Agenda

- Overview
- Price attributes
- Price components
- Other features
- Architecture
- Integration
- Demo

Pricing management

Centrally managed

- Single source to plan, manage, execute and review sales pricing strategy across products, customers and channels.

- Provide greater control implementing pricing strategy across the organization.

Real-time calculation

- Ensure consistency of price and discount calculation across channels.

- Built on top of the Commerce Runtime and deployed within Supply Chain Management, and Commerce Scale Unit (CSU).

- Provides a rich set of APIs for integration.

Advanced rule-based engine

- Advanced set of pricing and discount capability, to meet complexities in promotion strategy.

- Ultimate control and flexibility using configurable price attributes.

End-to-end pricing management solution

- Manage pricing constructs with vendors to feed sales pricing.

- Apply margins, discounts and charges.

- Manage rebates.

Pricing structure

Concurrency control	Price attributes					
	Price	Released product sales price	Activated standard item cost		Sales trade agreement
					Base price (sales/purch/inv.)
		Trade agreement price	Item base price		Activated standard item cost
					Released product sales price
	Margin component price adjustments	Price adjustment amount/percent			Margin adjustment + $/%
					Seasonal adjustment - $/%
	Discounts	Discount	Mix-and-match discount	Free item	Contract discount - $/%
					Promotion - $/%
		Quantity discount	Threshold discount	Coupon	Free item
					Overstock discount - $/%
	Charges	Header charge	Line charge		Credit card fee + $/%
					Shipping fee + $/%
	Rebates	Quantity-based	Value-based	Lumpsum amortizable	Revenue-based
					Sales quantity-based

Price attributes

- Flexibility and control
- Leverage information about **customers**, **products**, as well as **sales order header and lines**
- Works with the customer and product **attribute framework**, making it highly configurable

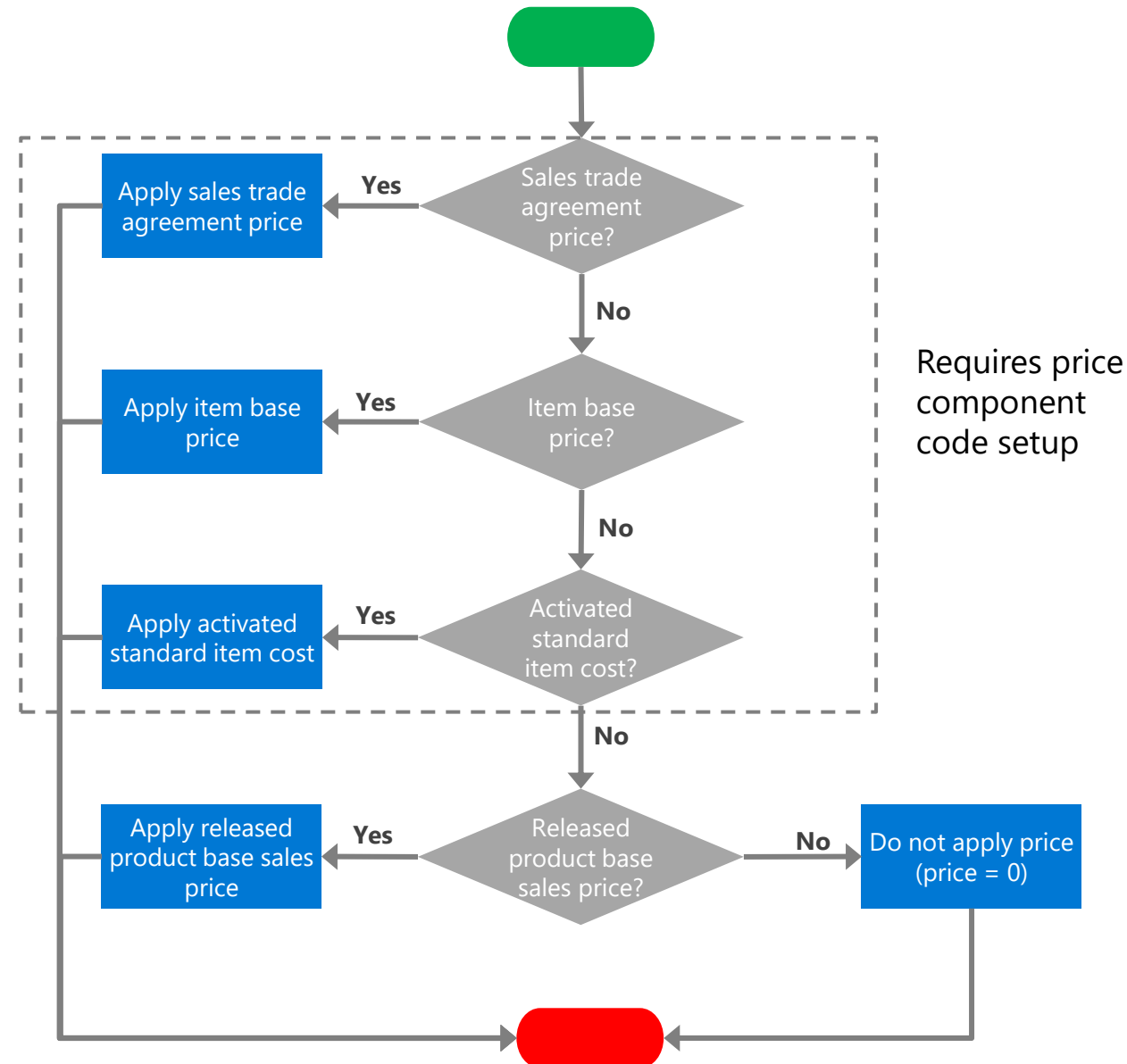| Price attributes		
	Price	Sales trade agreement
		Base price (sales/purch/inv.)
		Activated standard item cost
		Released product sales price
	Margin component price adjustments	Margin adjustment + $/%
		Seasonal adjustment - $/%
	Discounts	Contract discount - $/%
		Promotion - $/%
		Free item
		Overstock discount - $/%
	Charges	Credit card fee + $/%
		Shipping fee + $/%
	Rebates	Revenue-based
		Sales quantity-based

Price determination

- Multiple methods available to determine the price of an order before adjustments, discounts and charges

Price attributes		
Price	Sales trade agreement	
	Base price (sales/purch/inv.)	
	Activated standard item cost	
	Released product sales price	
Margin component price adjustments	Margin adjustment + $/%	
	Seasonal adjustment - $/%	
Discounts	Contract discount - $/%	
	Promotion - $/%	
	Free item	
	Overstock discount - $/%	
Charges	Credit card fee + $/%	
	Shipping fee + $/%	
Rebates	Revenue-based	
	Sales quantity-based	

Price determination

- The starting price can be sourced from:
  - Trade agreement price
  - Item base price
  - Activated standard item cost
  - Released product default sales price
- Searched for in a set sequence, and stops searching when a price is found
- Price component code setup is required for all price types, except the release product base sales price

Margin component price adjustments

- An adjustment to the price
- Applied before discounts and charges
- A fixed amount or percentage
- Can be positive or negative
- Can be qty based
- Can compound with other margin components

Price attributes		
	Price	Sales trade agreement
		Base price (sales/purch/inv.)
		Activated standard item cost
		Released product sales price
	Margin component price adjustments	Margin adjustment + $/%
		Seasonal adjustment - $/%
	Discounts	Contract discount - $/%
		Promotion - $/%
		Free item
		Overstock discount - $/%
	Charges	Credit card fee + $/%
		Shipping fee + $/%
	Rebates	Revenue-based
		Sales quantity-based

Discounts

- A fixed amount or percentage off, or a specified unit price
- Applied after margin component price adjustments, and before charges
- Support for multiple discount types
- Concurrency control for multiple discounts

Price attributes

Price	Sales trade agreement
	Base price (sales/purch/inv.)
	Activated standard item cost
	Released product sales price
Margin component price adjustments	Margin adjustment + $/%
	Seasonal adjustment - $/%
Discounts	**Contract discount - $/%**
	Promotion - $/%
	Free item
	Overstock discount - $/%
Charges	Credit card fee + $/%
	Shipping fee + $/%
Rebates	Revenue-based
	Sales quantity-based

Discount types

Claims	**Funds**	**Coupons**	**Simple discount**	A discount applied to a product, where an amount or percentage is deducted from the price of the product	10% discount on all speakers $25 discount on all Contoso brand speakers		**Discount concurrency mode**
			Quantity Discount	A discount applied when two or more of the same item are purchased – supports quantity tiers	Minimum 5 items apply 5% discount Minimum 10 items apply 10% discount Minimum 11 items apply 15% discount		
			Free items	Automatically adds one or more items to the sales order, at no cost to the customer	Spend over $500 and get a free coffee mug		
			Mix and match discount	A discount applied based on specific combination of products (multiple sales lines).	Buy two boxes of tea and receive 50 percent off the price of a teacup		
			Threshold discount	Applies a discount when the total for a transaction reaches one or more specified amounts – supports threshold tiers	10% discount on purchases over $100 15% discount on purchase over $200		

Charges

- A fixed amount, percentage and unit-based (pcs.)
- Can be positive or negative
- Applied automatically (auto-charges), after discounts
- Applied based on sales order header or line
- Can be tiered, based on the order total
- New features included in pricing management:
  - Attribute-based
  - Date range controlled
  - Combination rank

Rebates

- Price attribute-based **Customer rebate on sales**

- **Cross-company** rebates

- Calculation can be per invoice, period, customized period, agreement life-time

- Calculation based on Sales order, deliveries, paid invoice only

- Value(multi-currency)-based rebate, Quantity (UOM) -based rebate, Lumpsum rebate that can be amortized periodically

- Calculation method: Flat rate, Tiered, Incremental tiered, fixed amount and additional product (as a sales order)

- Settlement: Customer credit note, pay via account payable, generate fund as paid-out and partial payout.

Price attributes	Price	Sales trade agreement
		Base price (sales/purch/inv.)
		Activated standard item cost
		Released product sales price
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	Discounts	Contract discount - $/%
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	Rebates	Revenue-based
		Sales quantity-based

Price component concurrency control

- Determines how price components are applied, when multiple qualify
- Can be :
  - Exclusive
  - Best price
  - Compounded
  - Always apply
  - Price attribute combination rank

5% loyalty discount

10% off when purchasing more than 5 items

20% off Contoso speakers

Final customer amount

Other pricing management features

|		
Discount budget control	Provides a means to control the total expenditure related to a discount	The first 1000 items sold get 20% off. The total discount amount in the fund is $5000, once it is reached, the discount is no longer available. 10% off all speakers, up to a maximum discount amount of $200
Price discount claim	Vendors/manufacturers can cover the costs of discounts/promotions to customers, allowing the distributor/retailer to claim back the expense	The distributor is offering 30% off select brand televisions, of which the vendor will fund 15% of that discount. The distributor claims back this amount based on sales.
Discount exclusion	Exclude discounts are often used in combination with include discounts, and allow you to specify which criteria shouldn't apply the discount	Apply discount to all customer groups except Retail customers
Single and multiple price trees	Allows one or more pricing structures to be configured. Where there are multiple price trees, the specific price tree to apply is determined at order time.	For scenarios where multiple price trees are required

Other pricing management features

| Price simulator	Provides a way to verify pricing, relative to a specific date, without creating a sales order It can consider disabled discounts	Verify pricing changes before an important product launch or promotion Respond to customer pricing inquiries, without creating a sales order
Price report	Provides a way to calculate several customer/item prices and discounts in batch	Review upcoming price changes based on certain attributes, such as region

What about Sales Agreements?

- In the case where a Sales Agreements is linked to a sales order, the Sales Agreement is honoured, and Pricing Management rules are ignored

Architecture
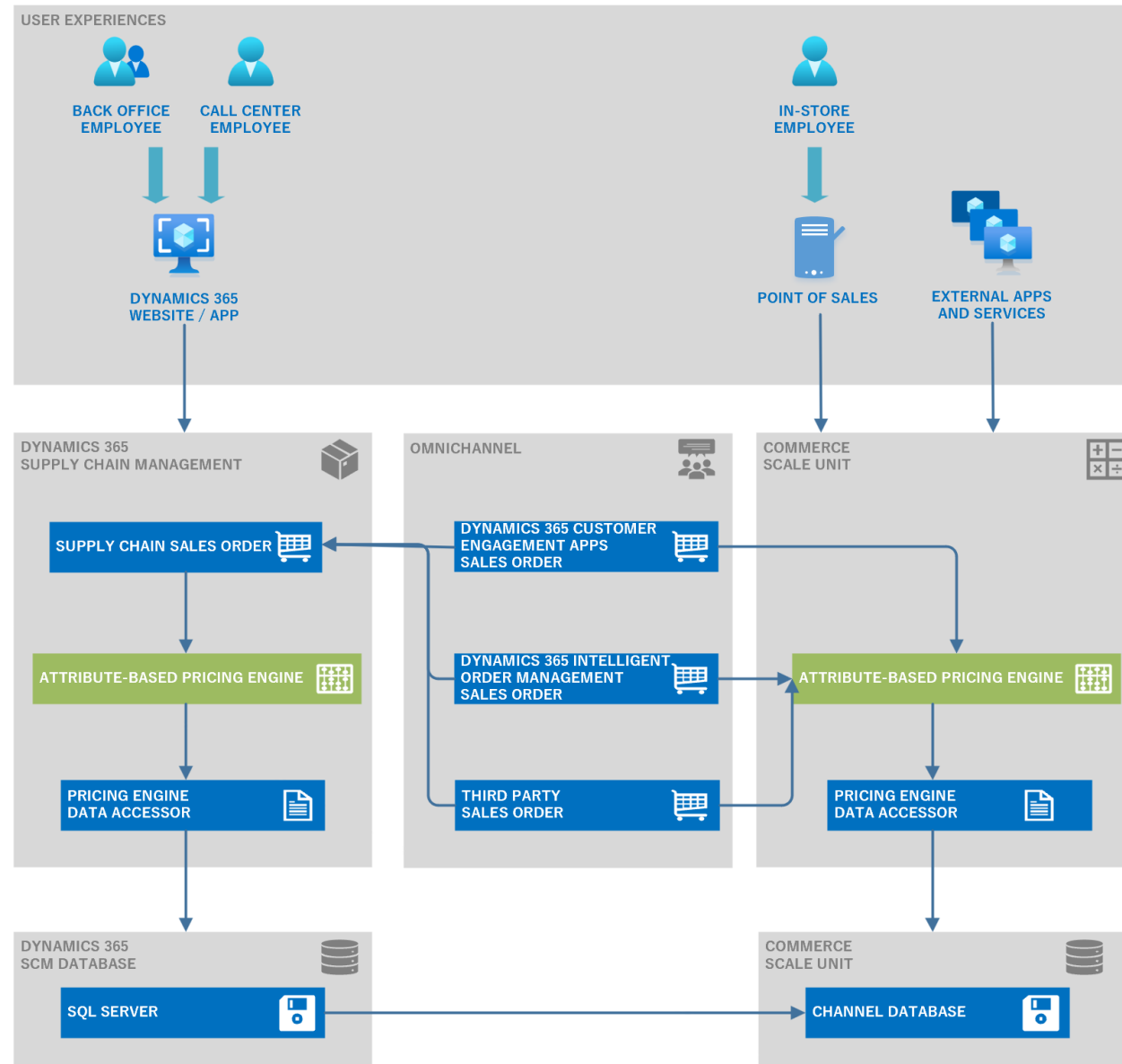
Integration pattern with 3ʳᵈ party application

Third Party Application

Commerce Scale Unit
Commerce API
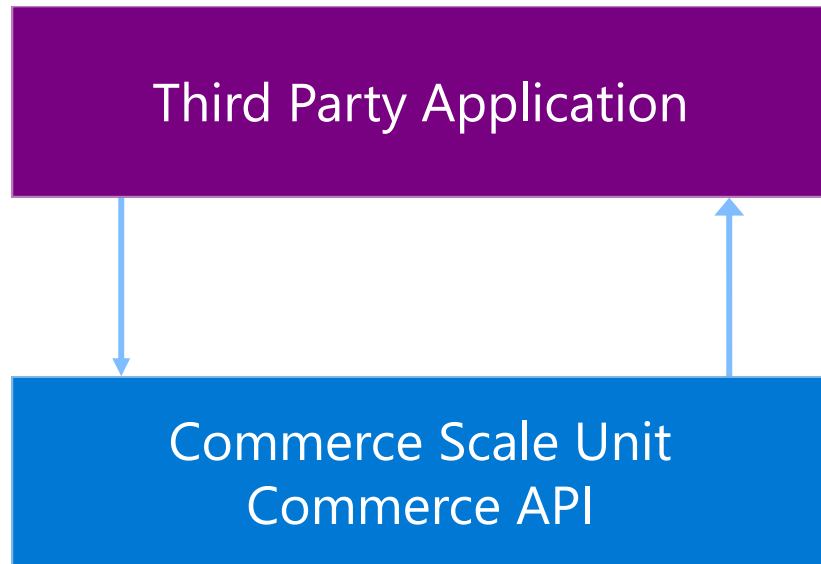
- Communication with 3ʳᵈ party application through [Commerce Scale Unit API](#)
- Common scenarios:
  - GetActivePrices: get price for one or more items. (Just simple discount and qty = 1)
  - CalculateSalesDocument : get prices for line items in a document
- Tips:
  - For Price determination, you can send the creation date, delivery date…
- Known limitation:
  - Order attributes are not recognized
- How to:
  - [Consume Retail Server APIs in external applications](#)
  - [Commerce pricing APIs Examples](#)
  - More soon

Demo: Trade agreements, discounts and charges

Contoso Entertainment System is running a promotion, where for every **Techware television** sold, **Loyalty** customers will get 50% off any **Techware soundbar**.

They also charge customers a **heavy item fee** on their entertainment furniture, to account for additional storage and transportation costs.

Contoso Entertainment System USA

Search people ...

Work items assigned to me

Cash advance request : Record ret...

Expense reports : Record returned

Catalog : catalog approval

Expense reports : Expense report a...

Cash advance request : Cash advan...

Approve travel requisition

Catalog : catalog approval

Bank management	Channel deployment	Data management	Financial period close	Optimization advisor	Production floor management
Benefits	Channel merchandising configuration validator	Data validation checklist	Fixed asset management	Outbound work monitoring	Project management
Budget planning	Compensation management	Distributed order management	General journal processing	Outbound work planning	Purchase order confirmation
Business document management	Cost accounting ledger administration	Electronic reporting	Invoicing	Payroll management	Purchase order preparation
Business processes for human resources	Cost administration	Employee development	Learning	People	Purchase order receipt and follow-up
Business processes for payroll	Cost analysis	Employee self service	Leave and absence	Personnel management	Recruitment management
Cash overview - all companies	Cost control	Expense management	Ledger budgets and forecasts	Pricing and discount management	Released product maintenance
Cash overview - current company	Customer credit and collections	Feature management	Maintenance request management	Product readiness for discrete manufacturing	Resource lifecycle management
Catalog management	Customer invoicing	Financial analysis - all companies	Master planning	Product readiness for process manufacturing	Retail and Commerce IT
Category and product management	Customer payments	Financial analysis - current company	My business processes	Product variant model definition	Sales order processing and inquiry

Sales return processing
Store financials
Store management
System administration
Task management
Vendor bidding
Vendor information
Vendor invoice automation
Vendor invoice entry
Vendor payments

Demo: Integration with 3rd party application

Contoso Entertainment System is running a promotion, where for every **Techware television** sold, **Loyalty** customers will get 50% off any **Techware soundbar**.

Search for a page

USRT

Contoso Retail USA

You have new messages.

Search people ...

◁ April 2023 ▷

Su	Mo	Tu	We	Th	Fr	Sa
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

Work items assigned to me ⌃

Work items will be displayed here after they are assigned to you.

Bank management

Cost analysis

Financial period close

Personnel management

Sales order processing and inquiry

Benefits

Cost control

Fixed asset management

Pricing and discount management

Sales return processing

Budget planning

Customer credit and collections

General journal processing

Product readiness for discrete manufacturing

Store financials

Business document management

Customer invoicing

Invoicing

Product readiness for process manufacturing

Store management

Business processes for human resources

Customer payments

Learning

Product variant model definition

System administration

Business processes for payroll

Data management

Leave and absence

Production floor management

Task management

Cash overview - all

Ledger budgets and

What's Next!

Follow and get involved in the Yammer group
https://aka.ms/SCMPricingManagementYammer

Be sure to look out for other videos on pricing management coming soon

Dankie   Faleminderit   **Shukran**   Chnorakaloutioun   Hvala   Blagodaria

Děkuji   **Tak**   Dank u   Tänan   Kiitos   **Merci**   Danke   Ευχαριστώ   A dank

Mahalo   תודה.   **Dhanyavād**   Köszönöm   Takk   Terima kasih   **Grazie**   Grazzi

감사합니다   Paldies   Choukrane   Ačiū   **Благодарам**   ありがとうございました

谢谢   Баярлалаа   **Dziękuję**   Obrigado   Mulţumesc   **Спасибо**   Ngiyabonga

Ďakujem   Tack   Nandri   Kop khun   **Teşekkür ederim**   Дякую   Хвала   Diolch