

# **May 2016 UPS Audit**

**for Account # 000071EY05**

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## Bullet Points

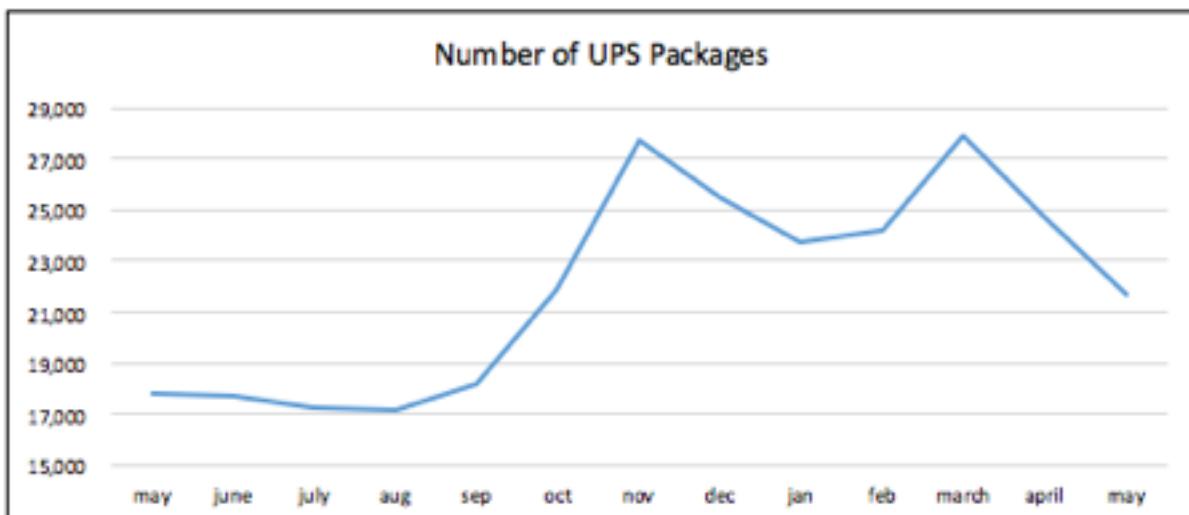
Total UPS Shipping Charge	Total Adafruit Shipping Revenue	Shipping Charge Profit
\$306,883.00	\$308,339.31	\$1,456.31

- Profit from shipping is \$1,400 this month.
- We see month to month decreases in shipping revenue, as well as the actual number of packages, despite large year over year increases in both.
- Ground and 2nd Day Air are the most used services; Ground and Worldwide Express generate the most shipping revenue; Express Saver and Worldwide Express are responsible for the largest average shipping revenues.
- “Heaviest” packages belong to the international services; this is a monthly trend.
- 8 percent of orders shipped UPS receive free shipping; that’s an increase of 1 percent from last month, while orders which did not receive free shipping decreased 19 percent.
- UPS overcharges us on almost 4 percent of orders which is an overcharge total of \$2,600. The number of packages we were overcharged on is up 59 percent from last month, but the total dollar amount overcharged makes up a negligible amount of the total order subtotal for May, and the total shipping revenue, so all is well!
- All other fees are well under control.
- Remember that more numbers and specifics can be found in the accompanying workbook!

# Overall

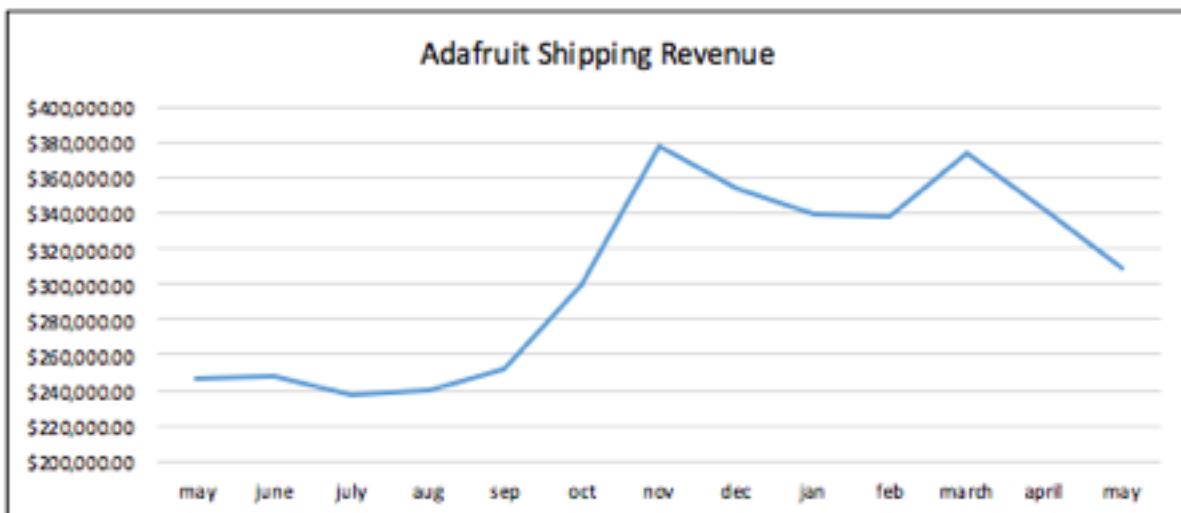
## Number of Packages

Month	Number of UPS Packages	Percent Change
may	17,767	
june	17,752	0%
july	17,238	-3%
aug	17,195	0%
sep	18,204	6%
oct	21,877	20%
nov	27,741	27%
dec	25,530	-8%
jan	23,738	-7%
feb	24,231	2%
march	27,857	15%
april	24,733	-11%
may	21,649	-12%
year over year		22%



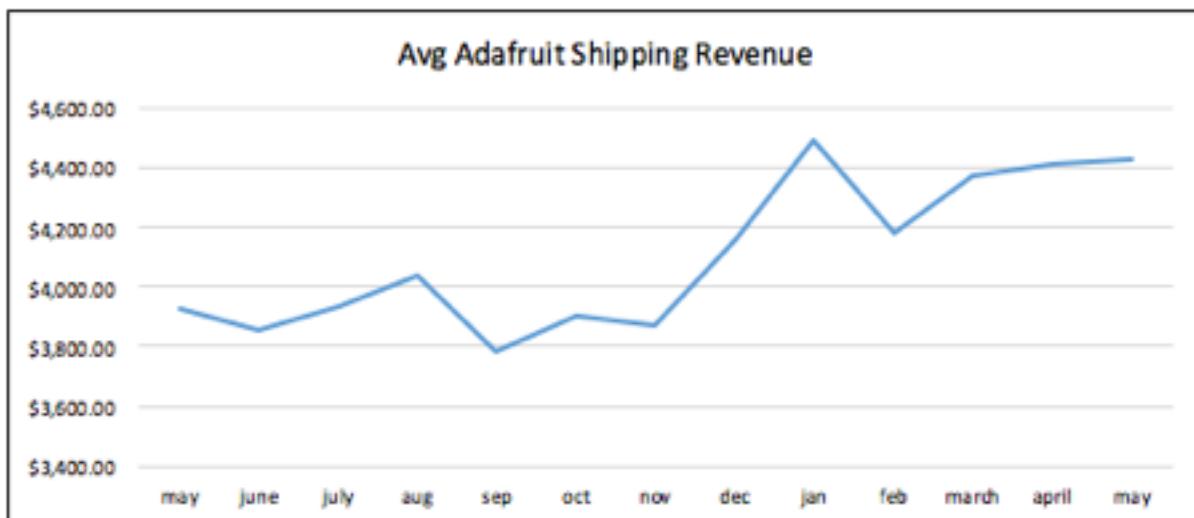
## Adafruit Shipping Revenue

Month	Adafruit Shipping Revenue	Percent Change
may	\$ 246,308.77	
june	\$ 247,963.83	1%
july	\$ 237,805.33	-4%
aug	\$ 240,269.23	1%
sep	\$ 251,604.79	5%
oct	\$ 299,940.33	19%
nov	\$ 378,098.23	26%
dec	\$ 354,277.10	-6%
jan	\$ 338,967.07	-4%
feb	\$ 337,425.94	0%
march	\$ 373,048.31	11%
april	\$ 341,357.74	-8%
may	\$ 308,339.31	-10%
year over year		25%

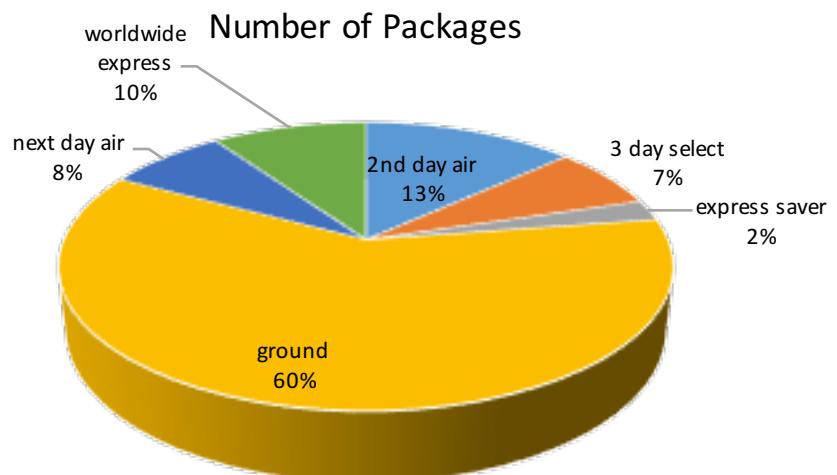


## Average Adafruit Shipping Revenue

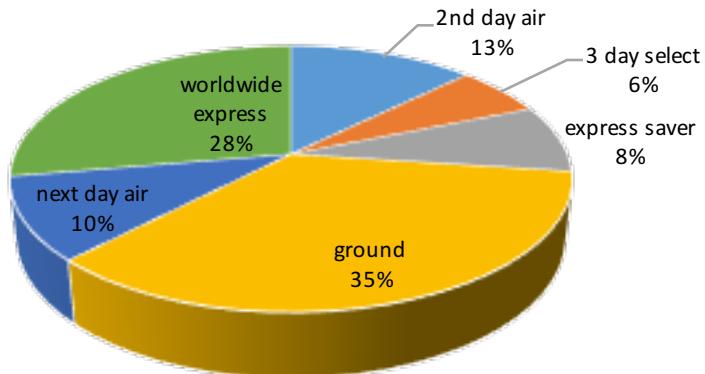
Month	Avg Adafruit Shipping Revenue	Percent Change
may	\$ 3,924.51	
june	\$ 3,851.42	-2%
july	\$ 3,937.48	2%
aug	\$ 4,040.37	3%
sep	\$ 3,780.83	-6%
oct	\$ 3,905.93	3%
nov	\$ 3,871.24	-1%
dec	\$ 4,159.98	7%
jan	\$ 4,493.39	8%
feb	\$ 4,179.55	-7%
march	\$ 4,370.52	5%
april	\$ 4,406.55	1%
may	\$ 4,422.72	0%
year over year		13%



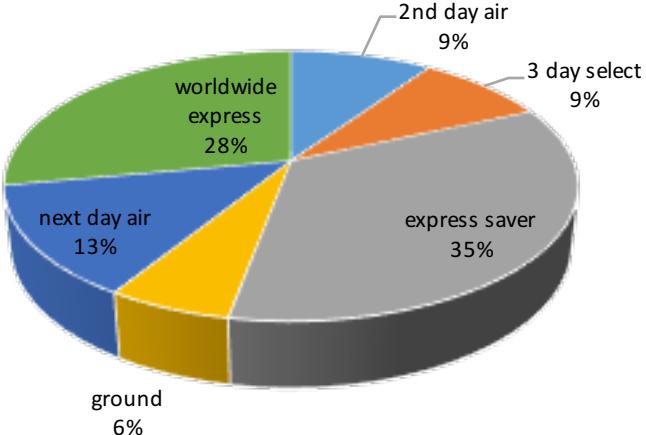
We can see that although the number of packages and the total shipping revenue has decreased from last month our average shipping revenue has increased slightly. We see below in the last chart that Express Saver contributed the most to average shipping revenue. This expensive service alongside Worldwide Express could be the reason why our overall average shipping revenue increased slightly alongside these other decreases.



Adafruit Shipping Revenue



Avg Shipping Revenue



# Free Shipping

FREE SHIPPING	Count of Orders	Percentage of Total Orders	Adafruit Order Subtotals	UPS Shipping Charges
free shipping	1,418	7.97%	\$ 914,400.57	\$ 15,434.65
not free shipping	16,384	92.03%	\$ 1,563,395.23	\$ 241,251.56
<b>Grand Total</b>	<b>17,802</b>	<b>100.00%</b>	<b>\$ 2,477,795.80</b>	<b>\$ 256,686.21</b>

## Month to Month Percentage Changes

FREE SHIPPING	Count of Orders	Percentage of Total Orders	Adafruit Order Subtotals	UPS Shipping Charges
free shipping	1%	22%	18%	7%
not free shipping	-19%	-2%	-15%	-15%
<b>Grand Total</b>	<b>-17%</b>	<b>0%</b>	<b>-5%</b>	<b>-14%</b>

Free shipping is a great perk for a customer, and we are in no danger of losing money on free shipping.

Our total order subtotal for packages which received free shipping was \$914,000 while UPS charged us \$15,400 total on the same packages. This is a huge difference of \$898,600.

We can see that orders which did not receive free shipping decreased by 19 percent from last month, while orders which did receive free shipping increased 1 percent. If the free shipping tier is a \$200 or above order value, then we can conclude that there was an increase in customers who spent more on their orders.

# Adafruit vs UPS

This chart does \*not\* include orders which received Free Shipping

ADA vs UPS SHIPPING CHARGES	Count of Orders	Percentage of Total Orders	Adafruit Customer Shipping Charges	UPS Shipping Charges
ups did not overcharge	15,766	96.23%	\$ 236,059.32	\$ 221,328.91
ups overcharged	618	3.77%	\$ 17,271.08	\$ 19,922.65
Grand Total	16,384	100.00%	\$ 253,330.40	\$ 241,251.56

## Month to Month Percentage Changes

ADA vs UPS SHIPPING CHARGES	Count of Orders	Percentage of Total Orders	Adafruit Customer Shipping Charges	UPS Shipping Charges
ups did not overcharge	-20%	-2%	-19%	-19%
ups overcharged	59%	96%	71%	62%
Grand Total	-19%	0%	-16%	-15%

UPS overcharge us on about 4 percent of total orders (not including orders which received free shipping) for an overcharge dollar total of \$2,600. This amount is 0.01 percent of our total order value for May and 0.8 percent of our total shipping revenue. Even with this overcharge-total we still did very well.

# Services

## Count of Orders by Service

SERVICES	Count of Charge	Percentage of Total Charges
Ground Residential	7,484	41.98%
Ground Commercial	3,061	17.17%
Worldwide Expedited	1,502	8.43%
2nd Day Air Residential	1,465	8.22%
2nd Day Air Commercial	950	5.33%
3 Day Select Residential	856	4.80%
Next Day Air Residential	736	4.13%
Next Day Air Commercial	649	3.64%
Worldwide Saver	425	2.38%
3 Day Select Commercial	388	2.18%
Worldwide Express	310	1.74%
<b>Grand Total</b>	<b>17,826</b>	<b>100.00%</b>

Interesting to note here that the total count of charge is less than the total on page 2. This is because the number in the above table is the total for the number of actual orders, while the total on page 2 is the number of packages.

This is telling us that for every order placed we ship out about 1.2 boxes.

Although we saw decreases in the number of orders sent, Worldwide Express was the only service that actually saw an increase of 7 percent (not pictured here; see the workbook).

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## UPS Shipping Charge by Service

SERVICES	UPS Shipping Charges	Percentage of Total UPS Shipping Charge	Avg UPS Shipping Charge
Ground Residential	\$ 52,340.47	24.69%	\$ 6.99
Worldwide Expedited	\$ 49,776.98	23.48%	\$ 33.14
Ground Commercial	\$ 22,092.57	10.42%	\$ 7.22
Worldwide Saver	\$ 18,420.77	8.69%	\$ 43.34
2nd Day Air Residential	\$ 14,515.15	6.85%	\$ 9.91
Worldwide Express	\$ 12,836.88	6.05%	\$ 41.41
Next Day Air Residential	\$ 11,019.94	5.20%	\$ 14.97
Next Day Air Commercial	\$ 10,333.77	4.87%	\$ 15.92
2nd Day Air Commercial	\$ 9,828.91	4.64%	\$ 10.35
3 Day Select Residential	\$ 7,314.08	3.45%	\$ 8.54
3 Day Select Commercial	\$ 3,532.90	1.67%	\$ 9.11
<b>Grand Total</b>	<b>\$ 212,012.42</b>	<b>100.00%</b>	<b>\$ 11.89</b>

The highest average shipping charges belong to the international services.

All services saw an increase in this area, with 3 Day Select Commercial and Worldwide Express seeing the greatest increase at 5 percent each (not pictured here; see the workbook).

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## Billed Weight by Service

SERVICES	Billed Weight	Avg Billed Weight
Ground Residential	12,347	1.65
Ground Commercial	10,193	3.33
Worldwide Expedited	4,735	3.15
Worldwide Saver	2,388	5.62
2nd Day Air Residential	1,982	1.35
2nd Day Air Commercial	1,573	1.66
Worldwide Express	1,482	4.78
3 Day Select Residential	1,252	1.46
Next Day Air Residential	1,138	1.55
Next Day Air Commercial	1,114	1.72
3 Day Select Commercial	838	2.16
<b>Grand Total</b>	<b>39,042</b>	<b>2.19</b>

Highest average billed weight goes to the international services, along with Ground Commercial.

This is a trend we see monthly, whereby the “heaviest” packages are the international ones.

All services saw an increase in billed weight, with Ground Commercial seeing the highest at 155 percent (not pictured here; see the workbook).

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## Shipping Charge Corrections

SHIPPING CHARGE CORRECTIONS	Count of Charge	UPS Shipping Charges
Shipping Charge Correction Fuel Surcharge	811 \$	58.04
Shipping Charge Correction Ground	340 \$	426.42
Shipping Charge Correction 2nd Day Air	221 \$	504.88
Shipping Charge Correction Next Day Air	157 \$	530.44
Shipping Charge Correction 3 Day Select	120 \$	193.70
Shipping Charge Correction Expedited	19 \$	159.92
Shipping Charge Correction Worldwide Saver	1 \$	7.79
Shipping Charge Correction Express	1 \$	5.41
<b>Grand Total</b>	<b>1,670 \$</b>	<b>1,886.60</b>

Shipping charge corrections occur when we tell UPS that a package has a certain set of dimensions or a weight which is actually not what UPS measures. The above charges are the differences in price between what we report and what UPS measures.

The total amount for these charges made up only 0.6 percent of our total shipping revenue and only 0.08 percent of our total order subtotal, so no need to worry too much about these fees.

## Address and Residential Surcharges

RESIDENTIAL AND ADDRESS CHARGES	Count	Charge	UPS Shipping Charges	Avg UPS Charge
Residential Surcharge	10,824	\$ 24,942.84	\$	2.30
Address Correction Ground	27	\$ 351.00	\$	13.00
Address Correction Expedited	13	\$ 169.00	\$	13.00
Address Correction 3 Day Select	11	\$ 143.00	\$	13.00
Address Correction 2nd Day Air	8	\$ 104.00	\$	13.00
Address Correction Next Day Air	5	\$ 65.00	\$	13.00
Address Correction Express	3	\$ 39.00	\$	13.00
Address Correction Worldwide Saver	2	\$ 26.00	\$	13.00
Residential Adjustment	1	\$ 2.82	\$	2.82
<b>Grand Total</b>	<b>10,894</b>	<b>\$ 25,842.66</b>	<b>\$</b>	<b>2.37</b>

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### Unaccounted for Charges

Unaccounted For	Count	Charge
Residential	55	\$ 130.54
Address	58	\$ 754.00
<b>Total</b>	<b>113</b>	<b>\$ 884.54</b>

The Unaccounted for Charges are the charges which were not originally factored into the shipping cost of the package.

Obviously we want to avoid these, but the total dollar value of the unaccounted for charges is such a small amount that it is negligible. Nice work!

## Delivery/Extended/Remote Area Surcharges

DELIVERY/EXTENDED/REMOTE	Count of Charge	UPS Shipping Charges	Avg UPS Charge
Delivery Area Surcharge	902	\$ 2,737.25	\$ 3.03
Delivery Area Surcharge - Extended	742	\$ 2,694.60	\$ 3.63
Delivery Confirmation Signature	464	\$ 1,322.40	\$ 2.85
Extended Area Surcharge	40	\$ 1,200.00	\$ 30.00
Remote Area Surcharge	11	\$ 237.00	\$ 21.55
<b>Grand Total</b>	<b>2,159</b>	<b>\$ 8,191.25</b>	<b>\$ 3.79</b>

These fees occur when UPS deems the destination of a package to be some level of inaccessibly.

The number of these charges are mostly down from last month (not pictured here; see the workbook).

Out of all the orders which incurred one of the above fees, we suffered only on two of them, meaning we did not factor these fees into the shipping cost of only two packages. That's only 0.09 percent of the total number of orders which incurred these types of fees! Nice work!

## Other Charges

OTHER	Count of Charge	UPS Shipping Charges	Avg UPS Charge
Fuel Surcharge	17,828	\$ 8,370.20	\$ 0.47
Electronic Export Information Fee	35	\$ 350.00	\$ 10.00
<b>Grand Total</b>	<b>17,863</b>	<b>\$ 8,720.20</b>	<b>\$ 0.49</b>