



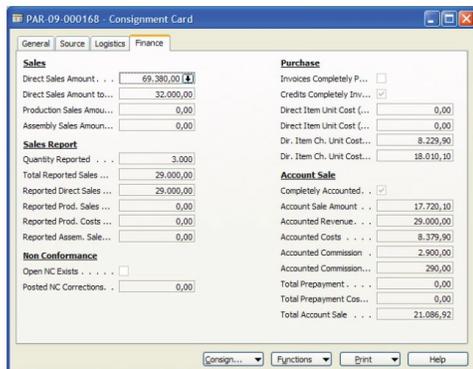
Running a successful business in the fresh produce market, such as the Fruit & Vegetable sector, means facing the challenges of time (speed and shelf life), logistics (transport and traceability) and quality. Retailers and customers are becoming increasingly critical and setting stricter requirements in which they find increasing support from regulations and the authorities. Tuning supply to demand is a real challenge. Often, imported products are sold while still in transit and an amount has to be settled with a third party. Companies who trade in this way usually maintain a consignment administration so that they can continually monitor the logistics and financial situation of the consignments.

SI Foodware

The Food and Beverage industry is characterised by specific requirements which can often not be catered for by a standard company-wide solution. For this reason Novamindz and its resellers have combined their many years of knowledge and experience into SI Foodware®. In combination with Microsoft Dynamics® NAV, SI Foodware® forms a fully integrated standard company-wide ERP solution specifically for food and beverage companies. SI Foodware is under continuous development and meets the latest industry requirements. This creates a specific solution, where costs remain manageable as the amount of customisation is reduced to a minimum. SI Foodware has been recognised by Microsoft with the highest quality label: 'Certified for Microsoft Dynamics'. SI Foodware consists of a number of integrated solutions, one of which is SI Foodware - Consignment Management. This solution provides insight into the logistics and financial status of consignments.

Consignment Management functionality

The Consignment Management module enables you to register and monitor all logistics and financial transactions on the level of supplier, consignment contract, consignment, lot, item attribute or customer.



Your Situation

Consignment Management is mainly used in the type of trade where daily price fluctuations are the general rule rather than the exception. For example companies trading fresh produce such

as fish, fruit and vegetables. In daily business you are not only concerned with regular purchasing transactions, but you also work with other settlement methods such as commission, joint accounts or minimum guarantee. Furthermore, you want to follow the logistics and financial transactions of items at consignment level.

The Solution

Microsoft Dynamics NAV® combined with SI Foodware® - Consignment Management.

Your Advantage?

Consignment Management will provide logistics and financial insight into batches of goods. And you'll save time during the monthly closing because there is already a direct link with the financial administration. This applies to the situation where there is no regular purchasing transaction, but where purchasing is based on commission, joint account or minimum guarantee.



Furthermore, Consignment Management deals with the situation where no regular purchasing transactions are recorded, but where purchasing is based on commission, joint account or minimum guarantee. In these settlement methods the cost of goods sold is calculated based on the costs incurred and the income from the transaction. And this calculated value is settled using a purchase invoice and/or credit memo. This is known as self-billing. The integration with the consignment master record ensures the complete flow of information to the supplier and the consignment monthly closing procedure. Consignment Management functions independently from the chosen inventory valuation method but is particularly suitable for actual costing.

Consignment Management process

The Consignment Management process starts with defining a consignment contract. The consignment contract defines data such as conditions, products and cost determination factors. In the data hierarchy a consignment contract is above an item. Cost determination factors are defined within Consignment Management based on item surcharges. Examples of these costs include costs for receipt, manual costs, cooling costs (per location), transport costs, costs for handling (per location) or costs for commissioners. The goods will be purchased and received on consignment number. As soon as the purchase order is ready, a consignment master record is created. The consignment master record differentiates between general, source, logistics and financial data. Items from this consignment will be sold to customers. But these items may also be used in the production or assembly of semi-finished products or finished products. Furthermore, transfers, return orders and other corrections can be posted to this consignment. Consignment Management also contains unique lot tracing which is also displayed on any relevant order line.

Sales report and account sale

Sales on account is the result agreed with the supplier that is settled based on one of the following account sale settlement methods: commission, joint account or minimum guarantee. For a consignment, per consignment line, the sale on account quantity and price are recalculated based on the details in the consignment master record. A distinction is made in these transactions between direct and indirect sales where the consignment line can also be used in an assembly and/or production order. The consignment result is influenced by various factors. One of these factors is that when posting the sale on account transaction, the quantity and the price can be entered so that a positive result can be achieved for the sale on account. A second factor is the commissioner's result, at monthly closing an interim amount is posted and on settlement a final amount. Finally a cost result may be posted due to higher or lower costs being passed on to the supplier. Intimately a combination of these three factors leads to the consignment result. Settlement is drawn up following the sales on account transaction.

AFR-09-00028 Citrus do Brasil - Posted Account Sale Result

T...	Cost Type	Description	Budgetted Amount (LCY)	Posted Amount (LCY)	P...	Accounted Amount (LCY)
T...	HANDLING	Handling	600,00		A..	750,00
T...	HANDLING2	Handling 2	300,00		A..	300,00
T...	ID	Import duties	99,90		A..	99,90
T...	KOELKVVLE	Koelkosten weekladingdr exter	600,00		A..	600,00
T...	QC	QC	3.000,00		A..	3.000,00
T...	TR	Transport	3.630,00		A..	3.630,00
Totals			8.229,90	0,00		8.379,90

No.	Description	Sales Report Quantity	Sales Report Amount (LCY)	Commission Amoun...	Accounted Commission A
AGF013	Total Citroenen - Enterdonato ...	1.000	8.000,00	800,00	800
AGF014	Total Citroenen - Eureka - Afri...	2.000	21.000,00	2.100,00	2.100

Quantity	Revenue	Costs	Commission	Gross Result	Nett Result
3.000	29.000,00	8.379,90	2.900,00	17.720,10	0,00

The settlement is a collection of consignment revenues, costs and commission; that all have to be settled with the



supplier. The consignment revenues are determined based on the sales on account transaction. The budgeted and/or posted purchase costs are the source for the consignment costs. The commission is based on the consignment revenues and is determined per supplier. However this last item can be changed during the final settlement. Ultimately two results are calculated, the commissioner's result and a settlement result. When a settlement is posted, a purchase invoice or credit memo is automatically generated, thus creating a direct link with the settlement being posted.

Periodic closure

The goal of Consignment Management is to give you a continuously clear overview of the costs and revenues of your consignments in every stage of the process. Therefore, the periodic activities 'Closing month' and 'Correct accounted costs' are created where costs and revenues to be accounted are placed on the balance and P/L accounts.

Reports

There are a large number of reports available within the Consignment Management module. These include the consignment contract, the sales report proposal, the account sale and the consignment result.

For further information about SI Foodware and Consignment Management, please visit www.novamindz.com. You can also contact us using the contact details shown below.

Liberty Grove Software

📞 (630) 858-7388

✉️ foodware@libertygrove.com