

FEATURES	ADVANTAGES	BENEFITS
The 'Margins' feature allows shops to enter their <i>target</i> 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.

**User Options & Settings**

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Update Cancel

Checking 'Enable Markup Pricing', generates a sell price based on your markup and cost for parts purchased from online catalogs.

Check 'Apply Markups to My Prices as well' – uses the same markup as for online catalogs, and applies it to parts in your inventory. This will override individual sell prices for parts.

'Default Markup' - sets a standard markup percentage for every part sold when there is no Price Matrix available

Enable markup pricing  
 Apply Markups to My Prices as well  
 Apply Markups to Quick Parts / Fluids

**Default Markup**  
 50 Update

**Markup Matrix**

Select Vendor	From Value	To Value	Markup	Add
-All-			\$ %	
AUTOZONE	0.00	1.00	% 75.00	X
AUTOZONE	1.01	5.00	% 69.00	X
AUTOZONE	5.01	50.00	% 55.00	X
AUTOZONE	50.01	100.00	% 50.00	X
Bob's Parts	0.00	1.00	% 71.40	X
Bob's Parts	1.01	5.00	% 69.00	X
Bob's Parts	5.01	50.00	% 55.00	X
CRAZY CARL DISCOUNT PARTS	0.00	1.00	% 500.00	X
CRAZY CARL DISCOUNT PARTS	1.01	5.00	% 100.00	X
USA AUTOMOTIVE SUPPLIES	0.01	10.00	% 55.00	X
USA AUTOMOTIVE SUPPLIES	10.01	50.00	% 45.00	X

**Set minimum alerts below**  
 "Check Margins" alert will be displayed when total margin falls below minimum

Parts Margin: 55  
 Labor Margin: 60  
 Total Margin: 60

**Enforce Minimum Margin Password Check**  
 If enabled the user will be required to enter the password when the total margin falls below the set minimum margin in order to continue with an invoice.

Password: BALDTIRES

**Update prices on order defaults:**  
 Update document / database cost on order / receive for existing parts-

Cost  
 Sell

## 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 .50c is 1/3 of the selling price of \$1.50



### Example #2

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 1/2 of the selling price of \$12.00

