

PRICE 6 - PRICING SETUP STEPS

See Also

- ✓ DecEzy help files
- ✓ WP - Price 1 Item Pricing
- ✓ WP - Price 2 Item Discounts
- ✓ WP - Price 3 Price Management Tables
- ✓ WP - Price 4 Job Target Margin
- ✓ WP - Price 5 Job Discounts
- ✓ WP - Price 6 Pricing Setup Steps
- ✓ WP - Price 7 Setup Examples

Pricing options in DecEzy have been designed to handle “one off” retail sales for occasional customers as well as large sales to regular customers.

The pricing method may be dynamic or static depending on how the database obtains the item price; with dynamic item pricing the prices are calculated from the mark-up and cost when required, whereas for static pricing the prices are stored in the database and retrieved when required. DecEzy's pricing methods can be divided up as follows:

Dynamic:

- Unit Cost Mark-up
- Total Item Cost Mark-up
- Item Mark-up Override *

Static

- Price Breaks
- Item Price Override
- Customer Price Breaks

* Item Mark-up Override may also be seen as being static, as the mark-up % does not change.

The recommended steps in setting up the pricing system are listed below.

1. Ensure all item costs are up to date.
2. If price breaks are being used, initiate the calculate of price breaks or set them manually. It is recommended to initially calculate the price breaks automatically, and then adjust them to get nice "round" numbers. Note, if you are using the price break generation process, you will need to enter the total item cost mark-ups first (see Price 3-Price management tables).
3. Set the unit price mark-ups, total item cost mark-ups and job margins ((Inventory> Price management>Item Mark-up-Margin Management). Note that:
 - Unit cost mark-ups are the key values which set the margins from the sale of items, they should strongly influence Total Item Cost Mark-up and Job Margins.

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- Job Margins are normally set a little higher than unit cost mark-ups for the same total cost, this allows for extra administration costs for the more complex jobs.
- Total Item Cost Mark-ups are set between unit cost mark-ups and job margins.

4. Set the primary price calculation methods to be used.

Set the Default Calc. Method, (Main Menu>Company Setup>Jobs>Primary Item Price Calc Method>Default method), two options are available:

- Price breaks – prices are reduced in a step wise manner as the quantity increases.
- Mark-ups – prices are based on the cost price in accordance with the relationship between the item cost (or total cost of a given item on the job) and mark-up set for that unit cost/total item cost. If you are only using the Unit Cost Mark-up, a discount would normally be used for larger jobs, to ensure the customer is getting an acceptable deal.

Where “Total Item Cost Mark-ups” are to be used set the checkbox Main Menu>Company Setup>Jobs>Use Line cost Mark-up on Jobs to true, the price will be reduced as the quantity is increased, the result of using this option is similar to price breaks.

5. Manually set any secondary/override pricing methods to be used This includes

- item price overrides
- item mark-up overrides
- customer price breaks

6. For each brand, set the primary pricing method in the item management window for any items that are to use a different primary pricing method to the default primary price calc. method set in step 4 above.

7. Discounts - Job Price Discounts and Line Discounts are always available and are manually entered in the job as needed. When either of these discounts are used the unit price does not change in the job item lines, but rather it goes grey to indicate a discount has been applied, and the line amount for the line(s) is updated to factor in the discount(s). All reports will factor in the discounts, and you will have the choice of hiding the discount (by displaying the unit price factoring in the discount), or showing the discount separately.

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DecEzy also allows for discounts to be set up in advance. That is, set up discounts that are automatically applied to job lines in the appropriate situation. The following kinds of discounts can be set up in advance:

- Brand Discounts
- Customer Discounts
- Customer Level Discounts
- Customer item Discounts
- Item Discounts

For any of these discounts to work the check box *“Main Menu>Company Setup>Jobs>Auto Calc. Price Discounts”* must be set to true.

Only one of the discounts set up in advance will be used for any given line. That is, if you set up an item discount and a customer discount, both of these will not be used when selling that item to that customer. Rather, the best (highest) discount will be used.

8. The margin discount is always available on a job. The lines it effects, however, can be varied depending on the settings in the “Job-Adv” page in the company setup. Because DecEzy has many pricing options, it is sometimes best if the margin discount does not update some lines in a job window, some reasons are listed below:-

- lines with prices based on price breaks or total line items cost already have the price discounted according to the number required so would generally be omitted from being discounted again.
- lines with prices set by customer unit price should be omitted if the customer expects the same price for all orders, not to do so would allow the price for that customer to change.
- Lines with prices set manually would normally not have prices changed when the margin discount changes.