



Open to Buy: New and Improved

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Introduction

The **Open to Buy** wizard is far more than a report. It creates an entire purchasing schedule for non-bulk inventory for a store for an upcoming sales period based on past data, sales estimates, amount of inventory in stock, and inventory on order.



The **Open to Buy Report** has been changed for v. 17.3. This tip sheet will outline the new functionality, which we think will better assist you in your buying plans.

Running the Open to Buy Wizard

Open to Buy requires several steps for inputting data required. Begin by selecting **Inventory ► Open to Buy**. After completing the fields in each step, select **Next**. To change data in an earlier step, select **Back**.

Step 1: Dates

Starting List the starting date for the proposed buy period. This date must be in the future.

Ending List the ending date for the proposed buy period. This date must be in the future.

Include Special Orders Whether to include special order data in the output.

Step 2: Sales Estimates

Open To Buy				
Step 1: Dates		Step 2: Sales Estimates		
Buy Period	10/1/2014 - 1/1/2015	10/1/2015 - 1/1/2016	10/1/2016 - 1/1/2017	Estimate 10/1/2017 - 12/31/2017
Total COGS	\$542,094.43	\$162,698.26	\$835,191.18	(Three year weighted average is \$470,770.00)
Special Orders	\$48,003.84	\$33,800.23	\$114,627.95	
Repeat Sales	\$26,296.93	\$4,091.85	\$76,068.08	
Net COGS	\$467,793.66	\$124,806.18	\$644,495.15	\$644,495.15
Interim	6/27/2014 - 10/1/2014	6/27/2015 - 10/1/2015	6/27/2016 - 10/1/2016	Estimate 6/27/2017 - 9/30/2017
Total COGS	\$293,602.73	\$71,300.45	\$306,901.78	(Three year weighted average is \$187,845.00)
Special Orders	\$49,042.33	\$11,883.19	\$50,199.90	
Repeat Sales	\$3,127.57	\$242.45	\$17,918.82	
Net COGS	\$241,432.83	\$59,174.81	\$238,783.06	\$238,783.06

<< Back Cancel Finish

- Buy Period** Lists the time periods entered in step 1 but for previous years' sales.
- Total COGS** The total cost of goods sold for the listed period for previous years' sales.
- Special Orders** The total COGS from special orders for previous years' sales.
- Repeat Sales** The total COGS from repeat sales for previous years' sales.
- Net COGS** The net cost of goods sold for previous years' sales.
- (COGS) Sales (estimate)** The Edge's predictions, excluding special orders and repeat sales. The default value will be weighted according to the previous three years of buying periods.
- Interim** The time period between today and the start of the target period but for previous years.
- Total COGS** The total cost of goods sold for the listed period but for previous years.
- Special Orders** The total COGS from special orders but for previous years.
- Repeat Sales** The total of COGS from repeat sales but for previous years.
- Net COGS** The net cost of goods sold but for previous years.
- Estimate** The Edge's summary of what to spend, excluding special orders and repeat sales. The default value will be weighted according to the previous three years of buying periods.

To generate the report, select **Finish**.

Results

Page 1

Page 1 reiterates the input values for reference.

Open To Buy Plan - 9/1/2017 to 12/31/2017 (includes Special Orders)				7/17/2017 Page 1 of 7
Sales Estimates				
Buy Period	9/1/2014 - 1/1/2015	9/1/2015 - 1/1/2016	9/1/2016 - 1/1/2017	Estimate 9/1/2017 - 12/31/2017
Total COGS	\$500,196.81	\$152,445.45	\$694,178.04	
Special Orders	\$61,098.99	\$35,103.00	\$136,105.50	(Three year weighted average is \$359,012.00)
Repeat Sales	\$27,897.20	\$5,030.02	\$88,758.75	
Net COGS	\$411,200.62	\$112,312.43	\$469,313.79	\$469,313.79

Page 2

The remainder of the output shows the results which will show what you sold, what you have, and what you might want to spend on replacement inventory.

Open To Buy Plan - 10/1/2017 to 12/31/2017										6/27/2017 Page 2 of 7				
Category & Cost	GMROI	Sold Last 12			Sold In Period LY			COGS	In Stock Now			Budget		
		< 180	Interim	540+	< 180	Interim	540+		90 / 90 / 180	Interim	540+			
100 - Diamond Engagement Rings														
\$0-250	50	1	1	4	1	0	1	\$434	0	1	2	11	5	
\$250-500	38	3	8	7	2	3	3	\$2417	0	0	4	14	37	
\$500-750	36	0	0	4	0	0	2	\$1172	0	2	2	2	6	
\$750-1000	48	0	1	4	0	1	3	\$3348	0	0	0	2	4	
\$1000-1500	35	1	1	2	1	0	1	\$2283	0	0	2	2	6	
\$1500-2000	55	2	0	1	1	0	1	\$3683	0	0	4	2	2	
\$2000-3000	97	5	0	7	4	0	2	\$14345	0	0	1	2	4	2 - \$4512
\$3000-4000	37	1	0	1	0	0	1	\$3005	0	0	0	2	3	
\$4000-10000	57	2	2	3	1	1	0	\$12145	0	0	6	3	1	
\$10000+		0	0	0	0	0	0		0	0	0	1	0	
110 - Diamond Wedding Bands - Women's														
\$250-500	191	0	1	0	0	0	0		0	0	0	0	0	
\$500-750	45	2	0	0	1	0	0	\$710	0	0	0	2	3	
\$750-1000	48	2	0	1	2	0	1	\$2780	0	0	0	7	1	
\$1000-1500	64	4	5	1	2	1	0	\$3450	0	0	0	12	1	
\$1500-2000	29	2	0	0	2	0	0	\$3860	0	0	1	5	3	
\$2000-3000	103	4	1	2	3	0	1	\$9635	0	0	0	8	0	1 - \$2521
\$3000-4000	103	2	0	1	2	0	1	\$10205	0	0	0	3	0	
\$4000-10000	319	3	0	0	3	0	0	\$13815	0	0	1	1	0	1 - \$4605
115 - Diamond Wedding Bands - Men's														
\$0-250	46	4	1	0	2	0	0	\$281	0	0	1	10	4	
\$250-500	49	0	0	2	0	0	1	\$486	0	0	0	0	7	
\$500-750		0	0	0	0	0	0		0	0	0	3	1	
\$750-1000	544	1	0	0	0	0	0		0	0	0	0	0	
\$1500-2000	17514	1	0	0	0	0	0		0	0	0	0	0	
\$4000-10000		0	0	0	0	0	0		0	0	0	1	0	
120 - Diamond Anniversary Rings														
\$0-250	46	0	1	3	0	1	0	\$212	0	0	2	3	8	
\$250-500	83	18	10	10	9	7	6	\$8054	0	0	8	18	27	4 - \$1464
\$500-750	59	4	6	2	1	4	2	\$4356	0	0	5	19	14	
\$750-1000	35	4	2	0	2	1	0	\$2601	0	0	2	14	5	
\$1000-1500	67	5	6	2	1	0	0	\$1035	0	0	4	10	5	1 - \$1153
\$1500-2000	15	0	1	0	0	1	0	\$1510	0	0	0	5	3	
\$2000-3000	16	1	0	0	1	0	0	\$2277	0	0	0	3	4	
\$3000-4000	140	1	0	0	1	0	0	\$3944	0	0	0	0	2	

The buying plan analyzes your inventory purchases and successful selling in previous years to offer suggested changes to the upcoming buying season. These changes amount to the OTB distribution of funds into different categories and price points. For example, a category with a \$10,000 investment may contain \$5,000 worth of stock at a price point that sells rapidly in your store. The remaining \$5,000 may be in a price point that is moving very slowly, or not at all. Based on past history, it may be determined that you do need items in this price point, just fewer than before.



The Edge has an overriding rule that indicates that no matter how well a particular price point performed, we will never recommend that you buy so much that the new in-stock level exceeds two times the amount sold in the previous 365 days.

Data fields shown in the **Open to Buy** report include:

- Category & Cost** The category and cost range being presented.
- GMROI** The gross margin return on investment. The formula used to calculate this is profit divided by the cost of inventory.
- Sold Last 12** The quantity of items in the category and cost range sold within the last 12 months. The quantity is broken down by turnover time: fast seller (less than 180 days), interim seller (180 days to 540 days), and those that took over 540 days to sell.
- Sold In Period LY** The quantity of items in the category and cost range sold one year prior to the Buy Period as specified in step 1 on the UI screen. The quantity is broken down by turnover time: fast seller (less than 180 days), interim seller (180 days to 540 days), and those that took over 540 days to sell.

- COGS** Total cost of goods sold for each category/cost range for the Sold In Period LY quantities.
- In Stock Now** The quantity of items in the category/cost range in stock. This is broken down into quantities that have been on hand for less than 30/90/180 days, interim (180 days to 540 days), and more than 540 days.
- Budget** Recommended quantity of each of items to buy and the total cost of those items for each category/cost range.

For all of the quantity numbers in the sections **Sold Last 12**, **Sold in Period LY**, **In Stock Now**, you can click on the number and a list of those items that make up that number will appear. That will give you even better insight into what kinds of items are yielding those results.

Items - 2 matching make up this value.

Item #	Old #	Cost	Retail	Curr...	Status	St...	Type	Location	Pric...	Qty	Enter...	Vendor	Vendor ...	Style ...	Invoice #	Desi
002-100-05088		\$1,925.00	\$3,850.00	\$3.85...	S	9/11/...	S	case 4			9/8/20...	DI	HBRBLV0...		SI004554...	0.53k
002-100-05089		\$1,925.00	\$3,850.00	\$3.77...	S	11/1/...	S	case 20			9/28/2...	DI	HBRBLV0...		SI004570...	0.52k

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