



# Spot Metal Pricing

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## Introduction

The Edge has several pricing methods for fine jewelry and various types of bulk items. In addition, The Edge now also offers **spot pricing for metals** such as gold, silver, platinum, and palladium.

If you are a store that specializes in selling items such as custom chains, then **spot metal pricing** is a handy tool to have in your Edge toolbelt. Designed to help you calculate prices both accurately and efficiently, with a link right to Kitco for the most up-to-date metal pricings to make sure you are not under selling, or over selling, to your valued customers.

This document describes how to setup these values in lists, create categories using spot pricing, where to enter your labor costs and markups, and how to obtain the spot prices for your categories and items.

## Setup

### System Options

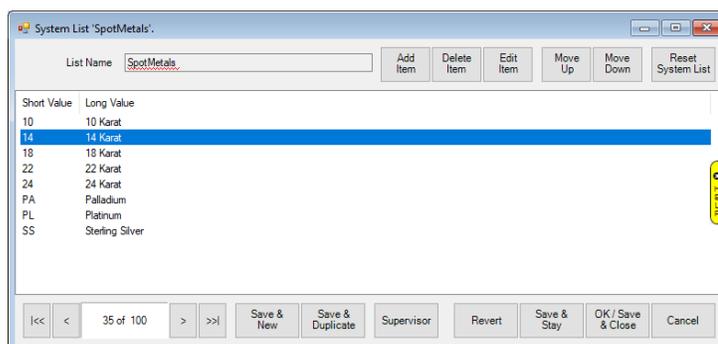
There are three system options affecting the spot metal pricing feature:

<b>Prompt for Spot Metal Price When Selling</b>	When a spot-priced metal is sold, this indicates whether you want The Edge to automatically prompt you for the current metal price at POS.
<b>Prompt for Spot Metal Time Out</b>	Only applicable if Prompt for Spot Metal Price When Selling set to True, this defines a timeout period in minutes. If the spot price has not been updated in this timeframe it will prompt. Set to 0 to prompt every time an item sold.
<b>Spot Metal Pricing Website</b>	The address for the metal pricing source to be shown in item records and at POS. The default is <a href="http://www.kitco.com/market/">http://www.kitco.com/market/</a>

### Metal Types

The Edge is preloaded with a list of default metal types. To add, view, or edit additional metals:

1. Click **Administrative ► Lists**. This will display the **List of Lists** window.
2. Check **Show System Lists** at the bottom.
3. Select **SpotMetals** from the list and **Edit** it. A list of current spot metals will appear.



- From here, you can use **Delete Item** to delete an unwanted metal, **Edit Item** to edit an existing one, or **Add Item** to create a new one. When adding, you will need to specify **both** a short value (abbreviation) and long value (spelled out).

Each metal needs to be mapped to a Metal Type and assigned a Metal Value. **For example**, 10k karat gold has a purity of approximately 41 percent gold. The Edge will load default values for you.

To add or change mapping:

- Click **Administrative ► Metals Setup**. The **Metal Mapping Setup** window will appear.

Store Metal Value	Maps To	Metal Type	Metal Value	Purity
10 Karat	Maps To	Gold	0.417	Purity <input type="checkbox"/>
14 Karat	Maps To	Gold	0.583	Purity <input type="checkbox"/>
18 Karat	Maps To	Gold	0.750	Purity <input type="checkbox"/>
22 Karat	Maps To	Gold	0.321	Purity <input type="checkbox"/>
24 Karat	Maps To	Gold	0.999	Purity <input type="checkbox"/>
Palladium	Maps To	Palladium	0.950	Purity <input type="checkbox"/>
Platinum	Maps To	Platinum	0.950	Purity <input type="checkbox"/>
Sterling Silver	Maps To	Silver	0.925	Purity <input type="checkbox"/>

**+ Metal Mapping**

OK Cancel

**Store Metal Value** The name of the metal in your store as defined in the **SpotMetals list**.

**Metal Type** The type of metal to map to; these are hardcoded and cannot be changed. Options include Gold, Silver, Platinum, and Palladium.

**Metal Value** The purity value of the metal.

- Each Store Metal must be mapped to a Metal Type and assigned a purity. You can edit existing mappings, add new with the **+ Metal Mapping** button, or remove mappings with the **Red X** button.

## Metal Prices

After spot metals have been setup and mapped to metal types, you can use the **Metal Prices feature** to enter spot prices based on current market values.

**This must be done manually**, but can be done quickly and will update all relevant item pricing instantly. There is also a **system option** that can be enabled to prompt the associate to check and update metal pricing right from POS if a spot metal priced item is being sold.

To set metal prices:

1. Click **Inventory ► Metal Prices**. The Metal Pricing window will appear.

2. Each metal will be listed with the last entered price. To update a price, simply enter it next to the type of metal and click **OK**.



The calculator provided here allows you to calculate prices *for reference purposes only*. This information is **not** stored anywhere.

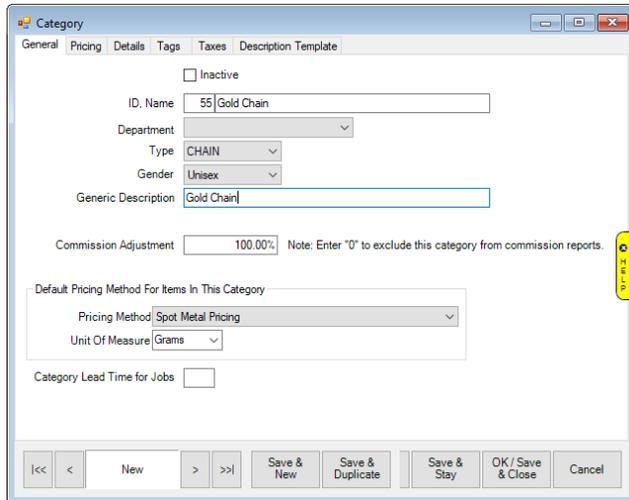
**Prior to using this tool**, it is important to make sure your item pricing is **up to date** for the most accurate calculations.

## Creating a Spot Metal Pricing Category

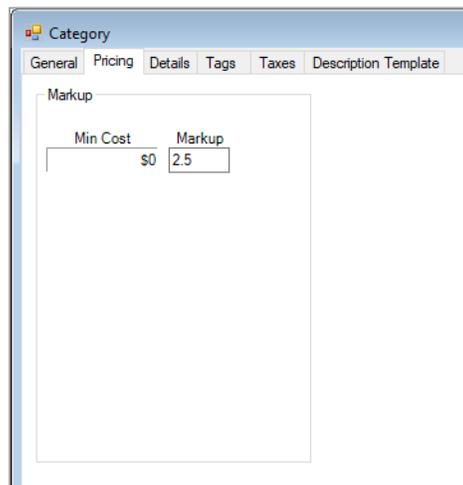
Unlike other pricing methods, spot metal priced items require their own category. This category can only contain items of this pricing method, and likewise, categories set to any other pricing method will not allow the entry of spot metal priced items.

To create a category for spot metal pricing:

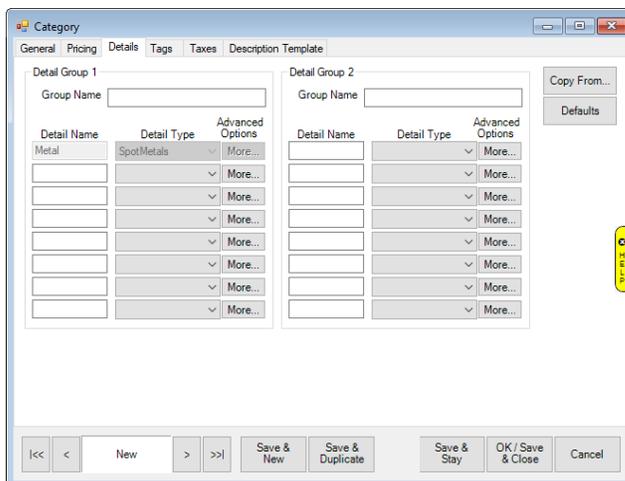
1. Click **Inventory ► Categories ► Add**.
2. On the **General** tab, use the **Pricing Method** drop-down to select **Spot Metal Pricing** and use the **Unit of Measure** drop-down to select DWTs or Grams.



3. Click on the **Pricing** tab and enter a markup. Unlike other categories, you can only specify a single markup. This is multiplied by the metal cost to calculate retail price.



4. Click on the **Details** tab. The first detail will default to Metal and will be linked to your list of spot metals.



This detail is hardcoded and cannot be changed. Add other details as described in section Error! Reference source not found..

- Complete other tabs as desired, then save the category.

## Adding a Spot Metal Pricing Item

Before you can add items of this pricing method you must first create a category for them. Spot metal priced items can only be entered into categories setup specifically for this pricing method. See **Creating a Spot Metal Pricing Category** for information on how to setup a category.

To add a spot metal priced item:

- Click **Inventory ► Item ► Add ► Item**. The **New Item** window will appear.
- Select a category that you have setup with the spot metal pricing method.
- Specify a vendor and vendor style. After you enter a vendor style # the **Allocation** window will appear.

- Specify **Cost Per Measure**, **Invoice #**, **Description**, and **Total Measure** being received, then click **OK**.
- This will bring you to the quantities tab of the item and a window will appear allowing you to select the type of metal for this item.

6. This metal type appears on, and can also be changed from, the **General** tab. Choose the correct metal from the drop-down and click **OK**. The quantities tab now displays your entry.

Store #	Invoice #	Entered	UOM Cost	UOM Rcvd	UOM In Stock	Memo
1	Invoice123	4/27/2018	\$58.00	100.00	100.00	

7. Click on the **General** tab. There are two fields here unique to spot metal pricing: **Labor** and **Labor Cost**.

Item #001-055-00001 Category: 55 Gold Chain

Vendor Info: Vendor ID AB, Vendor AB Vendor, PO #

Ven Style # GoldChain14k, Style Note, Barcode, Stock

Inventory: Location, Entered By #1: Owner, Tom, Price Meth Spot Metal Pricing, Exclude From Rewards

Pricing: Retail \$145.00, Current \$145.00, Sold, Split 0.00%, Labor \$40.00, Labor Cost \$20.00

On Sale: Price, Margin, Starts, Ends, Sign

Description: ABC abc Abc, Suggest Gold Chain, Copy...

**Labor** is for the **retail price** of labor; this gets added to the price when this item is sold in POS. **Labor Cost** is the cost to you for this labor.

8. Complete remaining tabs as described in the section Error! Reference source not found. and save your new item.

## Calculation Formula for Pricing

There is a very specific formula in order to properly calculate the price. While it may look complicated at first glance, we assure you it is quite easy once you understand the breakdown.

Values for calculating are based on numbers made available by Kitco.com:

New York Spot Price								
US Dollar		oz	<b>MARKET IS OPEN</b> (Will close in 4 hrs. 50 mins.)				Market Alerts	
Metals	Date	Time (EST)	Bid	Ask	Change		Low	High
GOLD	07/30/2018	12:11	1222.40	1223.40	-0.80	-0.07%	1220.40	1225.70
SILVER	07/30/2018	12:11	15.48	15.58	+0.01	+0.06%	15.41	15.60
PLATINUM	07/30/2018	12:11	828.00	833.00	0.00	0.00%	822.00	835.00
PALLADIUM	07/30/2018	12:11	921.00	931.00	+2.00	+0.22%	910.00	938.00
RHODIUM	07/30/2018	11:02	2165.00	2315.00	0.00	0.00%	-	-

For this example, we will be calculating 18k Gold. The place to start for your calculation is to find the **Bid** number for Gold from Kitco, as shown in the example image above.

With this number, the formula for correctly calculating your spot metal items will be as follows:

**Price per Troy Ounce** (divided by) **Grams per Troy Ounce** (multiplied by) **Percent of Real 18k Gold** (multiplied by) **Total Weight Grams** (multiplied by) **Category Markup** (plus) **Item Labor** = **FINAL price** in POS transaction.

1 Troy Ounce = 20 Pennyweights (DWT).

**Percent of Real Gold** means the **purity value** in Edge, i.e. 24k Gold = .999, 18k = .75, 12k = .5



**Category markup** is setup by you in the category description. See section **Creating a Spot Metal Pricing Category**.

**Item Labor** is determined by you in the **item description**. See section **Adding a Spot Metal Price Item**.

How this formula will look replaced with numeric examples:

Price per Troy Ounce	\	Grams per Troy Ounce	x	% of Real 18k Gold	x	Total Weight Grams	x	Category Markup	+	Item Labor	=	Final Price in POS
1222.4	\	31.1034768	x	.75	x	3.8	x	2.5	+	22.50	=	\$302.56

## Selling a Spot Metal Pricing Item

To sell a spot-priced item:

1. Go to **POS**. Specify the associate and customer.
2. Click **Sell Item** and enter the item's number. Alternatively, you can scan its barcode.

Line	Item #	QTY	Description	Retail Disc %/\$	Price Tax/Net
1	001-055-00001		Gold Chain		
	<input type="text"/>	Grams			\$0.00
	<input type="text"/>				\$0.00

3. Enter the quantity being sold.
4. If you have the system option enabled, a window will appear asking you to input the **current metal price**. Otherwise, it will calculate retail based on the **last entered price** for the metal.

Update Spot Price

Current Gold Price per Troy Ounce:  
\$2,000.00

Gold Price:

<http://www.kitco.com/market/>

OK    Cancel

5. The retail price will then be calculated. If you entered an amount in the **Labor** field for this item record then this amount will be added to the total retail price.
6. Proceed with the rest of the sale as you normally would.