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Overview of Pricing

The Oracle Advanced Pricing provides a flexible pricing engine that executes pricing and promotional calculations for Oracle Order Management and Oracle Sales Online.

Oracle Advanced Pricing offers the following features:-

Price List

A price list contains a list of items and a price for the item. A salesperson can only create a quote for an item if it is on a price list. An item can only be ordered if it is on a price list

Modifiers

A Modifier determines how a discount or promotion will be applied to a price, for example: a discount, a surcharge, a marketing promotion

Qualifiers

Qualifiers determine who or what will benefit from discounts and promotions, for example: by Sales Channel, specific customer, by product category, by order type

Formula

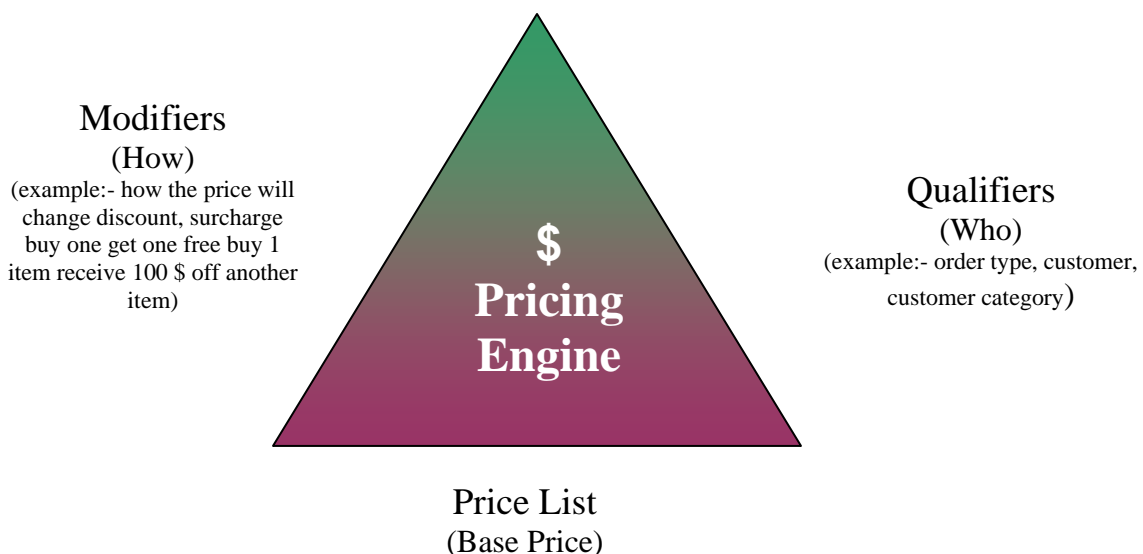
Formula consists of mathematical calculations that the pricing engine uses to calculate the price of items and any discounts that are to be applied to them. Formula are used for spares pricing, a dynamic formula will generate a price when requested for a spare part. The benefit of using formula in this way is that you maintain the formula and not the individual spares price – of which there could be thousands

Security

The use of a European Minimum Selling Price (EMP) will prevent order management and sales from inputting an order line with a price that is below the European Minimum Selling Price

Pricing Engine

behind the pricing module is a large calculator called the pricing engine. The pricing engine takes the base price, looks a modifiers and qualifiers and calculates a selling price



With Oracle Advanced Pricing, you can perform the following functions:

- Create a list price for an item or item hierarchy.
- Set a list price based on volume breaks.
- Assign security privileges to pricing users to control their view or maintain access to price lists and modifiers. Control which operating units can use price lists or modifiers.

Define price breaks using block pricing to evaluate prices as a single block. For example, if item weight is between 5-25 pounds, then the price is \$5. If the weight is between 26-35 pounds, the price is \$10.

- Do Price List Maintenance tasks such as searching across a single or multiple price lists and updating the price, formula, or effective dates of price list lines.
- Usage Pricing/counter price: calculate price based on usage brackets.
- Define pricing agreements.
- Get a price/discount from an external source (my price = competitors price - 5%).
- Set a percent/fixed/lump sum discount or surcharge.
- Set up deals and promotions. egBuy one get one free.Set discounts as *to be accrued*.
- Set up freight and special charges.
- Mark discounts as exclusive or incompatible to each other.
- Create Cascading discounts (discounts to be applied on subtotals).
- Set spending and usage constraints to stop application of promotion when limit is reached.

The screenshot displays the Oracle Advanced Pricing interface. The top section shows the configuration for a price list named "Business World".

Name	Business World	Mobile Download	<input type="checkbox"/>	Active	<input checked="" type="checkbox"/>
Description	Price List for Business World				
Currency	USD	Multi-Currency Conversion	Generated Currency Coi	Round To	-2
Effective Dates			Payment Terms	30 Net	
Freight Terms	Prepay & Add		Freight Carriers		
Comments					

Below the configuration is a table of price breaks:

Product: Attribute	Product Value	Product Description	
Item Number	Vision	Vision	U
Item Number	80000	Sentinal Multimedia	E
Item Number	81000	One Year Maintenance - reve	E
Item Number	82000	Consulting/Training	E
Item Number	CM31556	Monitor - 19" Flat	E

The bottom section shows the "Create Price List: General Information" form. The "Name" field is "Corporate Price List" and the "Description" is "Corporate price list for all customers." The "Pricing" is "Order Fulfillment" and the "Source System" is "Oracle Pricing". The "Currency" is "USD". The "Freight Carrier" is "ABT-Air-1 Day", "Freight Terms" is "Prepaid", and "Payment Terms" is "2/10, Net 30". The "Start Date" is empty, "End Date" is empty, and "Round To" is "-2".

Price List Name	Description	Precedence	Delete
NS-PriceList71	HTML UI - PLL	140	

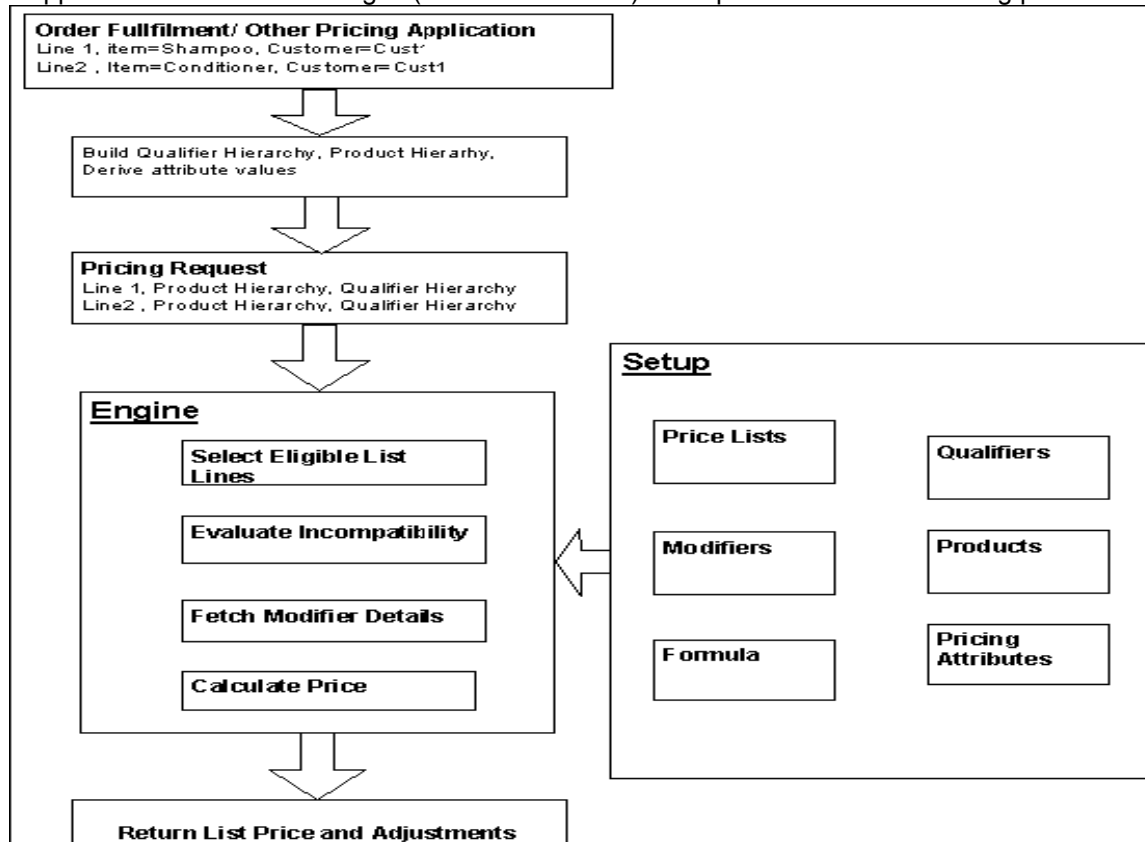
Using Forms/Html Pricing UI you can perform following tasks

- Create price lists, price list lines and price break lines for price lists.
- Create the following modifier list types:
 - Deal List
 - Discount List/Promotional Goods/Surcharge List/Promotional Goods
- Create the following modifier line types:
 - Discount
 - Surcharge
 - Price Break
- Maintain price lists in the Price List Maintenance feature.
- Create qualifiers for price lists and modifiers.
- Search for price lists or modifiers.

Pricing flow & Example

considering applicable pre-defined price list for a customer & calculate pricing (eg for an Order) based on setup for that price list, typical flow of events as follows.

- Prepares the price request structure
- Selects applicable price lists and modifier lists
- Determines base list price
- Calculates final selling price
- Applies benefits and surcharges (from modifier lists) to list price to determine selling price



A typical example can be done for a wholesale bicycle supplier who also provides after sales service

Oracle Order Management Service Item

Price list setup for laptop computer:

- Product: ATB bike
- Application Method: Unit Price
- UOM Code: EA
- List Price: 200 currency units

Price list setup for computer service-unit price method

- Product: After SalesService
- Application Method: Unit Price
- UOM Code: Month
- List Price: 5 currency units

Price list setup for Bicycle service-percent price method

- Product: ATB Service
- Application Method: Percent Price
- UOM Code: Quarterly
- Percent Price: 2

Order line

- Product: ATB Service
- Ordered Quantity: 1
- Ordered UOM: Month
- Warranty Period: Year
- Warranty Duration: 1
- Serviceable Item: ATB Bike

List price calculation for computer service

- Unit price method: 5 currency units per month * 12 months service period/duration = 60 currency units
- Percent price method: (200 currency unit laptop computer * 2% computer service percent price) * 4 months service period/duration = 16 currency units

Qualifiers and Qualifier Groups

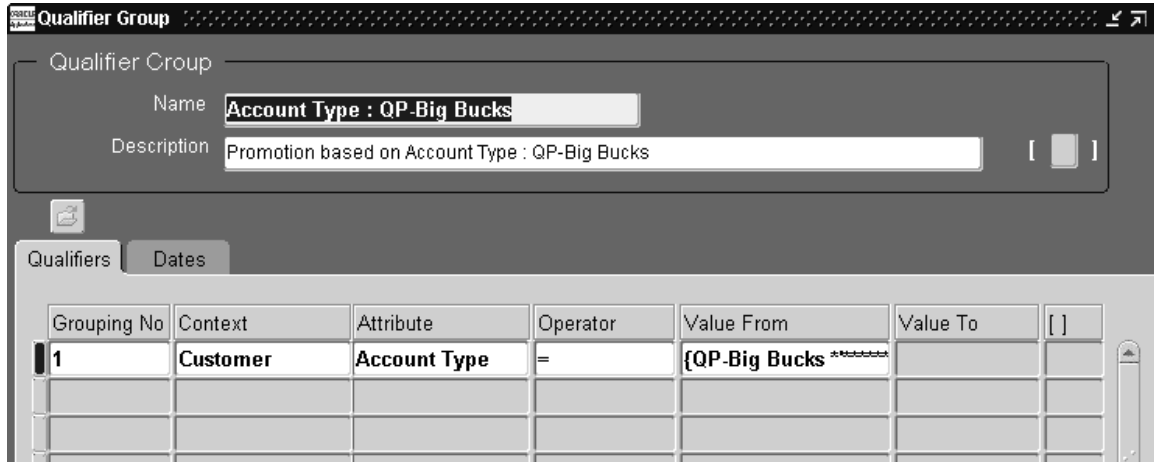
Oracle Advanced Pricing lets you define qualifiers to determine eligibility rules governing who can receive a particular price, discount, promotion, or benefit. Qualifiers and qualifier groups can then be linked to Oracle price lists and modifiers.

Qualifier has a **context** in which it operates, **Qualifier attributes**, **Qualifier Value** and Grouping number assigned to qualifier lines to create AND and OR conditions that define how the pricing engine should evaluate the qualifier lines. A qualifier consists of one or more conditions that define eligibility for a particular price, discount, promotion, or benefit.

- Condition 1: Customer Name must be Vision Corporation **AND**
- Condition 2: Order Type must be Standard **AND**
- Condition 3: Credit Type must be Very Good

Attribute	Context	Operator	Value From	Value To	Start Date	End Date	Precedence	Delete
Customer	Intercompany Invoicing	Is	Vision Corpor				3	

Qualifier groups consist of multiple qualifiers that can be associated with either price lists or modifiers. Qualifier groups can be appended to one or more price lists and modifiers.



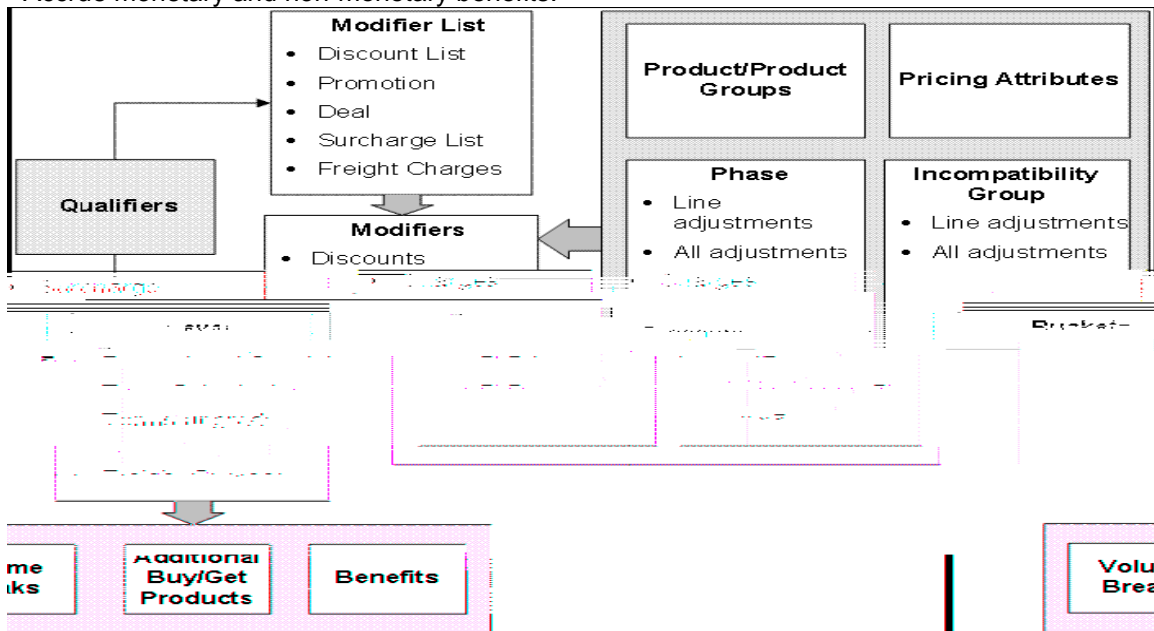
Qualifiers and qualifier groups can be associated with Oracle price lists and modifiers at the following levels:

- Price list: Price List
- Modifier: Modifier list and modifier line

Modifiers

Modifiers enable you to set up **price adjustments** (for example, discounts and surcharges), benefits (for example, free goods, coupons) and freight and special charges that can be applied immediately to pricing requests or accrues for later disbursement. you can:

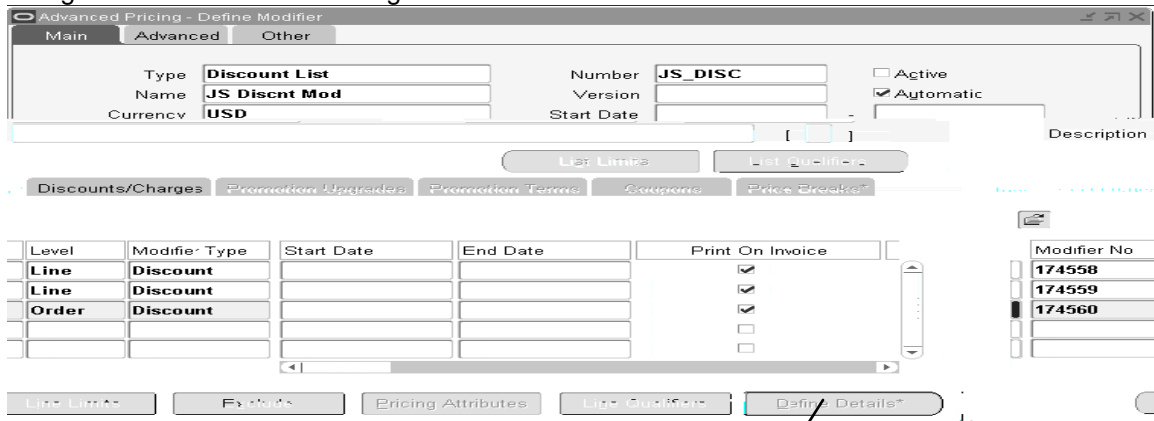
- Set up a modifier list with multiple modifier lines that define the terms of the price adjustment.
- Create eligibility rules for modifiers by assigning list and line level qualifiers.
- Define modifiers that are incompatible with other modifiers.
- Create exclusive/cascading modifiers.
- Accrue monetary and non-monetary benefits.



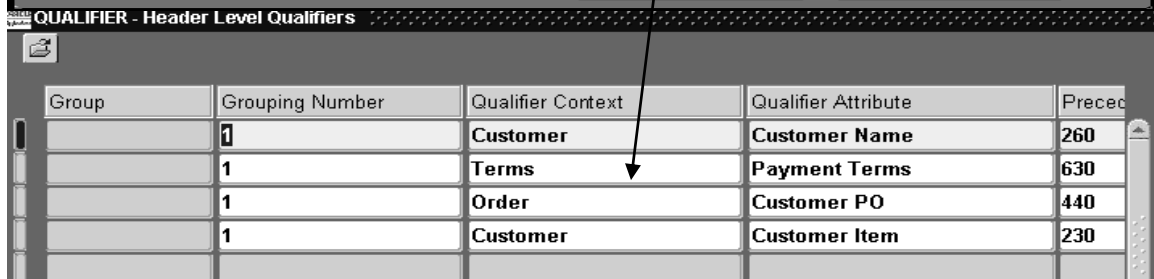
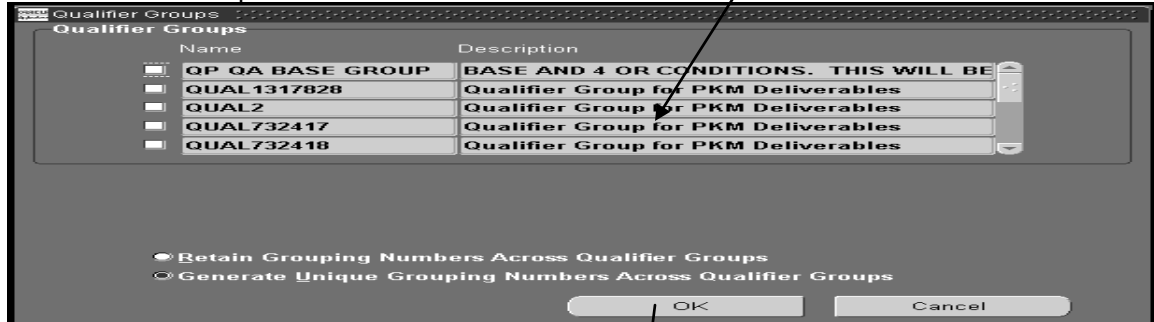
Typical example of using modifiers List price * modifier % = line discount amount

Defining Modifiers

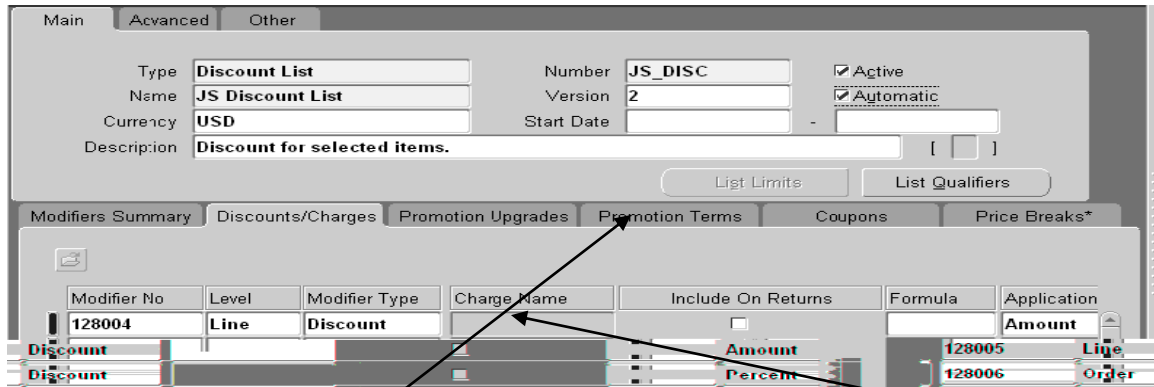
Navigate to the Advanced Pricing-Define Modifier window.



If the modifier list Type is Promotion or Deal, select the Advanced tab.
Use Others tab to enter details about any related Blanket Sales Agreement
To create list level qualiifiers



Discount Modifier



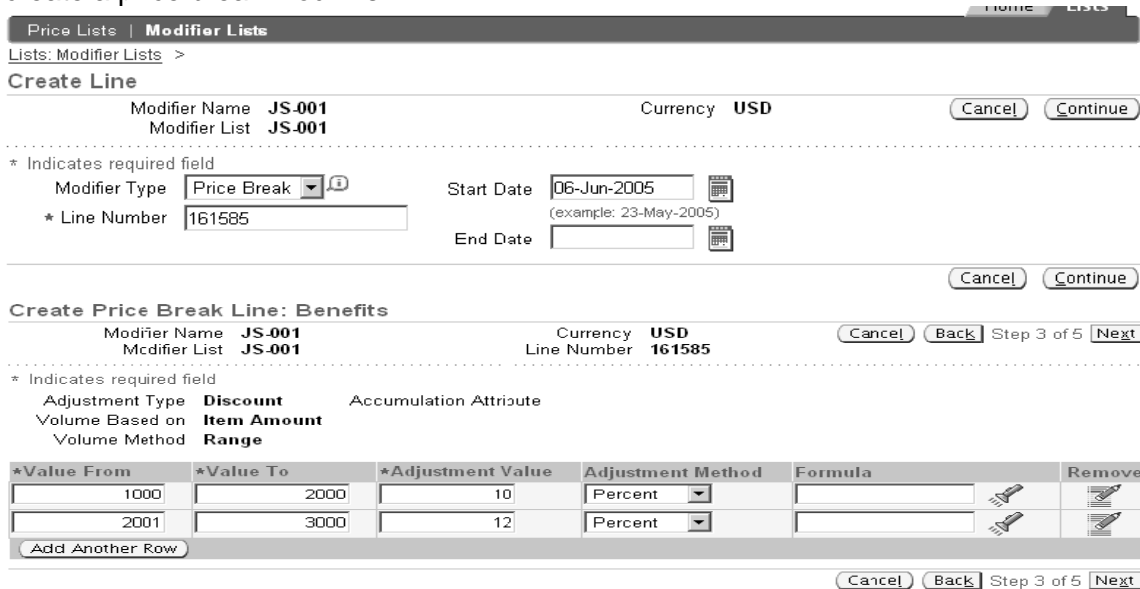
Use Modifier Type: Use Freight/Special Charge to create modifier for Freight,enter charge name
User Modifier type : Term Substitution to create Promotion term

To attach pricing attributes to modifier lines:

1. Navigate to the Advanced Pricing - Define Modifier window.
2. Select the Modifiers Summary tab and select a modifier.
3. Click Pricing Attribute to display the More Pricing Attributes window.



create a price break modifier:



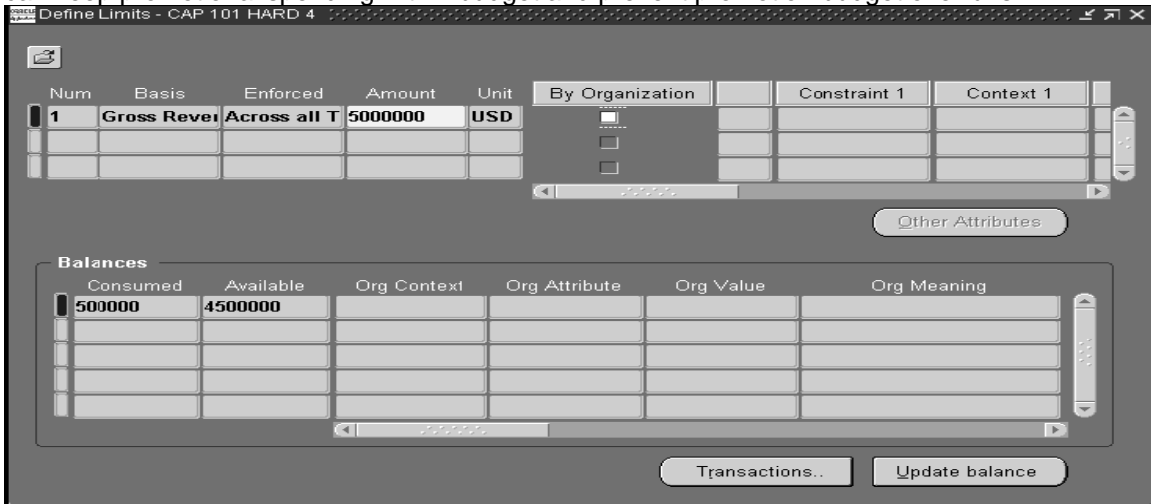
Pricing Organizer

You can manage and track your modifiers more effectively by using the Pricing Organizer to create simple or complex queries (searches)



Promotional Limits

Oracle Advanced Pricing enables you to set limits for benefits that a customer can receive for a promotion, deal, or other modifier. By limiting the amount of a benefit that can be received, you can keep promotional spending within budget and prevent promotion budget overruns.



You can see Transaction against this Promotion & Update balance for this limit on this window

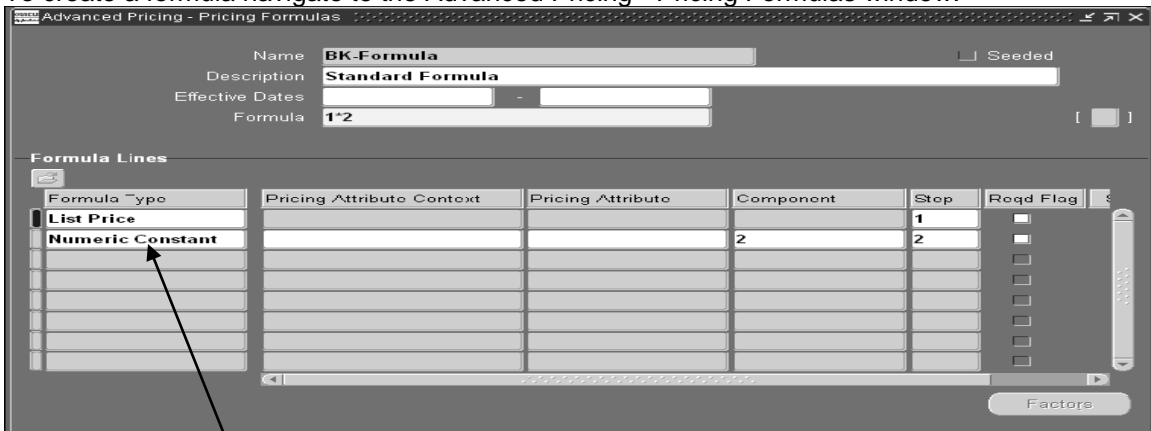
Oracle Advanced Pricing enables you to set up an enforcement policy to manage transactions if the promotional limits are exceeded. When the benefit amount for a transaction or transaction lines exceed the set limit or available limit balance, the default handling method resolves the situation using QP: Limit Exceed Action profile option.

Formulas

Formulas consist of mathematical expressions that the pricing engine evaluates to calculate the list prices of items and discounts applied to them. Formulas can be linked to a price list line or modifier line. A formula is a valid mathematical expression used to determine the list prices of items and the discounts applied to those items. The formula lines provide details about each part of the formula. A formula can contain any of the following:

- Parentheses: for example, (and)
- Mathematical operators: for example, +, -, /, and *
- Built-in functions: for example, NVL, SQRT, and MOD

To create a formula navigate to the Advanced Pricing - Pricing Formulas window.



Use GET_CUSTOM_PRICE formula to define formula of your own, Write custom code in the function body that uses the standard parameters to calculate the price for your business needs

Price Lists

Price lists are essential to ordering products because each item entered on an order must have a price. Each price list contains basic list information and one or more pricing lines that define item and/or item category prices. Basic information includes the price list name, effective dates, currency, pricing controls, and shipping defaults such as freight terms and freight carrier. For a price list, you can define price breaks, pricing attributes, qualifiers, and secondary price lists. Navigate to the Advanced Pricing - Price Lists window.

Product Context	Product Attribute	Product Value	Product Description	U
Item	Item Number	Vision	Vision	E
Item	Item Number	₹80000	Sentinal Multimedia	E
Item	Item Number	₹1000	One Year Maintenance - reve	E
Item	Item Number	₹2000	Consulting/Training	E
Item	Item Number	CM31556	Monitor - 19" Flat	E

Once you have defined pricing list & lines, Click Pricing Attributes in the List Lines tab to display the Pricing Attributes window.

Product Context	Product Attribute	Product Value	Pricing Context	Pricing Attribute
Item	Item Number	AS54888		...

Create qualifies on Qualifiers tab

Click Price Breaks in the List Lines tab of the Price Lists window to display the Price Breaks window.

You can maintain your existing price lists by adding more inventory items, adjusting prices within a single price list, or copying an existing price list to another price list.

To add items to a price list Navigate to the Add Items to Price List window->select item category set & category to add to the list & submit request.

Price List: **CORPORATE**

Items: _____

Item Category Set: **Inv.Items**

Item Category: _____

Item Status: _____

Set List Price Equal to Cost From Inventory Organization

Request ID: _____

Submit

To adjust a price list Navigate to the Adjust Price List window.

Price List **CORPORATE**
Currency **USD**
Description **Corporate Price List**

Item Prices to Adjust

Items [] - []
Item Category Set []
Item Category []
Item Status []
Creation Date []

Adjust By **Amount** **2.00**
Request ID [] **Submit**

To copy a price list Navigate to the Copy Price List window.

Archiving and Purging Pricing Entities

Archiving pricing data enables you to copy pricing data from the pricing application tables to archive tables for long-term data storage. You can archive and purge price list lines and modifier list lines for the following price list and modifier list types:

- Agreement Price List
- Standard Price List
- Deal
- Discount List
- Freight and Special Charge List
- Promotion
- Surcharge List

To archive pricing entities Navigate to the Archive Pricing Entities window.

Archive Name **Archive Entity_0718**
Entity Type **Deal** Source System **QP**
Entity **RL Deal Forms 1**
Version **1**

Lines To Archive

All Lines

Product Context **Item**
Product Attribute **Item Number**
Product Attribute Value From **AS5000**
Product Attribute Value to **AS5800**
Start Date Active []
End Date Active **16-APR-2004**
Created By **4RBROOKS**
Creation Date []

Request ID [] **View Selected Records** **Submit**

To purge pricing entities Navigate to the QP Purge Entity window.

QP_PURGE_ENTITY

Lines To Purge

Source System: QP
Archive Name: Fall Archive
Entity Type:
Entity:
Start Date Archive:
End Date Archive:

Request ID:
Submit

Multi-Currency Conversion Lists

If you have global customers or do pricing in different currencies, the multi-currency feature enables you to maintain a single price list for multiple currencies. You can set up and maintain multiple currency conversion rates for a base currency in a single list which can be attached to multiple price lists or agreements. Price list maintenance is reduced because only one currency conversion definition can be attached to multiple base currency price lists. If prices change, you only need to update the base price list. When a pricing request is made, the pricing engine converts the price on the base price list to the ordering currency and returns the new price in the ordering currency (including any markup values).

- Set profile option QP: Multi-Currency Installed to Yes & run concurrent program to do the currency conversion

1 create a multi-currency list:

Multi-Currency Conversion List

Base Currency Code: CAD
Name: Conversion to Euro
Description: Conversion for Euro list

Base Round To: -1
Base Markup Operator: %
Base Markup Value: .5
Base Markup Formula: Han-For

Conversion Criteria Detail

To Currency Code	Start Date	End Date	Conversion Type	Fixed Value	Formula
EUR			FIXED	.72	

2 attach the multi-currency conversion list to a price list

Advanced Pricing - Price Lists

Price List

Name: New Price List
Description: New price list with mobile download.
Currency: USD
Multi-Currency Conversion: pd-conversion
Round To: -2

Effective Dates: 09-MAY-2002
Payment Terms:
Freight Terms:
Freight Carriers:

Comments:

List Lines Secondary Price List Qualifiers

Item	Item Category	Price
tem	tem Category	208.95

Pricing Agreements

Oracle Advanced Pricing enables you to establish agreements with your customers that define the prices, payment terms, and freight terms that you negotiate.

- Define your agreements using customer part numbers and inventory item numbers.
- Make revisions to the original terms and maintain these changes and their reasons under separate revision numbers.
- Attach an already existing price list to the agreement or define new prices.
- Assign optional price breaks by quantity. Price lists are exclusive by agreement.
- Set effectivity dates for agreement terms.
- Set payment terms including invoice rule and accounting rule.
- Set freight terms including the freight carrier.
- Apply agreement terms to sales orders by reference agreements.

To create a pricing agreement Navigate to the Pricing Agreements window.

The screenshot shows the 'Agreement' tab of the Pricing Agreements window. The 'Agreement Name' is 'Agreement', 'Agreement Number, Revision' is '1', 'Revision Date' is '21-FEB-2003', 'Customer' is 'Vision Corporation', 'Agreement Type' is 'Standard Terms And Cond', 'Effective Dates' is '21-FEB-2003', 'Purchase Order' is blank, and 'Agreement Source' is 'Pricing Agreement'. The 'Revision Reason' is 'No Revision for this Agree' and 'Cust Number' is '1739'. A 'Create Revision' button is highlighted with a black arrow.

Attach Pricing list & define other attributes on Pricing tab

The screenshot shows the 'Pricing' tab of the Pricing Agreements window. The 'Price List Type' is 'Standard Price List', 'Price List' is 'Business World', 'Currency' is 'USD', 'Rounding Factor' is '-2', 'Description' is 'Price List for Business World', and 'Freight Terms' is blank.

Define payment term & other payment related information pn payments tab

The screenshot shows the 'Payment' tab of the Pricing Agreements window. The 'Payment Terms' is '30 Net', 'Invoice To' is 'Business World', 'Address' is '2391 L Street', 'Invoice Contact' is 'San Jose, CA 95053, Smith-Kelly, Jolene', 'Accounting Rule' is 'IMMEDIATE', and 'Invoicing' is 'ARREARS INVOICE'. The 'Override Flag' section has 'Accounting Rule' and 'Invoicing Rule' checked.

Click Pricing Attributes in the Pricing Agreements window to define pricing attributes or define price breaks as needed for the pricing agreement.

Click on create Revision to create new version of pricing agreement to preserve older version.

Deleting agreements

1. Navigate to the Pricing Agreements window.
2. Find the Pricing Agreement to delete.
3. From the Edit menu, select Delete to delete the pricing agreement.

Pricing Engine Request Viewer

The Pricing Engine Request Viewer window captures the pricing call from any calling application such as Oracle Order Management and displays the inputs and outputs of the pricing call. This information can help you to diagnose which price list lines were selected or rejected by the pricing engine and to determine why certain prices and adjustments were or were not applied. Only the latest pricing request is displayed; however, historical data is not maintained

- View the pricing, qualifiers, and product attributes passed to the pricing engine along with the other data generated by the engine.
- View which modifier lines the pricing engine applied or rejected for benefit adjustments along with the details of the modifier line. View price request line of the calling application.
- View the relationship between order lines for promotional modifiers, price breaks, and service lines
- View the formula step values generated by the pricing engine used in formula calculation.
- View and query fields in the Pricing Debug Log
- Delete the request(s). Navigation is Edit > Delete.

Process for the Pricing Engine Request Viewer

1. The calling application makes a call to build qualifiers and builds the contexts through sourcing.
2. The calling application then calls the pricing engine with the attributes generated by attribute mapping.
3. The pricing engine processes the request then searches for and evaluates eligible price list and modifier lines.
4. If the profile option QP Debug is set to Request Viewer On, then the pricing engine inserts records into the permanent pricing debug tables and generates a unique request ID
5. The pricing request information can then be viewed by querying the request in the Pricing Engine Request Viewer

The screenshot shows the 'Pricing Engine Request Viewer' window with three main sections:

- Pricing Engine Requests:** A table with columns: Order No., Req Name, Req Id, Pricing Event, Created By, and Creation Date. It shows two rows for Order No. 54941.
- Pricing Engine Request Lines:** A table with columns: Line No., Status Code, Line Id, Status Text, Line Index, and Relationship. It shows two rows for Line No. 54941.
- Pricing Engine Request Line Details:** A table with columns: Priced, Applied, Status Code, Status Text, Parent Line Detail Index, and Line Detail Index. It shows four rows of details for the selected line.

At the bottom of the window, there are four buttons: 'View Debug Log', 'Attributes', 'Related Lines', and 'Step Values'.

Advanced Pricing Reports

1 Accrual Details report Using this report, you can quickly see which coupons have been issued and the coupon numbers generated for a modifier

2 Attribute Mapping Rules Error report This program provides status and error messages to advise you about the following:

- Invalid attribute mapping rules
- Warnings if the program completes with Attribute Mapping errors

3 Run the program Cross Order Volume Load to populate the cross order volume tables.

4 Run the Cross Order Volume Report to view the information in the cross order volume tables. The report displays the total order amount, total item amounts and total item quantities for each customer and period

5 Modifier Details report This report displays modifier information.

6 Price Lists report displays the following price list information:

- Report by price list name.
- Options to print report for active and inactive price lists based on effectivity date. If

Advance Pricing Setup Flow

