

MENU:	Pricing (Level 1) / Zones and Rating (Level 2)
PURPOSE:	Groups all the programs that are designed to set up the different rating mechanisms and parameters to give price to each service.

The Zones and Rating module (Level 2) contains the necessary programs for maintenance of the company's pricing/rating information. The module is called Pricing in Level 1, and it is a subset of Zones and Rating with fewer rating options.

## PRICING CRITERIA

You may obtain you pricing by the following facts or the combination of them all:

- Distance (miles or zones)
- Pieces
- Weight
- Waiting Time
- Fuel\*
- Fixed Rates
- Operational Descriptions/Additional charges

**NOTE**  **Fuel pricing will always depend on other charges unless you set it up as a FLAT (fixed rate).**

### Distance

#### Miles

You may have your system obtain the distance between two given points by an external source (Microsoft MapPoint, PC\*Miler) or by an internal source (zip-to-zip calculation, Map Database or Grid Database). The system will then query this software for distance.

If you wish to have an external source, you will need to acquire such product from its vendor and let your Support Representative of such choice.

The internal sources use local databases to determine the amount of miles between the pickup and delivery locations. The Map and Grid Databases depend on a City Database, then their records will establish distance between City Code "A" and City Code "B". The Zip-to-zip engine will additionally need a Zip Code Latitude and Longitude Database, where each zip code will be stored along with its geographical position, which will later be used to calculate the distance from that point to another.

You may also define Zones or Areas instead of cities. These should first be created in City/Zip Database Maintenance. Once you have established your service areas names and codes, you may set their distance under Map, Grid, or Street Databases.

You may additionally link your cities to your Zones. To do so, input the desired Zone Code on each city's Zone Code Field. Then the system will use the Zone Code instead of the

## Zones

The system may give prices by zones or areas rather than miles (you may set a given distance between zone to zone so every point within those zones will have the same distance, hence price the same, or, setup specific pricing rules for zones under Dollar Pricing Setup).

**NOTE**  **Request your Support Representative to switch your system to Zone Code pricing.**

## Pieces

If you have a rate per pieces count, you may set it up under the Pieces Table.

**NOTE**  **Please, explain to your Support Representative how your pricing logic works so the adequate ‘pieces pricing engine logic’ can be setup for you. You may check the available ‘pricing engine logics’ on the program’s help screen.**

## Weight

If you have a rate per weight, you may set it up under Standard Rates if it is a linear fee (a single factor to be multiplied by the amount of weight units), or use the Weight Table to maintain several weight breakpoints following specific criteria.

**NOTE**  **Please, explain to your Support Representative how your pricing logic works so the adequate ‘weight pricing engine logic’ can be setup for you. You may check the available ‘pricing engine logics’ on the program’s help screen.**

## Waiting time

If you have a rate per waiting time, you may set it up under Standard Rates if it is a linear fee (a single factor to be multiplied by the amount of time units), or use the Wait Maintenance to maintain several waiting time breakpoints following specific criteria.

**NOTE**  **Please, explain to your Support Representative how your pricing logic works so the adequate ‘wait pricing engine logic’ can be setup for you. You may check the available ‘pricing engine logics’ on the program’s help screen.**

**NOTE**  **You may chose to use the Wait field and the Wait rate and Tables for a different variable. The labels can be renamed if you do not use waiting time but need room to charge on any other factor.**

## Fuel

You may set up a fuel percentage under Standard Rates if it is a linear percentage (a single factor to be multiplied by the order total excluding Customer Fuel – field #40 – and the Other field), the resulting fuel charge will be added to the base charge; or you may use the Fuel field under Customer Setup to make it an individual charge on the order. If you elect this last option, you may even select which pricing items from the order should be included or not on the Fuel rate calculation.

Additionally, you may use the Additional Fuel Items Setup feature, which consists in allowing the system to have multiple criteria for fuel calculation. This will override the settings under Customer Setup – when applicable, providing multiple tables with up to 10 definable fuel items each. Tables can be Customer-Group-specific, and a Global table can be created as well to affect those other Customer Groups without a specific table defined.

Creating “flat” items under Additional Fuel Items Setup feature would be the only way to achieve a Fuel Rate that would be independent from the other order charges.

### Fixed Rates

You may define fixed rates under Dollar Pricing Setup.

### Operational Descriptions/Additional charges

You may define items that can be included on service orders which can be used as additional charges under Operational Desc. & Add'l Charges. You can add a default additional charge per customer account under Customer Setup.

## ZONE OPERATIONS

Before you can start placing new orders or pricing, you must first establish your service area or zones. These zones can be referred to by many different tables, such as City, Zip Code, Zone, Country, Block or Area. After the zone codes have been established, you may choose to define the distance between the zones for dispatch and pricing purposes. This can be done using the Map, Grid, or Street Databases.

### Service Area Setup:

- Step 1: Use City/Zip Maintenance to establish what your service areas are called and their codes – If you will use the default city database and would wish your cities to be linked to a zone, you will need to apply the desired zone code to the available field on each city entry.

**NOTE** 📄 **Request your Support Representative to switch your system to Zone Code pricing.**

- Step 2: Setup the distance or zone location using Map or Grid, or Street Databases.

If you price by mileage, it might be a good idea to set up point to point mileage using Map Database Maintenance (MAPM – The entries on this database take the highest priority, overriding any other form of obtaining mileage). You can also set up a grid of your service areas using Grid Database Maintenance, which can be overridden later by Map Database entries.

You may also setup additional tables to fall into zones. Use the “city code” used when creating those zones under City/Zip Maintenance instead of a regular city code.

## RATING OPERATIONS

Once the service areas have been defined, use these programs to setup the rating mechanism of how to price the different services. If you price by miles or units, then use Standard Rates Setup.

If you price based on fixed rates (not a mileage based rate) then use Dollar Pricing Setup. If you price based on a bullseye or concentric circle mileage (also known as area mileage) where, for example, from 0 to 4 miles = \$\$, then use Price per Mile Setup and Standard Rate Setup together.

If you want to have prices based on Weight (exclusively or not), then use Price/Weight and set the flag on Customer Setup to price by weight.

If you want to have prices based on Pieces (exclusively or not), then use Price/Pieces and set the flag on Customer Setup to price by pieces.

**NOTE**  **If you are using Price/Weight and/or Price/Pieces, explain to your Support Representative how your pricing logic works so the adequate 'weight pricing engine logic' and 'pieces pricing engine logic' can be setup for you. You may check the available 'pricing engine logics' on each program's help screen.**

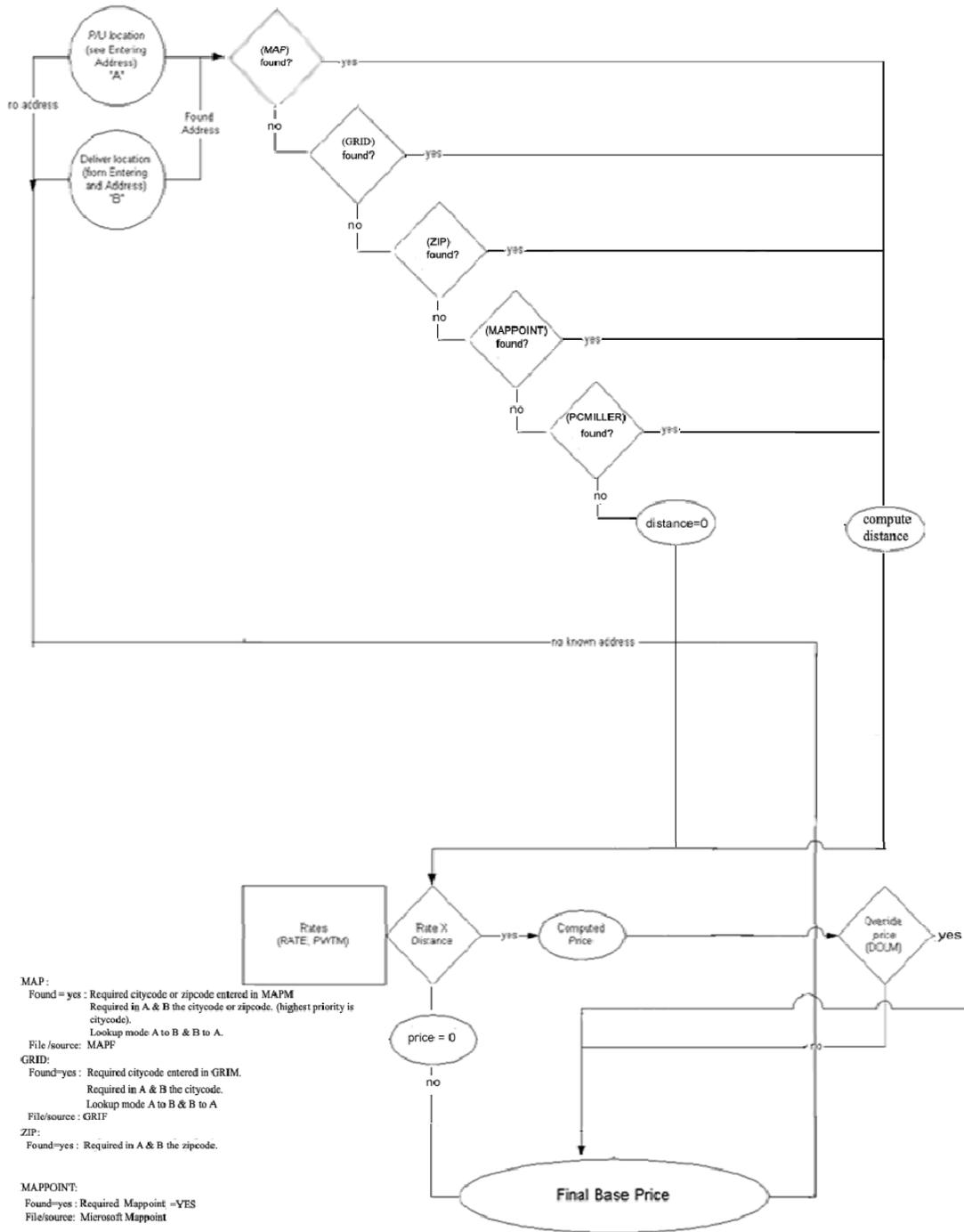
Even if you are using Weight, Pieces or Zone Mileage Databases, you may still need to setup a profile in Standard Rates Setup, because Standard Rates Setup also contains the afterhours pricing and additional pricing settings.

Each of the Rating Operations can be set as global or customer specific. In some cases, additional layers are available, and tables or profiles may be set to specific customer groups and service varieties.

The software uses a cascading method of determining the rate/price. The following logic is used:

- Step One: Reads Map Database, if a match is found, then the distance found is applied to the order.
- Step Two: If a Map match was not found, then it reads the Grid Database.
- Step Three: If a Grid match was not found, then it evaluates the system and customer specific settings, to try to obtain mileage through zip-to-zip calculation with an internal algorithm, or using a third party such as MapPoint or PCMIler.
- Step Four: Finally reads Dollar Pricing Setup, and if found, overrides the previous values with the new value found in Dollar Pricing Setup.

## Pricing Overview Flow Chart



Set your waiting time fee under Standard Rates or Wait Maintenance depending if it is a linear fee (a single factor to be multiplied by the amount of time units), or if you need to maintain several waiting time breakpoints following specific criteria.

A linear fuel percentage can be added to the base charge under Standard Rates. This factor will be multiplied by the order total excluding Customer Fuel – field #40 – and the Other field.

**NOTE**  **You may ask your Support Representative to change this field label's name so as to use it for different purposes.**

You may additionally (they are not exclusive from each other) set another fuel charge as an independent rate item on the order. This is by using the Fuel field under Customer Setup. If you elect this last option, you may even select which pricing items from the order should be included or not on the Fuel rate calculation.

**NOTE**  **Setting up your fuel charge in this way will allow you to exclude it from your drivers'/contractors' commission, can be subtotaled independently on invoices and will also allow you to run reports on it.**

If you need a more sophisticated fuel calculation, you may use the Additional Fuel Items Setup feature, which consists in allowing the system to have multiple criteria for fuel calculation. This will override the settings under Customer Setup – when applicable, providing multiple tables with up to 10 definable fuel items each. Tables can be Customer-Group-specific, and a Global table can be created as well to affect those other Customer Groups without a specific table defined.

Creating “flat” items under Additional Fuel Items Setup feature would be the only way to achieve a Fuel Rate that would be independent from the other order charges.

**NOTE**  **You may ask your Support Representative to change this field label's name so as to use it for different purposes.**

Besides, you should setup codes and descriptions for routine operations, such as “Liftgate Required” or “Cash on Delivery”. These operations (also referred as “OPDM’s”) can also have prices attached, and may be global or customer specific. They must be set up under Operational Descriptions and Additional Charges.

The rating programs are very versatile and flexible. You may achieve almost any pricing logic. But some pricing schemes may turn out to be less straight forward to be passed into the system. If so is the case, contact your Ascar Support Representative to assist you with this task. Additionally, you may request to customize the software to fit your requirements, should you wish to obtain a quote on your custom work, contact your Ascar Sales Representative.

These programs cover a wide range of pricing structures, and can be mixed. Do not hesitate in using your Ascar Support Representative to help you understand how to setup your company’s pricing policies. If necessary, Ascar can customize the software to fit your specific needs.

## **PRICING CHANGES**

Changes to your pricing structures will not affect existing service orders, unless the rating/pricing files are accessed by that service order, by using Service Order Update program and changing any field that computes price (such as Service Type). However, every service order created after the pricing changes will automatically read the new structure and price.

## PROGRAM SEQUENCE

**NOTE**  Before entering your rates, you should first create your Service Type and Varieties descriptions, since most pricing schemes will be based on that. You should also input your customers, and define their customer groups, which may also be a variable on your pricing criteria. Finally, make sure your Business Hours Breakpoints are also set; this is essential to define afterhours factors.

### Zone/Location/Service Area Setup

- Setup Cities/Areas/Zones on City/Zip Database Maintenance
- Setup the distance or zone location using a grid or mileage table (you may omit this if using MapPoint, PC\*Miler or zip-to-zip and do not wish to set mile per area/zone – bullseye, etc.)

### Rating Setup

- If you price by miles or units, use Standard Rates Setup (always set one default profile)
- If your mileage prices are based on air miles, bullseye or concentric circle mileage (also known as area mileage) where, for example, 0 to 4 miles= \$\$, then use Price per Mile Setup and Standard Rates Setup together.
- If the prices are solely based on weight, the use Price/Weight – this can also work as a more complex weight logic, replacing the weight charge set on Standard Rates.
- If the prices are solely based on pieces count, the use Price/Pieces.

**NOTE**  If you use Weight and or Price/Pieces, you will need to define your ‘pricing engine logic’ first.

- If you price based on dollars (not a mileage based rate) then use Dollar Pricing Setup. Try to use this method as your last option. The dollar file overrides all other methods. It is easy to use and understand, but it usually takes a great deal more data entry and is cumbersome to maintain.

### Waiting, Operational Descriptions, Additional Charges and Fuel

- If you wish to add a charge per waiting time, you may set it on Standard Rates Setup, if this is a flat factor per waiting unit (for example, \$\$ per minute). If your waiting rates vary with intervals, then you may set this up under Wait Maintenance.

**NOTE**  If you use Wait Maintenance, you will need to define your ‘wait pricing engine logic’ first.

- If you wish to add a charge on fuel, and make it part of your base price, do it under Standard Rates. If you need it as an independent rate item on the order, or want to select which items of the order it is subjected to, use the Fuel field under Customer Setup. If you need a more sophisticated fuel calculation, you may use the Additional Fuel Items Setup feature.
- If you need to setup codes and descriptions for routine operations, or additional charges, set them up under Operational Descriptions and Additional Charges.

