



Software for Hardware® Manufacturer Surcharge – Inputting Surcharges

Background

As you may be aware, the United States and Chinese governments are currently debating trade policy which recently resulted in the United States instituting a 15% tariff increase on select Chinese goods. This affects many products in our industry.

As a result, ASSA ABLOY announced a 3% tariff surcharge on products from Corbin Russwin, Norton, Sargent, McKinney, Pemko, Markar, Yale and Rockwood effective August 1, 2019. (Check with your ASSA rep for exact product list. ASSA becomes the first to announce surcharges but others may follow. While both governments continue to negotiate, neither side predicts any timeline to resolution. Hence, we provide this update to help you correctly price, within Software for Hardware®, the products you sell that are affected by tariff driven price surcharges.

Price Books Will Not Be Updated

The price books you receive will not be updated with the surcharged pricing for two reasons. First, the manufacturers are not changing list prices; ie. price catalogs remain unchanged. Rather, the manufacturer has placed a surcharge % increase on your **net** pricing. To calculate correct pricing, you still begin with list price, apply your discount %, then apply the surcharge %. The price book catalogs remain correct for the list pricing.

Second, given the fluid nature of the government trade negotiations, the tariffs could increase or decrease at a moment's notice. Similarly, the scope of products affected could also change widely and rapidly. Attempting to constantly republish price books could simply become untenable.

Solution: Use the Multiplier Calculator to Input Surcharge Rates

Adjusting your hardware pricing for Contract Jobs or Sales Orders to account for the surcharge is easy via the Multiplier Calculator function within Software for Hardware®. You can find the Multiplier Calculator from the “Calculator” menu option. To modify pricing to include the manufacturer surcharge, while maintaining your margin, add to the Multiplier Calculator a *negative value* surcharge in addition to your current price multiplier. (Step-by-step instructions below.)

Don't Forget - Delete the Surcharge Fees when Tariffs are Retracted

Both governments publicly state intentions to resolve the trade differences and retract the tariffs. If that happens, you simply need to delete the negative values you inputted the affected products.

Your Responsibility to Track and Update Manufacturer Surcharges

Currently, only ASSA ABLOY has announced trade tariff related surcharges. If the tariffs continue, other manufacturers may follow. Please pay heed to manufacturer announcements and be vigilant on updating the “Multiplier Calculator” to insure you maintain your expected margins.

Step-by-Step Instructions

Contract Quotes and Jobs

Step 1: Select Pricing > Hardware and select the hardware item to apply the surcharge

Step 2: Select "Calculator" from menu

Step 3: Select "Multiplier Calculator" from drop-down options

Step 4: Enter your current price DISCOUNT. (Note this is not your multiplier. For example, if your multiplier is .40 then your discount is 60.)

Step 5: Enter the surcharge as a negative discount (-3.0 for the Assa Abloy surcharge)

Step 6: Click "Calculate"

Step 7: Click "Copy"

Hardware Pricing

Calculator Paste Show Tag Numbers

Multiplier Calculator
Net Price Calculator

Job Number: 19-0729 Job Name: Sample Project SC

List Price	Price Multiplier	Net Adds	Net Price	Qty	UOM	Manf Abbr	Item Type	Item Series/Description
983.00	0.1750	0.00	172.03	1	EA	CR	Mortise Lockset	ML2055 - C SA x 7P x MK
941.00	0.1750	0.00	164.68	4	EA	CR	Mortise Lockset	ML2057 - C SA
785.00	0.1750	0.00	137.38	4	EA	CR	Mortise Passage	ML2010 - C SA
15.38	0.4000	0.00	6.15	12	EA	MCK	Hinge - (4-1/2 Std Wt(.134))	TA2714 4-1/2" x 4-1/2"
20.53	0.4000	0.00	8.21	3	EA	MCK	Hinge - (4-1/2 Std Wt(.134))	TA2714 4-1/2" x 4-1/2" NRP

Price Multiplier	Net Adds	Net Price	Qty	UOM	Manf Abbr	Item Type
0.1750	0.00	172.03	1	EA	CR	Mortise Lockset
0.1750	0.00	164.68	4	EA	CR	Mortise Lockset

Multiplier Calculator

Discount% 60

Discount% -3

Calculate

Copy

Close

Calculated Multiplier
.4120

Surcharge value entered as a negative value

Optional: Use the Copy/Paste feature to apply the same Discount and Surcharge to other products

Hardware Pricing

Copy Calculator Paste Show Tag Numbers

Step-by-Step Instructions (cont.)

Sales Proposals and Sales Orders

Instructions for Sales Proposal and Sales Orders also use the Multiplier Calculator and follow the same steps as in Contract Quotes and Jobs.

Step 1: From Sales Proposal, select hardware item to apply the surcharge

Step 2: Select "Calculator" from menu

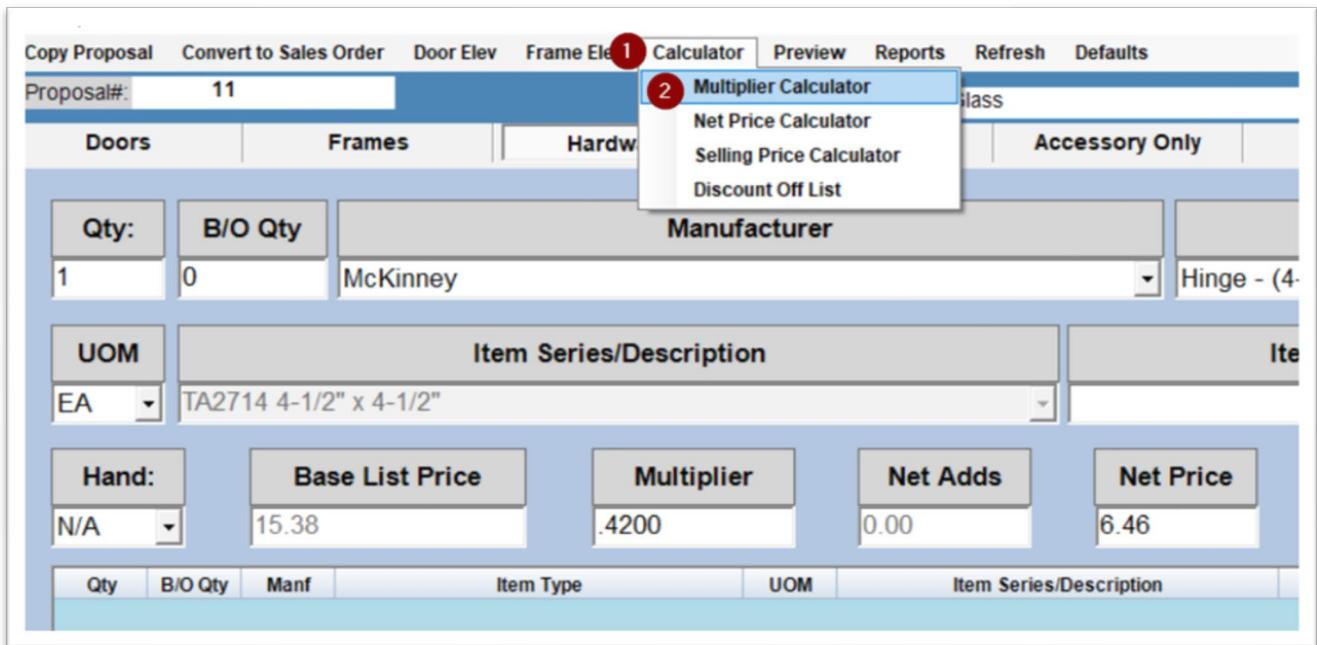
Step 3: Select "Multiplier Calculator" from drop-down options

Step 4: Enter your current price DISCOUNT. (Note this is not your multiplier. For example, if your multiplier is .40 then your discount is 60.)

Step 5: Enter the surcharge as a negative discount (-3.0 for the ASSA Abloy surcharge)

Step 6: Click "Calculate"

Step 7: Click "Copy"



The screenshot shows the SFH software interface for a sales proposal. The top navigation bar includes options like 'Copy Proposal', 'Convert to Sales Order', 'Door Elev', 'Frame Ele', 'Calculator', 'Preview', 'Reports', 'Refresh', and 'Defaults'. The 'Calculator' menu is open, showing options: 'Multiplier Calculator', 'Net Price Calculator', 'Selling Price Calculator', and 'Discount Off List'. The 'Multiplier Calculator' option is highlighted with a red circle and the number '2'. Below the menu, the 'Proposal#' is 11. The 'Hardw' tab is selected. The 'Qty' is 1, 'B/O Qty' is 0, and the 'Manufacturer' is McKinney. The 'UOM' is EA and the 'Item Series/Description' is TA2714 4-1/2" x 4-1/2". The 'Hand' is N/A. The 'Base List Price' is 15.38, the 'Multiplier' is .4200, the 'Net Adds' is 0.00, and the 'Net Price' is 6.46. A table at the bottom shows columns for Qty, B/O Qty, Manf, Item Type, UOM, and Item Series/Description.

Need Help? Contact Us

As always, if you have any questions please do not hesitate to call SFH Support at 770-945-2463 x1 or email us support@softwareforhardware.net



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ASSA ABLOY Architectural Hardware and Accessories Groups Tariff Surcharge

While we had hoped the additional 15% tariff increase on select Chinese goods would be short lived, and potentially repealed during the G20 Summit, it did not come to fruition.

In the past several weeks we have been working diligently with our suppliers and have been able to mitigate some of the financial impact, but we were unable to fully offset the costs.

Effective August 1, 2019, a 3% tariff surcharge will be placed on closer products from Corbin Russwin, Norton, SARGENT and Yale Commercial. A 3% tariff surcharge will also be placed on the Markar, McKinney, Pemko and Rockwood product lines. Impacted products ordered through FLASHship will also be subject to the surcharge. Projects quoted prior to August 1st will not be subject to the tariff surcharge.

Due to the rapidly changing environment, we feel a surcharge is the only viable method to respond quickly to an evolving tariff situation with as little impact to our customers as possible. If the opportunity arises to rescind all or part of this surcharge as government policy changes, we will gladly do so. We will continue to monitor the tariff situation and will only take further action if warranted.

Thank you for your continued support and partnership.

[Announcement](#)