



Landed Cost Tracking

SOLUTION FACTSHEET

Maintaining landed cost for products your organization handles can be a crucial task. As more and more organizations acquire material from overseas sources, the process of determining the actual cost of an item becomes increasingly difficult. In order to calculate landed cost, all factors beyond primary cost of material must be considered and accounted for; so that proper costs are updated and made available for decision making.

SYSPRO's Landed Cost Tracking (LCT) provides visibility of imported goods through shipment tracking and enables greater control of all associated costs, resulting in accurate landed costs. It enables you to track shipments of imported goods, monitor the progress and estimated arrival times of shipments, and establish a reliable estimate of the overall cost of imported goods. Furthermore, it aids the calculation of a more accurate actual cost at which to receive the goods and provides an actual cost comparison to the various estimates made during the procurement cycle.

The Benefits of Landed Cost Tracking

- **Accurately calculate profit on every item**
Identification of all cost elements associated with imported goods for better estimates of landed costs. More accurate product profitability reporting.
 - **Maximize Profits**
By illuminating "real" product costs, organizations have the opportunity to identify areas for potential cost reduction. It also helps managers more accurately monitor product performance against profitability targets and ensure estimated costs are in line with actual costs.
 - **Increase Competitiveness**
When all of the charges, fees, duties and taxes are known, companies can more strategically source products and components from lower cost foreign locations. This also enables them to better justify contracts with vendors or potential customers. Ultimately, they can price goods with the full understanding of the charges
- associated with bringing an item to market.
- **Increase Visibility**
Itemizing and tracking all acquisition costs and material cost elements as they apply to a product enables firms to better link their product supply flows with their financial processing and reporting.
 - **Ensure Compliance**
Companies can feel more confident in their financial reports and their cost declarations. This includes accurately calculated taxes and consideration of those taxes whose recovery should be excluded from total cost calculations. Additionally, organizations will adhere to country specific requirements for product specific profitability documentation and income tax calculations.

Product Version:

SYSPRO 8

Related Modules:

- Inventory (Essential)
- Purchase Orders (Essential)
- Accounts Payable

Sectors:

Manufacturing and Distribution

Industries:

- Automotive Parts and Accessories
- Electronics
- Fabricated Metals
- Food and Beverage
- Industrial Machinery and Equipment
- Packaging
- Plastics and Rubber

Landed Cost Tracking Capabilities

- Define a bill of costs for each inventory item per route
- Define multiple alternate shipping routes for each stock item
- Designate the currency rates for customs exchange calculations
- Combine multiple purchase orders into a single shipment
- Identify differences between landed costs and current inventory costs with the automatic cost roll-up feature
- Compare actual invoice cost with estimated costs for all cost elements
- Select suppliers based on shipping routes and associated costs
- Receive traceable stock items through inspection with lot and/or serial numbers
- Register supplier invoices against the shipment registration system
- Revise shipment quantities if different to the original purchase order
- Use the Landed Cost Tracking query to view shipment and element details
- Archive the shipment once all the actual costs have been accumulated.

Audit Trails and Reporting

- Inventory journals produced when warehouse costs are updated
- Provide detailed shipment tracking report
- Sales Order Action Report cross references customer back orders with incoming shipments for improved customer service
- Retain shipments on file as required.



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