

## Setting your Discounts and Margins in KBBConnect

Setting the correct supplier pricelist terms are essential for getting the most out of KBBConnect. When you have set the correct discount percentage you receive from your suppliers and entered the margin you wish to achieve, KBBConnect will automatically calculate your buying and selling prices and the profit that you will achieve on a project.

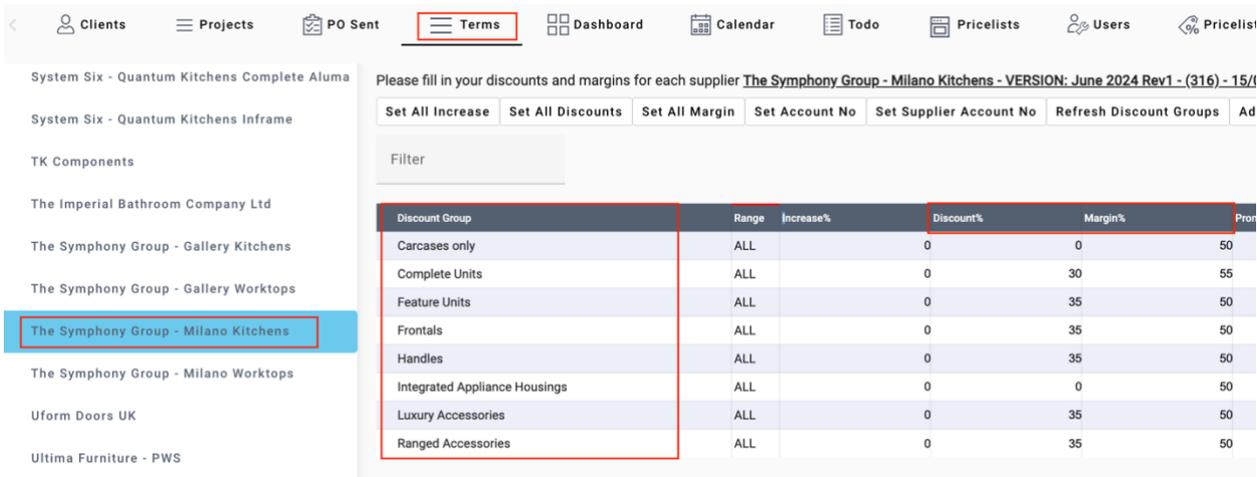
**NOTE:** It is also easy to change the buying and selling prices directly within a particular job, even for a particular item.

## How to change your Supplier Terms in KBBConnect

As soon as you have received confirmation by email that you have been approved to use a supplier pricelist, we recommend you set up the correct Terms in the 'Terms' tab of KBBConnect. Failing to set up the Terms correctly could give you the **incorrect** pricing for the job. It is **your** responsibility to set your Discounts and Margins correctly.

The **Terms View** displays a list of all your pricelists in the *Catalogue Pane* on the left hand side of the screen. As you click on each pricelist you will see a list of all the Discount Groups available for that pricelist in the main part of the Window. Discount groups are the different categories of products in a pricelist for which you can assign different discount percentages and margins.

In the example below The Symphony Milano pricelist is broken down into 8 discount-groups, all of which can be assigned different percentage discounts or margin. You will be informed of your discount information by your sales representative.



The screenshot shows the 'Terms' tab selected in the navigation menu. The main content area displays a table for 'The Symphony Group - Milano Kitchens - VERSION: June 2024 Rev1 - (316) - 15/1'. The table has columns for 'Discount Group', 'Range', 'Increase%', 'Discount%', 'Margin%', and 'Profit%'. The 'Discount%' and 'Margin%' columns are highlighted with red boxes. The table contains 8 rows of discount groups.

Discount Group	Range	Increase%	Discount%	Margin%	Profit%
Carcases only	ALL		0	0	50
Complete Units	ALL		0	30	55
Feature Units	ALL		0	35	50
Frontals	ALL		0	35	50
Handles	ALL		0	35	50
Integrated Appliance Housings	ALL		0	0	50
Luxury Accessories	ALL		0	35	50
Ranged Accessories	ALL		0	35	50

If no discount or margin percentages have been set, then you will see identical costs and quote prices in your project. See below:

## Adding Range Specific Discounts

Some pricelists are split into different discount groups by the supplier; some are even split by price band or range.

1. To set up your price-list to allow range specific discounts select on the **'Add Ranges'** button in the **Terms** tab, and then
2. Select the discount group you wish to split into ranges.  
To display all the ranges for **All** Discounts groups, rather than having to select each discount group in turn and selecting **Add Ranges**, select **ALL** in the Select Discount Group dialog box. Should you decide you no longer require the Ranges for a pricelist select the **Delete All Ranges** button and they will be removed.

## How can I change all the Discount Groups or Margins at once?

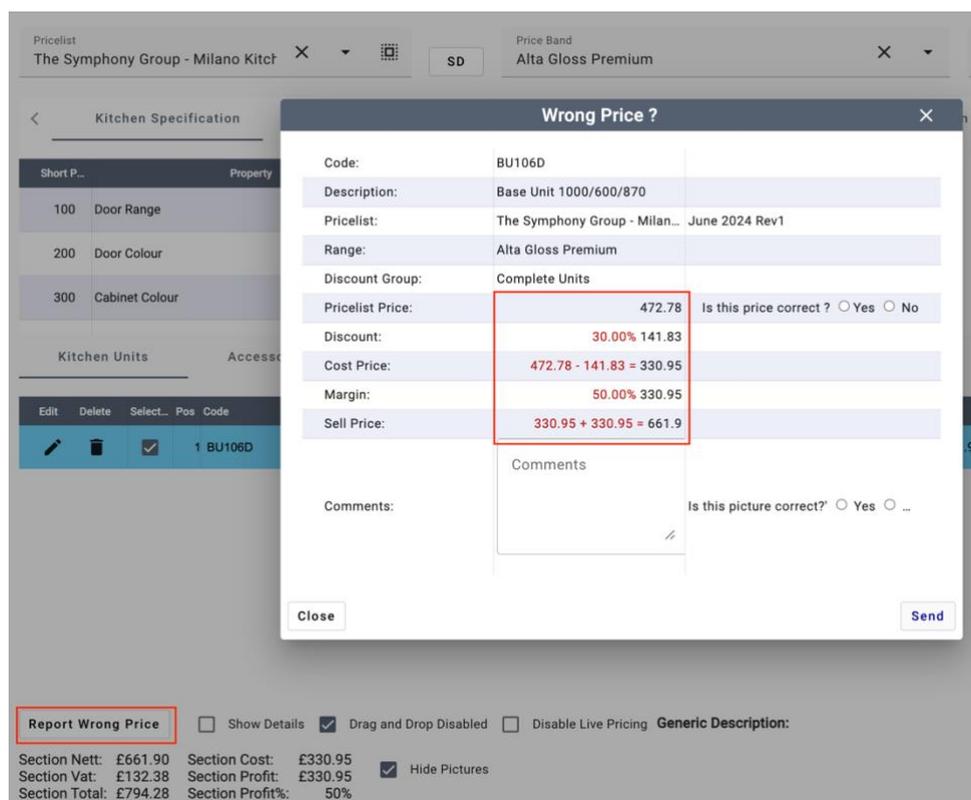
Some pricelists have many different discount groups; however, your sales representative might have only given you one discount for the whole pricelist. If this happens you can set all the discount groups and margins at once by clicking on the **Set All Discounts** or **Set All Margins** button.



## How can I check I have the correct prices?

If your discount structure is complex and you are not sure how KBBConnect has calculated your discount correctly, there is a simple way to check, using the KBBConnect **Report Wrong Price** feature in Project tab – Open Quote.

Within a quotation, select the line in the quote containing the item you wish to check and then click on the **Report Wrong Price** button at the bottom of the screen. This will display a window showing a breakdown of the cost price and quotation price calculation.



It displays:

- the item's range,
- the Pricelist/catalogue price,
- the discount group that the item belongs to, and
- what the discount and margin percentages are set in Terms.

This shows you, in detail, how the cost and quotation price is calculated. If the discount or margin percentages are incorrect then you can easily go back to the **Terms** tab and change your percentages.

**NOTE:** If you change the discount and margin percentages, you will need to click on the **RePrice** option on the left hand **Tasks** menu within the Projects Quoting screen.

The **Catalogue (Pricelist) Price** shown will usually be the Retail price excluding VAT, or in some cases the Trade price. In the event you are using a Trade pricelist then it is possible that you will not need a discount percentage, the catalogue price may already be the same as your cost price.

If you are still certain that KBBConnect holds the incorrect item price please either call the Smart Systems Customer Support line on 44 (0) 1923 919 278, or alternatively click on the **No** radio button and specify in comments what is wrong with the item and click on **Send** and your query will be emailed to our Customer Support Team for investigation. Our Pricelist Team will investigate and contact you with the result.

Wrong Price ?
✕

Code:	BU106D	
Description:	Base Unit 1000/600/870	
Pricelist:	The Symphony Group - Milan... June 2024 Rev1	
Range:	Alta Gloss Premium	
Discount Group:	Complete Units	
Pricelist Price:	472.78	Is this price correct? <input type="radio"/> Yes <input type="radio"/> No
Discount:	30.00%	141.83
Cost Price:	472.78 - 141.83 = 330.95	
Margin:	50.00%	
Sell Price:	330.95 + 330.95 = 661.9	

Comments

Comments:
Is this picture correct?  Yes  ...

Close
Send

**NOTE:** All prices in KBBConnect are quoted **without VAT** as VAT is handled separately by the system.

## Discount Calculator and Margin/Mark-up Definitions

The difference between margin and markup:

Margin:

- **Definition:** Margin refers to the percentage of the selling price that is profit.
- **Formula:** Margin = (Selling Price - Cost) / Selling Price
- **Example:** If a product costs £50 and sells for £100, the profit is £50. The margin would be £50 / £100 = 0.5 or 50%.

Markup:

- **Definition:** Markup is the percentage added to the cost to determine the selling price.
- **Formula:** Markup = (Selling Price - Cost) / Cost
- **Example:** Using the same product that costs £50 and sells for £100, the profit is again £50. The markup would be £50 / £50 = 1 or 100%.

### Key Differences:

- **Margin is based on selling price**, while **markup is based on cost**.
- A high markup does not necessarily mean a high margin, and vice versa.

We have a useful calculator spreadsheet (Quick Guides) you can calculate correct discount percentage for an item from cost price and catalogue price you enter. There are several other useful options in the spreadsheet including converting from mark-up to margin. Give it a try!

<b>Margin/Markup Calculator</b> Markup <input type="text" value="50"/> % = <input type="text" value="33.33"/> % Margin <input type="text" value="50"/> % = <input type="text" value="100"/> %	<b>Euro/Points Calculator</b> Exchange Rate / Point Ration* <input type="text" value="1.5"/> + <input type="text" value="5"/> Discount => <input type="text" value="-42.5"/> SMART Discount <small>*Point Ration is the number you multiply a point by to convert it to a pound</small>
<b>Calculate from figures</b> Catalogue <input type="text" value="100"/> Buying <input type="text" value="50"/> Selling <input type="text" value="100"/> Discount <input type="text" value="50"/> % Margin <input type="text" value="50"/> %	<b>Increase</b> % to increase <input type="text" value="15"/> = <input type="text" value="1.15"/> Times by
<b>Multiple Discount Calculator</b> 1st Discount <input type="text" value="10"/> + 2nd Discount <input type="text" value="5"/> => <input type="text" value="14.5"/> Total Discount	<b>Discount</b> % to discount <input type="text" value="15"/> = <input type="text" value="0.85"/> Times by <small>Cells with black text can be changed red are auto calculated.</small>
<b>Target Discount</b> Original Discount <input type="text" value="20"/> => <input type="text" value="15"/> Correct Discount = <input type="text" value="1.0625"/> Times by	<b>Price before Discount</b> Discount % <input type="text" value="10"/> Price before discount <input type="text" value="£6,666.67"/> Target price after discount <input type="text" value="£6,000.00"/>

## Feedback

We hope you found this document useful and would love to know what you think of KBBConnect.

To comment on this Quick Guide or anything else regarding KBBConnect, for help, please contact KBBConnect Customer Support:

e-mail us at: [clientcare@smart-systems.co.uk](mailto:clientcare@smart-systems.co.uk)

or

Telephone Number: 44 (0) 1923 919 278