

Graduated Steps Explanation

This document attempts to explain the differences between the way Flex and Version 5 calculate the retail price when using graduated steps (normal steps will be exactly the same in version 5 and Flex). Flex uses a much more accurate method, but it does mean that the same steps and formula in both systems will return different results. Flex is the correct result however.

Example Steps

Max Cost Price	Max Retail Price	Multiplier	
£0.50	£2.15	4.3	
£15.00	£48.75	3.25	
£40.00	£90.00	2.25	Step 2
£999.00	£1,528.50	1.53	Step 1

Steps include all prices UP TO the cost price on each line. In this example, the Item Cost Price is £125, which would fall into the £999 step, because the cost price is between £40 and £999.

In these examples the step which the cost of the item falls into will be referred to as Step 1 and will be written in Red. Step 2 will be the previous step in the list and will be written in Blue.

Flex Calculation

Step 1 Max Cost - Step 2 Max Cost = Step Cost Range

$$999 - 40 = 959$$

Item Cost Price - Step 2 Max Cost = Adjusted Item Cost Price

$$125 - 40 = 85$$

(Adjusted Item Cost Price / Step Cost Range) * 100 = Percentage

$$(85 / 959) * 100 = 8.86\% (8.863399374348279)$$

Step 1 Max Retail Price - Step 2 Max Retail Price = Step Price Range

$$1528.50 - 90.00 = 1438.50$$

(Step Price Range / 100) * Percentage = Step Price.

$$(1438.50 / 100) * 8.86\% = 127.50$$

Step Price + Step 2 Max Retail Price = Final Retail Price

$$127.50 + 90 = £217.50$$

OFW Calculation

(Step 2 Multiplier – Step 1 Multiplier) = Multiplier Difference

$$(2.25 - 1.53) = 0.72$$

Step 1 Max Cost - Step 2 Max Cost = Step Cost Range

$$999 - 40 = 959$$

Item Cost Price - Step 2 Max Cost = Adjusted Item Cost Price

$$125 - 40 = 85$$

(Multiplier Difference / Step Cost Range) * Adjusted Item Cost Price = Multiplier Adjustment

$$(0.72 / 959) * 85 = 0.063 (0.0638164754953076)$$

Step 2 Multiplier – Multiplier Adjustment = Cost Multiplier

$$2.25 - 0.063 (0.0638164754953076) = 2.18 (2.1861183524504692)$$

Item Cost Price * Cost Multiplier = Final Retail Price

$$125 * 2.18 (2.1861183524504692) = 273.27$$