

X.1

# Markup

If you want to price a Service as "Cost + Markup" rather than assigning to it a set price (Market-based pricing), specify the markup in the **Markup...** field of the Service setup window.



Printer's Plan calculates the markup amount by multiplying the markup percentage by the cost of the Service in the job. Then it adds the Markup amount to the cost to calculate the price of the Service.

$$\text{Markup Amount} = \text{Cost} * \text{Markup} / 100$$

$$\text{Price} = \text{Cost} + \text{Markup Amount}$$

To use Market pricing instead of "Cost +" pricing, please see options in the **Price** field.

In the **Markup...** field, you can assign one of three options: **No Markup**, **Constant Markup**, or **Variable Markup**.

Options	Description
<b>No Markup</b>	Enter 0 (zero). If you assign zero as the markup percentage, Printer's Plan uses the cost of the Service as the selling price.
<b>Constant Markup</b>	If you assign a number higher than 19, such as 30, Printer's Plan uses this number as the markup percentage for this Service regardless of the cost and quantity of the Service in the job. <ul style="list-style-type: none"> <li>Numbers 1-19 are reserved to define Variable Markup Levels (see <i>Variable Markup</i> below). Therefore, for a constant markup percentage of 19 or lower, see the Note paragraph in "Markup Table".</li> <li>When you assign a markup, do not add the percent (%) sign. Even if you do, Printer's Plan will remove the sign.</li> </ul>
<b>Variable Markup</b>  This option uses the Markup Table. <b>NOTE:</b> There is only one "Markup Table" for all Services.	If you assign a number 1-19, such as 3, Printer's Plan reads the markup percentage from the specified row, such as Row #3, of the Markup Table. <p>To open the Markup Table, click the <b>Markup Table</b> button on the left pane of the Service setup window.</p>

## Markup Table

Use the Markup Table when you want to lower the markup rate as the cost of the Service increases (*variable markup*). Decreasing the markup rate at higher costs allows you to become competitive at higher quantities.

Markup Table						
This table is used by all Services based on Row#, 1 through 19. Cost Breaks in whole dollars. Limit: 1 Markup Table.						
Cost Breaks --> \$	Cost 1	Cost 2	Cost 3	Cost 4	Cost 5	COST- BREAKS IN WHOLE DOLLARS
Row #	Markup Description	m	m	m	%	%
1	Low	18	12	8		
2	Competitive	24	18	12		
3	Normal	32	24	16		
4	Value Added	40	32	24		
5	Premium	48	40	32		
6	-----					
7	For Prep	25				
8	For Bindery	25				
9	For Brokered	75				
10		15				
11						
12						
13						
14						
15						
16						
17						
18						
19						

OK Cancel Note...

**NOTE:** To assign a markup percentage of 19 or lower to a Service, assign the markup percentage in the **Cost 1** column of the table and assign the Row number to the **Markup...** field of the service (as in 15% in Row #10 above).

**TIP:** If you use one constant markup percentage, such as 25%, for a number of Services, assign 25 to a row in the Markup Table, and then enter the row number in the **Markup...** field of the Services. This way, you only need to change the markup% in one place as opposed to changing it separately for each Service.

**EXAMPLE:** If you mark up your Folding services by 25%, assign 25 to the first column of a row (example: row #8 in the Markup Table above). Then, assign this row number (8 in our example) to the **Markup...** field of all the Folding services. When you want to increase your Folding services markup rate by 2%, you only need to change the number in this row (25 to 27 in row #8). Then, the markup rate of all your Folding services will have been increased to 27%, saving you the time you would have spent if you changed the markup of each individual Service.

## Fields of the Markup Table

Fields	Description																		
<b>Cost Breaks --&gt; \$</b>	The amounts in this row represent the <u>Total Cost of a Service of a Job Item</u> —not the Quantity or the Item Cost.																		
<b>Row #</b>	<p>The Markup Table contains 19 rows. This means that you can create up to 19 different markup combinations (levels).</p> <p>If you enter a number 1-19 in the <b>Markup...</b> field of a Service, Printer's Plan looks at the Markup Table and reads the markup % from the row indicated by the number.</p>																		
<b>Markup Description</b>	You may leave this field blank or enter a description as a reference for yourself. This description is not used anywhere else and does not affect the markup or price of the Service in any way.																		
<b>%</b>	<p>Enter markup percentages at cost breaks.</p> <ul style="list-style-type: none"> <li>Printer's Plan uses markup percentage to calculate markup amount.</li> </ul> <p><b>EXAMPLE:</b></p> <p><i>Assume cost is \$40 and markup is 16%.</i></p> $\text{Markup Amount} = \$40 * 16 / 100 = \$6.40.$ <ul style="list-style-type: none"> <li>The markup percentage between cost breaks is linearly interpolated. That is, between two cost break points, the percentage changes in proportion to the change of the cost.</li> <li>Cost amounts less than the first break use the % of the first break. Similarly, cost amounts higher than the last break use the % of the last break.</li> </ul> <p><b>EXAMPLE:</b></p> <p>(Row #1 in the table above):</p> <table border="1"> <thead> <tr> <th>If Total Service Cost is</th> <th>Markup</th> <th>How Markup % Between Quantity Breaks is Calculated</th> </tr> </thead> <tbody> <tr> <td>\$10 or less</td> <td>18%</td> <td>(not interpolated)</td> </tr> <tr> <td>\$40</td> <td>16%</td> <td><math>= 18\% + [(12\% - 18\%) * (\\$40 - \\$10) / (\\$100 - \\$10)]</math></td> </tr> <tr> <td>\$100</td> <td>12%</td> <td>(not interpolated)</td> </tr> <tr> <td>\$550</td> <td>10%</td> <td><math>= 12\% + (8\% - 12\%) * (\\$550 - \\$100) / (\\$1000 - \\$100)</math></td> </tr> <tr> <td>\$1,000 or more</td> <td>8%</td> <td>(not interpolated)</td> </tr> </tbody> </table>	If Total Service Cost is	Markup	How Markup % Between Quantity Breaks is Calculated	\$10 or less	18%	(not interpolated)	\$40	16%	$= 18\% + [(12\% - 18\%) * (\$40 - \$10) / (\$100 - \$10)]$	\$100	12%	(not interpolated)	\$550	10%	$= 12\% + (8\% - 12\%) * (\$550 - \$100) / (\$1000 - \$100)$	\$1,000 or more	8%	(not interpolated)
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<b>Note...</b>	You can enter date-stamped notes to record your modifications to the Markup Table or for any other reason. The notes will stay until you clear them by clicking the <b>Clear</b> button. You may enter an unlimited number of notes, each with unlimited length.
<b>Print icon</b>	You can print the Markup Table by clicking this icon.

## Markup Fields of a Paper Service

A Service created in the **Paper** category has three markup fields: One for Offset Printing jobs, one for Digital Printing jobs, and one for jobs where there is no printing (paper is blank). (*All other Services have only one Markup field.*)

### **EXAMPLE from a Paper setup window:**

Markup...	% or #	Digital	Blank
2	20	50	

ROW 2 OF MARKUP TABLE WILL BE USED IF PAPER IS PRINTED ON AN OFFSET PRESS.

20% MARKUP WILL BE USED IF PAPER IS PRINTED ON A DIGITAL PRINTER.

50% MARKUP WILL BE USED IF PAPER IS NOT PRINTED. (BLANK PAPER)

An entry of “-1” in the **Digital** field will result in “No Charge” (no price) for the paper when it is used with a Digital Printer/Copier in a job. (The Cost of the paper will still be calculated and will be added to the cost of the Item.) This entry is usually applied when the prices assigned to Digital Printers/Copiers include the price of a specific paper (typically 20# Bond).

Markup...	% or #	Digital	Blank
3	-1	50	