collisionlink®

COLLISION VISION

CollisionLink Shop Enhancements

UPFRONT PRICING
QUICK START GUIDE

This quick start guide will provide you all the information you need to take advantage of the Upfront Pricing feature.

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SETTING UP PRICING FORMULAS

Upfront Pricing formulas give you the ability to display competitive part prices for non-OE specified parts to your CollisionLink buyers before they ask for a quote—incentivizing them to order your OE-part equivalents.

You can display Upfront Pricing to all shops or assign formulas to a specific shop, ensuring the correct OE part price is automatically displayed against the non-OE parts on their estimates. View the order in which pricing formulas are applied.

CollisionLink allows you to provide different Upfront Pricing based on manufacturer parts program eligibility:
PMA Part Pricing Formulas—These will be applied to non-OE specified parts that qualify for a manufacturer-sponsored reimbursement program.
Non-PMA Part Pricing Formulas—These are applied to non-OE specified parts that do not qualify for a program.

Upfront Pricing will be applied using this hierarchy:
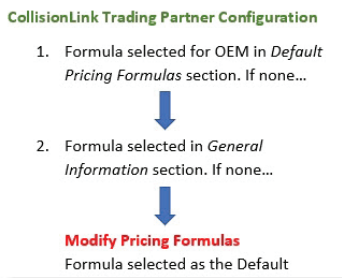
To set up Upfront Pricing:
Step 1: Create your Upfront Pricing formula(s) and select the most common one as the default.
Step 2: Set up default Upfront Pricing for shops
Step 3 (Optional): Assign Upfront Pricing formulas to specific shops.

Step 1: Creating Upfront Pricing Formulas

With Upfront Pricing formulas, CollisionLink will calculate the part's OE price based on the OE list price, dealer cost for the OE part, or the estimated list price of the non-OE part.

To set up Upfront Pricing formulas:
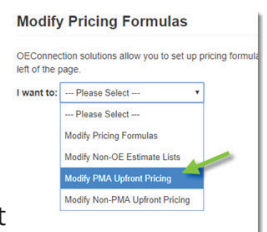1. From the CollisionLink tab, click **Application Setup**.

2. Click **Modify Pricing Formulas**.

3. Select one of the following formula types from the **I want to** drop-down:

   Modify PMA Upfront Pricing: When applied to an estimate in CollisionLink Shop, the non-OE part lines in the shop's estimate will display the Upfront Pricing for any equivalent OE part that qualifies for a manufacturer program.

   Modify Non-PMA Upfront Pricing: When applied to an estimate in CollisionLink Shop, the non-OE part lines in the shop's estimate will display the upfront price for any equivalent OE part that does not qualify for a manufacturer program.

4. Click **Add Formula** to start.

5. Complete the following in the **Add Formula** section:

Type an easy to recognize **Name** for the formula.
Type an appropriate **Description** for the formula.
Click the **Field** drop-down and choose one of the following options:

      Cost: Dealer cost
      List: OE list price
      Non-OE Est. List: Estimated list price for the shop of
      the non-OE part

Click the **Operation** drop-down and select one of the following options to calculate the shop OE price:

      Plus: Increase the OE list, dealer cost, or non-OE estimate list price by a specified percentage rate.
      Minus: Decrease the OE list, dealer cost, or non-OE estimate list price by a specified percentage rate.

Type the discount percentage in the **Rate %** field.
Type a desired amount in the **Minimum Markup %** field. This will prevent the Upfront Pricing formula from going lower than the established percentage (above the dealer cost) for the OE part.
Notes:
  • The Minimum Markup % field does not include any reimbursements you will receive from the manufacturer.
  • Selecting the Cost option from the **Field** drop-down will disable the Minimum Markup % field.
  • Entering a negative value in this field will allow the upfront price to fall below dealer cost.
  • To protect your profit, be sure not to enter a negative value in this field for your Non-PMA Upfront Pricing, as you will not receive manufacturer reimbursements for parts in this category.

6. Click **Add** to save the formula.
7. If you would like to create multiple Upfront Pricing formulas for shops you do business with, click **Add Formula** and repeat steps 4 through 6 above.
8. Click the option to the left of a formula to set it as your default. This formula will be used to apply Upfront Pricing to any shop that is not assigned a specific pricing formula.

9. Once you have added all your formulas, click **Save** at the bottom of the Setup window.
10. If you would like to add formulas for the other Upfront Pricing type (PMA Upfront Pricing or Non-PMA Upfront Pricing), select it from the **I want to** drop-down and repeat Steps 4 through 9 above.

11. Once your formulas are added, your Upfront Pricing will display in estimates within CollisionLink Shop.

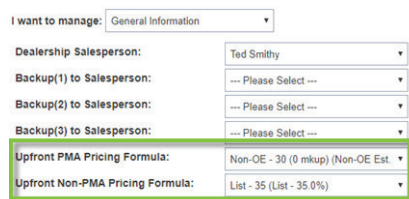## Step 2: Set Up Default Upfront Pricing

CollisionLink allows you to set up a default trading partner that will apply all established settings to any trading partners you add. Using CollisionLink's default trading partner, you can set up default PMA, non-PMA, and OEM-specific Upfront Pricing formulas for all added trading partners.

To set up default Upfront Pricing for all trading partners:
1. Click **Application Setup** from the left-hand navigation menu.
2. Click **Trading Partner Configuration**.
3. Under the **Default Trading Partner Settings** heading, double-click the *CollisionLink default row*.
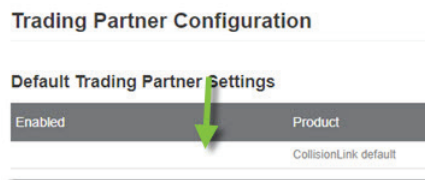

4. The default trading partner settings window will open. Select a formula from the **Upfront PMA Pricing Formula** and the **Upfront Non-PMA Pricing Formula** drop-downs to apply formulas for all OEMs.

-or-
To apply Upfront Pricing formulas for specific OEMs:
1. From the **I want to manage** drop-down, select *Default PMA Upfront Pricing* or *Default Non-PMA Upfront Pricing*.
2. For each OEM you wish to apply a default Upfront Pricing formula to *for all added trading partners*, select an Upfront Pricing formula from the OEM drop-downs.
3. If you would like to add formulas for the other Default OEM Upfront Pricing type *(PMA Upfront Pricing or Non-PMA Upfront Pricing)*, select it from the **I want to manage** drop-down and repeat sub-step 2 above.
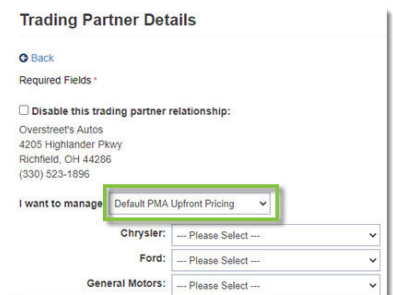
5. Click **Save** when complete.

Step 3 (Optional): Selecting Specific Formulas for a Shop

The default Upfront Pricing formulas you created in step 1 should apply to most collision shops you do business with. However, you may have some customers that you give a different rate to for OE parts and/or receive a different discount on non-OE parts from their aftermarket suppliers. CollisionLink allows you to add a specific formula to just these shops or apply a formula to a shop's parts for specific OEMs.

To add a formula to a specific shop:
1. From the CollisionLink window, click **Application Setup**.
2. Click **Trading Partner Configuration**.
3. Double-click the trading partner to whom you wish to apply specific Upfront Pricing formulas.
4. Select *General Information* from the **I want to manage** drop-down.
5. Select a formula for both the **Upfront PMA Pricing Formula** and the **Upfront Non-PMA Pricing Formula** options.
6. Click **Save** when complete.

You can also establish Upfront Pricing formulas for each shop depending on OEM.
To add an OEM-specific formula to a specific shop:
1. From the CollisionLink window, click **Application Setup**.
2. Click **Trading Partner Configuration**.
3. Double-click the trading partner to whom you wish to apply OEM-specific Upfront Pricing formulas.
4. Select *Default PMA Upfront Pricing or Default Non-PMA Upfront Pricing* from the **I want to manage** drop-down.

5. For each OEM you wish to apply a default Upfront Pricing formula to for the selected trading partner, select an Upfront Pricing formula from the OEM drop-down.

6. Click **Save.**
7. If you would like to add a formula to the other Default OEM Upfront Pricing type (PMA Upfront Pricing or Non-PMA Upfront Pricing), select it from the **I want to manage** drop-down and repeat Steps 5 and 6 above.

UPFRONT PRICING STRATEGIES

CollisionLink's Upfront Pricing allows you to set up pricing in three ways:

1. Non-OE Estimate List Price Formula for Parts Eligible for OEM Reimbursement

(PMA Eligible)

- On average, OE conversion parts eligible for OEM reimbursement sell 25% below the Non-OE List Price.
  - ◆ Please refer to your OEM specific details as some OEMs allow for more aggressive pricing options.
- If you create a Non-OE List Price Formula – 25%, you should be competitive.
  - ◆ Some shops receive larger discounts from their vendors and may require a more aggressive discount.
- Setting a Minimum Markup % will ensure your Upfront Pricing Formula does not lead to selling parts at a loss. Setting your Minimum Markup % to Cost – 5% should lead to an acceptable return once the OEM's reimbursement is factored into the total selling price, but this needs to be reviewed based on your OEM and dealer's business rules.

Example based on above:
- ◆ (Non-OE Estimate List Price – 25%) / Minimum Markup % = – 5%
- ◆ Using the formula above and dealer cost for the OE Part is $100 the shop will see:

Type	Description	Qty Req	Est. Price	OE List	Upfront Price
AM	Frt Bumper Cover	1	$120.00	Buy OEM: $166.00	$95.00

- ◆ $120 – 25% = $90, with a Minimum Markup % of -5% the displayed Upfront Price is $95

2. Dealer Cost Plus or Minus Formula for Parts Eligible for OEM Reimbursement

(PMA Eligible)

- On average, OE conversion parts eligible for OEM reimbursement sell to shops at Dealer Cost – 5%.
  - ◆ Please refer to your OEM specific details as some OEMs allow for more aggressive pricing options.
- Creating a Dealer Cost – 5% should lead to an acceptable return once the OEM's reimbursement is factored into the total selling price.
  - ◆ This needs to be reviewed based on your dealer's business rules.

Example based on above:
- ◆ Dealer Cost – 5%

Type	Description	Qty Req	Est. Price	OE List	Upfront Price
AM	Frt Bumper Cover	1	$120.00	Buy OEM: $166.00	$95.00

3. Dealer Cost Plus or Minus Formula for Parts NOT Eligible for OEM Reimbursement
(Non-PMA Eligible)

• A major benefit of CollisionLink is that dealers see 100% of the estimate on every CollisionLink order, and many dealers are very successful at converting not just OEM program parts but also non-OEM program parts to OE part sales.
• On average, parts not eligible for OEM reimbursement sell to shops about 10% above dealer cost.
• Creating a Dealer Cost + 10% or even a slightly more aggressive one should lead to an acceptable return.
  ◆ This needs to be reviewed based on your dealer's business rules.

Example based on above:
◆ Dealer Cost + 10%
◆ In this real life example, dealer cost is $175.00.
◆ $175 + 10% = $192.50

Type	Description	Qty Req	Est. Price	OE List	Upfront Price
AM	Frt Bumper Cover	1	$256.00	Buy OEM: $303.07	$192.50

PROCESSING CollisionLink ORDERS
WITH UPFRONT PRICING

Once you have set up Upfront Pricing formulas in CollisionLink, shops that you have added as Trading Partners will be able to see Upfront Pricing for the OEM equivalents of the non-OE parts on any new estimates they import into CollisionLink Shop.

Note: If you make changes to your Upfront Pricing formulas after the shop has clicked **View Upfront Pricing**, the shop will see the following warning message and need to click **Refresh** to proceed.
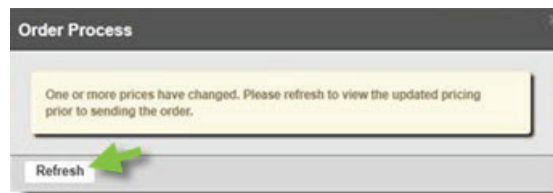
With Upfront Pricing, shops you can do business with can immediately accept your Upfront Pricing for a part by selecting **Accept OEM**. The shop's decision on purchasing OE parts as an alternative to aftermarket parts can be seen in the **Buyer Request** column of the Upsell Parts section in CollisionLink:

Quote--The shop is expecting a quote for the alternative OE parts. Your quote is indicated in the Sell Price column.

OEM Accepted--The shop has accepted the Upfront Price for the OE part and wants to order it. The Upfront Price the shop is expecting to pay is displayed in the Sell Price column and *cannot be changed*.

Do not process--The shop does not need this part line fulfilled.

All other aspects of quotes with Upfront Pricing can be [processed as normal](#).