



ORDER POWER!

Shipping and Handling

Where to specify Shipping and Handling Methods:

There are six places in ***ORDER POWER!*** where a shipping and handling calculation method can be specified. Order Entry searches all six places, in sequence by user definable hierarchy, until a method is found. That method is then used to calculate the charges.

The six places where a method or a charge can be defined, and the available methods:

Media	Method and Chart with optional Add-on charge, or Add-on charge only. Optional Priority Shipping charge by Ship Via.
Media Book	Method and Chart with optional Add-on charge, or Add-on charge only. . Optional Priority Shipping charge by Ship Via.
Customer Class	Method and Chart with optional Add-on charge, or Add-on charge only.
Item Master	Method and Chart with optional Add-on charge, or Add-on charge only.
Item Pricing	Flat charge Amount, or Percent of price by quantity pricing level. Optionally by Ship Via within quantity pricing level.
Ship Via	Method and Chart with optional add-on charge, or add-on charge only. Rate-shop method is also available.

Hierarchy: How does Order Entry find the correct method:

Order Entry looks through the user definable hierarchy found in the Company Profile, Panel 4.5:

Media / Media Book	Looks at Media first, then at Media Book
Item	Looks at Item Master
Customer Class	Looks at Customer Class

The Ship Via's position in the hierarchy is defined within each Ship Via with the field "Override all other Shipping & Handling Methods (Y/N)". If "Y", then that Ship Via's method replaces the entire hierarchy is the only method used. If "N", the Ship Via is placed at the bottom of the hierarchy and is the last place where Order Entry looks.

For example, if the hierarchy is defined in the sequence listed above, and the Ship Via is not set to override all other methods, Order Entry searches:

Media
Media Book
Item Master
Customer Class
Ship Via

If the Ship Via is set to override all other methods, Order Entry searches:

Ship Via (only)

What is a method, what is a chart?:

Method

- 1 Item Shipping/Handling (Use Item Pricing Maintenance)
- 2 Ship Via Weights/Rates (Use Weight/Rate Maintenance)
- 3 Merchandise \$
- 4 % of Merchandise Dollar
- 5 Quantity of Items
- 6 Flat Charge (Use Add-On Charge)
- 7 Country/State Weights/Rates
- 8 Rate Shop by Segment

Some of the methods above require an associated Chart of charges, others do not. If required, the Chart ID is a single character. Up to approximately 64 charts can be defined per method if each character on the keyboard is used to define a Chart ID.

Method 1 (Item Shipping/Handling) can be specified in a Media, Media Book, Item Master, Customer Class, or Ship Via to force the calculation by item pricing. There are 6 ways to price an item (Base price, Customer Class price, Special price, Contract price, Media price, Media Book price) and each price is defined by order quantity. So each combination of pricing method and quantity ordered, and optionally by pricing method / quantity ordered / Ship Via, can be completely different.

When using Method 1, Order Entry will first look for a Shipping/Handling charge in the item's pricing record. If no charge is defined in the pricing records, it will then look for the pricing record's charge by specific Ship Via.

The calculation available is either a flat amount or a percentage of the selling price. The flat amount is per unit ordered. The percentage is a percent of the total, extended selling price (quantity ordered X unit price).

Method 2 (Ship Via Weights/Rates) can be specified in a Media, Media Book, Item Master, Customer Class, or Ship Via, to force calculation by the Ship Via's weights and rates table.

The calculation available is by weight and zone, which is typically used by package carriers such as UPS. Zone is a range of ship-to postal codes.

Method 3 (Merchandise \$) can be specified in a Media, Media Book, Item Master, Customer Class, or Ship Via, and requires an associated chart of Shipping and Handling amounts or percentages per range of Merchandise \$. If defined by Media, Media Book, or Customer Class, because there is only one of each in an order, the entire order is calculated according to the chart defined. If defined by Ship Via, because an order can have multiple Ship Vias, each Ship Via is calculated separately according to its Chart. If defined by Item, each item is calculated separately according to its Chart.

Method 4 (% of Merchandise Dollar) can be specified in a Media, Media Book, Item Master, Customer Class, or Ship Via, and requires an associated chart. A Method 4 chart supports only a single percentage of total order Merchandise \$, with the ability to specify a minimum charge if the order falls below a minimum Merchandise amount.

Method 5 (Quantity of Items) can be specified in a Media, Media Book, Item Master, Customer Class, or Ship Via, and requires an associated chart of Shipping and Handling amounts per range of items ordered. If defined by Media, Media Book, or Customer Class, because there is only one of each in an order, the entire order is calculated according to the chart defined. If defined by Ship Via, because an order can have multiple Ship Vias, each Ship Via is calculated separately according to its Chart. If defined by Item, each item is calculated separately according to its Chart.

Method 6 (Flat Charge) will charge only the Add-on Charge which can be specified in a Media, Media Book, Customer Class, and Ship Via. If an add-on charge is specified with a method other than Method 6, the add-on charge will be added to the other calculated charges. If defined by Media, Media Book, or Customer Class, because there is only one of each in an order, the Flat Charge is charged for the entire order.. If defined by Ship Via, because an order can have multiple Ship Vias, the Flat Charge is charged for each Ship Via, according to its own Chart.

Method 7 (Country/State Weights & Rates) can be specified in a Media, Media Book, Item Master, Customer Class, or Ship Via, and requires an associated table of Ship Vias and Countries. If a Country's record has the field "State Required (Y/N)", the table also requires the entry of a State within that country. The tables are a list of total weights, with the associated Shipping and Handling charge amount at each total weight level.

Method 8 (Rate shop by Segment) can be specified in a Ship Via, will use Rate Shopping in Order Entry to calculate the charges for all eligible Ship Via methods and charts, and allow the lowest cost Ship Via to be selected or automatically assigned.

Priority Shipping Charge

A Priority Shipping Charge (Amount or Percent) by Ship Via can be attached to a Media or a Media Book. If, based on the hierarchy, Order Entry uses the Media or Media Book method for calculating shipping charges, any Priority Charges defined in that Media or Book for the order's Ship Vias will be added.

Alternate Shipping & Handling Calculation Method:

In a Media, Media Book, Customer Class, or Ship Via an Alternate Method and associated Chart may be specified. If the primary method is Method 3 (Merchandise \$) or Method 5 (Quantity of Items), and the Merchandise Amount or the Quantity of Items is below the lowest entry in the associated Chart, the alternate Method and Chart will be used.

Charge per Additional Ship-to:

In the Company Profile, panel 4.5, a Charge per Additional Ship-to may be defined. This will be applied for each ship-to customer beyond the first.

Absolute Minimum Charge:

In the Company Profile, panel 4.5, an absolute minimum Shipping and Handling charge per order may be specified. This overrides all calculations which result in a lower charge.

Mixing multiple methods:

While not recommended, methods may be mixed within a single order. Order Entry will combine ordered items by method when calculation totals such as weight, quantity of items, or merchandise amount are needed. For example, a single order could have:

An item using Method 1 calculated by quantity price break.

Another item using Method 1 calculated by Ship Via within quantity price break.

Items for a Ship Via which defines Method 3, in which case Method 3 will be applied only to the items for that Ship Via.

Items for a different Ship Via which defines Method 5, in which case Method 5 will be applied only to the items for that Ship Via.

ORDER POWER! supports these many methods because the wide variety of organizations in the install base require different ways of charging for Shipping and Handling. However if too many different methods are used within a single organization, predicting how any particular order will be charged could become extremely complicated.

Prorating for partial shipments

When a customer order is partially shipped, a Company Profile option allows the shipping charges to be prorated, or partially charged. In order to charge the appropriate amount for each item shipped, the Order Entry program prorates the total shipping for the order back to each ordered item. Then, as each item is shipped, its prorated shipping amount is invoiced.

The basis for pro-ration depends on how the shipping is calculated. If the basis for calculating shipping is the merchandise amount, the pro-ration is by relative merchandise amount. If the basis is weight, the pro-ration is by relative weight. Any items which use Method 1, Item Shipping/Handling, are excluded from pro-ration and the item specific shipping/handling is always charged.

<u>Method</u>		<u>Proration Basis</u>
1	Item Shipping/Handling (Use Item Pricing Maintenance)	Not prorated
2	Ship Via Weights/Rates (Use Weight/Rate Maintenance)	Weight
3	Merchandise \$	Merchandise \$
4	% of Merchandise Dollar	Merchandise \$
5	Quantity of Items	Quantity of items
6	Flat Charge (Use Add-On Charge)	Merchandise \$
7	Country/State Weights/Rates	Weight
8	Rate Shop by Segment	Weight

Exception: If the system calculated shipping is manually overridden in Order Entry, the new amount is always prorated by relative Merchandise \$, regardless of the method the system originally used.

How the Ship Via is determined:

Order Entry uses the first Ship Via it finds in this hierarchy. The HIGHEST in the hierarchy determines the Ship Via for an order or an item:

<u>Ship Via For the Order Header (which carries to the first line):</u>	<u>Where found</u>
Ship-to Customer's preferred ship via	Mail List
Ship-to Customer's Postal Code	Zip within Country file
Ship-to Customer's State	State file
Ship-to Customer's Country file	for entire Country in Country
Bill-to Customer's preferred ship via	Mail List
Session Defaults	Company Profile but may be overridden and saved by user.

For the Ordered Item (which carries to the subsequent line):

Item master – Ship Via for an item
Changes only the single ordered line

Item Master

Ship Via for previous line in order

Unless previous line was changed by Item ship via, in which case it reverts to the Order Header ship via.

How to Rate Shop in Order Entry

Rate Shopping, which can use either **ORDER POWER!** or Logistics Pro rate files, finds the least expensive Ship Via for an order. This can be done during Order Entry, in which case the customer is charged according to the result. This can also be done during Order Release, in which case the customer is charged based on his Order, but the shipping merchant is charged based on the lowest cost shipper found.

Rate shopping in Order Entry can be performed automatically without operator intervention, or can be initiated with F4 on the Shipping & Handling amount field on the Total panel.

Automatic rate shopping in Order Entry is accomplished by designating a special Ship Via as the “find lowest cost” Ship Via, and then assigning that “find lowest cost” Ship Via to an order. Designate the “lowest cost” Ship Via by assigning Method 8 (Rate Shop by Segment) to a Ship Via code. The list of actual Ship Via’s eligible to be rate shopped when this special “find lowest cost” Ship Via is assigned to an order, must also be designated by adding (6=Rate Shop Groups) to the “lowest cost” Ship Via in Ship Via maintenance. The order to be rate-shopped may have single or multiple segments, but only those items which have the “find lowest cost” ship via assigned will be rate shopped. Order Entry, between the Tender panel and the Total panel, selects the lowest cost actual ship via from the list of eligible Ship Vias and assigns it to the appropriate items. There is no operator intervention.

Manual rate shopping can be performed only for orders which can be shipped as a single segment (single ship-to, single warehouse). Based on an “Automatic” or “Display Choices” flag in the Company Profile, when the operator presses F4 on the Shipping & Handling amount field on the Order Total panel, the program responds as follows:

Automatic	The operator is given the ability to view the existing S&H method and carrier, and to rate shop the order to assign a new carrier. The rate shop displays a list of Ship Vias, sequenced by ascending shipping cost.
Display Choices	Goes directly to rate shopping without viewing the existing method and carrier. The rate shop displays a list of Ship Vias, sequenced by ascending shipping cost.

How to Rate Shop during Order Release

A flag in the Ship Via Codes file allows you to designate “Rate Shop during Order Release Y/N”. If a segment with that Ship Via is released, the other eligible carriers (6=Rate Shop Groups) will be shopped and the least-cost carrier among them will be assigned to that segment. The order’s original Ship Via and Shipping & Handling amounts are not changed.

Rate Shopping Summary

Automatic shopping at Order Entry is done by assigning Method 8 to a Ship Via, and then assigning that Ship Via in an order. Automatic shopping at Order Release is done by assigning the flag “Rate Shop during Order Release” to a Ship Via, and then assigning that Ship Via in an order. They are mutually exclusive because Method 8 indicates a “find the lowest cost” Ship Via, which is not an actual carrier and can’t be the actual Ship Via which carries the order to the customer.

Manual rate shopping may be done at Order Entry with F4 on the Shipping & Handling Amount field on the Total panel.