# Using Selling Price Bands Transcript

Price Bands let you pre-set price levels according to the volume and type of business you might expect from your customers. The calculation for each level may be unique per product, allowing flexibility on pricing competitive products versus non-competitive, or high margin items versus low. Let's walk through the process to create a price band for a specific product, add a Selling Price Rule with a price band and then use that on a sales document. You should be familiar with Price Rules prior to taking this course. Make sure you watched the Using Selling Price Rules course before moving on.

Price bands are set within Product Properties on the Selling Bands tab. Here, we have a product with three Bands set. Each Band can be given a Description that explains the sales volume and related pricing. A Best Practice is to set Band 1 to the full retail price and each higher numbered band with progressively lower prices. The number of Bands available for use is a System Option setting.

The Calculation Type determines the Actual Price. They include: Price which are values you enter and maintain, the Standard Sell Price, the Calculated Buy Price which is the average cost with additional, Last Cost with Additional, or the Standard Buy Price. For all types with exception of Price, the values are taken from the Prices tab for the Branch or Company.

The most common are Standard Sell Price or Standard Buy Price. Price is not recommended due to the increased maintenance that comes with having actual prices stored on each band. In this case, each band uses the product's Standard Buy Price plus a Markup percent. The Markup values decrease for Band 2 and then 3, to calculate the Actual Price.

There are lots of ways to set the Band prices. Depending on the Calculation Type selected, you can enter values into any of the Sell Price, Actual Price, or Discount/Markup 1 and 2 columns. For example, if we want to earn a certain Margin percent, enter those values for each Band. All other columns are automatically recalculated. Once set, Save and Close the product properties.

Unless selected directly during order entry, price rules are required to invoke the use of a Price Band! Here we've started a New Selling Price Rule. We selected Price Profile and Product Group for the Rule type, Large Contractor for the Price Profile, and Lumber for the Product Group. We chose Use This Price Band as the Calculation method, and from the drop-down list, we select the band level to use.

You can apply further Discounts to the rule. Enable the Use lower band if missing check box to have the system use a lower band level if the one chosen has not been set on all products. In this case, the system would use prices from band two and then band one if there were no price set at level three.

Click the Add button. The system retains most of the entries from the last rule added for use with the next entry. To give Large Contractors this same pricing for products in the Building Materials group, simply change the Product Group, and then set the level for the calculation method. When finished adding rules, Close the window.

Here we started a new sales order with a Customer assigned the Large Contractor profile and added two products to the order. Let's open the first line and review the Price Calculation tab. We can see that the rule used is Price Profile and Product Group Based on Selling Band 3. The system also shows the markup percent to earn the desired margin. Click the down arrow to view the second order line. When we select a product where there is no applicable Price Band, the system bases the price on the Standard Selling Price for the Branch or Company.

You can select a Price Band during sales entry. You can access Price Bands from within Order Line Properties. Click on the Price Bands button. This opens a new window with full details on the Bands available to choose from. Highlight the one to use and then click OK.

The amount from the Band becomes the Selling price and text beside the Total indicates where the price came from. Another way to select a Band is from the drop-down list which displays only the Band number, price and UOM.

Price Bands let you set selling prices using a tiered system, which can then be used within a rule to establish a customer pricing strategy. You should be able to

set up a band using Product properties and then use it within a Price Rule. Manually selecting a Price Band during sales entry will allow you to increase customer loyalty while maintaining margins.

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