

Minimum Order Value Decision Worksheet

Use one sheet per customer segment or service model. The worksheet helps structure the decision; it does not prescribe an industry benchmark.

Input	Your figure / rule	What to verify
Incremental handling + delivery cost		Which costs actually change with one more order?
Gross margin % on relevant mix		Use the served basket, not a company average by habit
Required contribution above cost		What must the order contribute?
Indicative MOV		$(\text{cost} + \text{required contribution}) / \text{margin \%}$
Exception owner		Who can approve and why?
Review measures		Orders below MOV; AOV; density; lost orders; exceptions

Worked calculation

Use your own figures. Example formula: $(\text{incremental cost} + \text{required contribution}) / \text{gross margin \%}$.

Incremental cost	+ required contribution	= required gross profit	/ margin %	= indicative MOV

Stress-test the rule

• What happens if margin shifts to a lower-margin product mix?

• Is the customer already on a dense route you are driving past?

• Does the order require unusual dwell time, handling or a special vehicle?

• What customer or commercial agreement justifies an exception?

Exception log

Use this during the first review period. Exceptions are management data: they show where the rule and the real operation disagree.

Customer / segment	Order value	Decision	Reason	Approver

First review

Record the evidence before changing the threshold.

Measure	Before	After	What changed?
Orders below MOV			
Average order value			
Route density / stop economics			
Lost / moved orders			
Exceptions by reason			

Keep credit control separate from MOV. An order can clear one rule and fail the other.

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