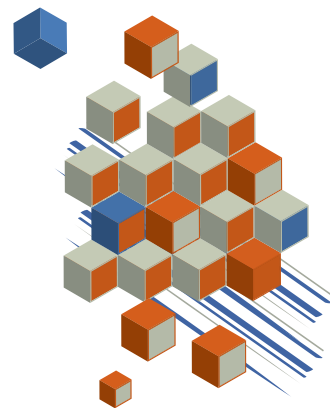




Pricing

SIMMS Inventory Management Software 8.0

November 24, 2011



Content Title

- Pricing 1
- Standard Price 1
 - Enter an Item's Standard Price 1
- Price Levels 2
 - Enable Price Levels 2
 - Enter a Price for a Price Level. 3
 - Assign a Price Level to a Customer 4
 - About Updating Your Price Levels 4
 - Edit and Update Your Price Levels 5
 - Override Price Levels for a Customer 5
- Dollar Volume Discounting 6
 - Enable Dollar Volume Discounting 7
 - Create an Item Group 7
 - Assign Items to an Item Group 7
 - Create a Customer Price Group 8
 - Assign Customers to a Customer Price Group 8
 - Create a Dollar Volume Discount Schedule 8
- Quantity Volume Discounting 9
 - Enable Quantity Volume Discounting 10
 - Create an Item Group 10
 - Assign Items to an Item Group 10
 - Create a Customer Price Groups 11
 - Assign Customers to a Customer Price Group 11
 - Set Up Quantity Volume Discounts 11

Promotional Pricing	12
Enable Promotional Pricing	12
Enter a Promotional Price	12
View Current Promotional Pricing	12
Terminate a Current Promotion	13
Markup Price.	13
Enable Markup Pricing	13
Set Up an Item's Markup Price	.13

Pricing

An item's price is what you charge your customers for the goods or service you provide to them. There are many ways you can determine the price of an item in SIMMS. The most basic way is to enter a standard price for your item in the Item Manager.

Price levels are another way to manage your pricing. An item has twelve price levels. You specify a price for each price level, and then assign a price level to your customers. The price your customer pays for an item is determined by the price level you assign to them.

You can discount your items based on dollar volume or quantity volume. With dollar volume discounting, the price a customer pays for an item depends on the total dollar amount they spend on that item. With quantity volume discounting, the price a customer pays for an item depends on how much of the item they purchase.

A promotional price is a discount price that is available for a limited time. An item's promotional price overrides all other pricing methods. With this type of pricing you need to specify the date the price is available until.



Lastly, you can add an additional markup to an item's price.

Standard Price

Your item's standard price is its default price. It is the price of your item when no discounts or additional markups are added to it.

An item's standard price is static, it does not change unless you edit it.

Enter an Item's Standard Price

1. Open the **Warehouse** menu, open the **Inventory** submenu, and then click **Item Manager**.
2. In the **Category** list, select your item's category.
3. In the list of items, select an item, and then click the **Edit** icon .
4. Click the **Prices** tab, and then in the **Prices** box, type the standard price for your item.
5. Click the **Save** icon .

Price Levels

Use price levels if you want to charge different customers different prices for the same item. An item has 12 price levels. For each, you can specify a unique price. A single price level is assigned to your customer. The price a customer pays for an item depends on the price level you assign to them.

For example, the level 3 price for a hammer is \$12. Its level 4 price is \$12.75. A customer assigned the price level 3 pays \$12 for the hammer. A customer assigned the price level 4 pays \$12.75 for the same hammer.

In Global Settings you need to choose how you want to determine a price for a price level. Your price can be one of the following:

- A dollar amount.
- A markup percentage of the item's standard price.
- A gross margin percentage.
- A discount percentage of the item's standard price.

You can choose only one of these pricing options.

Although you can choose only one pricing option, in most cases two pricing options are available to you. This is because by default, if you choose markup percentage, gross margin percentage, or discount percentage, you can also use the dollar amount option.

For example, in Global Settings you chose to determine your prices by a markup percentage of an item's standard price. You then use a markup percentage to determine a hammer's price. For another item, say a wrench, you can use a dollar amount (or markup percentage, you have two options).

However, if you chose dollar amount as your pricing option in Global Settings, no other pricing option is available to you.

As mentioned, in most cases you have two pricing options available to you. But, you can only use one of these options to determine an item's price for all of its price levels. That is you cannot mix pricing options for an item.

For example, you can use a gross margin percentage to determine a hammer's price, but no other option. All of the hammer's price levels must use gross margin percentage.

Enable Price Levels

1. Open the **Setup** menu, and then click **Global Settings**.
2. Click the **Price Calculation** tab, and then click **Item Price Levels**.


3. Choose one of the following options:

Table 1: Pricing Options

Option	Explanation
Use \$\$ Amount	Choose this option if you want your price levels to be a dollar amount. By choosing this option no other pricing option is available to you when setting up your price levels.
Use Markup %	Choose this option if you want your price levels to be a markup percentage of your standard price. By default, you can also use dollar amounts when setting up your price levels.
Use Gross Margin %	Choose this option if you want your price levels to be calculated based on a gross margin percentage. By default, you can also use dollar amounts when setting up your price levels.
Use Discount %	Choose this option if you want your price levels to be a discount percent of your standard price. By default, you can also use dollar amounts when setting up your price levels.

4. (Optional) Click the **Use item standard price if item price level is zero** check box.
5. Click **Save**.


Enter a Price for a Price Level

1. Open the **Warehouse** menu, open the **Inventory** submenu, and then click **Item Manager**.
2. In the **Category** list, select your item's category.
3. In the list of items, select an item, and then click the **Edit** icon .
4. Click the **Prices** tab, and then do one of the following steps:



- To enter either a markup percentage, gross margin percentage or discount percentage for your price levels, click the appropriate check box (above the price levels). The option that displays depends on the pricing option you chose in Global Settings. In the **Level I** box, type a percentage.

PRICE LEVELS**					
<input checked="" type="checkbox"/> Use Price Level by Gross Margin %					
Level I	16.00%	Level V	0.00%	Level IX	0.00%
Level II	21.00%	Level VI	0.00%	Level X	0.00%

Figure 1: Pricing option.

- To enter a dollar amount for your price levels, In the **Level I** box, type a dollar amount.
5. If you want, add prices for your item's other price levels. Click the **Save** icon .

Assign a Price Level to a Customer

1. Open the **Sales** menu, open the **Sales** submenu, and then click **Customer Manager**.
2. Select your customer, and then click the **Edit** icon .
3. Click the **Advanced** tab. In the **Price Level** list, select the price level you want to assign to your customer.
4. Click the **Save** icon .

About Updating Your Price Levels

You can edit an item's price levels and then apply those updates to other items. This saves you the time required to make the same updates to multiple items.



You can apply your updates to the following:

- All your items.
- Items within a single category.
- Items within a single subcategory.

The category or subcategory you can update depends on the original item you edited and therefore base your updates on. For example, you have a category called Tools and within that category you have the item Hammer. You edit the hammer's price levels. You can then update all the price levels within the category Tools. This is because the hammer's category is Tools.



There is one more consideration. Some of your items may use a different pricing option than the source item you are basing your updates on. For example, your hammer's price level is determined by a markup percentage of the hammer's standard price. But, some of the items within the Tool category use dollar amount for their price levels. SIMMS only updates the price levels of those items that use the same pricing option. So only the items in the category Tools that use the same pricing option as the hammer (percentage of their standard price) are updated.

Edit and Update Your Price Levels

1. Open the **Warehouse** menu, open the **Inventory** submenu, and then click **Item Manager**.
2. In the **Category** list, select your item's category.
3. In the list of items, select an item, and then click the **Edit** icon .
4. Click the **Prices** tab, and then edit your item's price levels.
5. To update the price levels of other items, do one of the following steps:
 - To update the price levels for all your items, click **Update All Items**.
 - To update the price levels within your item's category, click **Update Category Item**.
 - To update the price levels within your item's subcategory, click **Update Subcategory Items**.
6. Click the **Save** icon .

Override Price Levels for a Customer

What a customer pays for an item depends on the price level assigned to them. However, you can override this price. You do this by specifying a discount percentage for a category. When a customer purchases an item from one of their discounted categories, SIMMS uses the discounted price, not the price as determined by the customer's price level.

1. Open the **Sales** menu, open the **Sales** submenu, and then click **Customer Manager**.
2. Select your customer, and then click the **Edit** icon .
3. Click the **Advanced** tab. Click the **Ellipsis** button  adjacent to the **Price Level** list.

- Listed in the window are your categories. In the **Percent** column, type a discount percent for any of the categories listed.

Category	Percent
	0.00
Bike	0.00
Brake Parts	10.00
CD-ROM	0.00
Clothes	0.00
Computer Equipment	0.00
Fruit	0.00
Furniture	0.00
Music CD	0.00
New Generic	0.00
Phone Equipment	0.00
Tires	0.00
Tools	0.00

Figure 2: Category discount percentages.

- Click the **Save** icon .

Dollar Volume Discounting

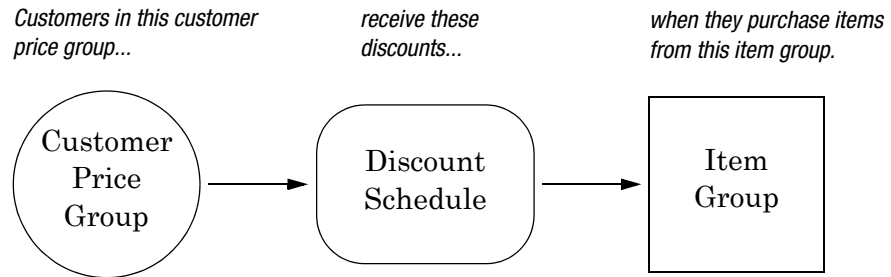
With dollar volume discounting, the price a customer pays for an item depends on the total dollar amount they spend on that item.

For example, if a customer buys \$100 worth of nails, they receive a discount of 2%. If they buy \$300 worth of nails, they receive a discount of 5%. The greater the dollar amount your customer spends on an item the greater their discount.

You can use dollar volume discounting with quantity volume discounting. However, your quantity volume discount is applied to your item first. Your dollar volume discount is then applied to your item's newly discounted price. This in effect gives your customer a discount on a discount.

To set up dollar volume discounts, you need to create an item group and customer price group. An item group is a group of items you want discounted in the same way. A customer price group is a group of customers that receive the same discounts.

An item group and a customer price group are linked by a common discount schedule. It is this discount schedule that determines how much your customers pay when they purchase an item.




Enable Dollar Volume Discounting

1. Open the **Setup** menu, and then click **Global Settings**.
2. Click the **Price Calculation** tab, and then click **Use Dollar Volume Discount**.
3. Click **Save**.

Create an Item Group

An item can only be in one item group at the same time.

1. Open the **Setup** menu, and then click **Prices - Dollar Volume Discounting**.
2. Click the **Ellipsis** button  adjacent to the **Item Group** list.
3. In the **Enter data** text box, type the name of your item group.

Next, you need to assign items to your item group.


Assign Items to an Item Group

1. Return to the **Prices - Dollar Volume Discount** window.
2. In the **Item Group** list, select your item group, and then click the **Assign Items to Item Groups** link (just below the list).
3. In the **Item Manager Category** list, select the category for the item you want to assign to your item group.
4. In the **Unassigned Items** list box, select your item, and then click [>>](#).

If you want, assign items from other categories to your item group.

Create a Customer Price Group

A customer can only be in one customer price group at the same time.

1. Open the **Setup** menu, and then click **Prices - Dollar Volume Discounting**.
2. Click the **Ellipsis** button  adjacent to the **Customer Price Group** list.
3. In the **Enter data** text box, type the name of your customer price group.

Next, you need to assign customers to your customer price group.

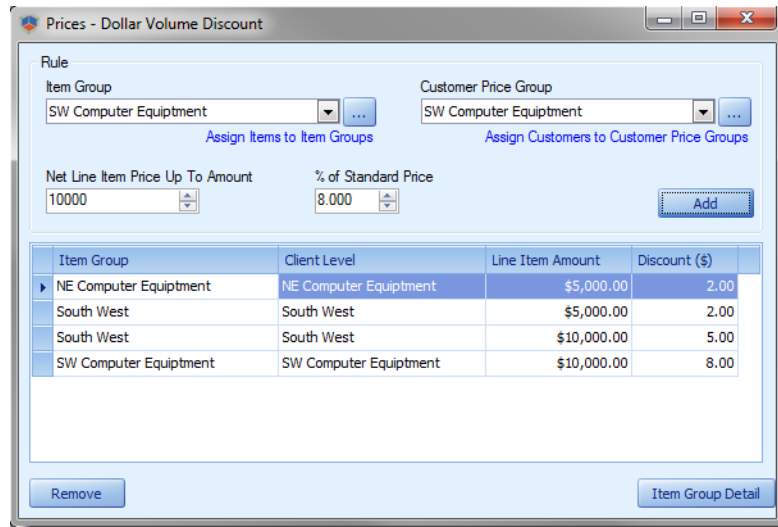
Assign Customers to a Customer Price Group

1. Return to the **Prices - Dollar Volume Discount** window.
2. In the **Customer price Group** list, select a customer price group, and then click the **Assign Customers to Customer Price Groups** link (just below the list).
3. In the **Unassigned Customers** grid, select the customer you want to assign to your customer price group, and then click the down arrow.

Create a Dollar Volume Discount Schedule

In a discount schedule, you enter the dollar volume a customer must spend for them to receive a discount. Each dollar volume range has a specific discount associated to it.

1. Open the **Setup** menu, and then click **Prices - Dollar Volume Discounting**.
2. In the **Item Group** list, select an item group.



Item Group	Client Level	Line Item Amount	Discount (\$)
NE Computer Equipment	NE Computer Equipment	\$5,000.00	2.00
South West	South West	\$5,000.00	2.00
South West	South West	\$10,000.00	5.00
SW Computer Equipment	SW Computer Equipment	\$10,000.00	8.00

Figure 3: Setting up discount schedules.

3. In the **Customer Price Group** list, select a customer price group.
4. In the **Net Line Item Price Up To Amount** box, type the first level of your dollar volume discounts.
5. In the **% of Standard Price** box, type a discount percent, and then click **Add**.

Quantity Volume Discounting

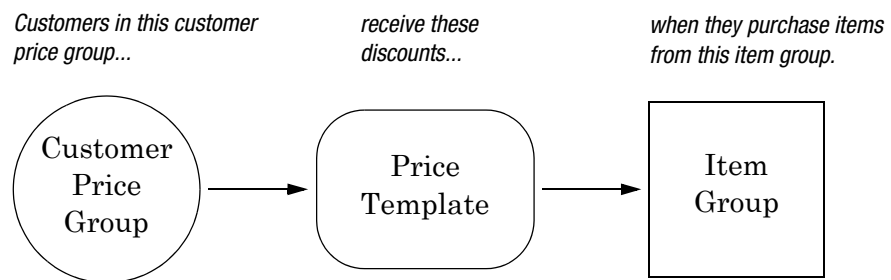
With quantity volume discounting, the price a customer pays for an item depends on how much of the item they purchase.

For example, if a customer buys 10 sheets of plywood they pay \$22.00 a sheet. If they buy 50 sheets of plywood they pay \$21.00 a sheet. The more a customer buys of an item the greater their discount.

You can use quantity volume discounting with dollar volume discounting. Your quantity volume discount is applied to your item first. Your dollar volume discount is then applied to your item's newly discounted price. This in effect gives your customer a discount on a discount.

To set up quantity volume discounts, you need to create an item group and customer price group. An item group is a group of items you want discounted in the same way. A customer price group is a group of customers that receive the same discounts.

An item group and a customer price group are linked by a common price template. It is this price template that determines how much your customers pay when they purchase an item.



By default an item's quantity discount is taken from its standard price. However, you can choose to base your item's price (before any discounts are applied to it) on a markup of its FIFO, LIFO, Average, or Weighted Average cost. SIMMS will apply your quantity discount to this calculated price not your standard price.

Enable Quantity Volume Discounting

1. Open the **Setup** menu, and then click **Global Settings**.
2. Click the **Price Calculation** tab, and then click the **Quantity Volume Discount** option.
3. If you want your item's price to be a markup percentage of its cost do the following steps:
 - a. Under **Pricing Method**, choose the costing method you want to base your prices on (not the **Standard Price** option).
 - b. Click the **Use Markup Percent** check box, and then in the adjacent box, type your markup percent.
 - c. (Optional) Click the **Round the Price to** check box, and then in the adjacent box, type the number of decimal points you want your prices rounded to.
4. Click **Save**.

Create an Item Group

1. Open the **Setup** menu, and then click **Prices - Quantity Volume Discounting**.
2. Click the **Create Item Groups** link.
3. In the **Enter data** text box, type the name of your item group, and then click **Save**.

Next, you need to assign items to your item group.

Assign Items to an Item Group

1. Return to the **Prices - Quantity Volume Discounting** window.
2. Click the **Assign Items to Item Groups** link.
3. In the **Item Group Name** list, select your item group.
4. In the **Item Manager Category** list, select the category of the item you want to add to your item group.
5. In the **Unassigned Items** list box, select your item, and then click **>>**.

If you want, assign items from other categories to your item group.

Create a Customer Price Groups

1. Return to the **Prices - Quantity Volume Discounting** window, and then click the **Create Customer Price Groups** link.
2. In the **Enter data** text box, type the name of your customer price group, and then click **Save**.

Next, you need to assign customers to your customer price group.

Assign Customers to a Customer Price Group

1. Return to the **Prices - Quantity Volume Discounting** window, and click the **Assign Customers to Customer Price Groups** link.
2. In the **Customer Group** list, select your customer group.
3. In the **Unassigned Customers** grid, select the customer you want to assign to your customer price group, and then click the down arrow.

Set Up Quantity Volume Discounts

1. In the **Prices - Quantity Volume Discounting** window, select an item group. Click the **Setup Discounts by Item Groups and Customer Groups** link.
2. In the **Customer Price Group** list, select a customer price group.

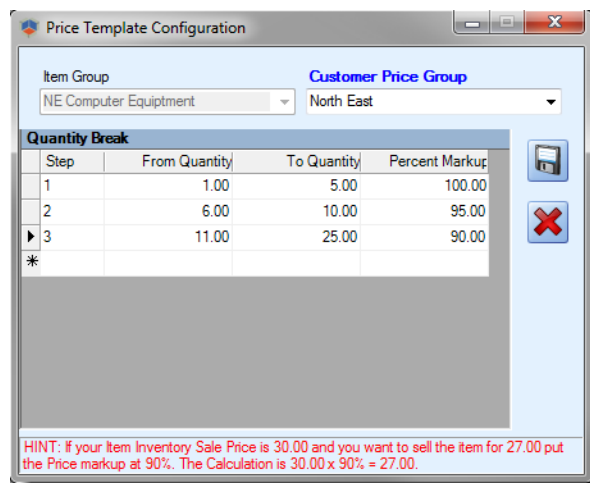



Figure 4: Price templates.

3. In the **To Quantity** field, type the quantity for the first level of your discounts.

Note: *SIMMS enters the values for the From Quantity column after you save your price template.*

4. In the **Percentage Markup** field, type the markup percentage for the level.
5. After you have entered all your quantity volume discounts, click the **Save** icon .



Promotional Pricing

An item's promotional price overrides all other types of pricing, including an item's standard price, volume discounts, and price levels. As long as the promotion remains in effect the promotional price is the price a customer pays for an item.

Enable Promotional Pricing

1. Open the **Setup** menu, and then click **Global Settings**.
2. Click the **Price Calculation** tab, and then click the **Use the Item's Promotional Price** check box.
3. Click **Save**.

Enter a Promotional Price

1. Open the **Warehouse** menu, open the **Inventory** submenu, and then click **Item Manager**.
2. In the **Category** list, select your item's category.
3. In the list of items, select an item, and then click the **Edit** icon .
4. Click the **Prices** tab, and then in the **Promotional Price** box, type the item's promotional price.
5. (Optional) In the **Promotional Text** box, type a short comment.
6. In the **Available Until** box, select the date you want the promotional price to remain in effect.
7. Click the **Save** icon .

View Current Promotional Pricing

1. Open the **Warehouse** menu, open the **Inventory** submenu, and then click **Item Manager**.
2. On the **Prices** menu, click **Promotions**.

Terminate a Current Promotion

1. Open the **Warehouse** menu, open the **Inventory** submenu, and then click **Item Manager**.
2. On the **Prices** menu, click **Promotions**.
3. Select your promotion, and then click **Terminate Promotion**.

Markup Price

Use this feature to add an additional markup to an item's standard price. Your markup can be a dollar amount, a percentage of your item's standard price or both.

Enable Markup Pricing

1. Open the **Setup** menu, and then click **Global Settings**.
2. Click the **Price Calculation** tab, and then click the **Add Price Markup to Sale Price** check box.
3. Click **Save**.

Set Up an Item's Markup Price

1. Open the **Warehouse** menu, open the **Inventory** submenu, and then click **Item Manager**.
2. In the **Category** list, select your item's category.
3. In the list of items, select an item, and then on the **Prices** menu, click **Price Markups**.
4. Do one or both of the following steps:
 - To mark up an item's standard price by a percentage, in the **Price Percentage** box, type the percentage amount.
 - To mark up an item's standard price by a dollar amount, in the **Description** text box type a description of your markup. In the **Dollar Markup** box, type the dollar amount.

You can enter up to 11 dollar markups.

5. Click **Save**.