



Release Notes

K3|pebblestone (Gen. 2) – March 2022

based on Microsoft Dynamics 365 Business Central 2021 Wave 2 (v19.0)

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Introduction

In this extra release of 2022, we are releasing a new app to the K3|pebblestone family; K3|Landed Cost.

The term 'landed cost' refers to the sum of expenses associated with shipping a product, such as taxes and fees for international shipping. If businesses sell their products at the landed cost, they will not make any profit. As such, it is crucial companies are able to determine their landed cost so they can price their products appropriately.

K3|landed cost offers various Calculation Templates and sheets that contain different cost elements and margins – all of which are flexible to ensure businesses can configure them to their exact needs. The solution enables businesses to quickly use templates and sheets to determine their landed costs. Each calculation also encompasses wholesale and retail margins.

K3|Landed cost is built on top of Dynamics 365 Business Central which K3|pebblestone expands upon with additionally functionality built specifically for fashion wholesale. Because K3|Landed cost sits on top of K3|pebblestone, fashion companies can easily make use of the functionality to calculate their landed costs.

K3|Landed cost can be used with just the standard Business Central application as well.

Please see below for further details on the additional features general improvements in the release notes.



K3|Landed Cost

1. Landed Cost

1.1 Landed cost groups

Multiple landed cost groups can be created. The most common ones are:

- Freight cost
- Insurance cost
- VAT duty
- Import duty

Customers are free to set up as many landed cost groups as needed.

A landed cost group can have landed cost elements which specific the different transport options (see example) which all adds their own cost value to the product.

The screenshot shows the 'FREIGHT' Landed Cost Card. The 'General' section includes fields for Code (FREIGHT), Sorting (0), Def. Surcharge Postin... (FREIGHT), Group Type (Landed Cost), and Description (Freight Cost). Below this is a table for 'Landed Cost Elements' with columns: Code #, Description, Type, Value, Currency Determina..., Currency Code, and Surcharge Posting Gro... The table contains three rows: AIR (Air freight cost, Percentage, 20.00, LCY, FREIGHT), ROAD (Truck freight cost, Percentage, 7.00, LCY, FREIGHT), and SEA (Sea freight cost, Percentage, 10.00, LCY, FREIGHT).

1.2 Landed cost elements

here are 2 ways the landed cost elements can be calculated:

- Percentage
The value in percentage can be filled here, as part of a formula.
- Fixed value
A fixed value can be added here.

1.3 Margins

1.3.1 Wholesale margin

The wholesale margin is the percentage on top of the landed cost which becomes the Sales Price - Unit price.

1.3.2 Retail margin

The retail margin is the percentage on top of the wholesale price which becomes the Recommended Retail Price - RRP.

The screenshot shows the 'RETAIL MARGIN' Landed Cost Card. The 'General' section includes fields for Code (RETAIL MARGIN), Sorting (0), Def. Surcharge Postin... (empty), Group Type (Retail Markup), and Description (Retail Margin). Below this is a table for 'Landed Cost Elements' with columns: Code #, Description, Type, Value, Currency Determina..., Currency Code, and Surcharge Posting Gro... The table contains four rows: 1.5 (Retail Margin 1.5, Percentage, 150.00, LCY), 2.0 (Retail Margin 2.0, Percentage, 200.00, LCY), 2.5 (Retail Margin 2.5, Percentage, 250.00, LCY), and 3.0 (Retail Margin 3.0, Percentage, 300.00, LCY).

2. Calculation

2.1 Calculation Template

In the Calculation Template you can define the calculation from purchase price, landed cost, sales price all the way through the recommended retail price. Customers can create as many Calculation Templates as needed to speed up the creation of new price calculations.

Row ID	Type	Group Code	Element Code	Element Type	Value	Reference	Formula	Rounding Method	Column Sorting	Column Name
→ A	Purchase Price				0.00				0	Purchase Price
B	Landed Cost Element	FREIGHT	SEA	Percentage	2.00	A	$A * 2 / 100$	2DECIMALS	10	Freight
C	Landed Cost Element	INSURANCE	CIF-INS	Percentage	8.00	A	$A * 8 / 100$	2DECIMALS	20	Insurance
D	Landed Cost Element	IMPORTDUTY	IMPORT	Fixed Value	5.00	A	$A * 5 / 100$	2DECIMALS	40	Import Duty
E	Overhead Cost				0.00		$B+C+D$	2DECIMALS	100	OVH
F	Landed Cost				0.00		$A+E$	2DECIMALS	50	Landed Cost
G	Margin			Percentage	50.50	F	$F * 50.5 / 100$	2DECIMALS	60	Margin
H	Sales Price				0.00		$F+G$	2DECIMALS	70	Sales Price
I	Retail Markup			Percentage	300.00	H	$H * 300 / 100$	2DECIMALS	80	Retail Markup
J	Recommended Retail Pri...				0.00		$H+I$	COMMERCIAL	90	RRP

- **Row ID**, this must be a unique row ID
- **Type**, in this field you can fill the following options:
 - Purchase Price (Last Direct Cost)
 - Landed Cost Element
 - Overhead Cost
 - Landed Cost
 - Margin
 - Sales Price (Unit Price)
 - Retail Markup
 - Recommended Retail Price (RRP)

- **Group Code and Element code**

Depended on the group code selected:

- Landed Cost Element > Freight, selection options are for example Sea, Air or Road.
- Margin > selection options are for example 30%, 40% or 50%.
- Retail Margin > selection options are for example 150% (1.5), 200% (2.0), 250% (2.5) or 300% (3.0).
- **Element Type and Value**

In this field you can fill the following options, and this is taken over from the selected element and can't be changed.

- Percentage
- Fixed Value

- **Reference** is the Row ID of the line on which the percentage is based on.
For example, Landed Cost Element INSURANCE, CIF INS = 8%. The total cost is based on Row ID = A (Reference = A), so the insurance cost = 8% * Purchase Price (=Row ID = A)
- **Formula** when the line is based on a formula. This field will automatically be filled for the following types but is manually changeable:
 - Type = Landed Cost Element and Element Type = Percentage
Formula = Reference * Value / 100
 - Type = Margin and Element Type = Percentage
Formula = Reference * Value / 100
 - Type = Retail Margin and Element Type = Percentage
Formula = Reference * Value / 100
- **Rounding Method** specify how the price should be rounded.
- **Column sorting** allows the user to change the sorting of the column.
- **Column name** allows the user to set up alternative names which will be used in the Item Calculation Sheet.

2.2 Item Calculation Sheet

Seamlessly determine the values of predefined cost elements for multiple items per vendor, country of origin and minimum quantity. It is possible to attach multiple Item Calculation Sheets on one item. It is also possible to setup currency rates for vendors which trade with a different currency. The smart filter options are available to help set up the correct items in the Item Calculation Sheet with the Calculation Template attached.

Dynamics 365 Business Central

Sandbox

Item Calculation Sheet | Work Date: 2/28/2022

LCW00003

Process Release

General

No. LCW00003 Status Open

Name Awesome 2021FW Shirts Calculation Template No. LCT000003

Vendor No. 121 Currency Date 2/13/2022

Country of Origin GB

Lines Manage More options

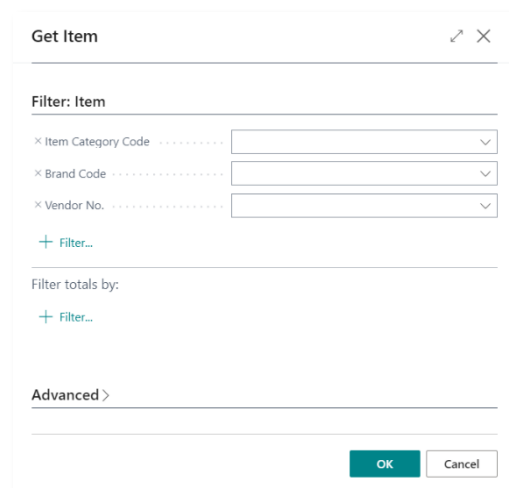
Item No.	Item description	Base Calc...	Status	Item Category	Curre... Code	Purchase Price	Purchase Price (LCY)	Freight	Insuran...	VAT	Import Duty	Landed Cost	Margin	Sales Price	Retail Markup
10031	Hoodie print	<input type="checkbox"/>	Open	SHIRTS		5.00	0.00	0.10	0.40	1.05	5.00	11.55	5.83	17.95	54.95
10034	Top longleeve print	<input type="checkbox"/>	Open	SHIRTS		5.00	0.00	0.10	0.40	1.05	5.00	11.55	5.83	17.95	54.95
10036	Shirt print	<input type="checkbox"/>	Open	SHIRTS		5.00	0.00	0.10	0.40	1.05	5.00	11.55	5.83	17.95	54.95
10037	Poloshirt longleeve stri...	<input type="checkbox"/>	Open	SHIRTS		5.00	0.00	0.10	0.40	1.05	5.00	11.55	5.83	17.95	54.95
10182	Top longleeve print	<input type="checkbox"/>	Open	SHIRTS		5.00	0.00	0.10	0.40	1.05	5.00	11.55	5.83	17.95	54.95
10183	Top longleeve print	<input type="checkbox"/>	Open	SHIRTS		4.00	4.00	0.08	0.32	0.84	5.00	10.24	5.17	15.95	49.95
10185	Top longleeve print	<input type="checkbox"/>	Open	SHIRTS		5.00	0.00	0.10	0.40	1.05	5.00	11.55	5.83	17.95	54.95
10188	Jumper multicoloured	<input type="checkbox"/>	Open	SHIRTS		5.00	0.00	0.10	0.40	1.05	5.00	11.55	5.83	17.95	54.95
10189	Jumper multicoloured	<input checked="" type="checkbox"/>	Open	SHIRTS		5.00	0.00	0.10	0.40	1.05	5.00	11.55	5.83	17.95	54.95

2.3 Add items

In the ribbon you get the option “Add items”. After choosing this option a report is opened in which you can set filters. For example, you set the following filters:

- Item Category
- Brand
- Vendor No

After setting the filters and pushing on the OK button, all the items belonging to this filter are shown in the Item Calculation Sheet lines.



2.4 Currency Rates

In the ribbon you get the option Currency Rates. You must fill the currency rates on the currency date for all the currencies used in the Item Calculation Sheet. After filling the currency code, the currency rate is taken from the setup in the exchange rate, but this can be changed manually.

2.5 Status

When creating a new Item Calculation Sheet the status is ‘Open’. When everything in the Item Calculation Sheet is done and ready to be used the status should be ‘Certified’. When the Item Calculation Sheet shouldn’t be used any more the status should be ‘Closed’. For example, you want new item calculations for a new season, then you can close the old calculation and create a new one for a new season. Calculations with status closed cannot be used anymore.

2.6 Update item

In the ribbon the option ‘Update Item’ allows the user to update the item with the status ‘Certified’. Updating the item will result in the following:

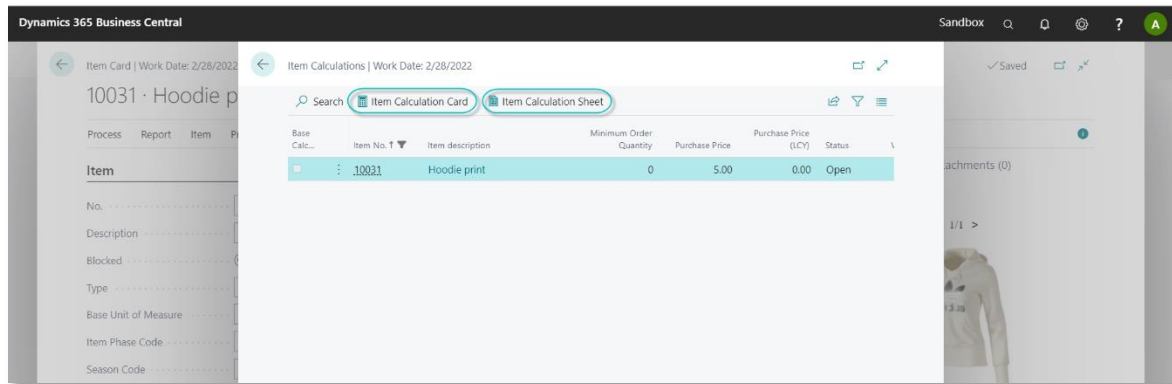
- An item calculation for all the items in the Item Calculation Sheet will be created or updated.
- When the field “Base Calculation” is marked, the fields “Purchase price – Last Direct Cost”, “Sales Price – Unit price”, “Recommended Retail Price - RRP” on the item card are taken over from Item Calculation Sheet line. When the field “Base Calculation” was marked in another item calculation, then the field “Base Calculation” will be unmarked for the other item calculation.
 - The purchase price is taken over to the Purchase Price – Last Direct Cost if it is not filled before or if the value of the purchase price is different.
 - The sales price is taken over to the Sales Price – Unit price if it is not filled before or if the value of the sales price is different. This sales price is only available on the item card, affected for all customers.
 - The recommended retail price is taken over to the Recommended Retail Price - RRP if it is not filled before or if the value of the recommended retail price is different. This

recommended retail price is only available on the item card, affected for all customers.

- Calculations can be changed on the item card before any postings have been done, after the first posting the fields on the items card can't be updated any more, like standard Business Central functionality. After this moment it is still possible to choose a different calculation but only on Purchase orders.

3. Calculation insights on item card

The Item Calculation Card and Item Calculation Sheet are available on item card which gives the user all the needed insights.



- Item Calculation Card:

General

Calculation No. LCW00003
Item No. 10031
Item description Hoodie print
Base Calculation ☒
Vendor No.
Country of Origin ZA
Minimum Order Quantity 0
Starting Date
Item Category SHIRTS

Lines

Row ID	Type	Group Code	Element Code	Element Type	Currency Code	Value	Reference	Formula	Rounding Method	Line Value (LCY)	Sur Pos
A	Purchase Price					5.00				5.00	
B	Landed Cost Element	FREIGHT	SEA	Percentage		2.00	A	A * 2 / 100		0.10	
C	Landed Cost Element	INSURANCE	CIF-INS	Percentage		8.00	A	A * 8 / 100		0.40	
D	Landed Cost Element	VAT DUTY	HIGH-VAT	Percentage		21.00	A	A * 21 / 100		1.05	
E	Landed Cost Element	IMPORTDUTY	IMPORT	Fixed Value		5.00				5.00	
F	Landed Cost					0.00		A+B+C+D+E		11.55	
G	Margin			Percentage		50.50	F	F * 50.5 / 100	2DECIMALS	5.83	
H	Sales Price					0.00		F+G	NEARWHOLE	17.95	
I	Retail Markup			Percentage		300.00	H	H * 300 / 100	COMMERCIAL	54.95	
J	Recommended Retail Price					0.00		H+I	NEARWHOLE	72.95	

- Item Calculation Sheet:

Item Calculation Sheet | Work Date: 2/28/2022

✓ Saved

LCW00003

Process Release

General

No. LCW00003

Status Open

Name Awesome 2021FW Shirts

Calculation Template No. LCT000003

Vendor No. 121

Currency Date 2/13/2022

Country of Origin GB

Lines

Manage

More options

Item No. ↑	Item description	Base Calc...	Status	Item Category	Curre... Code	Purchase Price	Purchase Price (C/Y)	Freight	Insuram...	VAT	Import Duty	Landed Cost	Margin	Sales Price	Retail Markup
→ 10031	Hoodie print		<input type="checkbox"/> Open	SHIRTS		5.00	0.00	0.10	0.40	1.05	5.00	11.55	5.83	17.95	\$4.95
10034	Top longleeve print		<input type="checkbox"/> Open	SHIRTS		5.00	0.00	0.10	0.40	1.05	5.00	11.55	5.83	17.95	\$4.95
10036	Shirt print		<input type="checkbox"/> Open	SHIRTS		5.00	0.00	0.10	0.40	1.05	5.00	11.55	5.83	17.95	\$4.95
10037	Poloshirt longleeve stri...		<input type="checkbox"/> Open	SHIRTS		5.00	0.00	0.10	0.40	1.05	5.00	11.55	5.83	17.95	\$4.95
10182	Top longleeve print		<input type="checkbox"/> Open	SHIRTS		5.00	0.00	0.10	0.40	1.05	5.00	11.55	5.83	17.95	\$4.95
10183	Top longleeve print		<input type="checkbox"/> Open	SHIRTS		4.00	4.00	0.08	0.32	0.84	5.00	10.24	5.17	15.95	49.95
10185	Top longleeve print		<input type="checkbox"/> Open	SHIRTS		5.00	0.00	0.10	0.40	1.05	5.00	11.55	5.83	17.95	\$4.95
10188	Jumper multicoloured		<input type="checkbox"/> Open	SHIRTS		5.00	0.00	0.10	0.40	1.05	5.00	11.55	5.83	17.95	\$4.95
10189	Jumper multicoloured		<input checked="" type="checkbox"/> Open	SHIRTS		5.00	0.00	0.10	0.40	1.05	5.00	11.55	5.83	17.95	\$4.95

4. Purchase order creation

When creating a purchase order and selecting an item, the item calculation is copied to the purchase line. Which item calculation is taken is depended on the fields “Vendor No.”, “Country of Origin”, Minimum Quantity and the status of the item calculation should be ‘Certified’. Minimum Quantity is compared with the total quantity of the selected item (so the quantity of all the item variants summed up of the selected item).

4.1 Post Purchase Order

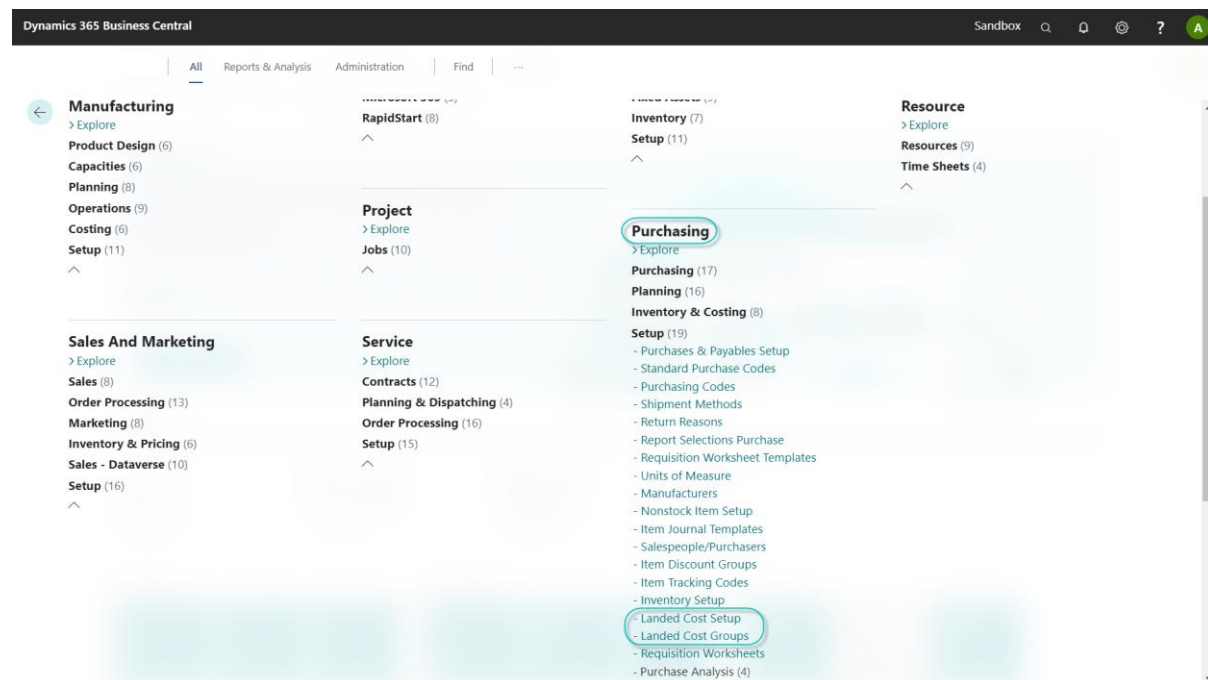
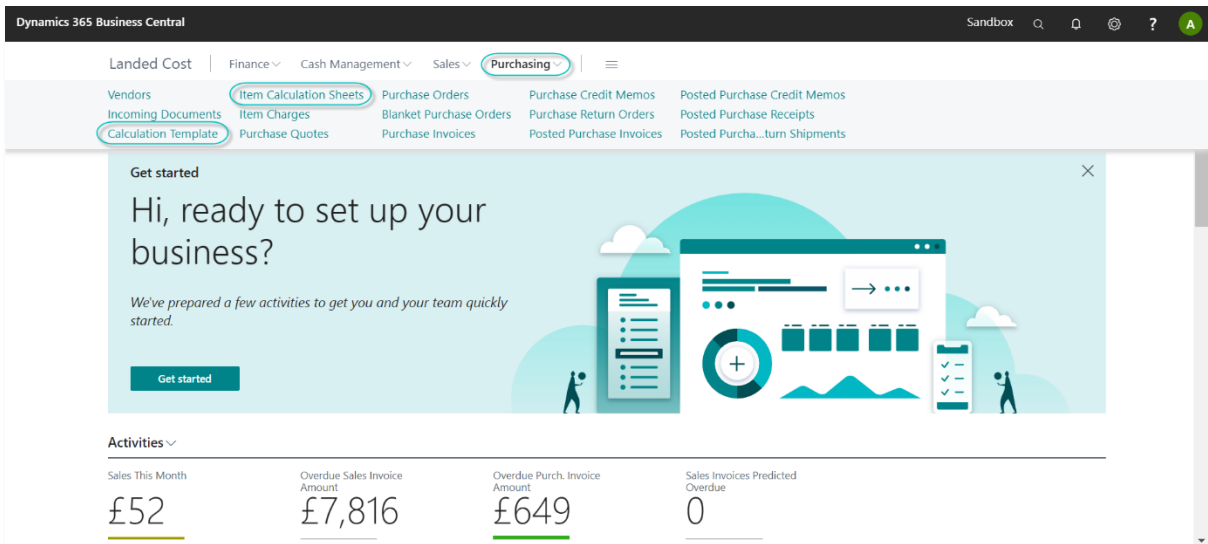
When the purchase order is invoiced, for all the landed cost elements a surcharge entry will be created per purchase line.

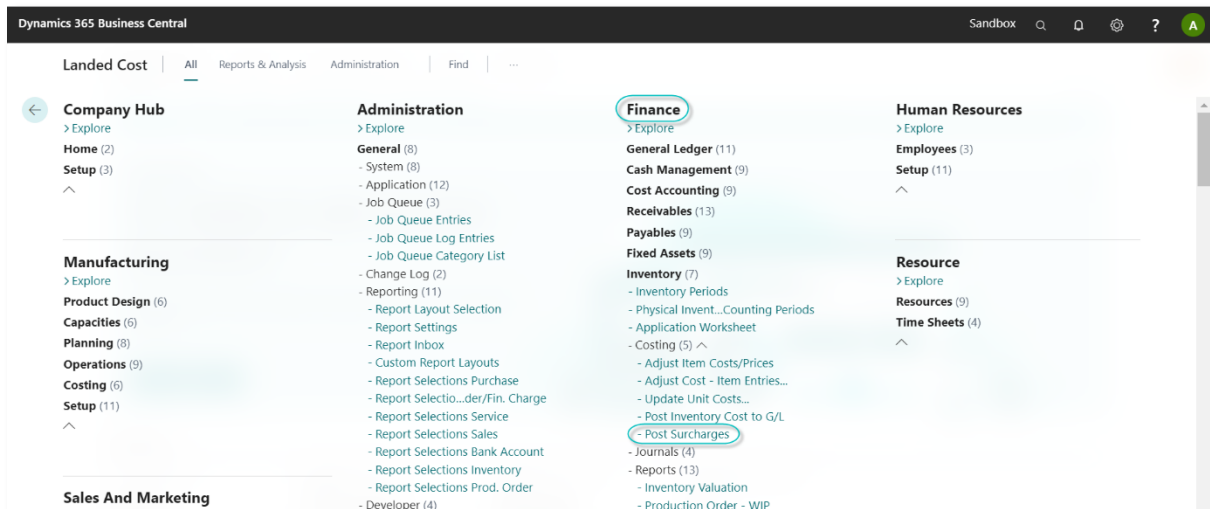
The Item Calculation in the Purchase Document will be copied to the Posted Sales Invoice.

5. Where to find and setup Landed Cost

5.1 Where to find Landed Cost in the role center

As K3|Landed Cost is mainly based on Business Central the functionality has been made available on the standard role center of Business Central 'Business Manager'.





5.2 Landed Cost Setup

All the set up can be found under Landed Cost Setup

Work Date: 2/28/2022

Landed Cost Setup

Posting

Surcharge Posting Group

General

Template Nos. : LC-TEMPLATE Automatic Surcharge : ☒

Calculation Nos. : LC-WORKSHEET

Surcharge Posting Groups links the G/L Account No. to the landed cost elements

Code ↑	Description	G/L Account No.
→ DUTIES	Duties	7162
FREIGHT	Freight	7160
INSURANCE	Insurance	7161

When the checkmark Automatic Surcharge is switched off the following functionality: *Post Surcharge*, will make it possible to do this at another time, for example during the night.

The following fields in the general posting setup must be filled:

- surcharge account
- overhead applied account

...I Posting Setup Card | Work Date: 2/28/2022

EXPORT · RETAIL

Suggest Accounts Copy... More options

Show All Accounts ☐

General

Gen. Bus. Posting Gr... EXPORT Description

Gen. Prod. Posting Gr... RETAIL View All Accounts on... ☐

Sales Show more

Sales Account 6130 Sales Prepayments A...

Sales Credit Memo A... 6130

Purchases Show more

Purch. Account 7130 Purch. Credit Memo ... 7130

Surcharge Account 7166 Purch. Prepayments ...

Inventory Show more

COGS Account 7190 Overhead Applied Ac... 7166

The G/L Entries created by the surcharge posting routine are posted with the Source Code that can be entered in the Source Code Setup.

Work Date: 2/28/2022

Source Code Setup

Post Surcharges

Post Surcharges SURCHARGE