

UPS Audit Report

August 2016

for Account# 000071EY05
created 9/30/2016

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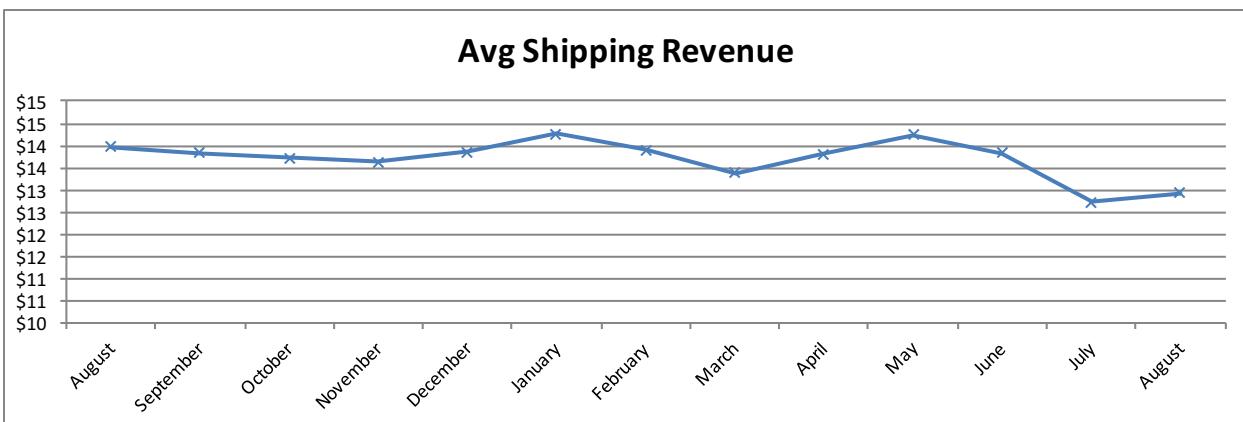
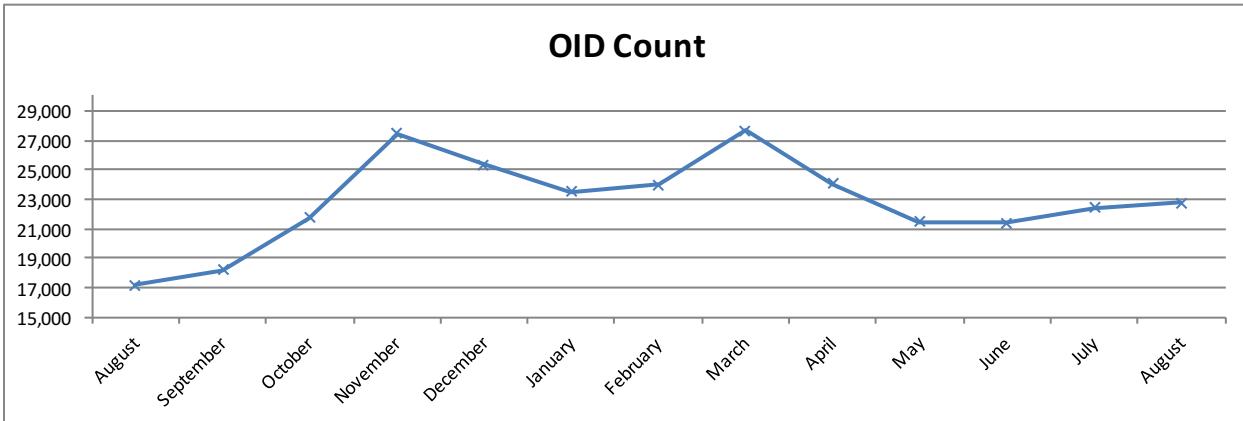
Bullet Points

Overall			
Adafruit Charge	UPS Charge	Shipping Profit	Profit Margin
\$330,640.95	\$301,639.11	\$29,001.84	8.77%

Outgoing Late Shipments		
Service	Count	Transportation Charges
UPS Worldwide Expedited	182	\$6,326.59
UPS Worldwide Saver	44	\$1,941.75
UPS Worldwide Express	42	\$1,614.54
UPS Next Day Air	10	\$124.96
UPS Ground	14	\$109.61
UPS Next Day Air Early	1	\$63.32
UPS 2nd Day Air	5	\$54.54
Total	361	\$10,235.31

- Month to month number of orders shipped UPS is up 2 percent while we see an increase of 32 percent year over year.
- Month to month shipping revenue is up 3 percent and up 22 percent year over year.
- Shipping profit is down 18 percent month to month and down 13 percent year over year.
- The number of late shipments totals 361. If we were to receive a refund for each one, we would see a total refund of about \$10,200 (this is the total transportation charge and not any accessorial fees or surcharges).
- No big problems and most surcharges show little change month to month.
- As always, see the workbook for more great charts and numbers!

Overview





The reasons for the spike during November 2015 in the OID Count and Shipping Revenue charts is obvious: Black Friday and Cyber Monday, but the spike in March is curious.

With some digging we see that the Raspberry Pi 3 [3055] was released during March and took the top spot for quantity sold for that month, slowly descending in a one-to-one fashion as the months progress; that is, the most units were sold in March, the second most in April, the third most in May, and so on. This would help to explain not only the spike in March but also the gradual decrease.

Our dollar amount Shipping Profit is a little crazy. The plateau during the holiday season is because Ground shipments outnumbered all other services by at least a factor of nearly four, and Ground is our least profitable shipping service.

In March, our most profitable services were the combined Worldwide Services, but customers who bought a Raspberry Pi 3 [3055] used either 2nd Day or 3 Day Select Services, which, when combined, were the second most profitable services. These factors could help to explain this profit bump in March.

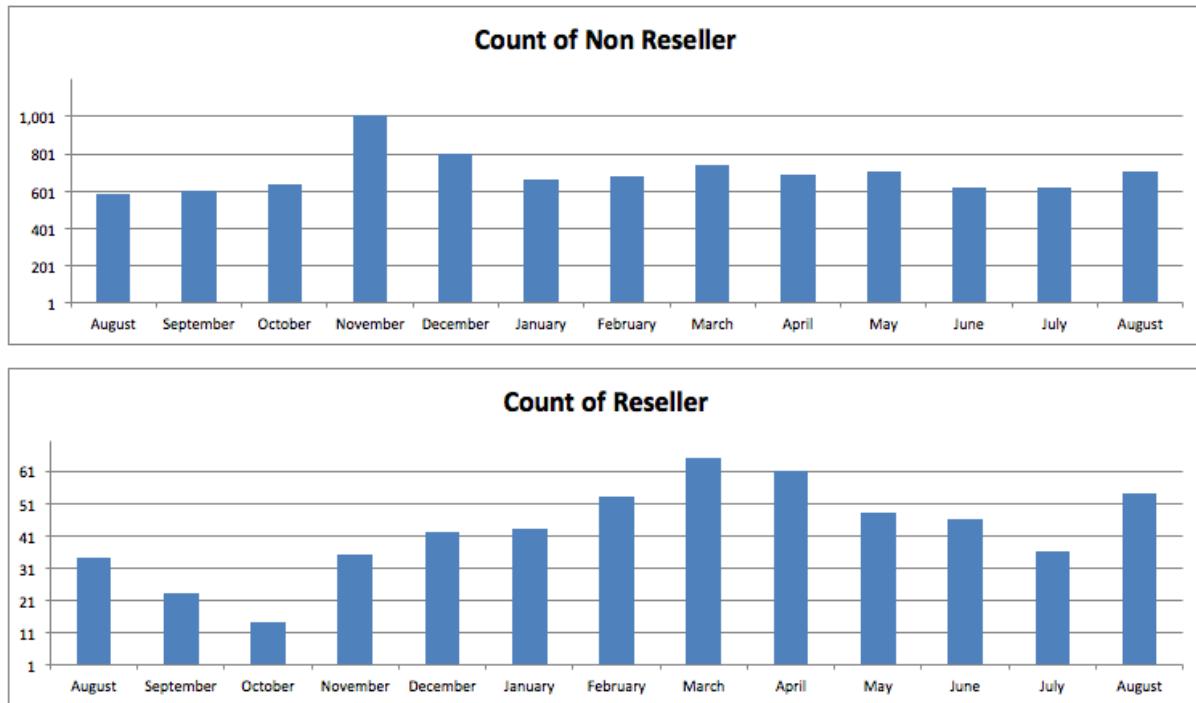
At any rate, we can see our summertime dip in OID Count and Shipping Revenue and its upward swing as we begin to approach the holidays.

Charges

Most of our charges are under control; however, from July to August we see a small increase in the number of Shipping Charge Corrections and Residential Charges, while Address Corrections, and Delivery/Extended/Remote Charges have remained nearly stable for the last few months.

Free Shipping

During August, Free Shipping comprised 6 percent of Non Reseller Ground shipments and 0.5 percent of Reseller Ground shipments. The number of free shipments for both customer groups increased, with Resellers showing a larger jump, partly due to a recovery from a decrease in July.



Keep in mind that these stats are for Free Shipments *in relation to* the Ground Service only.

Our free shipping tier of \$200 has been very generous to us; that is, we more than cover the cost of the Ground shipments which receive free shipping. We could consider lowering this shipping tier for the holidays and still make out pretty well.