

Product Costs

04/30/2025 3:21 pm CDT

Overview

Sellercloud allows you to control the cost determination of your product in order to avoid selling products at too low a price. You can adjust costs manually or enable specific options to update them dynamically.

Manage Product Costs

To review or update a product's costs:

1. Go to the [Product Details Page](#).
2. Click **Toolbox** and select **Purchasing**.
3. The **Cost** panel displays the currently determined **Last Cost**, **Average Cost**, **Gross Cost**, **Cost Per Case**, and **Salesman Cost** of the product. Note that the **Site Cost** is not listed here – check the Product Details page's

Purchasing panel to see it.

| COST | |
|---------------|--|
| Last Cost | \$27.5 |
| Average Cost | \$10  |
| Cost Per Case | \$0 |
| Salesman Cost | \$111.1 |

4. Click **Edit** to update the costs:
 - a. **Last Cost:** The most recent amount you paid to buy the product. You can't change it here, it only changes when you receive Purchase Orders.
 - b. **Average Cost:** The average amount you paid to buy the product, taking into consideration all received Purchase Orders. For more information, see [Product Average Cost](#).
 - i. Click the **View Details** icon in the **Average Cost** field.
 - ii. On the **Average Cost Details** page, click the **Plus** icon.

The screenshot shows a table titled 'AVERAGE COST DETAILS' with the following data:

| Ref. ID | Qty Adjusted | Received on | Transaction type | PO# | Price | Avg. cost | Qty before |
|---------|--------------|---------------------|------------------|------------|---------|-----------|------------|
| 77176 | 15 | 07/01/2021 01:53 PM | PO | 1234443706 | \$14.95 | \$14.92 | 104 |
| 77177 | 40 | 07/01/2021 01:53 PM | PO | 1234443706 | \$14.95 | \$14.93 | 104 |
| 77175 | 100 | 07/01/2021 01:52 PM | PO | 1234443706 | \$14.95 | \$14.92 | 104 |
| 77174 | 10 | 07/01/2021 01:48 PM | Adjustment | 0 | \$14.90 | \$14.90 | 99 |
| 77173 | 100 | 07/01/2021 01:40 PM | PO | 1234443705 | \$14.90 | \$14.90 | -6 |
| 77120 | 1 | 06/09/2021 12:36 PM | PO | 1234443438 | \$16.67 | \$16.67 | -3 |
| 77119 | 1 | 06/09/2021 11:53 AM | PO | 1234443438 | \$16.67 | \$16.67 | -5 |
| 77118 | 1 | 06/09/2021 11:53 AM | PO | 1234443438 | \$16.67 | \$16.67 | -5 |
| 77116 | 5 | 06/09/2021 11:43 AM | PO | 1234443437 | \$18.00 | \$18.00 | -10 |
| 77115 | 1 | 06/09/2021 10:57 AM | PO | 1234443436 | \$16.67 | \$16.67 | -11 |

Summary: 10 items / 274 total qty Current Physical Qty: 255 Average Cost: \$14.93

iii. Click the **Amount** line, and enter the adjustment amount. This can be a positive or negative value.

iv. The **Per Unit Adjustment** box works as follows:

- When it is **unchecked**, the adjustment amount will be distributed across the inventory currently in stock. For example, if you have 100 in stock with an **Average Cost** of \$100 and you add an **adjustment** of \$10, the **Average Cost** will become \$100.10, since $10/100 = 0.1$.
- When it's **checked**, if you add an adjustment of \$10 and your previous **Average Cost** was \$100, the new **Average Cost** will be \$110, regardless of how many units you currently have in stock.

v. Specify the **Reason** for the changes.

vi. Click **Add**.

c. **Gross Cost:** The **Average Cost**, excluding quantity from its calculation.

- **Calculation: Average of the Adjusted Price + Extra Cost (Per Unit) + Extra Cost (PO-Based Per Unit)** for the product from all previous Purchase Orders.

d. **Cost Per Case:** The total item cost of all product units in a single **FBA Inbound Shipment Case** or a **Purchase Order Case**.

e. **Salesman Cost:** The percentage of a product's purchasing cost added to account for external costs, such as warehousing and repackaging fees, used instead of the original cost when calculating a salesperson's commission. You can learn more in the **Salesman Cost** section below.

5. You can also update a product's **Site Cost:** The product's price, either on the last PO at the time it is received (including the vendor price, discounts, and other costs) or based on the **Average Cost**, depending on your Client Settings, as described in the **Other Cost-Related Client Settings** section below. You can learn more about the **Site Cost** in the **Order Item Cost Calculation** article.

a. Go to the **Product Details Page**.

b. Click **Edit**, then in the **Purchasing** panel, update the **Site Cost**, and click **Save**.

| PURCHASING | |
|---------------------------------------|---------|
| Default Vendor | Select |
| Vendor SKU | |
| Average Cost | \$14.92 |
| <input type="checkbox"/> Discontinued | |
| Site Cost | \$18.00 |
| Qty Per Case | 5 |
| Qty Per Pallet | 1 |
| Buyer | System |

When the [Client Setting Enable ALL Kits Cost calculation Once a day](#) is enabled, the **Site Cost**, **Last Cost**, and **Average Cost** of **All Components** and **Main Component** kit parents will be updated once daily based on the costs of their kit components. To do the same for **Independent** kit parents, enable **Enable Kit Cost Calculation For Independent Kits Too**. Otherwise, the cost calculation of independent kit parents will come only from [Assembling](#) and [Receiving POs](#), and the components' costs won't be considered.

Salesman Cost

Some businesses add a percentage to items' purchasing costs to account for external costs such as warehousing and repackaging fees. This added cost is called **Salesman Cost** and is used instead of the original cost when calculating a salesperson's commission. It can be manually set for each product, allowing sales staff to price products based on this cost instead of the average or original cost.

For example:

- Let's say the commission rate is 5%, and Salesman Cost is 4% over the Site Cost.
- If an order's total is \$200 and the item's Site Cost is \$100, that should equal a profit of \$100.
- However, the salesman cost adds 4% to the item cost, which brings the cost up to \$104.
- Therefore, the profit is adjusted to \$96, and the salesman's commission is \$4.

If you enable the Salesman Cost field:

- It will display on each product's Purchasing page and will be updated automatically based on a percentage of the product's Site Cost.
- It will be used as the product cost when you generate the [Salesman Commission Report](#).

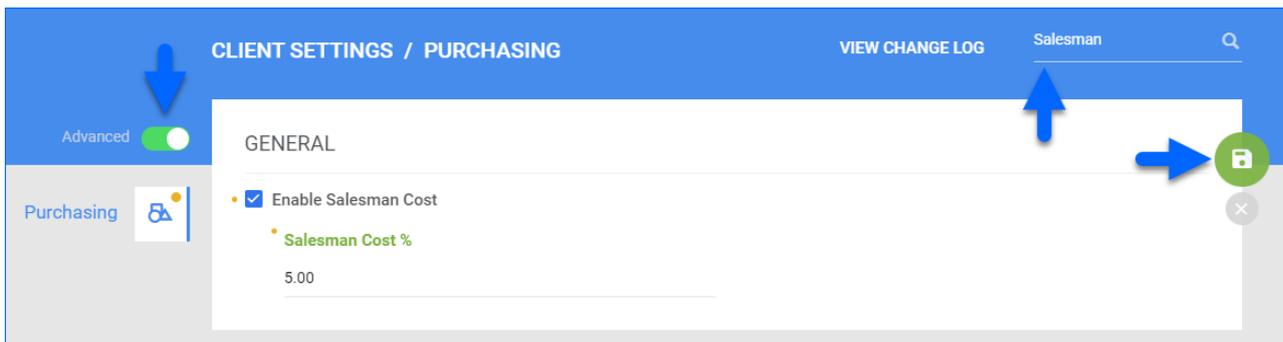
The Salesman Cost can be manually set for each product, allowing sales staff to price products based on this cost instead of the average or original cost. For this, you must disable the client setting **Enable Salesman Cost __%** and enable **Allow Free Edit Salesman Cost**. However, this setup disables the Salesman Commissions reporting functionality.

Enable and Set Salesman Cost

Follow these steps to enable and set the default Salesman Cost percentage:

1. Go to **Client Settings**.

2. Click the **Advanced** button to enable advanced settings.
3. Select **Purchasing**.
4. Search for “Salesman”.
5. Check the **Enable Salesman Cost** box and set the **Salesman Cost %**.
6. Click **Save**.



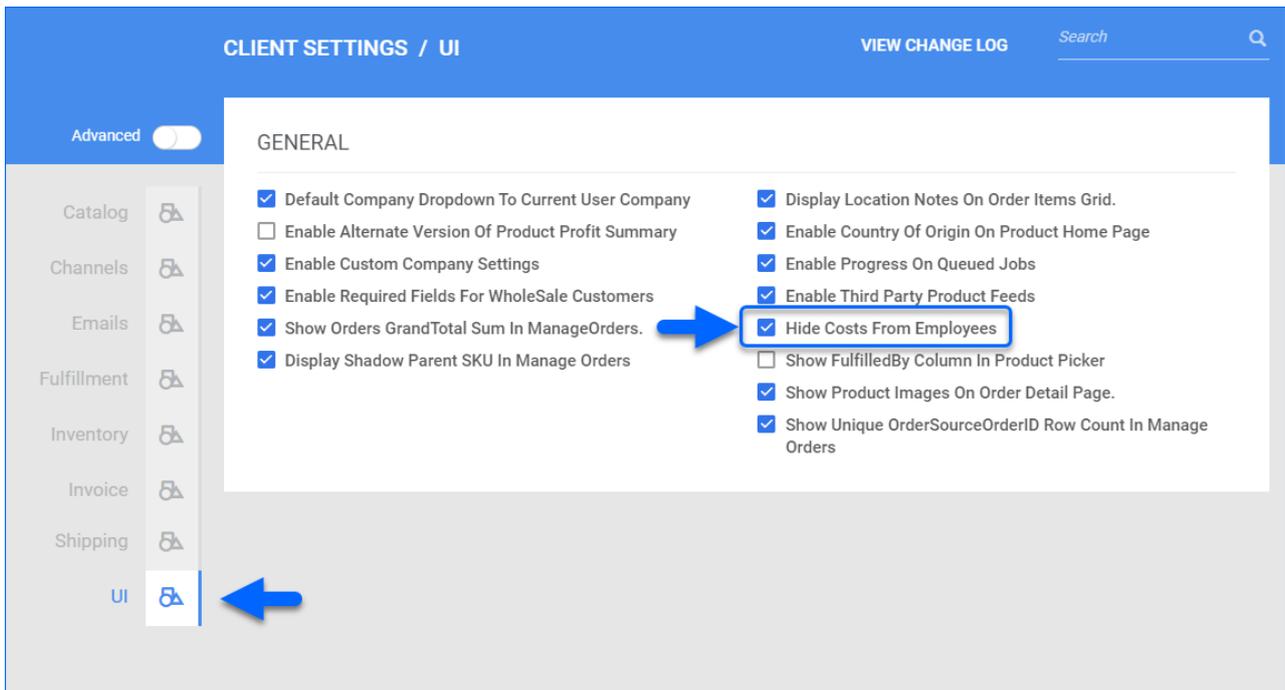
If you set the Salesman Cost lower than the Site Cost, Average Cost, or Last Cost, you will be warned when you save.

Set Employee Restrictions

To allow employees to see and edit the Salesman Cost, add the **Salesman Cost View** and **Salesman Cost Edit** [employee roles](#) to their profile.

To prevent regular employees (that don't have Administrator, Client Admin, or Pricing Admin [employee roles](#)) from seeing any costs other than the Salesman cost:

1. Go to **Client Settings**.
2. Select **UI** on the left.
3. Check the **Hide Costs From Employees** box.
4. Click **Save**.



Other Cost-Related Client Settings

With Sellercloud, you can configure your [Client Settings](#) to control how product cost fields work. To access these cost-related configuration options, go to **Settings > Client Settings > General Client Settings**. Once there, you can update the following:

| CLIENT SETTING | DEFINITION |
|---|--|
| Update Product SiteCost Based On PO LastCost | Automatically updates the Site Cost based on the cost of the item as it was received in the last Purchase Order. |
| Enable Update Cost when adjusting Inventory | Automatically updates the product's Average Cost once the inventory is adjusted. |
| Update SiteCost when updating AverageCost | Automatically updates Site Cost based on the item's Average Cost . However, note that the Site Cost won't be set to 0 if the Average Cost is updated to 0. |
| Protect Site Cost | Prevents any user without a Client Admin role from editing the Site Cost . |
| Add Flag to Inventory Arrivals Page | Sets a flag on the Inventory Arrivals page, once the product Average Cost is changed. Hovering over the flag will show the original and new values. This reminds you to adjust the Site Cost accordingly. |
| Enable ALL Kits Cost calculation Once a day | With this setting enabled, the Site Cost , Last Cost , and Average Cost of All Components and Main Component kit parents will be updated once daily based on the costs of their kit components. |
| Enable Kit Cost Calculation For Independent Kits Too | With this setting enabled, the Site Cost , Last Cost , and Average Cost of Independent kit parents will be updated once daily based on the costs of their kit components. |