A Guide To Retail With ERPNext

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Welcome

Hello there, welcome to the ERPNext Retail setup guide. In this document, we will guide you through the retail cycle and help you get up and running with your POS and other retail needs in ERPNext.

1. Key Features

Retail store businesses include transactions like sales, goods delivery, and payments happening at the same time. POS (Point of Sale) module in ERPNext allows you to create POS Invoices and manage all other functions involved in retail sales.

- Setup POS for multiple branches
- Easy Item checkout
- Real-time view of stock in the warehouses
- Works both online and offline
- Apply promotional schemes
- Autogenerated Material Requests

There are two main aspects to ERPNext Retail: Point of Sale (POS) and Loyalty Program

2. Initial Setup

To initiate with transactions via your POS, here are some of the masters you must ensure are configured properly.

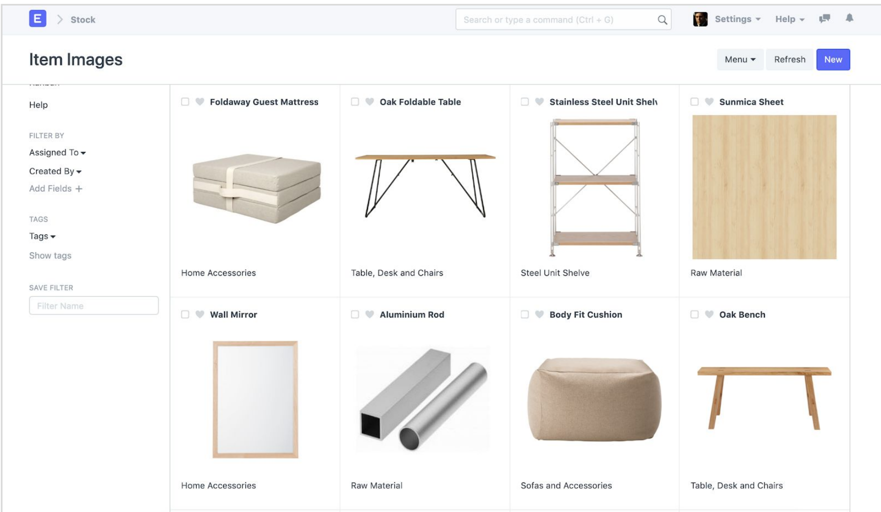
2.1 Items and Pricing

An Item is a product or service offered by your Company. Say that your company sells laptops and also offers maintenance for a brand of laptops. Both the laptop and laptop maintenance are items in ERPNext. A big differentiator is that the stock count needs to be maintained for physical products and not for service items.

The term Item is also applicable to raw materials or components of products yet to be produced (before they can be sold to customers). ERPNext allows you to manage all sorts of items like raw-materials, sub-assemblies, finished goods, item variants, and service items.

To access Item in ERPNext, go to:

Home > Stock > Items and Pricing > Item



To learn how to set up items in your ERPNext account, use the following links:

[User Manual]

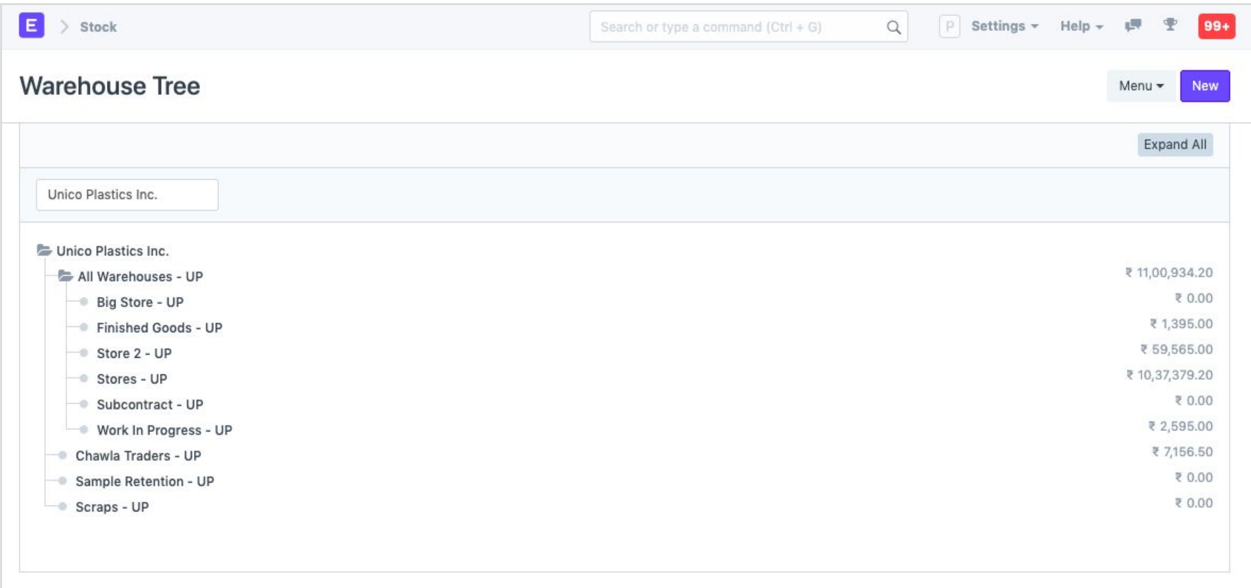
[Video Tutorial]

2.2 Warehouse

Now that you've recorded Items, you need a place to store them - Warehouses. ERPNext Warehouses can have Warehouse managers, separate accounts, and you can store the address of each Warehouse.

A warehouse is a commercial building for storage of goods. The terminology of 'Warehouse' in ERPNext is a bit broader and can be regarded as "storage locations". You can create a sub-Warehouse which could be a shelf inside your actual location. Inside a shelf, there can be racks, which are sub warehouses to the shelves.

To access Warehouse in ERPNext, go to:
Home > Stock > Settings > Warehouse



To learn more about Warehouses, visit:

[User Manual]

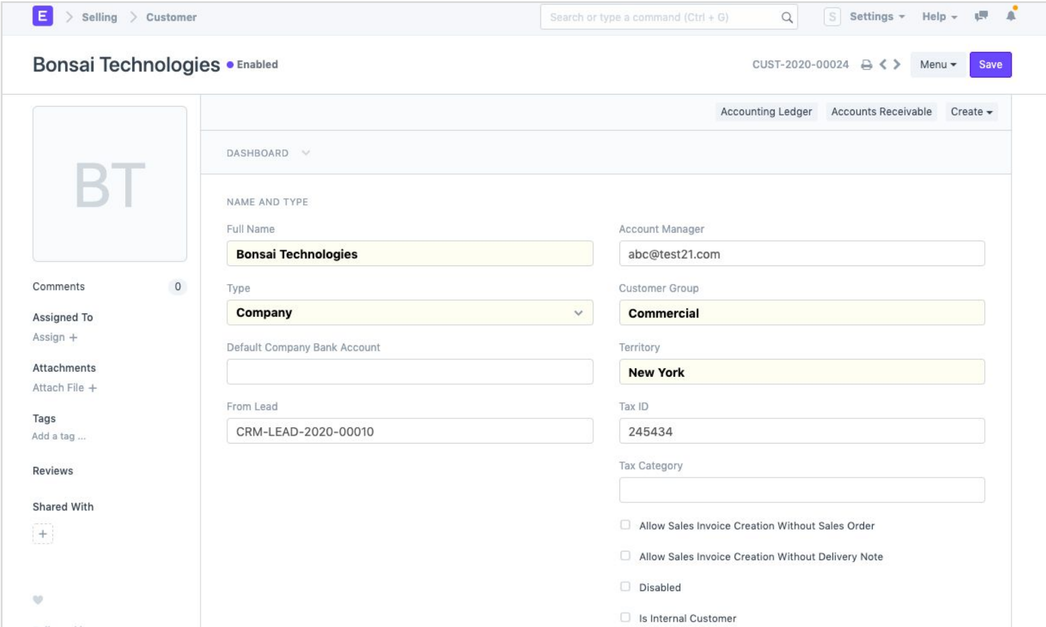
2.3 Customers

Customers are the parties with whom you transact with and log them in your ERPNext account.

Transactions that can be made for a Customer are Quotation, Sales Order, Delivery Note, Sales Invoice, and Payment Entry in general. These are also integrated into the POS system.

To access Customer in ERPNext, go to:

Home > Selling > Sales > Customer



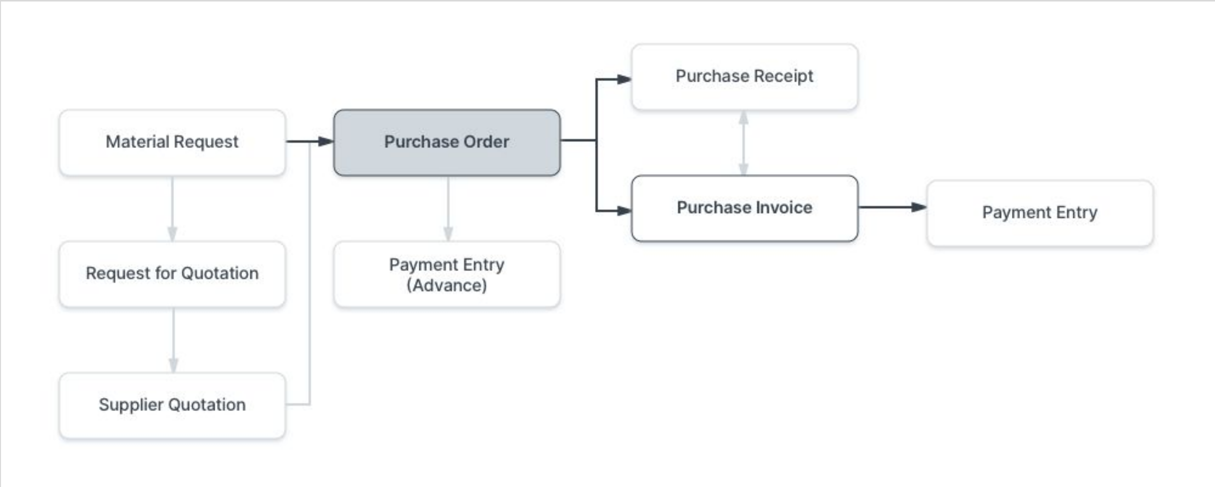
Learn more about Customers here:

[User Manual]

[Video Tutorial]

3. Purchase Transactions

For most businesses, you may have to track purchases within the System. You would first need to procure items and store them in your warehouses. Let's look at the procurement or buying flow in ERPNext.



The important actions are marked with a dark border, so here you create a Purchase Order and when it's time to pay, mark it with a Purchase Invoice. Ok, now your actual procurement flow may have more actions, so let's go through each of them.

It all starts with a Material Request which indicates that materials are required either for manufacturing products or replenishing the warehouses since the stock levels have dipped.

To buy items, you may send a Request for Quotation (RFQ) to multiple suppliers. They'll send back a Supplier Quotation and you'll pick the best one. Note that the best one always isn't the cheapest, time to ship is also a factor.

After choosing a supplier, you place a Purchase Order with them containing the items and quantities with any additional terms and conditions if applicable. Depending on your arrangement with the supplier, an advance payment might be made at this point.

After a Purchase Order comes the Purchase Receipt which denotes that you've received the stock at your warehouse. This changes the stock ledger. This leads to the Purchase Invoice when you're billed for the Items that have been shipped. In the end, comes the Payment Entry to record the payments you've made. This changes the accounting ledger.

3.1 Suppliers

Suppliers are companies or individuals who provide you with products or services.

Transactions that can be made for a Supplier are Supplier Quotation, Purchase Order, Purchase Receipt, Purchase Invoice, and Payment Entry.

To access Supplier in ERPNext, go to:
Home > Buying > Supplier > Supplier

Learn more about Suppliers here:

User Manual

Video Tutorial

3.2 Material Request

To indicate that items are required, material requests are generated. These are either generated automatically or can also be created manually.

It can be used to keep a record of the items that are required so that the inventory can be properly maintained.

To access Material Request in ERPNext, go to:
Home > Buying > Purchasing > Material Request

Learn more about Material Requests here:

User Manual

Video Tutorial

3.3 Purchase Order

By raising a Purchase Order with a Supplier you enter into a promise to be provided with certain items under certain shipping or other conditions.

A Purchase Order can be created as a fresh standalone record or via the 'Material Request' or 'Supplier Quotation' DocTypes among others, depending on your process flow.

To access Purchase Order in ERPNext, go to:
Home > Buying > Purchasing > Purchase Order

Learn more about Purchase Orders here:

User Manual

Purchase Cycle

3.4 Purchase Receipt

After placing a Purchase Order, you may want to record that the Items have reached your warehouse. To do this, use a Purchase Receipt. Purchase Receipts are made when you accept Items from your Supplier usually against a Purchase Order. This aids in keeping track of the ordered items that have or have not been received, at which Warehouse they have been received and the status of billing for those items.

To access Purchase Receipt in ERPNext, go to:
Home > Stock > Stock Transactions > Purchase Receipt

Learn more about Purchase Receipts here:

User Manual

3.5 Purchase Invoice and Payment

Depending on your arrangements, the supplier will raise a Purchase Invoice with you for the items he's selling. It's a bill against which you need to make the payment. Using ERPNext's Purchase Invoice, you can track Advance Payments and Purchase Returns, apply the relevant taxes as well as have ready-to-export accounting reports. Once the Purchase Invoice has been generated, you can update its payment status by creating a Payment Entry against it.

To access Purchase Invoice and Payment Entry in ERPNext, go to:
Home > Buying > Purchasing > Purchase Invoice

Home > Accounting > Accounts Receivable > Payment Entry

Learn more about Purchase Invoices and Payments here:

Purchase Invoice

Payment Entry

Once this is done, your Purchase Invoice is marked as 'Paid' and your purchase cycle is complete.

4. POS Setup & Transactions

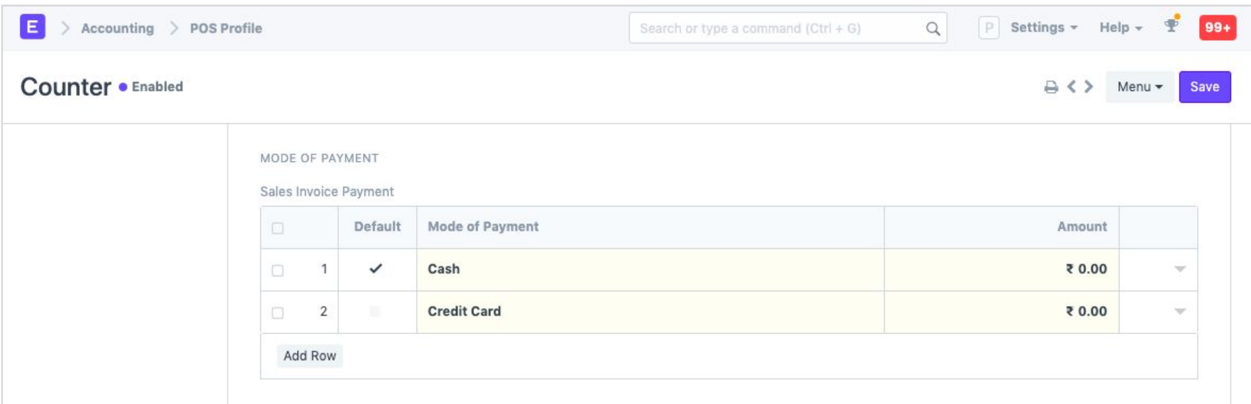
4.1 POS Profile

In a POS Profile, you can set defaults like::

1. Users
2. Warehouse
3. Modes of Payment
4. Item Group
5. Customer Group
6. Print Settings
7. Accounting Settings

For example, you can create a POS Profile for Branch A, setting the Customer and Item Groups to be displayed via the POS view and the accounting defaults for the transactions that will take place using POS.

To access POS Profile in ERPNext, go to:
Home > Retail > Retail Operations > POS Profile



Learn more about POS Profiles here:

[User Manual]

4.2 Point of Sale (POS)

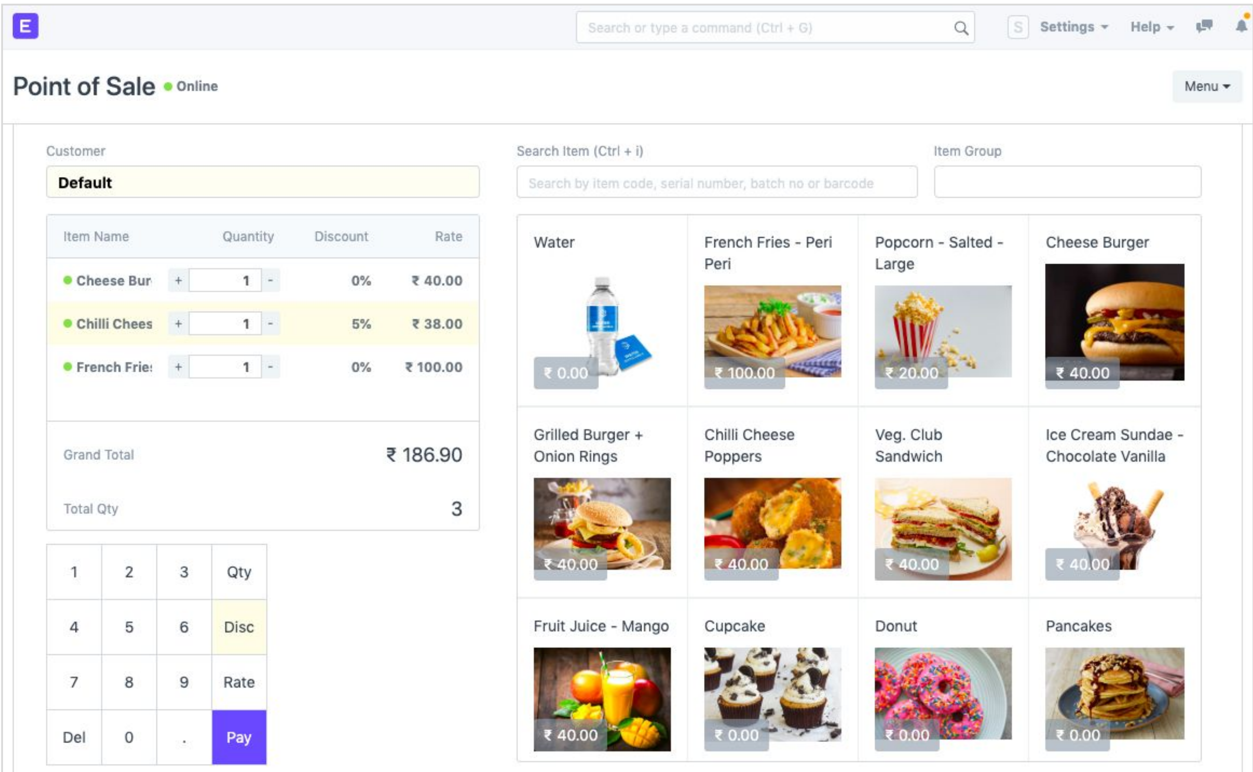
A Point of Sale refers to the time and place where a retail transaction takes place.

For retail operations, the delivery of goods, accrual of sale, and payment all happen in one event, that is usually called the 'Point of Sale' (POS).

In ERPNext, all Sales and Purchase transactions like Sales Invoice, Quotation, Sales Order, Purchase Order, etc., can be edited via the POS. You can also use ERPNext POS offline and sync the created invoices once back online.

To access POS, go to:

Home > Retail > Retail Operations > POS



Learn more about ERPNext POS here:

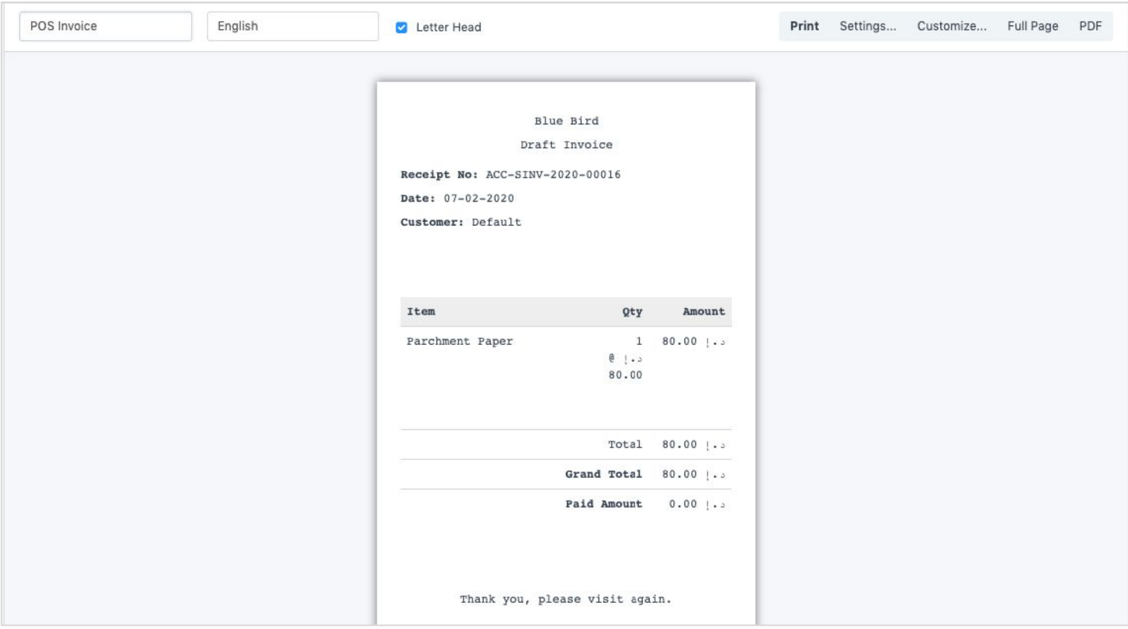
[User Manual]

[Point Of Sale Video Tutorial]

4.3 Payment & Sales Invoice

A Sales Invoice is a bill that you generate for your Customers against which they make payments. The POS Sales Invoice will get auto-generated by the System and you can print it with ease.

The POS Sales Invoice is available by default but can be further customized via the Print Format Builder.

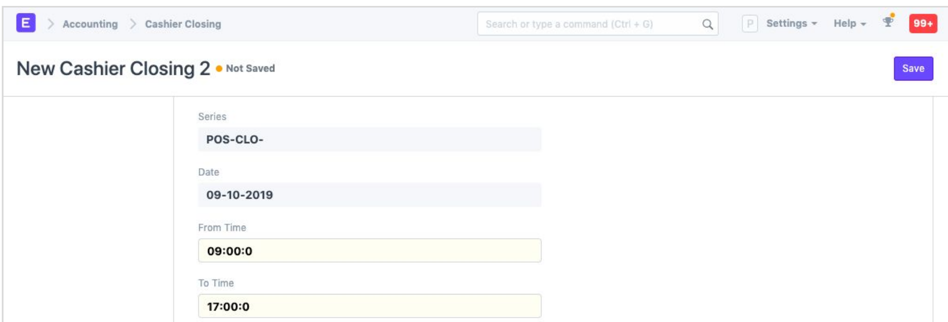


Learn more about POS Sales Invoice and Payment here:

[User Manual]

4.4 Cashier Closing

A retail counter may have multiple people operating it throughout the day in different shifts. Cashier closing in POS allows a cashier to record the sales and other details at the end of his/her shift.

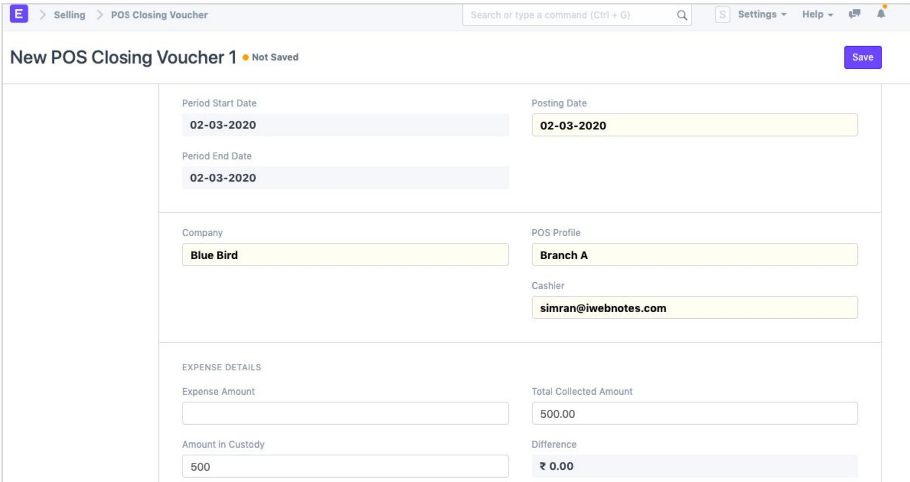


Learn more about Cashier Closing here:

User Manual

4.5 POS Closing Voucher

At the end of the day, the cashier can close his/her POS by creating a POS Closing Voucher.



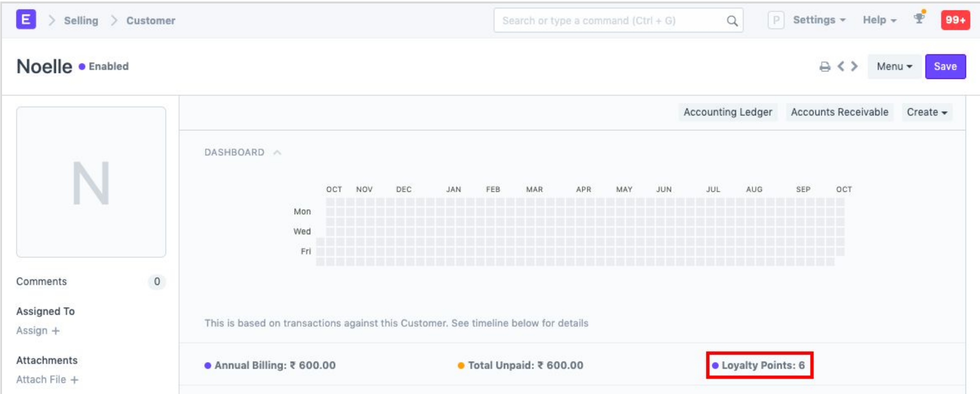
Learn more about POS Closing Voucher here:

User Manual

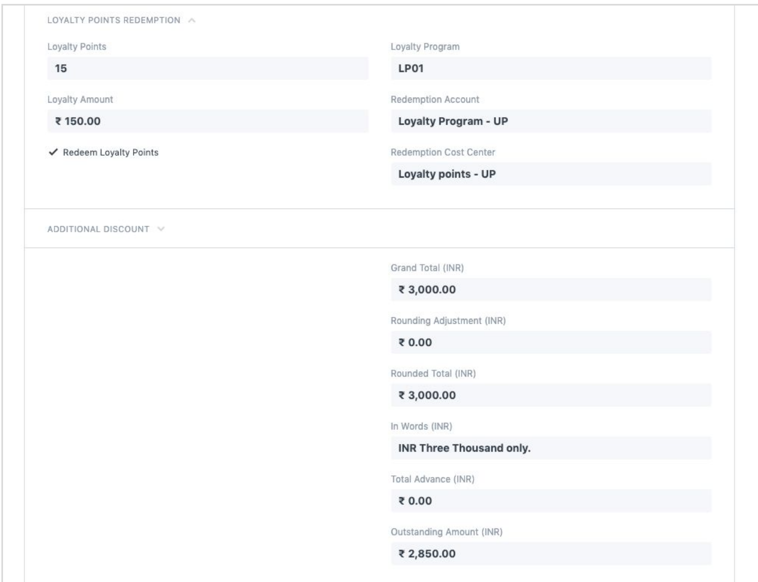
5. Loyalty Program

A Loyalty Program allows Customers to earn points by spending a certain amount and lets them redeem the points against future purchases. For example, on every $10 spent, the Customer is awarded 1 Loyalty Point. They can then redeem these Loyalty Points during their next purchase thereby paying a reduced amount.

Loyalty Points are displayed on the Customer's record, for easy tracking.



Loyalty Points earned by a Customer can then be redeemed against their Sales Invoices.



To access Loyalty Program in ERPNext, go to:
Home > Retail > Retail Operations > Loyalty Program

Learn more about Loyalty Program here:

User Manual

6. Advanced Features

6.1 Multistore Management

Tracking stock levels and other aspects of your inventory and accounting when you have multiple stores can be pretty tedious. Using ERPNext, you can add new branches as Warehouses and analyze their sales, profit and loss, stock movements, and other reporting dimensions effortlessly. Then these 'Warehouses' can be linked to warehouse accounts to get accurate accounting data.

Learn more about this here:

User Manual

6.2 Promotional Schemes

This feature has been designed to dynamically utilize different pricing rules and discounts during transactions.

For example, if you would like to initiate a promotional scheme for New Year's Day in which a Customer can avail of a discount on a particular item or group of items, you can specify the discount and items in the Promotional Scheme doctype.

Learn more here:

User Manual

6.3 Item Variants

You may have various items to sell. Among those items, there may be multiple variants. Now, consider a t-shirt, it can be of different colors and sizes. The different colors and sizes are the item attributes using which several Item Variants are created. For example, there can be Red, Blue, and Green t-shirts of sizes ranging from small to medium to large.

An Item Variant is a version of an Item with different attributes like sizes or colors.

Using this feature, you can create a template of an Item and create variations of this Item based on either some attributes that you have configured or a manufacturer.

Learn more about Item Variants here:

User Manual

Video Tutorial

6.4 Automatic Reordering

Running out of stock at the last moment is a pain. To tackle this, you can set up automatic reordering. This creates a Material Request of a pre-set quantity when the stock reaches a certain level.

Learn more about Automatic Reordering here:

User Manual

7. Reports

Almost every module in ERPNext has several pre-built reports for your data analysis needs, which aid in the analysis of your transactional and other data, thereby helping you make better-informed decisions.

7.1 Sales Reports

The following reports provide an overview of your company's sales performance:

1. Sales Analytics
2. Item-wise Sales History
3. Sales Register
4. Sales Invoice Trends

7.2 Stock Reports

Managing multiple stock shipments along with their location and financial aspects can be daunting. The following reports are designed to give you more insight into these areas.

1. Stock Ledger
2. Stock Balance
3. Stock Projected Qty
4. Stock Summary
5. Stock Ageing

7.3 Accounts Reports

The following reports are crucial for most companies to be able to analyze their accounts and financial data.

1. Balance Sheet
2. Profit and Loss Statement
3. General Ledger
4. Trial Balance
5. Accounts Payable/Receivable with Ageing Analysis

8. Case Studies of Retail Companies using ERPNext

8.1 Office One

Office One is one of the fastest-growing stationery and Office Supplies Companies in UAE. Click on the link below to read about their journey with ERPNext.

Case Study

8.2 Vedmata Gayatri Trust

Click on the link below to hear Vedmata Gayatri Trust speak about their experience implementing ERPNext.

Video Testimonial

9. FAQs

9.1 Can I customize a form and add new fields to it?

You can create custom fields with great ease in ERPNext. For detailed instructions, please refer to our documentation by clicking here.

9.2 Can I create a custom DocType to map a unique aspect of my process into ERPNext?

Yes, you can create your own DocTypes in ERPNext. Click here to know more!

9.3 How do I create reports to analyze my data effectively?

ERPNext has several standard reports available by default which can be edited and saved for subsequent usage. However, if you would like to create a custom report, you can do that too by using the Report Builder, Script Reports, or Query Reports depending on your requirements. Click here for more information.

9.4 What are the ways through which I can restrict a User's access to data in my instance?

Assigning the relevant permissions to your Users is a vital step while setting up your instance. ERPNext allows for several ways to restrict access to your data, details of which can be found here.

9.5 I want an email to be sent to a particular Employee for approval when a record is created. How can that be configured in the System?

This scenario and other similar ones can be set up using Workflows in ERPNext. For step-by-step instructions, click here.

9.6 How do I set up reminders, status change, or other types of notifications (Email/SMS/Slack) in my System?

Email and Slack notifications can be configured via the Notifications DocType in ERPNext and SMS notifications by the SMS Center and SMS Settings DocTypes.

Documentation regarding setting up Notifications can be found here and for SMS Settings click here.

9.7 Is it possible to customize the formats used to print a document in ERPNext?

Almost every DocType in ERPNext has a standard print format already created for it. However, if you would like to further customize this, you can create multiple print formats for each

DocType by either using the Print Format Builder or Custom Script. More information about this can be found here.

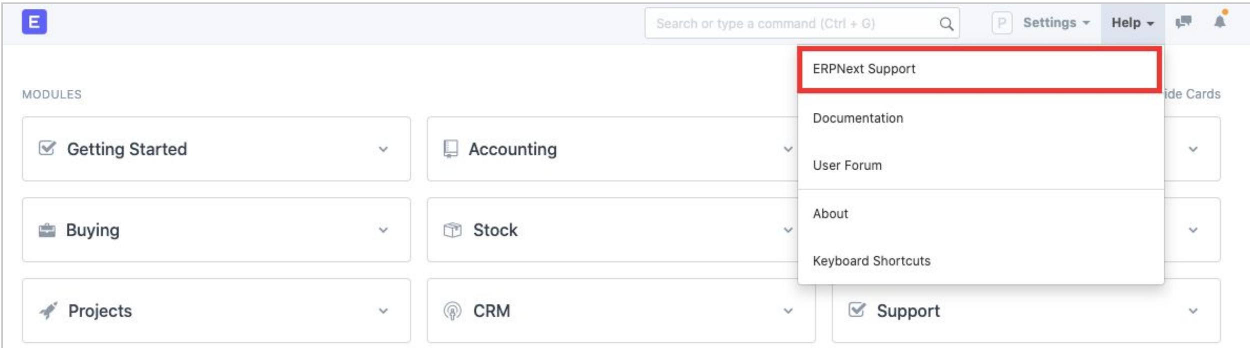
9.8 How do I import my data into ERPNext?

ERPNext has a very robust and user-friendly data importing tool called 'Data Import' which can be utilized to insert new records or update existing records. For step-by-step instructions, please click here.

We're here to help

Check out the ERPNext documentation to find help on what you're looking for.

If you need more assistance, reach out to us using in-app support from your ERPNext account.



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