

Dexter: Why Are My Rates Wrong?

This article was written at Dexter revision 3.19.05 on July 30-31, 2005. It is possible that, in the future, this Dexter will change somewhat. So, the screen captures and maybe even the instructions may not be entirely up to date. In any event, this article will still be quite helpful.

Dexter does not limit you as far as how you may want to set your rates. This software provides all carrier rate schedules so that you can switch from one to another. This software provides two methods for setting your markups. Complete control of accessorial fee markup. It is no wonder that sometimes it is hard to get exactly what you want. Especially, if you do not understand what underlies all of this functionality.

Let's say that your rates are not coming up as you would like. Here is what you should do to make sure everything is set as you would like it.

First, I would check to make sure that your postal code is set correctly. If your postal code is not set right, you could be quoting prices for the wrong region.

Specific Options

General

Weights & Measures

Carriers

Markups

Boxes

Manifesting

Help Articles

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Taxation

Weight Scale Type

By what means does your scale offer up information?

Box Size Fudge Value

You may want to increase your box dimensions slightly to improve your chances of not being caught by the carrier police when calculating dimensional weights. We suggest a mere 1/2 inch increase.

Box Dimension Increase inch

Zone Chart

What is your postal code. This information is needed so that Dexter can determine the zone to be shipped to.

Reset the carrier zone charts based on your postal code as listed in the above box.

So, click on the weight scale button right next to the green house button to open up Specific Options. Navigate to the Weights & Measures area by clicking on the Weights & Measures button. Check to make sure that your zip code is in the box as shown by the pointing arrow. If it is not correct, enter your zip code and then tab key out of this box. The zone chart setting code will run to set your zone charts.

If your postal code is set correctly, we will need to look further into the program to figure out the problem. Since you are in the Specific Options area, let's look at another area to see if the problem might be there. Click on the Markups button.

What markup method are you using to set your markups. If you are using Quick Markups, you should

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Markup Method

There are two ways to markup your rates with Dexter: (1) you can set markups for specific services only, thus you cannot get too specific about the markups you use; or (2) you can use our extensive markup tool to markup each and every rate for each and every service carried by each and every carrier. Tool Number One can accomplish your markups in a matter of minutes and tool Number Two may take a couple of hours.

If you have used both tools to set up two different sets of rates, you can toggle back and forth above to change the way Dexter will acquire rates.

Rate Schedules

Upon which carrier rates are you basing your markups?

DHL

FedEx Air

FedEx Ground

USPS

UPS

be using the little pencil button to set your markups. This little pencil button is the fifth button from the right on the button bar at the top of the Dexter window. This is the tool that allows you to set dollar and percentage markup for each service a carrier provides. You are not allowed to set markups for individual zones, or weights with this tool, but it does provide a quick and easy way to set markups.

If you are using Extensive Markups, you should be using the red calculator button to set your markups. This is the tool that allows you to set dollar and percentage markups for each weight of each zone for each service a carrier provides. It allows for complete control of your markups, but may take quite a bit of time to set your markups.

At the bottom of the Markups area of Specific Options, is the Rate Schedules area. Do you have your rate schedules set correctly? For instance, if you want to be basing your rates of FedEx Air Tier 4, is it set that way? If any of these rate schedules are set incorrectly, set the rate schedule correctly and then let Dexter run the code that will rebuild your rate schedule. If you are using Extensive Markups, Dexter will ask to reset your tables using the same markups you have previously set into your system. Do allow this to happen.

Okay, that hasn't fixed the problem.

We need to check to make sure that all of the zone charts are set correctly. It is possible that we do not have one or more of the zone charts for your zip code. We can check this by clicking on the Help menu, going to About this Software.

A listing of the zone charts are shown at the bottom of this form. If you see one of the listed charts is not showing a range where your postal code falls, then this means that Dexter does not contain the zone chart for your area. We have worked on this and we are only missing some of the FedEx zone charts now. All other carrier zone charts are accounted for. We should check this though, especially if the rates and markups you are concerned with are FedEx rates.



If all of the zone charts appear to be set correctly, then we will have to check elsewhere.

Let's make sure that you have set your markups the way you want them.

Like I mentioned above, there are two markup systems and we will have to look at them separately. You can ignore the markup system that does not apply to you. If you are using the Quick Markup system, click on the little pencil button to open the Quick Markup Setter.

Once you have this area open, click on each button for the carriers you use and make sure that you have the correct dollar and percent markups set. Some services have separate letter markups so be sure to check these as well. And some, like shown in the UPS image here, have special settings depending on the state in which you reside. This is for international shipping.

Are your Quick Markups set correctly?

Do note that when setting percentages that you will need to enter, for instance, .35 to get 35 percent, .85 for 85 percent.

If you are using the Extensive Markup tool, you can open this tool by clicking on the red calculator button.

This tool is a bit more complicated due to the fact that you have many more possibilities here.

Let's open this form now.

You will need to set whether you are setting domestic (within the USA) or international rates, the carrier you are interested in looking at, the service and the zone.

If you choose 'All Zones Use Same Ratios' only the first zone will appear on the screen, but all zones for that service will be changed when you set your markups.

Check some of these markups to make sure that they are set the way you want them set.

If you are using this tool,

Quick Markup Setter

UPS Quick Markups

Domestic Shipping Rate Markups

	Dollars	Percent		Dollars	Percent
Next Day Air	\$0.00	50.00%	Letter	\$3.00	0.00%
Next Day Air Saver	\$0.00	50.00%	Letter	\$3.00	0.00%
2nd Day Air A.M.	\$0.00	50.00%	Letter	\$3.00	0.00%
2nd Day Air	\$0.00	50.00%	Letter	\$3.00	0.00%
3 Day Select	\$0.00	50.00%			
Ground	\$0.00	50.00%			

International Shipping Rate Markups

Are you located on the East or West coast?

	Dollars	Percent		Dollars	Percent
International Express	\$0.00	50.00%	Letter	\$3.00	0.00%
Intl Expedited	\$0.00	50.00%			

UPS Standard Codes to Canada

	Dollars	Percent		Dollars	Percent
Canada Express	\$0.00	50.00%	Letter	\$3.00	0.00%
Canada Expedited	\$0.00	50.00%			
Canada Standard	\$0.00	50.00%			

This markup area is used when calculating Quick Markups. The dollar and percentage markups shown here will be used to calculate an entire carrier service, i.e., Express AM. If you want to set markups more specific to the zone and weight of a package, you should use the Extensive Markup tool, then set Dexter to use Extensive Markups in the Specific Options area.

Type a percentages figure into the above boxes as "0.35" in order to get 35%.

Extensive Markup Setter

Get carrier, service and zone ...

Domestic International

Carrier:

Service:

Zones:

Set the weight range and markup ...

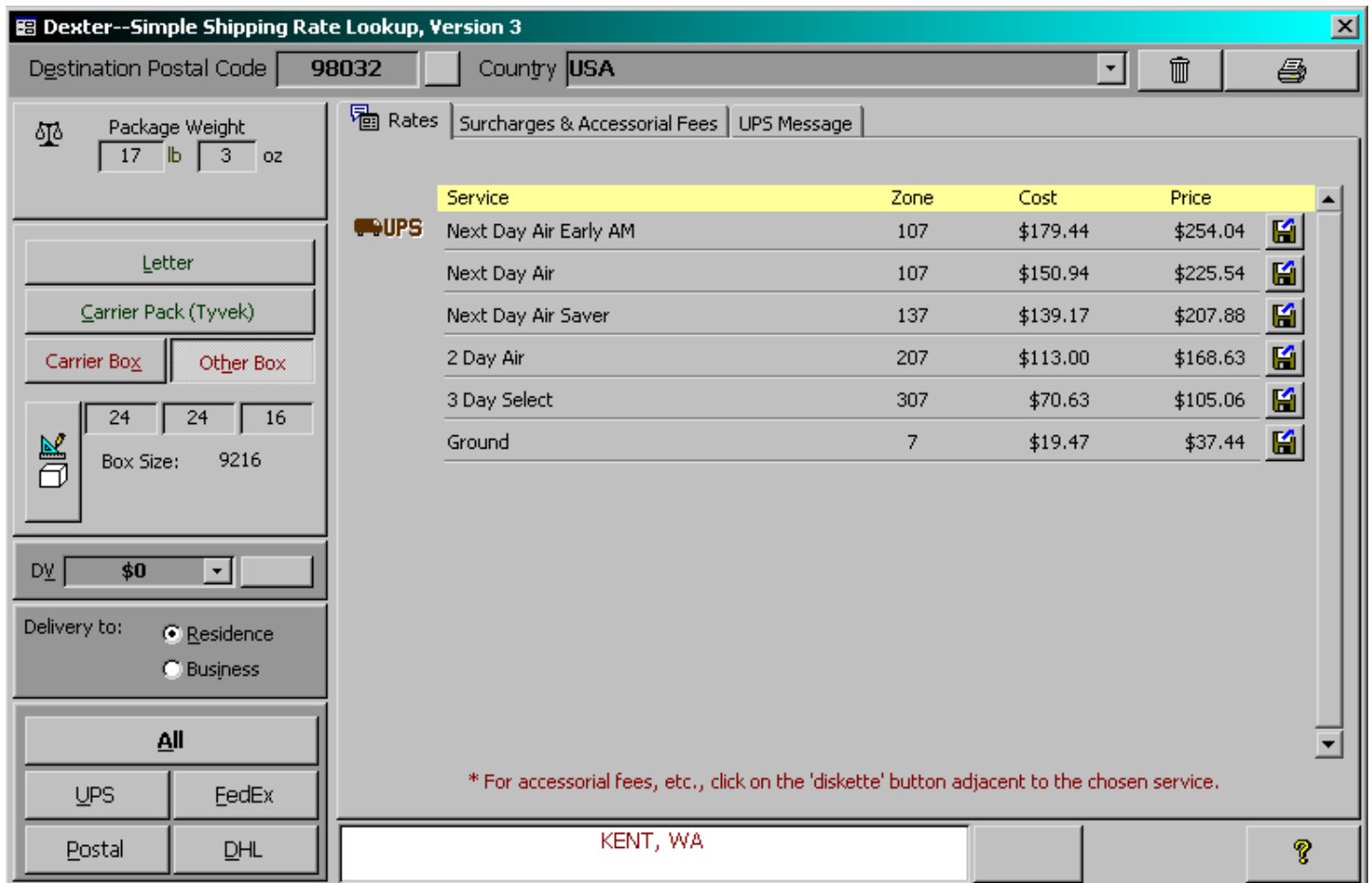
Set the weight range you want to markup: Start Weight End Weight

Set the currency and/or percentage markup: \$ Increase % Increase

Weight Pounds	Cost	Rate	Markup Rates By			Last Updated
			Currency	Percentage	Margin	
1	\$3.62	\$7.24	\$0.00	100.0000%	50.0000%	6/28/2005 (6:58 pm)
2	\$3.67	\$7.34	\$0.00	100.0000%	50.0000%	6/28/2005 (6:58 pm)
3	\$3.70	\$7.40	\$0.00	100.0000%	50.0000%	6/28/2005 (6:58 pm)
4	\$3.88	\$7.76	\$0.00	100.0000%	50.0000%	6/28/2005 (6:58 pm)
5	\$4.06	\$8.12	\$0.00	100.0000%	50.0000%	6/28/2005 (6:58 pm)
6	\$4.14	\$8.28	\$0.00	100.0000%	50.0000%	6/28/2005 (6:58 pm)
7	\$4.38	\$8.76	\$0.00	100.0000%	50.0000%	6/28/2005 (6:58 pm)
8	\$4.54	\$9.08	\$0.00	100.0000%	50.0000%	6/28/2005 (6:58 pm)
9	\$4.69	\$9.38	\$0.00	100.0000%	50.0000%	6/28/2005 (6:58 pm)
10	\$4.85	\$9.70	\$0.00	100.0000%	50.0000%	6/28/2005 (6:58 pm)

you probably already know how to use it. It is fairly intuitive.

Once you are sure that you have your rates set correctly here, and nothing else seems to help, we will have to check a rate to see if you are understanding how rates are calculated. Once the rates are displayed on the shopping form, regardless of the markup method you use, we can check the figures to see if they are correct.



So let's shop a package rate to see what we come up with. Enter 98032 as the postal code, 17 pounds 3 ounces as the weight, Other Box as 24x24x16, Residential, and then run UPS rates. Let's look at the ground figures.

How does Dexter come up with the rate of \$19.47/\$37.44. Click on the diskette button adjacent to the Ground rate. A screen will appear that shows at the top that this is an OS1 package size and will require that you charge for 30 pounds, unless the weight is over 30 pounds. We can now open the Extensive Markup tool to find out what the base rate is for Zone 7 shipments of 30 pounds. The base rate is \$17.62. First let's test the cost rate of \$19.47. How does Dexter come up with the extra \$1.85? Click on the Surcharges & Accessorial Fees page and write down any of the fees there that will affect the ground rates:

Residential Surcharge UPS (Ground)	\$1.50	
Fuel Surcharge UPS Ground	\$.35	Total: \$1.85

That explains the extra charges here.

Now let's figure the markup.

$$\$17.62 + 100\% = \$35.24$$

Residential Surcharge UPS (Ground)

\$1.50

Fuel Surcharge UPS Ground

\$.70*

Surcharge Total: \$2.20

Total Charge: \$37.44

Exactly right.

* I do want you to note that fuel surcharges for markups are made on the markup and not the fee charged by UPS. I will need to change this now that fuel surcharges are getting out of hand by these carriers. I will do this with the next upgrade we do.

You may also want to check the insurance markups to see if you have them set correctly here, but I am not going to do this. It is simple enough and not usually the problem when rates don't appear to be correct.

The last area of interest is the Price Factoring area. This is where you can set the markups you want for surcharges and accessorial fees.

You should click on the aqua calculator button to open Price Factors.

Select a carrier and then select a price factor such as Fuel Surcharge.

In the grey area you will see a carrier factor (what the carrier will charge you) and your factor (if you want to markup the factor up), and a total of the factor that will be used by Dexter.

You should check all of your factors to make sure they are set correctly.

The screenshot shows a software window titled "Pricing Factors". It has two dropdown menus: "Select Carrier" and "Select Pricing Factor". "Select Carrier" is set to "UPS" and "Select Pricing Factor" is set to "Fuel Surcharge". Below these is a list of other pricing factors including "Early A.M. Out of Territory", "Early A.M. Surcharge", "Worldwide Express Plus Surcharge", "Delivery Area Surcharge - Commercial", "Delivery Area Surcharge - Residential", "Extended Area Surcharge (Package)", "Extended Area Surcharge (Pound)", "Residential Surcharge", "Fuel Surcharge", and "Dimensional Weight Factor".

Below the list, the "Description" and "Explanation" for the selected "Fuel Surcharge" factor are shown. The description is "Fuel Surcharge" and the explanation states: "UPS reserves the right to institute a fuel surcharge on some or all shipments without prior notice. This surcharge may apply to any domestic or interantion transportation or other charges, inclding, but not limited to, any accessorial charge or srcharge. This surcharge will be applied to such services and for sich periods as UPS, in its sole discretion, may determine necessary. The current fuel surcharge is described at UPS.com."

At the bottom, there is a table for "Carrier Factors", "Your Factors", and "Total Factors".

Carrier Factors	Your Factors	Total Factors
Is this in regard to percentages? <input checked="" type="checkbox"/>		
Domestic Percent Air	9.5	9.50
Domestic Percent Ground	2	2.00
International Percent Air	9.5	9.50
International Percent Ground	2	2.00

Buttons at the bottom right include "Set Carrier Service List" and a help icon.