

JD Edwards EnterpriseOne Advanced Pricing



KEY FEATURES AND BENEFITS

- Align pricing to product and market strategy
- Stimulate sales with flexible pricing options
- Ensure profitability with automated price controls
- One pricing engine for Sales Order Management, Procurement, and Service Management
- Volume breaks by quantity, amount, or weight
- User-defined price driver fields
- Flexible, date effective processing
- Multicurrency capability
- Sophisticated unit of measure pricing
- Buying structures and tiered rebates
- Enhanced basket pricing
- Pricing or rebates based on volume over time
- Extended terms
- Sliding rate adjustments
- Free goods catalog
- Composite discounts
- Price matrix

The Issues: Charging the Right Price to Support Customer-Driven Marketing in a Complex Business Environment, and Paying the Right Cost to Maximize Profits

Offering the right price to the right target market while optimizing profitability is essential to customer-driven marketing. Therefore, you must effectively manage multiple prices and discounts to cover varying sales situations.

Likewise, you must effectively manage cost breaks by taking advantage of all discounts available to you from your suppliers.

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

The Solution: Flexible Pricing Execution

Oracle's JD Edwards EnterpriseOne Advanced Pricing enables you to manage even the most complex and volatile pricing environments effectively. Using Advanced Pricing, you can:

- Use powerful capabilities to implement pricing strategies that advance your product and market strategies.
- Maintain centralized control over pricing to ensure consistency and profitability across the board.
- Ensure that pricing configurations meet your organization's strategy with innovative visibility and mass maintenance tools.
- Ensure that you take advantage of price breaks from your suppliers when processing purchase orders and receipts.

Implementing Powerful Pricing Strategies

Determining the price and discounts to be used on a transaction can be a complex and difficult problem to solve. JD Edwards EnterpriseOne Advanced Pricing offers rich functionality to address this crucial need.

FEATURE/FUNCTION HIGHLIGHTS

- View/edit prices at order entry
- Flexible price maintenance
- Online price history
- Online margin checking
- Multi-order volume incentives
- Free goods management
- Overlapping effective dates
- Rebate processing
- Margin protection rules
- Minimum and maximum pricing
- Multilevel customer and item rules
- Multiple price components
- Multicurrency pricing
- Multiple units of measure prices
- Volume-sensitive pricing and up- selling
- Tier structure rebates
- Related items pricing
- Supplier proof-of-sale rebates
- Accrual to user-defined ledger accounts
- Extended payment terms
- Formula-based and commodity-table pricing
- Flexible basket pricing for sales orders, purchase orders, and receipts
- Sales price based-on date
- UX One role-based pages for Strategic Pricing Manager, Pricing Operations Manager, and Procurement Pricing Operations Manager
- Preconfigured notifications

With Advanced Pricing, you can streamline pricing setup for customers and items in ways that make sense for your business. You can set up pricing specific to individual customers and items when necessary, as well as leverage powerful grouping capabilities and user-defined price driver fields (such as sales channel, region, item category, and payment terms) to create a more general pricing structure.

In addition, Advanced Pricing provides the ability to configure adjustments that should be considered against a user price override. This way, rebate and accrual adjustments can still be calculated against a manually overridden price.

Pricing is an effective way to encourage your customers to purchase in higher volumes, and Advanced Pricing provides support for your organization to implement strategies that fit your business. You can set quantity breaks for prices or discounts based on transaction quantity, weight, or amount. Advanced Pricing enables you to calculate and discount sales volume using the following methods:

- Order line level pricing
- Basket pricing, which looks at volume across a group of items on an order
- A collection of orders over a specified period (rebates or volume incentive discounting)

For customers who have multilayer organizational hierarchies, pricing, discounts, and deals such as rebates can be set up to respect this structure. This functionality, called buying structures, ensures accurate pricing throughout your customers' organizations, as well as efficient price setup and maintenance.

After determining a transaction's eligibility to receive a discount, the system calculates the discount itself. Advanced Pricing provides a wide range of methods for calculating price adjustments:

- Set a specific markdown or markup amount.
- Define a percentage of list or net price.
- Establish a cost-plus amount.
- Set a price based on achieving a target profit margin.
- Develop a discount formula that pulls from variable data, such as selected sales order line details or a commodity price table.
- Call custom-built pricing logic without modifying a line of base code.
- Provide a free good to the customer.
You can set this to be a default product or allow users to select from a predefined list of items.
- Extend the payment terms on the transaction.
- Use a composite "sliding rate" to discount the transaction.
- Accrue amounts to user-defined general ledger accounts and accumulate toward an automated rebate.

Price Controls to Ensure Profitability and Consistency

Having controls in place to ensure that profit margin targets are met is just as important as having the flexibility to adapt and execute on any pricing requirement. JD Edwards EnterpriseOne Advanced Pricing enables you to maintain prices and discounts in a

centralized location. By using this module to determine prices and award discounts, you ensure that your pricing is set consistently and profitably.

To help manage and control pricing changes, you can use Advanced Pricing to set up an automated workflow process. Using this feature, pricing changes are sent to a manager for approval before they become active in the system.

You can also define preset margin boundaries, within which your salespeople can negotiate. The margin limits can vary based on the customer and item combination. Advanced Pricing also automatically maintains a detailed price audit history on every added, modified, or deleted price and adjustment record.

You can also set minimum and maximum price ranges for specific customers, customer groups, items, or item groups. You can use these ranges to allow users to negotiate prices and prohibit selling an item below a preset price threshold.

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. 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 gain market share.

To assist you in aligning your price strategy to business objectives, Advanced Pricing offers tools to enhance your visibility to current configurations and assist you in making changes:

- **Pricing Workbench**—Gives you visibility into your pricing configuration. By focusing on a customer, item, customer group or item group, you can see all price adjustments that could impact the pricing for these entities.
- **Mass Maintenance**—Enables you to update multiple pricing configurations with a single action.
- **Price Matrix**—Enables you to set pricing based on a matrix with user-defined dimensions. You can also view and modify your pricing based on multiple different views.
- **Customer Price Lists**—Provides reports that show final net prices (inclusive of discounts) that communicate to your customers the pricing they will receive at user-defined quantities.

Added Value Through Integration

JD Edwards EnterpriseOne Advanced Pricing is integrated with JD Edwards EnterpriseOne Sales, Sales Order Management, Product Variants, Customer Self-Service, and Configurator modules. This integration lets you utilize Advanced Pricing capabilities when you:

- Create quotes for prospects.
- Configure products.
- Process orders online.

In addition, full integration with the JD Edwards EnterpriseOne Financial Management product line 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 using your preferred reporting category, including by customer, by item, or by promotion.

Advanced Pricing is also available for use from the Procurement and Service Management modules of JD Edwards EnterpriseOne. This enables you to use a single engine and configuration structure to maintain pricing for outbound products and services as well as for inbound purchases.

Access to UX One role-based pages enables Strategic Pricing Managers, Pricing Operations Managers, and Procurement Pricing Operations Managers to easily access, review, and act upon valuable information to determine and control prices and discounts, thereby managing even the most complex and volatile sales environments in an efficient and a cost-effective way.

Solution Integration

This module is designed to be integrated with the following JD Edwards EnterpriseOne products and families across your operations using common tools and a Pure Internet Architecture:

- JD Edwards EnterpriseOne Financial Management
- JD Edwards EnterpriseOne Order Management
 - Configurator
 - Fulfillment Management
 - Sales Order Management
- JD Edwards EnterpriseOne Customer Relationship Management (CRM)
 - Service Management
- JD Edwards EnterpriseOne Supply Management (Procurement)
 - Procurement and Subcontract Management
- JD Edwards EnterpriseOne Supply Chain Execution (Logistics)
 - Bulk Stock Inventory
 - Inventory Management

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