
About Deviated Cost

The Deviated Cost enhancement allows you to set up a negotiated cost per item per customer account. Therefore, deviated cost is a negotiated cost. Being able to negotiate a cost by customer lets you have more flexibility than ever before and allows you to be more competitive in the marketplace! This feature is a key component for our dealers competing in the JanSan market.

Note: This feature requires authorization. For more information, contact ECI Sales.

This feature is designed for dealers who are:

- Stocking product or buying product direct
- Paying commissions on A Cost.

The deviated cost is set up by a dollar amount, not a percentage. The dealer pays the full amount then applies to the vendor for a rebate. The rebate is the difference between standard cost and negotiated cost.

For example, you might purchase garbage bags for your local school system. You negotiate a specific price for a specific product from a manufacturer. The manufacturer then sells you the product at the regular price. You track what you sell and then report it back to the manufacturer. The manufacturer rebates you the difference between the actual cost and the negotiated cost.

The deviated cost is normally a lower cost that can be saved to a price plan or a cost plan. For example, if an item is sold from on-hand or from a direct buy purchase order and priced on a deviated price plan, then the deviated cost is passed on to the salesperson for commissions. This can be tracked for rebate reporting, if applicable. The internal cost is tracked as the true cost of the product for accounting purposes. You can use the SQL Deviated Cost Rebates Report. (This report is non-cataloged. It is in the SalesOrderReports.xml file.)

Setting up deviated cost plans is quick and easy. Creating a cost plan with deviated cost allows you to separate your deviated cost from price plans. Any cost plans you set up override any other costing and you do not have to maintain as many price plans.

Advantages of using deviated costs include:

- Commissions are paid on the deviated cost and accounting is still able to track the true cost of the item. On non-deviated cost items, the accounting cost and commission cost are the same.
- On non-deviated cost items, the accounting cost and commission cost are the same. Therefore, you can set up one item with deviated cost and it does not affect any other items.
- Deviated cost only applies to your stocked inventory or merchandise purchased from a direct buy vendor. If you buy merchandise from any other vendor, the deviated cost does not apply.

A third cost field has been added to each item. This is called the internal cost and is stored in the I COST file.

You can set up the appropriate users to view and change internal costs by setting the Allow Internal Costs box in the Salesperson Price Check tab to Y. Setting this box to Y allows you to view internal costs in Order Analysis and to change internal costs in Order Entry.

Understanding the Cost Fields

There are three fields added to the P-LINE2 file. The actual cost and commission cost are now different. Actual cost stays the same. If you use deviated cost, there is an actual cost and an internal cost. The new cost file is P2_I_COST. The I Cost (or internal cost) only works if you set up deviated cost. Otherwise, the system uses A Cost (actual cost). If you are not authorized for deviated cost, A Cost and I Cost are interchangeable. The P2_DEVIATD field lets the system know that this is a deviated cost price plan and to track this item for rebate purposes.

Changes to cost include:

- Pricing Cost (PCost) is the deviated cost. If you are not using deviated cost, the P Cost works the same as it did previously.
- If you are not using deviated cost on the item, then A Cost works the same as it did previously. However, with the deviated cost set up, the meaning has changed for Actual Cost (A Cost). The A Cost is now the deviated cost if the item is purchased from the direct buy vendor or pulled from inventory. If purchased from any other vendor, the A Cost becomes the purchase order cost. A Cost is the commissionable cost or the cost used for sales reporting.
- The Internal Cost (I Cost) is the true cost of the product. The Internal Cost is the accounting cost or cost to be used for cost of goods. If the cost is not loaded, it is equal to the actual cost. When building the cost of goods sold batch report in the (W)[E] screen, you must specify I Cost in the Cost Type field.

Understanding Deviated Cost in Order Entry and Purchasing

Several other changes have been made to the flow of cost in the system in purchasing and order entry.

In order entry, you only see the P Cost and A Cost. I Cost does not display.

You must set up the appropriate users by setting the Allow Internal Costs box in the Salesperson Price Check tab to Y. Setting this box to Y allows you to view internal costs in Order Analysis and to change internal costs in order entry.

When changing cost on a P/O, the A Cost is not updated (only on deviated cost items). When cost is changed on the purchase order, the cost is not changed on the sales order. Previously, the system changed the cost on the sales order but with deviated cost, it no longer updates the sales order.

Flushing Orders

When the order is completed, follow your normal flow. Changes were made the (TR)[G] Flush Backorders function for deviated cost. When the P/O is flushed, the A Cost on the order is not updated if the item was purchased from the manufacturer. The internal cost is updated to the received cost. The rebate flag is cleared if the item was not purchased from the direct buy vendor. (If the Vendor ID for the Direct Buy Vendor matches the Vendor Number in the Vendor window, the system recognizes the direct buy vendor as the manufacturer vendor.)

Setting Up Deviated Costs

1. You must be authorized to use this feature. For more information, contact ECI Sales.
2. Before you can view/change internal costs, you must set up the appropriate users by setting the Allow Internal Costs box in the Salesperson Price Check tab to Y. Setting this box to Y allows you to view internal costs in Order Analysis and to change internal costs in Order Entry.

Salesperson : 001 - JANE DOE

File View Help

Master Price Check Remote Order Addl. W/in Order Technician

Ignore Order Entry Mask Cost Parameter:

Show Cost: Average: Mfg: Whl: Purchasing: Pricing:

Show GP %: Average: Mfg: Whl: Purchasing: Pricing:

Allow (V) Multi Vendor Display: Mask Multi-Vendor Cost:

Allow (C) Changing Pricing Cost: Ignore Price Change Password:

Allow (G) Changing Pricing GP %: Allow Online Vendor Checks: Y Price Stock Both

Allow (L) Changing List Price: Allow Preferred Vendor:

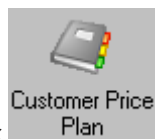
Allow (S) Changing Sell Price: Allow Order Code:

Allow (P) Changing Cust Params: Allow Internal Cost: Y

3. You must modify your cost of goods calculation to use internal cost. This may be done in a proc file.
4. Up to this point, no changes have been made to your system that impact your cost flow. You add deviated costs to price plans.

Creating a Price Plan with Deviated Cost

When creating a price plan, you can create a deviated cost price plan.



1. From the Main Menu, double-click

Note: If you set a password in the Update field in the (LE1) screen, the Enter Price Plan Password dialog box opens. Enter the password and click OK. If you set a password in the Price Plans Inquiry Password or Price Plans Update Password boxes in the Customer Price Plans General Configuration parameters, you must enter the password in the Price Plans Update Password box to continue. If you have a password set in the Set Cost/List field in the (LE1) screen, the Enter Cost/List Editing Password dialog box opens. Enter the passwords and click OK.

2. In the Customer Price Plan window, click Create a New Price Plan.
3. In the Price Plan box, enter a two-digit alphanumeric identifier for the new price plan. (If you are not authorized for Advanced Price Plans, press Enter and go to **Step 6**. You must press Enter to move to the Description box.)

Note: When creating price plans, you may not see some of the boxes listed here. If you are not authorized for Advanced Price Plans, some of these boxes do not appear. For more information, contact ECI Sales.

4. If you are using the Advanced Price Plans feature, enter the group in the Group box. If you enter a group, press Enter to move to the Description box and go to **Step 6**. (You must press Enter to move to the Description box.)
5. If you are using the Advanced Price Plans feature, enter an account number in the Account # box. In this box, enter the account number or click to query. (If you entered a group in the Group box, you cannot enter an account number.) The account number displays in the first box and the department, if any, in the second box. Press Enter. (You must press Enter to move to the Description box.)
6. In the Description box, enter a description for the new price plan. Press Tab.
7. Use the Start Date/End boxes to enter starting and ending dates to apply to this price plan. (If you do not enter an ending date, the price plan never expires.) To make the price plan open-ended, leave these boxes blank. (Do not enter 99/99/99.) Press Tab.
8. In the Gross Profit % box, enter the gross profit percent for the new price plan, or in the Discount % box, enter the discount percent for the new price plan. You do not have to enter the decimal point. For example, to enter ten percent, type **10** and press Tab.
9. Use the drop-down arrows in the Cost to Use and List to Use boxes to select the cost or list for this price plan.
10. To set up this price plan with a fixed price, click the Fixed Price box. (If you do not click this box, you create a flexible price plan.)
11. Use the Owner box to specify the owner of this price plan, if needed. You can enter the User number or click to query. This is an optional step; however, you can use this number as a limit when searching for price plans.
12. To build a deviated cost price plan, you must create a non-specialty price plan. You can set cost, set list, select matrix price plan, or use two decimal prices, if applicable. Use the Set Cost or Set List drop-down boxes to set cost or list.
 - To create a matrix price plan, click the Matrix Price check box.
 - To limit pricing to two decimal places, click the Two Decimal Prices check box.
 - To set deviated cost, click the Deviated Cost box. (You must be authorized to use this feature.) When you select Deviated Cost, the Set Cost box is automatically set to Y.

Customer Price Plan

File View Databases Options Help

Back Save Print

Price Plan Tasks

- Create a New Price Plan
- Edit an Existing Price Plan
- Quick Item Edit
- Duplicate a Price Plan
- Refigure Price Plans
- Import Price Plans from Excel
- Mass Add Items
- Mass Substitute Items
- Mass Delete Items
- Change Dates
- Set Figure Types
- Export/Import Price Changes

Current Options

Create a New Price Plan

Enter the global data fields for the new Price Plan.

Enter a unique identifier for the new price plan. You can also assign a specific customer or customer group. **Press 'Enter' to accept and continue entering global price plan data.**

Price plan: pp Group: Account #: 10006

Description: SCHOOL ITEMS

Start date: 08/01/19 End: 05/30/20

Gross profit %: .00 Discount %: .10

Cost to use: Average - A

List to use: List - L

Fixed price

Owner:

Customer Address

Name: ARROW RUBBER STAMPS

Address: 300 W PIPELINE RD
HURST, TX 760535623

Select a specialty price plan or set options for non-specialty plans below.

Specialty price plan: <none>

Non-specialty Price Plan Options

Set cost: Yes - Y

Set list: No - N

Matrix price Two decimal prices

Deviated cost Inventory Load

Next >> Cancel

To set loaded cost, click the Inventory Load box. (You must be authorized to use this feature.) For more information on loaded cost, see [DDMSPLUS: Setting Up Inventory Loaded Costs](#) on the Customer Support Center or your online help.

13. When finished, click Next.

14. Next, you can add items to the price plan and set the deviated cost.

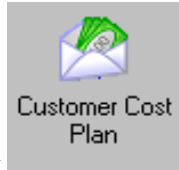
To add items, click the Item Number box and enter the item number to add to the price plan. You can enter part or all of the number and press Enter. A query box opens. Select the item and press Enter. (You can also query by description. Enter part or all of the description in the Description box and press Enter.)

15. After you select the item, enter the deviated cost in the Cost box.

16. After you finish adding items with deviated cost, click Save. For more information on creating price plans, see the handout [Customer Price Plans](#) on the Customer Support Center or your online help.

Creating a Cost Plan with Deviated Cost

Customer Cost Plan lets you assign a specific cost to a customer without a price plan. Cost plans can be vendor or wholesaler-driven. With cost plans, you can assign a cost to a customer without having to assign a selling price at the same time. By setting up cost plans, you do not have to maintain as many price plans.



1. From the Main Menu, double-click

Note: If you set a password in the Update field in the (LE1) screen, the Enter Cost Plan Password dialog box opens. Enter the password and click OK. If you set a password in the Price Plans Inquiry Password or Price Plans Update Password boxes in the Customer Price Plans General Configuration parameters, you must enter the password in the Cost Plans Update Password box to continue. If you have a password set in the Set Cost/List field in the (LE1) screen, the Enter Cost/List Editing Password dialog box opens. Enter the passwords and click OK.

2. In the Customer Cost Plan window, click Create a New Cost Plan.
3. The Create a New Cost Plan window opens. In the Cost Plan box, enter an alphanumeric identifier for the new cost plan. You can enter up to four digits. If you are not assigning a group code or account number to this cost plan, press Enter to move to the Description box and go to **Step 6**.
4. You can assign a cost plan to a customer using the Group box. If you enter a group, press Enter to move to the Description box and go to **Step 6**. (You must press Enter to move to the Description box.)
5. You can assign a cost plan to a customer by entering an account number in the Account # box. In this box, enter the account number or click to query. (If you entered a group in the Group box, you cannot enter an account number.) The account number displays in the first box and the department, if any, in the second box. Press Enter. (You must press Enter to move to the Description box.)
6. In the Description box, enter a description for the new cost plan. Press Tab.
7. Use the Owner box to specify the owner of this cost plan, if needed. You can enter the user number or click to query. This is an optional step; however, you can use this number as a limit when searching for cost plans.
8. To set deviated cost, click Deviated Cost.
9. The Inventory Load box works with the Deviated Cost box. To set loaded cost, click Inventory Load.

Note: You must be authorized to use loaded cost. For more information on loaded cost, see the handout [DDMSPLUS: Setting Up Inventory Loaded Costs](#) on the Customer Support Center or your online help. For authorization, contact ECI Sales.

10. When finished, click Next.
11. To add items to the cost plan, click the Item Number box and enter the item number to add to the cost plan. You can enter part or all of the number and press Enter. A query box opens. Select the item and press Enter. (You can also query by description. Enter part or all of the description in the Description box and press Enter.)

If you selected an item with an alternate, the Alternate Items dialog box opens displaying the original item and the alternate. Select which item to use by clicking it. Then click Apply.

12. Continue adding items on the cost plan. Press Enter to move to a new line.
13. When entering an item, you can set a backorder flag that forces the item to backorder in order entry. (You can override the backorder flag in order entry, if you choose.)
14. When finished adding items, click Save. (To not save changes, click Cancel.) For more information, see the handout [Customer Cost Plan](#) on the Customer Support Center or refer to your online help.