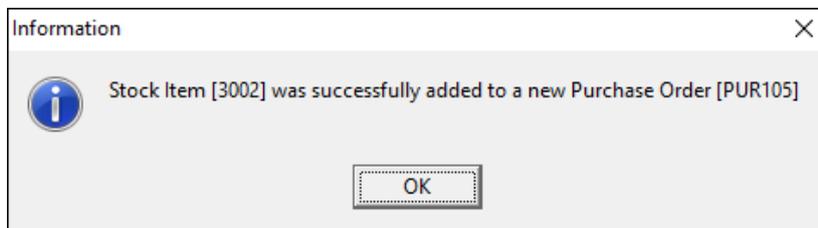
APPROVED BY USER ID	The user ID of the person authorizing the buyout. The authorized user can be selected from the drop-down menu
COMMENT	If there are any comments to be added to the buyout item, it can be captured in this space.
DELIVERY COMMENT	If there are specific instructions regarding the delivery of the item, it can be captured in this field.
SOURCE DOCUMENT LINK	As soon as the sales document is processed, a purchase order for the buyout item is automatically created. The user has two options: <ul style="list-style-type: none"> • Create New Purchase Order • Add Line To Existing Purchase Order NOTE: Only one Buyout Item will be allowed on a Purchase order.
CHOOSE SUPPLIER	The user can select the supplier account to use for the purchase of the buyout item.
ORDER NUMBER	An Order Number is needed, to enable the user to follow up on the transaction.
SUPPLIER STOCK CODE	If the supplier has different codes for the item, the supplier stock code can ensure that the correct item is bought and delivered.

Code	Description	Supplier Code	T...	Unit Price	Ord Qty	Remain	Location	Status	Disc %	Marku...	Total
3002	SMART TV		CP	8 500.0000	1.000	1.000	001	LSDEL	0.00	0.00	8 500.0000
3004	TV CABINET		P1	2 999.0000	1.000	1.000	001	LSDEL	0.00	0.00	2 999.0000
				0.0000	0.000				0.00	0.00	0.0000

NOTE: The Buyout item is listed in red on the sales document and the other items are listed in black.

NOTE: Only one buyout is allowed per sales transaction.

As soon as the sales transaction is processed, a purchase order is automatically generated for the buyout item.



PURCHASE ORDER AUTOMATICALLY GENERATED

The purchase order was automatically generated, once the sales transaction (sales order or invoice) was completed.

IQ Enterprise: IQ TRAIN HO - [Purchase Order Maintenance Version 2017.0.0.0]

Processing Debtors Creditors Stock Ledger Utilities Support Point of Sale CRM Windows Help Shortcuts

Sort Order: Account Invoiced Date Account Name Changed Date Document Int. Order Num Order Number Document Type Order Date

Show Which: Current History

Select Layout: Layout 1 Layout 2 Layout 3 Layout 4 Layout 5 Layout 6

Legend: Not Invoiced, Partially Invoiced, Fully Invoiced, Locked by User, SDN

Data - Multiselect [OFF]

Document Number	Order No	Name	Account	Start Date	GRV Date	Changed Date	Total
PUR 100	DEB00120170420	CASH PURCHASE	CASH001	20/04/2017			28.50
PUR 101.1	123	CASH PURCHASE	CASH001	21/04/2017		21/04/2017	39.90
PUR 102	123	CASH PURCHASE	CASH001	24/04/2017			68.40
PUR 104	123456	CREDITOR 1	CRED001	18/05/2017			15.00
PUR 105	CR20170605	CREDITOR 1	CRED001	05/06/2017			7 980.00

The buyout item is listed in red on the purchase order and on the goods receiving voucher. Only one Buyout item will be allowed on a selected Purchase Order.

Account Details: Account No CRED001, Name and Address Details, CREDITOR 1, GRV Disc % 0.00	GRV Details: GRV Date 05/06/2017, Orig. Doc Date, GRV Number, Delivery Method, Order Number CR20170605, Supplier Invoice No, GRV Memo, Delivery Note No	Additional Details: Store Department, Source Document PUR 105	Stock Item Detail: Item Code 3002, Description SMART TV, Pack Size 0, Pack Description, Department 002, Group Code, Sales Orders 1, Purchase Orders 1, Deliveries 0, Current Stock 0, Regular Supplier	Totals: GRV Inclusive Yes, Internal Order No, Goods Total 7980.00, Discount Amnt 0.00, Vat Amount 980.00, Total Quantity 1.00
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Code	Description	Supplier Code	Type	Unit Price	Qty	Disc %	Total
3002	SMART TV		PO		7 980.00	1.000 0.00	7 980.00

The user can now get the item from the supplier and process a goods receiving voucher (GRV).

Below is the General Ledger processed for the Buyout transaction.

IQ TRAIN HO Date Printed :05/06/2017 16:24:04 Page No 1

Ledger audit Tracking #98

Account	Description	Date	Reference	Description	Debit	Credit
3500.000.000.00	Stock on Hand	05/06/2017	INV 789456423797	CRED001 CREDITOR 1	7 000.00	0.00
3800.000.000.00	Vat Input - Trade	05/06/2017	INV 789456423797	CRED001 CREDITOR 1	980.00	0.00
3500.000.000.00	Stock on Hand	05/06/2017	INV 789456423797	Adjustment GRVINV7894564237	0.00	980.00
1000.000.000.00	Cost of Sales	05/06/2017	INV 789456423797	Adjustment GRVINV7894564237	980.00	0.00
4000.000.000.00	Creditors Control	05/06/2017	INV 789456423797	CRED001 CREDITOR 1	0.00	7 980.00
					8 960.00	8 960.00

BUYOUT NON-STOCK ITEMS

Buyouts of non-stock items are done when the company doesn't usually carry the requested item in their stock list, but a customer wants the user to buy the item out from another company, to complete the sale.

EXAMPLE: The customer is buying a TV but the company doesn't sell surge protectors and the customer needs to buy one. The user will then buy the surge protector from another company, to complete the sale. In other words, the user will buy the needed item for the customer, instead of letting the customer leave the store and maybe lose the sale.

BUYOUT ITEM

One Buyout item can be created to be used as an item not listed as a stock item, but needs to be bought. This item code can be used for multiple transactions, as there is no cost or selling prices captured on the item. A buyout stock item works like a non-stock item, it doesn't display any onhand value and doesn't affect the company's stock value.

From the IQ main menu → Stock → Maintenance → Add.

The screenshot shows the 'Stock Amendments' window for item 'BUY001'. The 'Item Category' dropdown is highlighted with a pink box and a callout bubble. The 'Item Category' is set to 'Buyout Item'. Other fields include 'Description: BUYOUT', 'Major Department: 007', 'Minor Department: 0008', 'Barcode: BUY001', and 'Status' set to 'Disallow Decimals'. The interface includes tabs for 'Stock Details', 'Stock Pricing', 'Multiple Barcodes', 'Item Suppliers', 'Additional Details', 'Associated Items', 'Transaction History', and 'Ordering'. At the bottom, there are 'Show Hints' and 'Accept' buttons.

IMPORTANT: Select the Item Category as Buyout Item.

PROCESSING USING NON-STOCK BUYOUTS

Using our example of buying a surge protection plug out for a customer; there are no surge protection plugs in the stock list.

Main		Group Companies		
Data				
Code	Description	Barcode	Dept	
1001	CASTLE - CASE (24)	1001	001	
1002	CASTLE - 6 PACK	1002	001	
1003	CASTLE - SINGLE	1003	001	
1004	ITEM A (MAIN)	1004	002	
1005	ITEM B (SUB)	1005	002	
1006	ITEM C (SUB)	1006	002	
1007	EMPTY BEER CRATE	1007	006	
2001	BROWN BREAD	2001	003	
2002	MILK 2LTR	2002	003	
2003	CHEESE - CHEDDAR	2003	003	
3001	MONITOR - LED	3001	002	
3002	SMART TV	3002	002	
3003	DVD	3003	002	
3004	TV CABINET	3004	002	
BUY001	BUYOUT	BUY001	007	
ITE001	ITEM1	ITE001	001	
ITE002	ITEM2	ITE002	001	
LAB001	LABOUR ITEM	LAB001	004	
NON001	NON STOCK ITEM 1	NON001	005	
NON002	NON STOCK ITEM 2	NON002	005	

The non-stock item "Buyout" has been created on the stock list.

Stock Detail Version 2017.0.0.0
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Stock Details

Stock Performance

Stock Item Detail

Item Code	BUY001				
Description	BUYOUT				
Pack Size		0	Retail Price	0.0000	Exclusive
Pack Description				Wholesale Price	0.0000
Department	007		Alternative Price 1	0.0000	Estimated (GP%)
Group Code	0008		Alternative Price 2	0.0000	0.0000
Sales Orders	0	...	Alternative Price 3	0.0000	0.0000
Purchase Orders	0	...	Average Cost	0.0000	0.0000
Deliveries & Collections	0		Latest Cost	0.0000	0.0000
Current Stock	0.00				
Regular Supplier					

Future Cost	0
Manager Cost	0

Press escape to close.

NOTE: Please note that the method of using the Buyout item as a non-stock item, is the same for processing Sales Orders and invoices.

From the IQ main menu → Processing → Invoices / Sales Orders → Processing → New.

The screenshot shows the 'Processing' window with various tabs like 'Debtors', 'Creditors', 'Stock', 'Ledger', etc. The 'Invoice Details' section includes fields for 'Invoice Date' (05/06/2017), 'Invoice Number', 'Order Number' (20170607), and 'Rep Number' (1). The 'Stock Item Detail' section shows 'Item Code' (BUY001) and 'Description' (BUYOUT). A table at the bottom lists items with columns for Code, Description, Supplier Code, Type, Unit Price, Qty, Location, Status, Disc %, Marku..., and Total.

Code	Description	Supplier Code	Type	Unit Price	Qty	Location	Status	Disc %	Marku...	Total
3002	SMART TV		P1	6 999.0000	1.000	001	LSDEL	0.00	0.00	6 999.0000
BUY001	BUYOUT - SURGE PROTECTION PLUG		CP	450.0000	1.000	001	LSDEL	0.00	0.00	450.0000

Select the Buyout item and enter. The user can edit the item description and change the information to what is needed. This edited description will then appear on the sales order and/or invoice and the purchase order.

Once the Buyout item is selected, the following screen will appear:

The 'Buyout Item Details' dialog box shows fields for 'Item Code' (BUY001), 'Item Description' (BUYOUT), 'Retail Price Ind' (R 0.00), 'Latest Cost' (R 0.00), 'Average Cost' (R 0.00), 'Cost Excl' (350.00), 'Cost Ind' (R 399.00), 'Major Department' (007 BUYOUTS), and 'Minor Department' (0008 BUYOUT). The 'Buyout Details' section includes 'Approved By User ID' (1), 'Comment' (Surge Protection plug required for mr Grey.), 'Delivery Comment' (Surge Protection plug must accompany Smart TV.), 'Source Document Link' (Create New Purchase Order), 'Choose Supplier' (CASH001 CASH PURCHASE), 'Order Number' (20170607), and 'Supplier Stock Code' (SUR986532). At the bottom are 'Cancel' and 'Accept' buttons.

The Buyout Item Details screen allows the user to see the item details as on the system and lets the user capture the actual cost (the price you pay) and supplier information.

ITEM DETAILS

ITEM CODE	The Stock item code on the stock list.
ITEM DESCRIPTION	The description of the item.
RETAIL PRICE INCL	The Selling price (Vat incl) of the item as per the system.
LATEST COST	The latest cost of the item.
AVERAGE COST	The average cost of the item.
COST EXCL	The price the user will pay for the item when it is bought out, exclusive of VAT.
COST INCL	The price the user will pay for the item when it is bought out, VAT included.
MAJOR DEPARTMENT	The Major Department this stock item should belong to. If the user has created a special major department for buyout items, the department can be changed.
MINOR DEPARTMENT	The Minor Department of the stock item.

BUYOUT DETAILS

APPROVED BY USER ID	The user ID of the person authorizing the buyout. The authorized user can be selected from the drop-down menu.
COMMENT	If there are any comments to be added to the buyout item, it can be captured in this space.
DELIVERY COMMENT	If there are specific instructions regarding the delivery of the item, it can be captured in this field.
SOURCE DOCUMENT LINK	As soon as the sales document is processed, a purchase order for the buyout item is automatically created. The user has two options: <ul style="list-style-type: none"> • Create New Purchase Order • Add Line To Existing Purchase Order NOTE: Only one Buyout Item will be allowed on a Purchase order.
CHOOSE SUPPLIER	The user can select the supplier account to use for the purchase of the buyout item.
ORDER NUMBER	An Order Number is needed, to enable the user to follow up on the transaction.
SUPPLIER STOCK CODE	If the supplier has different codes for the item, the supplier stock code can ensure that the correct item is bought and delivered.

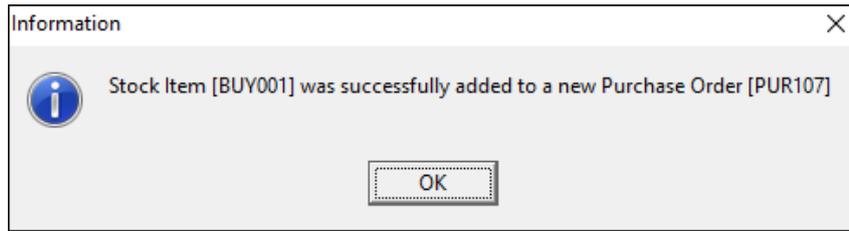
The screenshot shows a software window with multiple panes. The 'Sales Document' pane at the bottom displays a table of items. The first item is '3002 SMART TV' in black. The second item, 'BUYOUT - SURGE PROTECTION PLUG', is highlighted in red. A callout box points to the 'Unit Price' field for this red item, containing the text: 'The user can enter a new selling price, by right clicking on the Unit Price and enable editing.'

Code	Description	Supplier Code	Unit Price	Qty	Location	Status	Disc %	Marku...	Total
3002	SMART TV		6 999.0000	1.000	001	LSDEL	0.00	0.00	6 999.0000
BUY001	BUYOUT - SURGE PROTECTION PLUG		450.0000	1.000	001	LSDEL	0.00	0.00	450.0000

NOTE: The Buyout item is listed in red on the sales document. All the other items are listed in black.

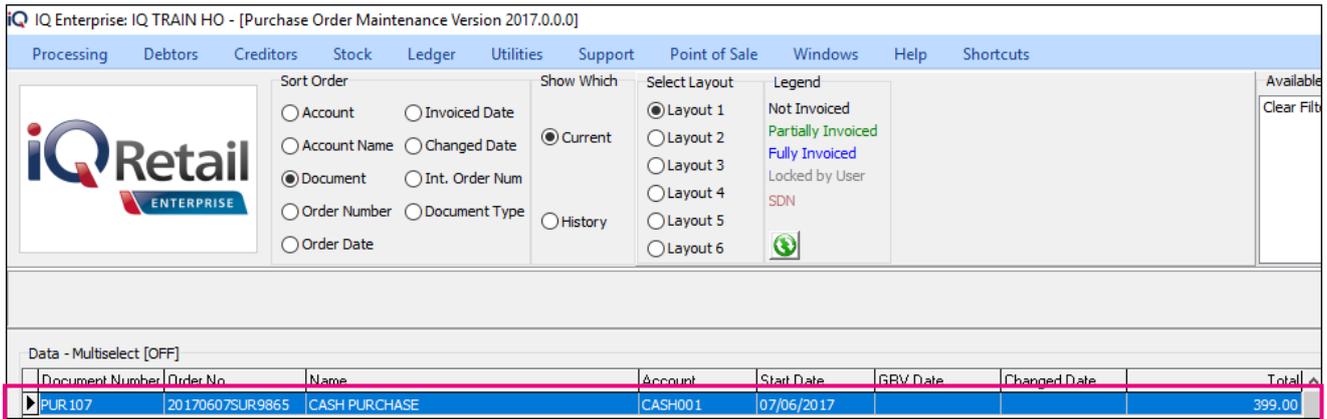
NOTE: Only one buyout is allowed per sales transaction.

As soon as the sales transaction is processed, a purchase order is automatically generated for the buyout item.



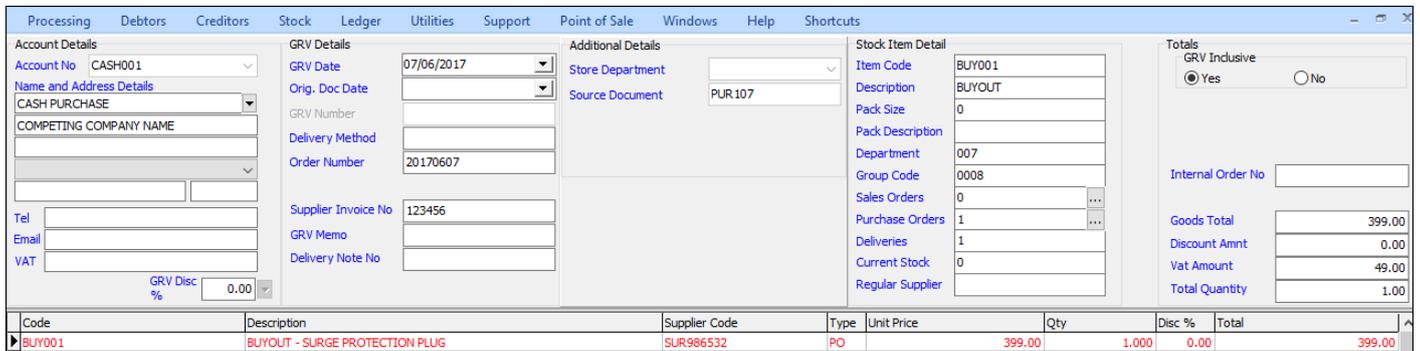
PURCHASE ORDER AUTOMATICALLY GENERATED

The purchase order was automatically generated, once the sales transaction (sales order or invoice) was completed.



The buyout item is listed in red on the purchase order and on the goods receiving voucher. Only one Buyout item will be allowed on a selected Purchase Order.

NOTE: The user can change the quantity on the purchase order, to order a bigger quantity than what was sold.



The user can now get the item from the supplier and process a goods receiving voucher (GRV).

Below is the General Ledger processed for the Buyout transaction.

IQ TRAIN HO		Date Printed :07/06/2017 16:38:26			Page No 1	
Ledger audit Tracking #108						
Account	Description	Date	Reference	Description	Debit	Credit
3500.000.000.00	Stock on Hand	07/06/2017	123456	CASH001 CASH PURCHASE	350.00	0.00
3800.000.000.00	Vat Input - Trade	07/06/2017	123456	CASH001 CASH PURCHASE	49.00	0.00
3500.000.000.00	Stock on Hand	07/06/2017	123456	Adjustment GRV123456	0.00	49.00
1000.000.000.00	Cost of Sales	07/06/2017	123456	Adjustment GRV123456	49.00	0.00
4000.000.000.00	Creditors Control	07/06/2017	123456	CASH001 CASH PURCHASE	0.00	399.00
4000.000.000.00	Creditors Control	07/06/2017	123456	CASH001 CASH PURCHASE	399.00	0.00
3700.000.000.00	Cash on Hand	07/06/2017	123456	CASH001 CASH PURCHASE	0.00	399.00
					847.00	847.00

When the user does a stock enquiry after the buyout transaction on the buyout item, all the quantities, prices and costs are still zero.

Stock Detail Version 2017.0.0.0

iQRetail ENTERPRISE

Stock Details | Stock Performance

Stock Item Detail

Item Code	BUY001	Exclusive	0.0000	Estimated (GP%)	0.00%
Description	BUYOUT	Wholesale Price	0.0000	Alternative Price 1	0.00%
Pack Size	0	Alternative Price 2	0.0000	Alternative Price 3	0.00%
Pack Description		Average Cost	0.0000	Latest Cost	0.0000
Department	007	Future Cost	0	Manager Cost	0
Group Code	0008				
Sales Orders	0				
Purchase Orders	0				
Deliveries & Collections	1				
Current Stock	0.00				
Regular Supplier					

Press escape to close.

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