Business One in Action - How can the Gross Profit be determined when a Drop Ship warehouse is used in a sales document?

SAP

Applies to:

SAP Business One, Logistics, Sales and Purchasing

Summary:

This article describes a workaround on how to calculate the gross profit amount when posting sales and purchase transactions through a Drop Ship warehouse.

Author: Lorna Real, Senior Support Consultant, GSC, SAP Business One

Company: SAP

Created on: December 2009

Author Bio:

Lorna Real joined SAP in 2007 and is currently active as Senior Support Consultant for SAP Business One. She has worked as both technical and business consultant. She authored this article as a direct response to a partner enquiry during the Expert-on-Phone project, where she consulted on mainly Logistics and Finance related topics.

Table of Contents

How can the Gross Profit be determined when a Drop Ship warehouse is used in a sales document?

Note 1087005

Drop ship warehouses are used in sales transactions when items are delivered to the customer directly from the supplier's warehouse rather than from the company's own warehouses.

In SAP Business One, a warehouse can be defined as 'Drop Ship' by ticking the option in the Warehouse Setup (Administration –> Setup –> Stock Management -> Warehouses -> General tab).
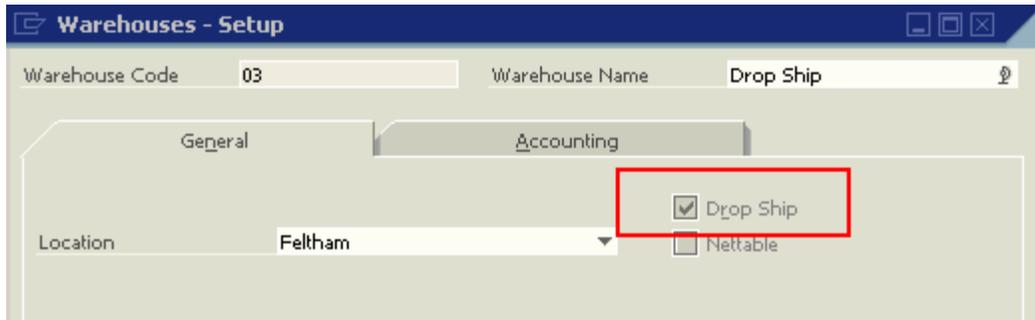
When a 'Drop Ship' warehouse is selected in a sales order, a purchase order is automatically created based on that sales order. The purchase order in this case, also uses the Drop Ship warehouse. However, as the 'Drop Ship' warehouse does not maintain any cost for the item, the gross profit for the specific sales document may be inaccurate.

To correctly calculate the gross profit of these transactions, the sales invoice has to be associated with its corresponding purchase invoice. One way of linking the purchase invoice with the sales invoice is to use a 'User-Defined field' (UDF) in both documents. To proceed:

1. Create a UDF in the sales and purchase documents header.
2. When entering the purchase invoice for the corresponding sales transaction, enter the sales document number in the UDF.

3. Update the UDF in the Sales Invoice with the Purchase Invoice document number.

4. Create a user query to generate a list of matching sales and purchase invoices to view the transaction profit.

		July_01								

```
SELECT
T0.DocNum as [Sales Invoice No.], T0.CardCode as [Customer Code], T0.CardName as [Customer Name], T0.DocTotal as [Sales Invoice Amt],
T1.DocNum as [Purchase Invoice No.],  T1.CardCode as [Supplier Code], T1.CardName as [Supplier Name],
T1.DocTotal as [Purchase Invoice Amt], T0.DocTotal - T1.Doctotal as [Transaction Profit]
FROM
```

#	Sales Invoice No.	Customer Code	Customer Name	Sales Invoice Amt	Purchase Invoice No.	Supplier Code	Supplier Name	Purchase Invoice Amt	Transaction Profit
1	117	C20000	Norm Thompson	23.43	97	CW800	CakeWorld	17.63	5.80

Query

```
SELECT
T0.DocNum as [Sales Invoice No.],
T0.CardCode as [CustomerCode],
T0.CardName as [Customer Name],
T0.DocTotal as [Sales Invoice Amt],
T1.DocNum as [Purchase Invoice No.],
T1.CardCode as [Supplier Code],
T1.CardName as [Supplier Name],
T1.DocTotal as [Purchase Invoice Amt],
T0.DocTotal - T1.Doctotal as [Transaction Profit]
FROM
    OINV T0 , OPCH T1 WHERE T1.U_BP = T0.DocNum and T0.U_Bp = T1.DocNum
```

Note: The 'Transaction Profit' generated from the query may be influenced by freight costs, discounts and taxes.

Related Contents

- [SAP Business One in Action Catalog Page](#)
- Note [1087005](#)
- For more information, visit the [Business One homepage](#).

Copyright