Shipping Cost Models - Introductory Material

Shipping Cost Models Basics

As stated in the "Shipping Service Level Basic" document, during the final step of rationalizing service levels a service level code/label is tied to a specific Shipping Cost Model (SCM) on a supplier location. This configuration is then utilized to determine an estimated shipping cost from that specific supplier location.

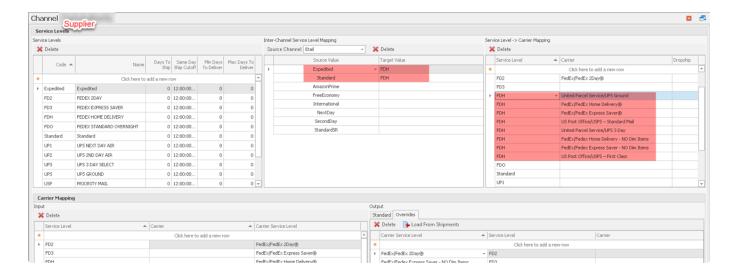
This document will review the mapping of a SCM to a specific service level on a supplier. The document will also review the basic configuration points of a SCM that are utilized to determine a cost.

An SCM can be configured with actual carrier costs loaded from provided zone tables, or it can just be relative amounts intended to steer the decision but not provide actual shipping cost. The Actual Cost setting on the cost model should be set accordingly. This value is used in other processes to determine the comparability of shipping costs calculated.

Part 1: Service Level to SCM Configuration

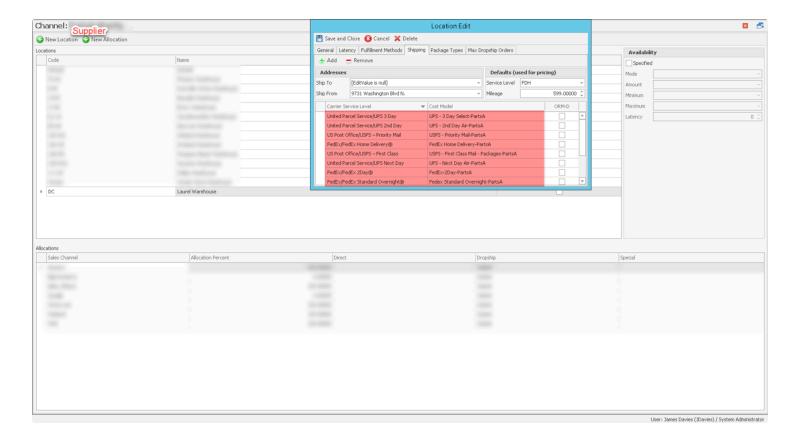
In this screenshot, we see that the Etail Channel generic carrier groups for both "Standard" and "Expedited" are rationalized to "FDH" for this supplier. Meaning these are the carrier options available for these generic service level groups for this supplier. As stated in the "Shipping Service Level Basic" document at this point these carriers are acting as labels and are not tied to a specific cost structure.

NOTE: With this configuration, Expedited and Standard orders are treated the same because they rationalize to the same Target Value.



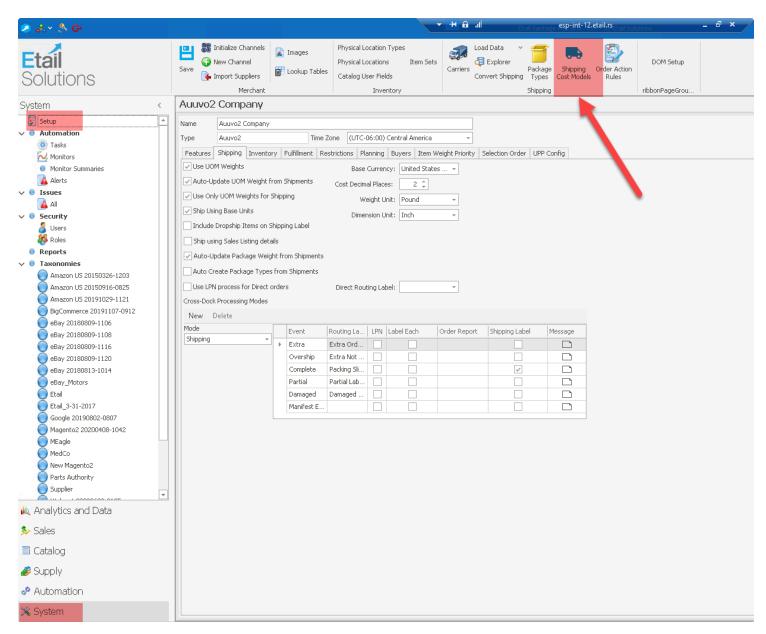
On the supplier locations, the carriers on the Shipping Service Level screen in the Service Level → Carrier Mapping section are mapped to specific SCM. If a carrier is not mapped to a SCM on the supplier location it will not be considered as an option when EVP attempts to generate an estimated shipping cost.

NOTE: The section labeled "Defaults (used for pricing)" is the service level group that will be considered when EVP is generating an estimated shipping cost for repricing. The mileage is the assumed distance a product will ship when generating an estimated shipping cost.

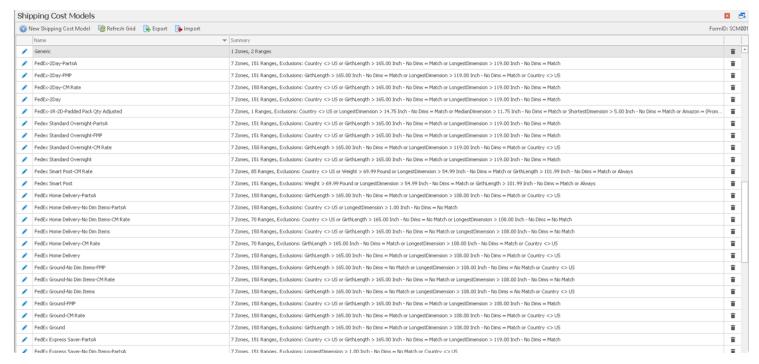


Part 2: Shipping Cost Model Configuration

To access SCM with EVP navigate to the System → Setup Module. This screen will show ALL SCM. The "Name" is the title of the SCM; The "Summary" is a preview of various exclusion and adjustment criteria present within the SCM.

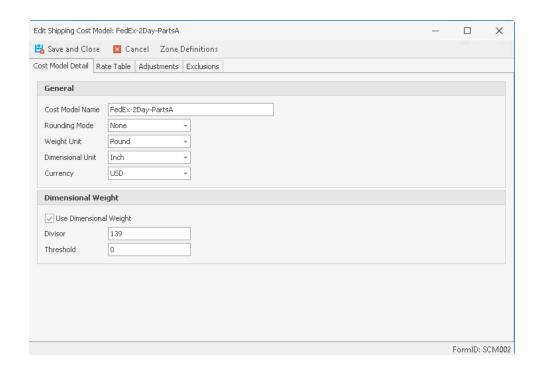


Shipping Cost Model Access



Shipping Cost Model Screen

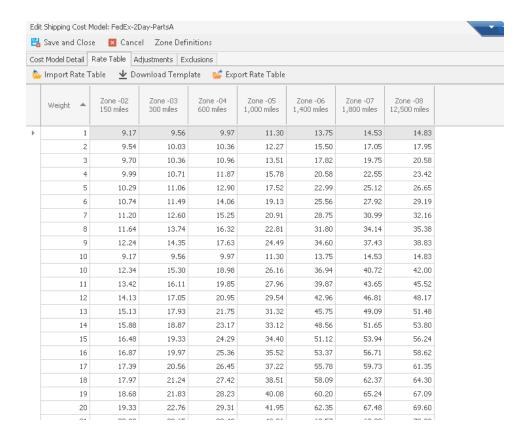
A SCM has four tabs used for configuration purposes.



The first tab is labeled "Cost Model Details" – This tab is utilized for the configuration of certain SCM parameters.

- Cost Model Details
 - General

- Cost Model Name Configured Title of the SCM
- Rounding Mode When considering the weight of an item this control how EVP rounds the weight.
- Weight Unit This defines the unit type (lb., ounces, kilograms, etc.) for this SCM's rate table.
- Dimensional Unit Indicates unit for DIM Weight
- Currency This defines the currency unit that should be utilized for this SCM's rate table.
- Dimensional Weight (<u>DIM Weight</u>)
 - Divisor The Divisor value that should be utilized when calculating the DIM weight of the item.

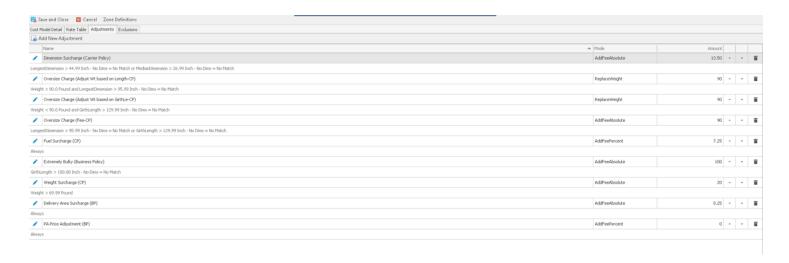


The second tab is labeled "Rate Table" – This tab is utilized for loading and storing rate table data and costs.

- Rate Table
 - Basics
 - The Rows indicated weight ranges
 - The Columns indicate a distance
 - Both of these are treated as "up-to"
 - Meaning Zone-02 is 0 up to 150 miles
 - Weight 3 is 2.01 up to 3

- Within this rate table and item that weighs 4.5 lb and is shipping a distance of 1799 miles
 will return a cost of \$20.58 (before considering adjustment & exclusions)
- Import Rate Table
 - Utilized to import rate table values, must be a rate table template
- Download Template
 - This downloads the rate table import template.
 - Typically, you download the template add your carrier rates for a specific service level and then import.
- Export Rate Table
 - This takes the rate table data (not the whole SCM) and exports it into an excel doc.

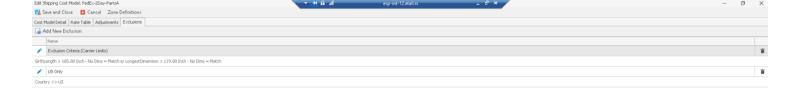
The third tab is labeled "Adjustments" – This tab is utilized to configure additional "overhead" costs. (i.e. we take the rate table value + adjustment values = shipping cost)



Adjustments

- Name This is the title of the adjustment.
- Below the name is a preview of the selection criteria for the adjustment
- Mode This the type of adjustment being made.
 - AddFeeAbsolute This will add a fixed free if the selection criteria is matched
 - AddFeePercent This will add a percent amount (based of the rate table value) if the selection criteria is matched
 - ReplaceWeight This will adjust the SKU weight value if the conditions are met.

The fourth tab is labeled "Exclusions" – This tab is utilized to identify SKUs that should not utilizes this SCM.



Exclusions Tab Example

Part 3 – SCM in the Fulfillment Trace

For Repricing and Order Fulfillment, the SCM utilized to generate shipping cost can be seen in the fulfillment trace. The fulfillment trace will show the rate shop for all locations where EVP found fulfillable inventory. It will also indicate if the shipping cost failed to be calculated if the location has valid stock.

