



## Costing Methods

This new feature from software version 36828, allows you to add special costing methods to formulations. This is particularly useful in the following circumstances:

1. You use manufacturing methods which increase the cost of a product beyond the cost of the ingredients. In this case you can add a costing group with a fixed cost per formulation.
2. You are in a volatile market for ingredient prices and want to add an additional percentage cost per formulation. Here you add a Cost Uplift percentage.
3. You have formulations of variable length and want to include a cost per ingredient, to reflect the manufacturing time. Here you add a Cost per Component.

### Using Costing Methods

The first step is to set up your own costing methods, which represent the additional costs per cost group.

Cost Methods options are highlighted below, (you do not need to enter all the options, it depends on your additional costs)

The screenshot shows a software window titled 'View a Costing Method'. At the top, it says 'On this page you can view a existing Costing Method.' Below this is a dropdown menu labeled 'Select a Costing Method' with 'Costing Method A' selected. The main area is titled 'View a Costing Method' and contains several input fields:

Name	Costing Method A
Description	
Formulation Fixed Cost	5
Formulation Cost Per Component	10
Formulation Cost Uplift Percent	15 %
Is default	<input type="checkbox"/>

Red arrows point from text boxes to these fields:

- An arrow points from the text 'Adds 5 to formulation cost, after adding any uplift' to the 'Formulation Fixed Cost' field.
- An arrow points from the text 'Adds 10 per ingredient in the formulation. E.g. if 4 ingredients in formula adds 40' to the 'Formulation Cost Per Component' field.
- An arrow points from the text 'Adds 15% to the basic cost of the formulation' to the 'Formulation Cost Uplift Percent' field.

The method below adds 12 to the formulation cost:

**Add a New Costing Method**

On this page you can add a new Costing Method.

**Create a new Costing Method**

Name

Description

Formulation Fixed Cost

Formulation Cost Per Component

Formulation Cost Uplift Percent  %

Is default

Add the costing methods to your appropriate formulations to check they work as you'd expect. Initially, everything is Default:

**View a Formulation** Edit | View

On this page, you can view details of a Formulation.

**Information**

**Key Details** | Certification | Classification | Composition | Properties | Attachments

Code

Experimental Code  Alternative Code

Name

Short Name

Description

Comment

Active  Availability

Item Class

Item Uses

Item Group

Use In Complex Raw Materials  Yes  No

State  Unit of Measure

Current Cost Price  GBP Price Date  E.g. d/m/yyyy

Yield  % Costing Method

Prevent Explosion  Yes  No

Modify, select your new cost method and save. You see the effect of the cost when you then view the item:

**View a Formulation** Edit View Composition Print C

On this page, you can view details of a Formulation.

**Information**

**Key Details** Certification Classification Composition Properties Attachments Documents

Code RECAST  
 Experimental Code RECAST Alternative Code  
 Name RE Costing Example  
 Short Name  
 Description  
 Comment

Active Active Availability  
 Item Class Fragrance Formulation  
 Item Uses Any Item Type  
 Item Group ---None---

Use In Complex Raw Materials Yes No  
 State ---None--- Unit of Measure kg  
 Current Cost Price 34.9 GBP Price Date 08/08/2019 E.g. d/m/yyyy  
 Yield 100 % Costing Method Group 1  
 Prevent Explosion Yes No

If this formulation is contained in another formulation, it uses the altered cost, and this is reflected on screen too

**View Composition of this Formulation** View Add Insert Delete Undo ReDo Full Screen Other Menus Cancel Help

RECAST2 (View only - changes cannot be saved)

**Edit History**  
 Edit History Original Composition

**Properties**  
 Mode Edit Mode Yield 100 %  
 Code RECAST2 Total Price 18.7 GBP(Default)  
 Availability 0 Components Count 2  
 Total Concentration 100 Adjust all components Adjust selected components

**Composition**

Seq	Code	Name	Concentration	Extended Price	Unit Price	Component (%)	IFRACLS04.A	(?)
1	RECAST	RE Costing Example	50	17.45	34.9	= 100%		(?)
2	RM014	Dipropylene glycol	50	1.25	2.5	= 100%		

When adding a new formulation, you have the option to select a costing method

**Add a New Formulation**

On this page, you can add a new Formulation.

**Formulation** | Development Job | Attachments

**Name**

Item to Modify

Item Type  **Item Class**

**Item Code Sequence**  **Code**

Task

Yield  % **Costing Method**

**Item Count**

Cost Price  ~  GBP

Require review

Reviewer

**Duration**  ~  E.g. d/m/yyyy

Application Scenario  Application Scenario  No Application Scenario

**If you have a product with a yield**, which also has a costing method, the cost calculation undertakes effect of yield on the base cost, then adds the effect of costing method. In the following example, base cost = £22.90. yield 90%, cost method adds £12, hence  $100/90 * 22.90 + 12 = £37.44$

**Add a New Formulation**

On this page, you can add a new Formulation.

**Formulation** | Development Job | Attachments

**Name** RECOST 3 with yield

Item to Modify RECOST

Item Type  **Item Class**

**Item Code Sequence**  **Code**

Task

**Yield**  % **Costing Method**

**Item Count**

Cost Price  ~  GBP

Require review

Reviewer

**Duration**  ~  E.g. d/m/yyyy

Application Scenario  Application Scenario  No Application Scenario

**Add a New Formulation** Interim Save View Add Insert Delete Undo ReD

**RECAST 3 with yield**

**Edit History**  
 Edit History: Original Composition

**Properties**  
 Mode: Edit Mode  
 Code: RECAST3  
 Availability: 0  
 Total Concentration: 100  
 Yield: 90 %  
 Total Price: 37.4444  
 Components Count: 4  
 GBP(Group 1)  
 Adjust all components  Adjust selected components

**Composition**

Seq	Code	Name	Concentration	Extended Price	Component (	IFRACLS04.A	(?)
1	TRM020118	TEST RM 020118	15	2.4		= 100%	
2	TRM011118	TEST RM 011118	50	10		= 100%	
3	TRM010319	TEST RM 010319	20	1.5		= 100%	(?)
4	TRM010219	TEST RM 010219	15	9		= 100%	(?)

You can search in **Find Matching Items** to find items with particular costing methods:

**Find Matching Items** Search Reset Print Print Documents & Labels Export View Details

On this page you can search for Items by specified conditions.

**Find Matching Items**

Code: [Text Box]

Name: [Text Box]

Description: [Text Box]

Comment: [Text Box]

Identification Numbers: **Identification Numbers**

Composition Type:  Raw Material  Formulation

Item Class: **Formulation**

Has Composition: ---Any---

Used in Complex Raw Materials: ---Any---

Used in Formulations: ---Any---

Preserve When Exploding: ---Any---

Prevent Explosion: ---Any---

Costing Method: **Group 1**

Yield: = [Text Box]

Component Count: = [Text Box]

Active:  Active  Possible  Inactive

Library:  Core Library  General  Exclusive

State:  Solid  Powder  Liquid

Unit Price: [Text Box] ~ [Text Box] GBP

Unit of Measure: = [Text Box]

Property: [Text Box]

Support  Suspense  
 Viscous Liquid  Not Applicable

When you modify a costing method to adjust the factors, the revised cost for affected items is updated when you recalculate costs in Automatic Processing. Or you can calculate costs for individual items if you want to see the effect immediately.

**Modify a Costing Method**

On this page you can modify or delete a existing Costing Method.

**Select a Costing Method**

Costing Method

**Modify a Costing Method**

Name

Description

Formulation Fixed Cost

Formulation Cost Per Component

Formulation Cost Uplift Percent  %

Is default

**Automatic Processing** Start | Schedule | Cancel | Help

On this page you can start or schedule Automatic Processing.

**Automatic Processing**

Recalculate For Property Type    Time Limit  minutes  
 Property Calculation    Time Limit  minutes  
 Record Snapshot    Time Limit  minutes  
 Revise Documents    Time Limit  minutes  
 Determine Documents Required    Time Limit  minutes  
 Calculate Composition Costs    Time Limit  minutes

Updated costs after recost shown below:

**Find Matching Items** Search | Reset | Print | Print Documents & Labels | Export | View Details | Check Suitability | Add to Basket | Add from Basket | Search for Item | Cancel | Help

On this page you can search for Items by specified conditions.

**Find Matching Items**

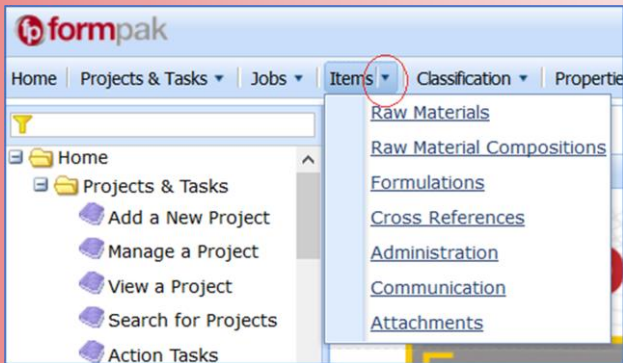
	Name ^	Code ^	Unit Price ^	Availability ^	Suitable
<input type="checkbox"/>	RE Costing Example	RECAST	37.9GBP		N/A
<input type="checkbox"/>	RECAST 3 with yield	RECAST3	40.4444GBP		N/A
<input type="checkbox"/>	RECAST2	RECAST2	20.2GBP		N/A

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## Mini Tip

Click the top menu drop down button to expand the menu in a specific area.



Note.. you need to click 'Home' to go back to the full menu.

To see previous 'Tip of the Month' articles, please see [here](#).

All of our training and support material can be accessed from our **Support Centre**. The Support Centre is available 24/7 and is a great resource to use at your convenience. It includes:

- Over 100 training and support articles
- Links to training videos
- Quick Start Guides
- The Formpak Training Matrix

The Support Centre can be accessed on the Home screen of Formpak software or via the following link: [https://formpak-software.com/Support\\_Centre/Pages/Support\\_Centre.html](https://formpak-software.com/Support_Centre/Pages/Support_Centre.html)

You can contact us by **Email** or **Telephone** - Email: [support@formpak-software.com](mailto:support@formpak-software.com) / Phone: +44 (0) 1235 250 020 Our Support Team are available Monday – Friday 8:30 to 17:30 (GMT)

The Formpak **Help Centre** is included directly in Formpak software, just press the 'Help' button to access it. The Formpak Help Centre offers explanations for each function of the application as well as a glossary of the technical terminology used.

View our **YouTube** channel with lots of helpful guides and information about Formpak <https://www.youtube.com/user/FormpakSoftware/videos>