Adjusting Enterprise Fees in OFN Hubs

Hubs often charge a markup to cover their costs but your hub may be selling gift certificates, promotional merchandise, or market boxes that you don't want to charge a markup on, or there may be suppliers you pick up from, which adds to your cost, so you may want to charge a bigger markup for that supplier. You can adjust the markup on products associated with any producer by adding **producer-specific fees**. Your fees can be positive (add-on, traditional fees) or negative (discounts).

OFN combines enterprise-specific and hub-wide fees. You can change the effective markup for a particular supplier without changing your general markup by using supplier-specific fees:

Supplier-specific Fee	General Hub Markup fee	Effective Markup for that Supplier's Products
(none)	18%	18%
12%	18%	30%
-18%	18%	0%

In the example above, if you want to remove the 18% markup on t-shirts or market boxes, you would create a corresponding -18% fee to offset it.

Creating a Supplier-Specific Fee:

If you add your markup fee in the "**Outgoing Products**" part of the Order Cycle Edit screen, the fee applies to all products and all suppliers in your shop. You can also add a positive or negative supplier-specific fee in the "**Incoming Products**" part of the Order Cycle Edit screen to increase, reduce, or offset and effectively eliminate the hub's markup on products from an individual supplier.

Changing the markup on only one enterprise's products is a 3 step process:

- 1. In your Enterprise Settings/Enterprise Fees, create your general shop markup with an Admin Fee
- 2. Create a second Admin Fee that will reflect the effective markup you want when it is combined with your general shop markup Admin Fee
- 3. Apply the fees in your order cycle.

Creating Fees

This hub manager has created 2 fees, one +18% and one -18%

Enterprise Fees						
Search						
ENTERPRISE		FEE TYPE	NAME	TAX CATEGORY	CALCULATOR	CALCULATOR VALUES
OFN USA Demo Hub	~	Admin fee v	Fee Discount -18%	Inherit From Product V	Flat Percent (per item)	FLAT PERCENT: -18.0
OFN USA Demo Hub	~	Admin fee 🗸 🗸	Handling 18%	Inherit From Product V	Flat Percent (per item)	FLAT PERCENT: 18.0

Let's zoom in. The manager is calling the general markup fee "Handling 18%" and it adds a calculated 18%. The second is a -18% fee, which they are calling "Fee Discount -18%", and it will subtract 18%. When both are applied, the two fees will zero each other out.

NAME	FEE TYPE
Fee Discount -18%	admin
Handling 18%	admin

Applying Fees in An Order Cycle

Supplier-specific (Incoming Products): This hub manager is applying the special -18% fee to two enterprises in the "Incoming" part of the order cycle. The enterprises are the hub itself ("Demo Hub") and a second enterprise ("Demo Profile"):

	1. GENERAL SE	TTINGS 2. INCOMING PRODU	JCTS 3. OUTGOING PRODUCTS
		INCOMING	
SUPPLIER	PRODUCTS (EXPAND ALL)	RECEIVAL DETAILS	FEES
Locavore Farms	5 / 24 selected	Receival instructions	ADD FEE
OFN USA Demo Hub	3 / 3 selected	Receival Instructions	OFN USA Demo Hub Fee Discount -18% Remove ADD FEE
OFN USA Demo Profile 2	1 / 1 selected	Receival instructions	OFN USA Demo Hub Fee Discount -18% Remove ADD FEE
Producer	19 / 19 selected	Receival instructions	ADD FEE

General Markup: (Outgoing Products) The hub manager applies the fee they called "Handling 18%" that will apply to all products in the "Outgoing Products" part of the order cycle:

1. GENERAL SETTINGS 2. INCOMING PRODUCTS 3. OUTGOING PRODUCTS						
			OUTGOING			
DISTRIBUTOR	PRODUCTS (EXPAND ALL)	TAGS	DELIVERY DETAILS			FEES
OFN USA Demo Hub	27 / 27 selected	1	Demo- Do Not Order Hub Demo Pick up at our location	0 0	OFN USA Demo Hub Handling 18% Remove ADD FEE	

The price breakdown "pie chart" in your shop's product listing tells shoppers where their money goes by listing added fees, as in this example where the hub manager applied a general markup 18% admin fee :

	Maple Syrup,Fancy bottle Fancy glass bottle of pure maple syrpup. from Producer				
	fancy bottle 8 oz. fancy bottle	\$8.85 Price breakdown	\$0.00		
	Fancy bottle 16 oz. fancy bottle	ltem cost	\$7.50		
		Admin fee	\$1.35		
	fancy bottle		= \$8.85		

When the fees are of the same type (like "Admin" fees as in our examples) they are added together in the pie chart. In this example the hub manager applied the -18% (discount) admin fee to offset the general 18% markup to two enterprises and they balance out, so no markup is applied or shown for products from either enterprise:





Please see more examples and explanations in the "Fees" section of the <u>Open Food</u> <u>Network User Guide</u>.