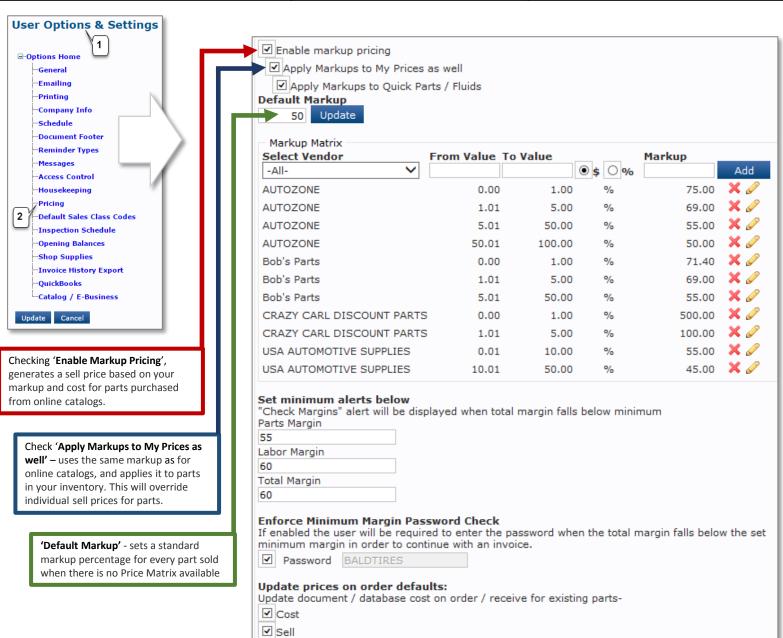
## ALLDATA MANAGE Online Vendor Based Price Matrix

FEATURES	ADVANTAGES	BENEFITS
The 'Margins' feature allows shops to enter their target numbers for gross margins of profit on parts, labor and total margins. It is not a pricing tool, but rather an analysis feature that compares cost to selling on parts and labor.	Shops can specifically target margins they want to meet.	Service Writers can check to see if a job meets parts and/or labor profit margins before they quote the job to the customer.
Margins will allow a shop to set across the board markups or select a detailed price matrix.	Shops can choose to set a price matrix for specific vendors they order parts from. This will allow them to set very detailed margins for each price point.	Remains a simple default markup for the shop, or can get as detailed as the shop would like.



## What is the difference between Markup% and Profit Margin%

Some people confuse 'markup' with 'margin', and this misconception can lead to lower gross profits than anticipated. Though both are part of a pricing strategy, markups and margins are not the same.

Markup is a percentage of the cost, as in a 50% markup, which is then added to the cost to get the selling price.

Margin is the gross profit – the actual dollars you make when you sell a part or service; it is what is 'left over' after you subtract the cost of the part or service from the selling price.

Let's look at two examples to illustrate the difference:

## Example #1

Say you have a part that costs \$1.00, and then decide to add a 50% markup.

This means that you added 50% of the cost which is 50 cents to get a selling price of \$1.50

Even though the markup is 50%, the gross margin of profit on the part is only 33%...

Because.50¢ is 1/3 of the selling price of \$1.50



Now take your \$6.00 part and add a Markup of 100%.

This time the 100% is added to the cost which was \$6.00 to get a selling price of \$12.00.

With a markup of 100%, the gross margin of profit on this part is 50%...

Because \$6.00 is ½ of the selling price of \$12.00



