

JD EDWARDS WORLD ADVANCED PRICING



*Align pricing to
product and market
strategy.*

*Stimulate sales with
flexible pricing
options.*

*Ensure profitability
with automated price
controls.*

The Issue: Targeted Pricing in Complex, Customized Environments

Essential to customer-driven marketing is offering the right price to the right target market— while optimizing profitability. As a result, you must effectively manage multiple prices and discounts to cover varying sales situations.

To further complicate transaction price management, you may need to manage overlap-ping promotions, special allowances, contracts, commodity-based pricing, rebates, accruals, and even free goods. Without sophisticated pricing tools, labor-intensive pricing execution can consume your sales and marketing staff.

In addition, the customer service and financial costs of pricing mistakes can be high. Research shows that a mere one percent price decrease for an average company can eliminate

11.1 percent of operating profit. “Improving transaction price management may be one of the most attractive and over-looked profit enhancement opportunities available to most managers.” (“Managing Price, Gaining Profit,” Harvard Business Review, October 1992.)

The Solution: Flexible Pricing Execution

Oracle’s JD Edwards World Advanced Pricing allows you to manage even the most complex and volatile sales environments effectively. You can make adjustments to base prices that reflect numerous criteria, including market segment, item unit of measure, supply point, line of business or end use, delivery mode and distance, tax and duty, payment terms, currency, exchange rate, and effective dates.

Advanced Pricing provides a wide range of methods for calculating price adjustments:

- Set a specific markdown amount.
- Define a percentage of list or net price.
- Establish a cost-plus amount.
- Develop a discount formula that pulls from variable data, such as selected sales order line details or a commodity price table.
- Exit to a custom pricing program.

Advanced Pricing also enables sophisticated basket pricing. For example, you might offer a 10 percent order discount if the customer buys 20 boxes of batteries, no matter what combination of lithium, AA, or 9-volt. If you define batteries as a basket, the system uses information in each order line to calculate the number of boxes ordered. If the discount eligibility requirement is met, a new line is written to the sales order, adding the 10 percent adjustment. You can also vary the discount percentage for different items within the basket. In cases like this, Advanced Pricing

provides automatic order repricing that can be based on any of following criteria: total weight, quantity, amount of the order as a whole, or amount of a basket group of items.

Accrual Management to Stimulate Sales

Sophisticated accrual management enables you to track rebate and commission accruals automatically. For rebate offers, you can define eligible purchases in terms of quantity, amount, or weight and specify the time period. To stimulate sales at order entry, you have online access to the volume history that permits immediate feedback to customers on their progress toward rebate targets. When sales convert to Oracle's JD Edwards World Accounts Receivable, accruals are posted to user-defined Oracle's JD Edwards World General Ledger accounts and do not appear on invoices. During the rebate period,

Added Value Through Integration

Advanced Pricing is integrated with JD Edwards World Sales, Sales Order Management, Customer Self Service, and Configurator. This integration allows you to take advantage of Advanced Pricing capabilities when you are:

- Creating quotes for prospects.
- Configuring products.
- Processing orders online.

In addition, full integration with Oracle's JD Edwards World Financial Management permits fast, accurate evaluation of the impact of pricing promotions on your bottom line. Each price adjustment can be tied to a different General Ledger account for detailed margin analysis by customer, item, promotion, or other preferred reporting category.

Aligning Pricing to Market Strategy

With Advanced Pricing, you can choose the best pricing strategy to meet the needs of specific customers and market segments. The flexible and cost-sensitive pricing rules enable targeted response to competition and keep prices in line with costs. Numerous, complex, and overlapping price promotions are managed automatically so that your sales and marketing staff can spend time on more strategic activities. You also gain the power to set price schedules, make adjustments, and build customer-centric programs to drive revenue, achieve profitable margins, and ultimately gain market share.

Feature/Function Highlights

- View/edit prices at order entry.
- Flexible price maintenance.
- Online price history.
- Online margin checking.

- Margin protection rules.
- Multilevel customer and item rules.
- Multiple price components.
- Multicurrency pricing.
- Multiple units of measure prices.
- Formula-based and commodity-table pricing.
- Flexible basket pricing.
- Volume-sensitive pricing.
- Multi-order volume incentives.
- Free goods management.
- Overlapping effective dates.
- Rebate processing.
- Accrual to user-defined ledger accounts.
- Extended payment terms.

Solution Integration

- Financial Management
- Sales
- Customer Self Service
- Configurator
- Sales Order Management
- Procurement and Subcontract Management
- Inventory Management
- Bulk Stock Management

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