

Accounting & Technical Support For Petroleum Marketers!

For jobbers who pay commissions based on Gross Profit, the Extended Margin Report is becoming a tool of choice. There are three modifications worth noting that have increased the utility of this tool for commissions.

First, several years back we added a Narrow option so the report would print on normally sized paper. This made the report useable for a lot of people that never bothered to print this report before, as it required condensed print on 17 inch paper.

The second change involves the desire (for commissions, anyway) to manipulate what is considered to be “profit”. Paying off of FIFO profit, as one must do if using the Sales Analysis or the unaltered Margin Report, is not ideal for most jobbers. FIFO cost can vary a lot, usually for reasons the sales rep has no control over. In addition, some jobbers want to “pad” the cost a bit to recoup some operating costs before declaring the balance subject to commissions.

To accommodate this we added an option to the report to use “Alternate Calculations”, which means we run the historical numbers through a custom module to manipulate the cost and profits according to local rules. These might include:

- Look to supplier pricing on fuels, or maybe just tankwagon fuels, to get a different cost basis. Typically the jobber maintains an OPIS vendor or some other baseline we can access for a “posted” cost that changes daily.
- For lubes, we might just add a few cents per gallon to the historical cost from FIFO.
- Or, again for lubes, we might reference what a Prodware price table showed on the date of sale to get an alternative cost.

Whatever the rules applied, the Ext Margin Report then prints the resulting Gross Profit amounts, which becomes the basis for paying commissions on sale.

The third change accommodates jobbers that eventually want to penalize the sales reps for invoices that were never paid or were paid very late. For this, we have added to the Ext Margin Report an option to run for Delinquent items only, with the user entering the number of days late we are to use as a cutoff. This reduces the report to showing only those invoices that were either paid sufficiently late to pass the cutoff, or are currently open and beyond the cutoff for lateness.

If this option is invoked, and if the Alt-Calc option is also invoked, then the report can become a sort of “commission reversal” list