

2004-106 - Part Costing

Overview:

OPTO has a mark-up and margin settings option, this feature allows for either markup or margin to be added to a Part.

Margin and mark-up explained:

MARGIN:

Date: 26/10/2017

Sell Price: **\$0.0000**

Margin: .00 RRP

Category

Calc Cost: **\$201.0000**

Std Cost: \$0.0000

Last Cost: \$201.0000

Avr Cost: \$0.0000

Cost Price is variable

Sell Price is Calculated

Margin is Calculated

MARKUP:

Date: 26/10/2017

Sell Price: **\$0.0000**

Margin: .00 RRP

Category

Calc Cost: **\$201.0000**

Std Cost: \$0.0000

Last Cost: \$201.0000

Avr Cost: \$0.0000

Cost price is variable

Sell price is calculated

Markup is fixed

NOTE: For this example, the Margin option is used.

Click on the "[2] Markup, Margin" box to tick, this enables the Margin option and **press <F9>** to save. (If the user required the Markup option, the tick box would be left blank).

For this example, the preferred supplier calculation is being used. The company has decided that they need a 50% margin on material. A material code has been created called MAT2000, and the cost of that material from the preferred supplier is \$1.00

The screenshot shows the 'Material' form with the following key information:

- Material Code:** MAT2000
- Material Description:** A New Test Material
- Rev:** [Empty]
- Date Entered:** 19/07/2018
- Supplier Code:** BOBBEAR
- Sup Mat Code:** MAT2000
- Supplier Description:** A New Test Material
- Date Price:** 19/07/18
- UoM 1 Price:** 1.0000
- UoM 2 Price:** [Empty]
- UoM 1:** EACH
- UoM 2:** [Empty]
- Thick:** .00
- Lead/T:** 3
- Margin:** .00
- Sell Price:** 1.0000

A workcenter is added called WC1, and it has a charge rate of \$90.00 per hour, a cost of \$10 per hour and an estimated cost of \$51.00 per hour (WC cost plus estimated employee cost).

The screenshot shows the 'Workcenter Details - WC1' form with the following key information:

- Code:** 100
- Description:** WC1
- Short Desc:** WC1
- Charge (All):** 1.5000 per min, 90.00 per hour
- Charge (Setup):** [Empty]
- Charge (Special):** .0000
- Cost (Workcenter):** .1666 per min, 10.00 per hour
- Cost (Estimated):** .8500 per min, 51.00 per hour
- Cost (Assisting):** .0000 per min, .00 per hour
- Workcenter Options:**
 - Charge from Workcenter
 - Non Productive Workcenter, Leave or RDO
 - Consecutive Multi Jobs
 - Do not Schedule
 - Change Process status to 'Yes'
 - Sub-Contract Only, Internal Only
 - Must Clock Off
 - FAI Req
- Days Lead:** [Empty]
- BOM:** [Empty]
- Print Workcenter Jobs:**
 - Non-Complete
 - All
- Workcenter Material Wastage:**
 - Wastage (%):** [Empty]
 - Waste Per Cut (mm):** [Empty]
- Group Workcenter as:** [Empty]
- Acc Code:** [Empty]
- Change Job Process Completed to 'Yes':**

Now a part is created and called PART1000 and a quantity of 1 unit of MAT2000 is added to the build and 15 min of setup and 45 min of processing.

Part Code: PART1000 Part Description: A New Part - Stainless Steel Assembly Finish: Date Entered: 14/10/2010

Client Part No: PART1000 Unit: EACH Grp: ASS
 Client Code: Sub Grp:
 Drawing No: PART1000 Rev:
 CNC File No: Date:
 Emp No: 4 Ian CAPTAIN C Rev Check

Inventory Auto Order Dummy Part Kit
 Location: Safety Lev: 0 ReOrd: 0
 C/On Hand: -1 Max Level: 0 Multi: 1
 Allocated: 0 Fill to Max No Kanban
 Client Orders: 0 Lead Time: 5 0 Critical: 6
 Forecast: 0 T 0 On Order: 0 Weight: .250
 Available: -1 Planned: 0 T 0 Man Pur
 Used In: 0 Min Ord: To Order: 1

Main Part Serial No
 Is Active Locked
 Not for Sale Stop PRD
 List Price Sample
 Date: 17/06/2016
 Sell Price: \$541.0000
 Margin: RRP

Category	Price
Calc Cost:	\$201.0000
Std Cost:	\$0.0000
Last Cost:	\$201.0000
Avr Cost:	\$0.0000

Pref
 Last
 Stand
 Part
 Avr
 Pick Parts

When the user clicks on the update button, the cost of the part will show a cost of \$51.00(material cost of \$1 + \$50 estimated workcenter cost = \$51).

Part Code: PART1000 Part Description: A New Part - Stainless Steel Assembly Finish: Date Entered: 14/10/2010

Details: Build Labour More Info Allocation History Used In

T	Build	Description	U	@	Length	Width	Qty	WC	Info
M	OPTO500	Round SS 24mm DIA x 6000mm	MTR				1.0000	30	
M	OPTO600	Round SS 65mm DIA x 6000mm	MTR				1.0000	30	
M	OPTO001111	Stainless Steel Joiner 50mm	EACH				10.0000	30	

T	Build	Description	U	@	Length	Width	Qty	WC	Info
M	MAT2000	A New Test Material	EACH				1.0000		

Click on the blue update button to the right of the sell price to calculate the price from the parts price breakdown which will use the material cost of \$1 plus the system mark-up (set-up in Parameters - MAIN = 100%) = \$2 plus the one hour of labour at the Workcenter charge rate of \$90 per hour, totals \$92.00 sell price. This is also the price that will be derived from updating the part on a quote... it is calculated in the quote though the price breakdown of the part.

1. The user can enter a sell price manually in the sell price field and it will be saved with the part. The user will use the calc cost button on the part to return the part sell price to 100% mark-up.

Part Code	Description	Qty 1	Each	Disc	Disc Each	Tax	Q/T	J/T	Lead
ASSB100	PART100 NSTK One Material + WC	1	102.0000	.00	102.0000	6	P		5

When adding the part to a quote, the user can see that the part has a sell price of \$102. If the user pushes the update button on the quote, this will calculate the sell price in the quote using the same method 2 on the previous page returning a sell price of \$92.00.

This gives the user a worksheet within the quote to audit and adjust the price breakdown of the part labour charge rate of \$90 from the workcenter (WC Info tab) and the material at the cost of \$1 (Material Info tab) plus a system mark-up of 100% (factor of 2.00)

If the user was to change the default "Markup" to 1.00 on the quote and clicks on update again, the sell price becomes \$91 because the work centre rate is not changed only the material component of the quote.