

MODULE 2: SALES PRICES AND DISCOUNTS

Module Overview

Companies that operate in price-sensitive markets frequently need flexible pricing strategies to help attract and maintain customers. One typical strategy is to have individual price agreements with large customers, and to offer standard prices and discounts to all other customers. Agreements can also apply to groups of customers, such as a chain of retail stores.

Companies can also price or discount items to reduce unwanted inventory, or to support marketing campaigns.

In Microsoft Dynamics® NAV, pricing and discount features include the following:

- Offer prices and discounts at the order-line level based on several criteria.
- Provide discounts to customers at the invoice level based on the overall invoice amount and, optionally, the currency in which it is paid.
- Target specific customer groups by using both pricing and discount strategies.

Equally important, price and discount functionality is fully integrated into all relevant sales, marketing, and accounting processes. This makes it consistent, transparent, and easy to use.

Before starting the lessons in this module, set your work date to January 23, 2014.

Objectives

The objectives are:

- Define sales prices and set up sales prices and customer price groups.
- Explain how to maintain sales prices by using the sales price worksheet.
- Describe and set up line discounts.
- Explain how invoice discounts are used.

Sales Prices

Typically, if pricing requirements are minimal, companies store price information on item cards, where they are limited to one price for each item.

If a company requires more sophisticated pricing features, it must record its special price agreements on the **Sales Prices** page. Companies use this page to set prices based on many conditions including the item and one of the following mandatory options:

- Customer
- Customer Price Group
- All Customers
- Campaign (marketing campaign)

The conditions can also include the following additional options:

- Item variant
- Unit of measure
- Minimum quantity purchased
- Order date
- Currency paid

During order entry, the program will use the information that is defined on the **Sales Prices** page to automatically copy the best price to the sales line (provided the sales line qualifies for that price). Additionally, the sales interface indicates that alternative prices exist for the sales line. This helps the order processors to quickly and easily check the conditions under which these other prices apply. After the order processor has this information, he or she can work with the customer to achieve the best price.

Procedure: Review Sales Prices Setup

Employees use the **Sales Prices** page to set up alternative prices. You can access this page from either the customer card or the item card. To review sales prices for customer 10000, follow these steps.

1. In the **Search** box, enter "customers", and then select the related link.
 2. Select the line for customer 10000.
 3. On the **Navigate** tab, click **Prices**.

FIGURE 2.1: SALES PRICES FOR CUSTOMER 10000

On this page, you can specify the conditions that must be met before a customer is offered a sales price for an item. For example, the conditions can require that the customer belongs to a particular customer price group and that the purchase is made in a certain period. This pricing must always be item specific (the criteria must always include an item number).

The **Sales Prices** page can also be used to define whether the sales prices can be combined with line and invoice discounts (controlling the combination of sales prices and discounts is described in more detail in the "Allow/Disallow Discounts" topic of the "Invoice Discounts" lesson).

Because the **Sales Prices** page is accessed through the customer card in this example, the **Sales Type** field is set to Customer and the **Sales Code** field is set to the customer number on the customer card. These default settings can be edited. The **Sales Type** options include the following:

- Customer
- Customer Price Group
- All Customers
- Campaign

The **Sales Code** options depend on the selection in the **Sales Type** field. For example, if you select Customer in the **Sales Type** field, you must enter a valid customer number in the **Sales Code** field.

Examples of situations that require the setup of sales prices include the following:

- Pricing agreement is reached with a key customer about specific items
- Pricing decision is reached that targets a specific customer segment
- Starting an initiative to reduce excess inventory
- Starting a promotional campaign that introduces a new product

Demonstration: Set Up Sales Prices

Scenario: Recently, CRONUS International Ltd.'s sales to customer 40000 have increased. Until now, the customer has made purchases based on CRONUS's standard price rates, but now wants to purchase items at more favorable prices.

Based on an agreement, Nancy, the sales representative at CRONUS, decides that the customer can save 50.00 LCY for any purchase of item 1976-W if the quantity is at least 10 units. This agreement takes effect starting January 28, 2014 and has no expiration date.

Nancy must now set up this price agreement in the program.

Demonstration Steps

To set up sales prices, follow these steps.

1. In the **Search** box, enter "customers", and then select the related link.
2. On the **Customers** list page, select customer 40000.
3. On the **Navigate** tab, click **Prices**.
4. On the **Sales Prices** page, in the **Item No.** field, enter "1976-W".
5. In the **Minimum Quantity** field, type "10".

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6. In the **Unit Price** field, type "206.10". This is the reduced unit price.
 7. Set the **Starting Date** field to January 28, 2014.

FIGURE 2.2: SALES PRICES FOR CUSTOMER 40000 AND ITEM 1976-W

8. Click **OK** to close the **Sales Prices** page.

Nancy does not have to enter an ending date for the price, because the agreement is ongoing. If the agreement is renegotiated at a later date, a new sales price line is entered with a new starting date. This automatically replaces the previous agreement from that date forward.

Demonstration: Set Up Customer Price Groups

Scenario: As part of a long-term marketing strategy, Kevin, the sales manager at CRONUS, decides that the company's high-performing wholesale customers will be granted, as a group, a favorable price of 800.00 LCY when they buy item 1972-W in February 2014.

To implement this pricing decision, Kevin sets up the required group in the **Customer Price Groups** page, then grants the favorable price to the group.

Demonstration Steps

To set up the required customer price group, follow these steps.

1. In the **Search** box, enter “customer price groups”, and then select the related link.
2. On the **Customer Price Groups** page, in the **Code** field, type “WHOLESALE1”.
3. In the **Description** field, type “Wholesalers, Top Performers”.
4. Make sure that the **Allow Line Disc.** and **Allow Invoice Disc.** check boxes are selected. These two check boxes determine whether sales prices set up for the customer price group can be combined with the two discount types that might apply to customers in this group.
5. Verify that the **Price Includes VAT** check box is unchecked and the **VAT Bus. Posting Gr. (Price)** field is empty.

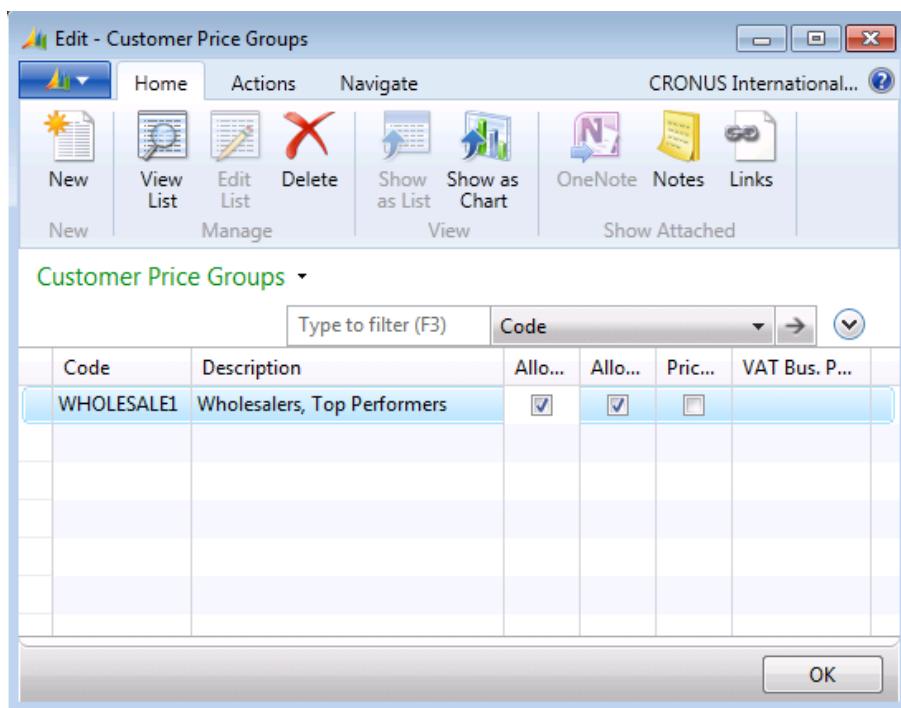


FIGURE 2.3: CUSTOMER PRICE GROUPS

When the price group code is entered in the **Sales Prices** page, the program copies the information from the **Customer Price Groups** page to the corresponding fields in the **Sales Prices** page. You can then change the **Allow Line Disc.**, **Allow Invoice Disc.**, **Price Includes VAT**, and **VAT Bus. Posting Gr. (Price)** fields as needed.

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To set up the WHOLESALE1 group that uses the price of 800 LCY when buying item 1972-W, follow these steps.

1. On the **Navigate** tab of the **Customer Price Groups** page, click **Sales Prices**.
2. On the **Sales Prices** page, in the **Item No.** field, enter "1972-W".
3. In the **Unit Price** field, type "800".
4. Set the **Starting Date** field to February 01, 2014.
5. Set the **Ending Date** field to February 28, 2014.

Because customers are offered a regular price of 850.00 LCY both before and after February, 2014, you can reflect this in the program by creating a separate line in the **Sales Prices** page. To record the regular price, follow these steps.

1. Add a new line.
2. On the new line, enter item "1972-W" in the **Item No.** field.
3. In the **Unit Price** field, type "850".
4. Leave the **Starting Date** and **Ending Date** fields blank.

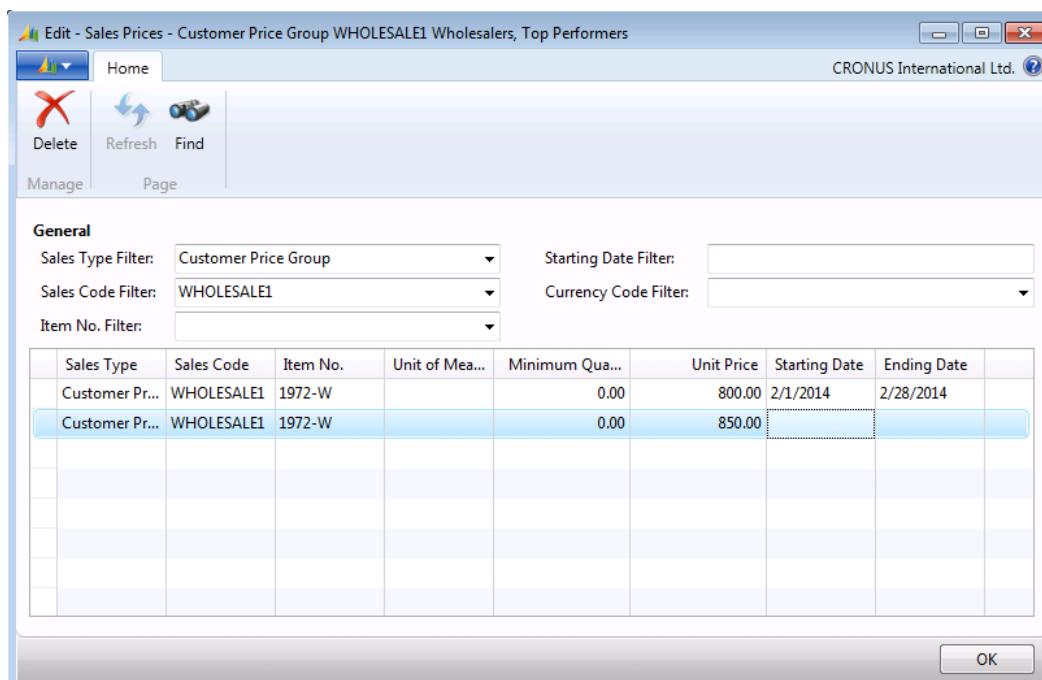


FIGURE 2.4: SALES PRICES FOR THE WHOLESALE1 CUSTOMER PRICE GROUP

 **Note:** If the regular price is set on the item card, this added sales price line is not required. If a sales order line does not qualify for a sales price (in this case, if the sale does not occur in February, 2014), then the program will use the price on the item card.

However, if you use the sales prices functionality, you should maintain all your prices on the **Sales Prices** page. To implement this decision, you should transfer all the item price information from item cards to the **Sales Price** table. You can manage this transfer by using the **Suggest Item Price on Wksh.** batch job, described in the "Maintain Sales Prices" lesson.

Assume that customer 40000 is a CRONUS top wholesaler. To assign this customer to the new price group, follow these steps.

1. In the **Search** box, enter "customers", and then select the related link.
2. Open the customer card for customer 40000.
3. Expand the **Invoicing** FastTab.
4. In the **Customer Price Group** field, select WHOLESALE1.
5. Click **OK** to close the customer card.

Best Price Functionality

One of the main goals of setting up sales prices is to help sales representatives offer customers the best price. The best price is defined as the lowest price with the highest line discount for the order date.

When an order processor creates an order for a customer, the program will do the following:

- Checks whether sales prices are set up for the customer
- Determines which sales prices apply based on whether their conditions are satisfied by the sales header and line details
- Selects the best price from among the applicable sales prices

If a sales price is selected, the program copies the sales price to the **Unit Price (Excl./Incl. VAT)** field on the sales line. Refer to the "Best Price" topic in the online Help for more information about how the program selects the best price from among multiple prices.

If there are no sales prices or the conditions for applying at least one sales price are not satisfied, the program uses the regular unit price specified on the item card as the suggested price on the sales line.

 **Note:** The principles of including/excluding VAT in unit price calculations are explained in the Finance Essentials in Microsoft Dynamics NAV 2013 course.

Demonstration: Create a Sales Order with Sales Pricing

Scenario: On January 28, 2014, customer 40000 orders eight units of item 1976-W and five units of item 1972-W. The customer also inquires about the unit price of the purchase.

Susan, the order processor at CRONUS, creates a sales order and informs the customer about the price. Additionally, Susan investigates if there are other conditions that the customer might want to accept to obtain a better price.

Demonstration Steps

To create a sales order for customer 40000, follow these steps.

1. In the **Search** box, enter "sales orders", and then select the related link.
2. On the **Home** tab, click **New** and then press **Enter**.
3. On the **General** FastTab, in the **Sell-to Customer No.** field, enter "40000". Accept any messages.
4. On the **Lines** FastTab, in the **Type** field, select Item.
5. In the **No.** field, enter "1976-W".
6. In the **Quantity** field, type "8". Accept any messages.
7. On the next line, in the **No.** field, enter "1972-W".
8. In the **Quantity** field, type "5". Accept any messages.

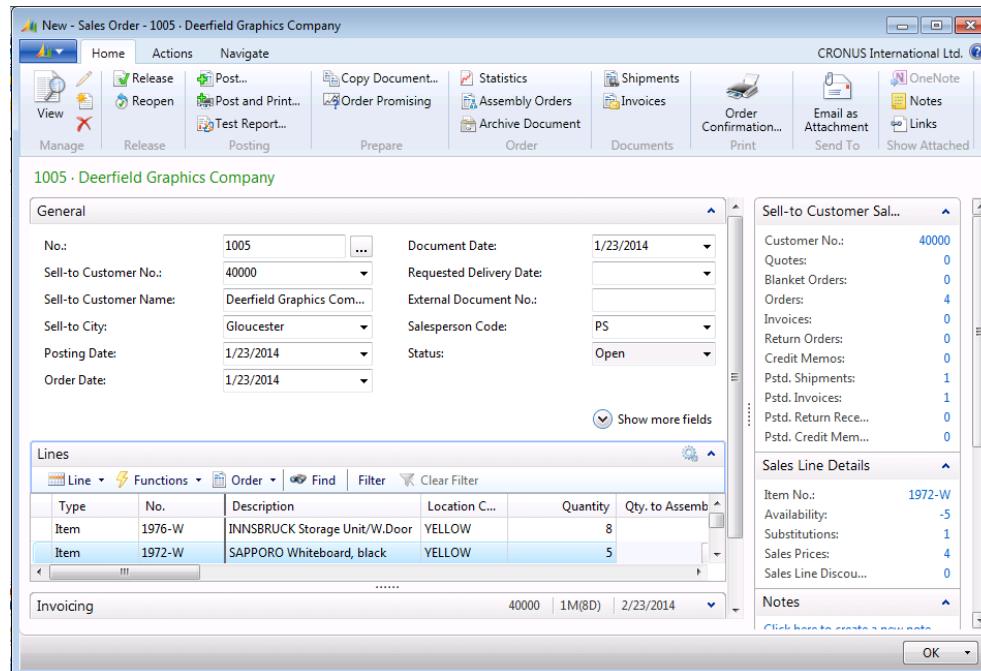


FIGURE 2.5: SALES LINE DETAILS FACTBOX THAT SHOWS SALES PRICES EXIST

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The **Sales Prices** field in the **Sales Line Details** FactBox indicates whether sales prices exist for the item and the customer combination that is specified on the sales line. If the **Sales Prices** field contains a number greater than zero, the order processor might want to investigate the conditions on which a more favorable price can be offered to the customer.

Sales prices can be examined and selected in the **Get Sales Price** page. This page can be accessed either by clicking the link in the **Sales Prices** field in the **Sales Line Details** FactBox, or by pointing to **Functions** in the **Lines** FastTab and clicking **Get Price**.

To explore sales prices for the current order, follow these steps.

1. Select the first sales line and then click the link in the **Sales Prices** field in the **Sales Line Details** FactBox. The **Get Sales Price** page will open.
2. Notice that if the customer agrees to buy two more units of item 1976-W, then the unit price will drop to 206.10 LCY.
3. Click **Cancel** to close the **Get Sales Price** page.
4. Select the second sales line, point to **Functions** in the **Lines** FastTab, and then click **Get Price**. The **Get Sales Price** page will open again, this time to display sales prices for the second sales line.
5. Notice that the customer can obtain a better price if he or she postpones the order until February 01, 2014.

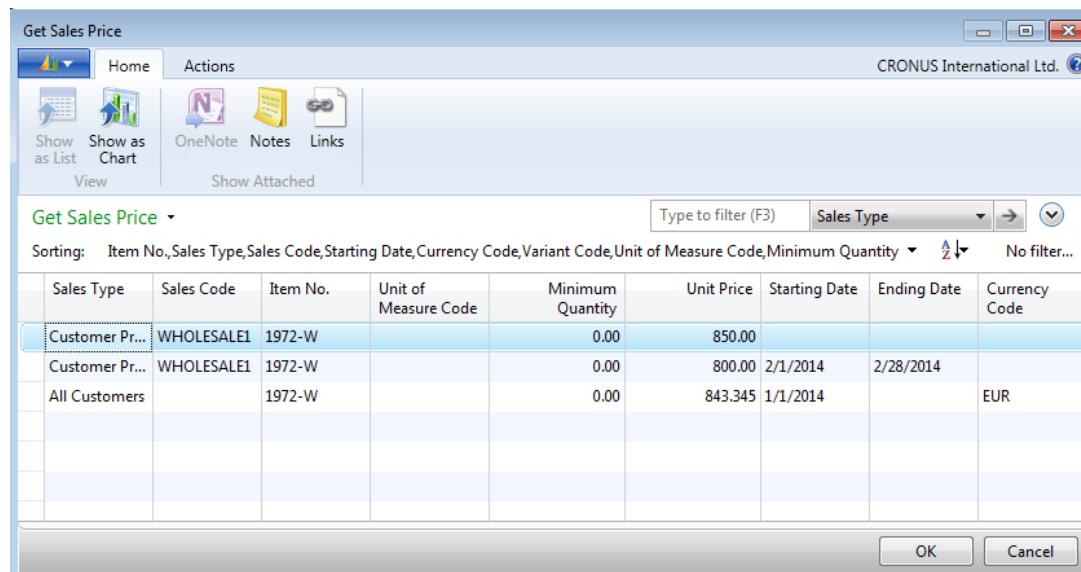


FIGURE 2.6: GET SALES PRICE PAGE

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Susan notifies the customer of the alternative prices and their conditions, and the customer agrees to change the order as she suggests.

To change the sales lines, follow these steps.

1. Close the **Get Sales Price** page.
2. Change the **Order Date** field to February 01, 2014, and then click **OK** to close the message about the order lines.
3. On the first line, in the **Quantity** field, type "10". Accept any messages.
4. Select the second sales line, and then click the link in the **Sales Prices** field in the **Sales Line Details** Factbox.
5. Select the line in the **Get Sales Price** page that shows the discount for buying in February. Click **OK** to update the price on the sales line.
6. Review the reduced price for each line in the **Unit Price Excl. VAT** field. The first line should now have a unit price of 206.10 LCY, and the second line should have a unit price of 800.00 LCY.

Lab 2.1: Manage Sales Prices

You are the order processor at CRONUS responsible for restructuring prices for item 70200 and item 1928-S according to the following conditions:

- Item 70200: As of January 25, 2014, if any CRONUS customers buy this item in boxes (which contain 100 pieces) instead of pieces, offer 30 LCY off the regular price (reducing the unit price to 1.00 LCY from 1.30 LCY).
- Item 1928-S: As of January 25, 2014, when the CRONUS overseas customer 31505050 buys this item and pays in local currency (euro), offer a 1.00 LCY discount off the item's regular unit price (reducing the price to 34.60 LCY).



Reader Aid: Add a new unit of measure, BOX, to item 70200. Add the **Currency Code** field to the **Sales Prices** page by using the **Choose Columns** function.

High Level Steps

1. Open the item card for item 70200 and set up the Box unit of measure as it is indicated in the scenario.
2. Open the **Sales Prices** page and set up all customers to receive the 100.00 LCY sales price when boxes of this item are purchased starting January 25, 2014.
3. Open the customer card for customer 31505050.
4. Open the **Sales Prices** page and add the **Currency Code** field.
5. Set up this customer to receive the 1.00 LCY discount of item 1928-S starting January 25, 2014.

Detailed Steps

1. Open the item card for item 70200 and set up the Box unit of measure as it is indicated in the scenario.
 - a. In the **Search** box, enter "items", and then select the related link.
 - b. Open the item card for item 70200.
 - c. On the **Home** tab, click **Units of Measure**.
 - d. On the **Home** tab of the **Item Units of Measure** page, click **New**.
 - e. In the **Code** field, select BOX.
 - f. In the **Qty. per Unit of Measure** field, type "100".
 - g. Click **OK** to close the **Item Units of Measure** page.

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2. Open the **Sales Prices** page and set up all customers to receive the 100.00 LCY sales price when boxes of this item are purchased starting January 25, 2014.
 - a. On the **Navigate** tab of the item card, click the **Prices** function in the Sales group.
 - b. On the **Sales Prices** page, in the **Sales Type** field, select All Customers.
 - c. In the **Unit of Measure Code** field, select BOX.
 - d. In the **Unit Price** field, type "100".
 - e. Set the **Starting Date** field to January 25, 2014.
 - f. Click **OK** to close the **Sales Prices** page.
 - g. Click **OK** to close the item card.
3. Open the customer card for customer 31505050.
 - a. In the **Search** box, enter "customers", and then select the related link.
 - b. Open the customer card for customer 31505050.
4. Open the **Sales Prices** page and add the **Currency Code** field.
 - a. On the **Navigate** tab, click **Prices**.
 - b. Add the **Currency Code** field by using the **Choose Columns** function.
 - c. Reopen the **Sales Prices** page to view the changes, if it is necessary.
5. Set up this customer to receive the 1.00 LCY discount of item 1928-S starting January 25, 2014.
 - a. Make sure that the **Currency Code** field is set to EUR.
 - b. In the **Item No.** field, enter "1928-S".
 - c. In the **Unit Price** field, type "34.60". This is the reduced unit price.
 - d. Set the **Starting Date** field to January 25, 2014.
 - e. Click **OK** to close the **Sales Prices** page.
 - f. Click **OK** to close the customer card.

Maintain Sales Prices

Adjusting item prices is a task that sales personnel perform periodically because of changing market conditions, new agreements with customers, or new sales initiatives.

The program provides two tools to help sales personnel prepare and adjust sales prices. Which one they use depends on whether they use item cards or the **Sales Prices** page to maintain their prices.

The sales price worksheet is used to specify changes to the sales prices that are recorded in the **Sales Prices** page.

The **Adjust Item Costs/Prices** batch job is used to update cost-related and price-related fields on the **Invoicing** FastTab of item cards.

Sales Price Worksheet

The main function of the sales price worksheet is to enable sales personnel to work with sales prices similar to how they work with a Microsoft® Office Excel® spreadsheet. By providing an overview of the existing price structure (either based on item prices or sales prices), the worksheet is a convenient space where sales personnel can simulate, rearrange, and update price information efficiently and consistently.

Sales prices entered in the worksheet are only suggested prices that do not take effect until they are implemented by running the **Implement Price Change** batch job. Worksheet suggestions for changing the existing sales prices can be created manually or automatically.

To fill in the worksheet automatically, run one of the following batch jobs:

- **Suggest Sales Price on Wksh.** This batch job suggests changes to the **Sales Prices** page by applying an adjustment factor to existing sales prices, or by copying existing sales price agreements to other customers, customer price groups, or sales campaigns.
- **Suggest Item Price on Wksh.** This batch job suggests changes to the **Sales Prices** page by applying an adjustment factor to existing unit prices on item cards, or by suggesting prices for new combinations of currency, units of measure, and so on. The unit prices on the item cards are not changed by this batch job.

Both batch jobs end by displaying the newly calculated unit prices in the sales price worksheet. You can then change unsatisfactory unit prices or delete unnecessary lines before you implement the prices, or select to delete them all without implementing them.

Demonstration: Create Sales Prices and Customer Groups

This demonstration explains how sales prices that are valid for one customer price group can also be applied to another customer price group that has one additional condition.

Scenario: Currently, CRONUS offers top wholesale customers reduced prices on item 1972-W. In the program, these customers are categorized into the WHOLESALE1 price group, and the reduced price is applied to the whole group. Nancy, the sales representative, wants to grant other wholesalers the same price if they buy at least 15 units.

Nancy's task is to create new sales prices for the specified customers. The most efficient way to perform this task is to use the sales price worksheet to copy existing sales prices from one customer price group to another, and then make the necessary modifications.

Demonstration Steps

To create suggested prices for a new customer price group in the sales price worksheet, follow these steps.

1. In the **Search** box, enter "sales price worksheet", and then select the related link.
2. On the **Home** tab, click **Suggest Sales Price on Wksh**. This opens the **Suggest Sales Price on Wksh**. request page.

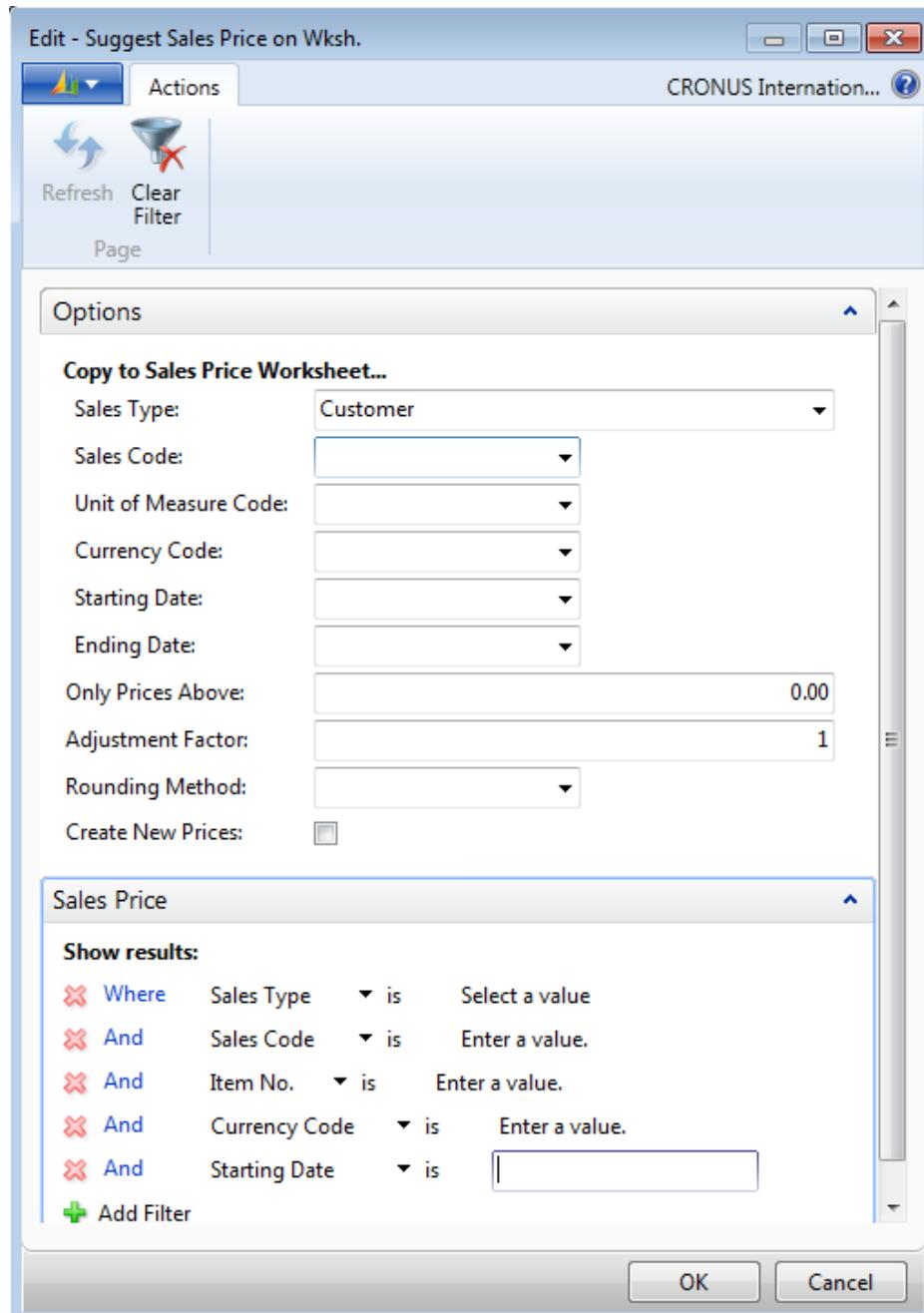


FIGURE 2.7: SUGGEST SALES PRICE ON WKSH. REQUEST PAGE

3. On the **Options** FastTab, clear all fields.
4. In the **Sales Type** field, select Customer Price Group. Filters entered on the **Options** FastTab determine to whom (a customer, customer group, or all customers), on what conditions, and with what adjustment factor the suggested sales prices will apply when they are copied into the worksheet.

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5. In the **Sales Code** field, click the drop-down arrow.
6. On the **Home** tab of the **Customer Price Groups** page, click **New** to create a new group.
7. In the **Code** field, type "WHOLESALE2".
8. In the **Description** field, type "Wholesalers, others".
9. Make sure that the **Allow Line Disc.** and **Allow Invoice Disc.** check boxes are selected.
10. With the new customer price group selected, click **OK**. This closes the **Customer Price Groups** page and populates the WHOLESALE2 value in the **Sales Code** field of the **Options** FastTab on the **Suggest Sales Price on Wksh.** request page.
11. On the **Options** FastTab, set the **Adjustment Factor** field to "1".
12. Select the **Create New Prices** check box. Because the WHOLESALE2 price group has no existing sales prices set up, you want the batch job to populate the worksheet with new sales price suggestions.
13. On the **Sales Price** FastTab, clear all fields.
14. Set the filter for the **Sales Type** field to Customer Price Group and the **Sales Code** filter to WHOLESALE1. Filters in the **Sales Price** FastTab determine which existing sales prices lines are used as the basis for the new lines created in the worksheet.
15. Click **OK** to start the batch job.

When it is run, the batch job first determines whether any existing sales price agreements satisfy the filters set on the **Sales Price** FastTab. If no agreements exist, no new sales price worksheet lines will be created, unless the user enters the check mark into the **Create New Prices** field. In that case, the sales price suggestions will be created by using the conditions that correspond to the selected filters, and the new unit price will be copied (and adjusted according to the adjustment factor) from price agreements that exist (if any) for other sales types with the same conditions as those filtered. If the program finds the existing sales price agreements (there can be more than one), it will copy them into the worksheet and suggest the new unit price according to the adjustment factor.

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In this example, the sales price worksheet populates with price suggestions that are based on the existing sales prices for the customer price group WHOLESALE1, but now are applied to the group WHOLESALE2.

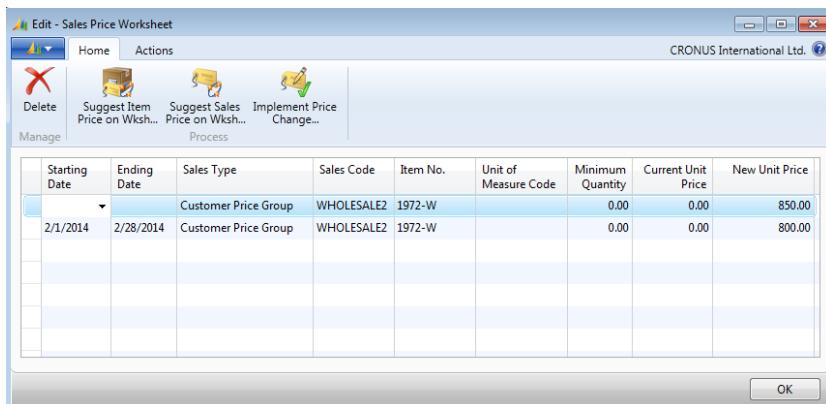


FIGURE 2.8: SALES PRICE WORKSHEET WITH PRICES SUGGESTIONS FROM THE SUGGEST SALES PRICE ON WKSH BATCH JOB

Note: For more information about the **Suggest Sales Price on Wksh.** batch job, its request page and filter options, search for "Suggest Sales Price On Wksh. Batch Job" in the online Help.

As stated in the scenario, the reduced prices for item 1972-W in the period of February 01, 2014 through February 28, 2014 are available to customers in the WHOLESALE2 customer price group on the condition that they buy at least 15 units. To complete the implementation of this pricing decision, follow these steps.

1. For the line in the worksheet that has the starting date of February 01, 2014 and the ending date of February 28, 2014, enter "15" in the **Minimum Quantity** field and press **Enter** or **Tab**. Accept any messages.
2. On the **Home** tab, click **Implement Price Change**.
3. On the **Implement Price Change** request page, on the **Sales Price Worksheet** FastTab, clear all filter fields.
4. Click **OK** to start the batch job. Until you do this, the changes that you made remain in the worksheet only. Click **Yes** to delete the suggested price changes from the worksheet.
5. Click **OK** to close the sales price worksheet.

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The batch job creates sales prices for the new customer group in the **Sale Prices** page.

To verify that the new sales prices are created for the customer price group WHOLESALE2, follow these steps.

1. In the **Search** box, enter "customer price groups", and then select the related link.
2. Select the line for the WHOLESALE2 price group.
3. On the **Navigate** tab, click **Sales Prices**.

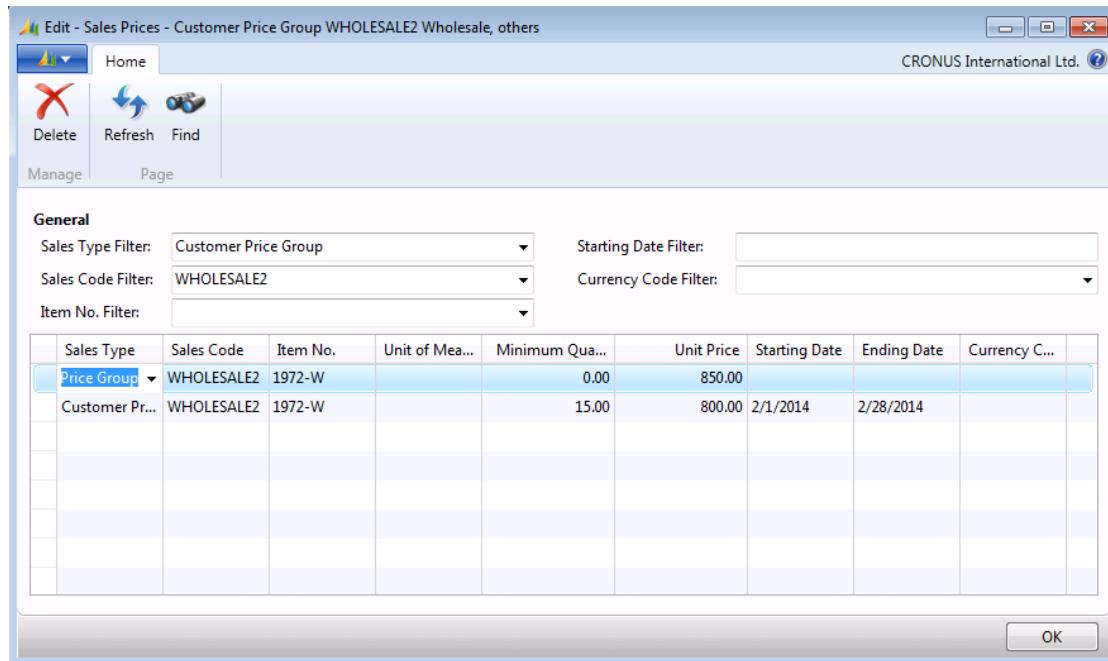


FIGURE 2.9: SALES PRICES CREATED FOR CUSTOMER GROUP WHOLESALE2 FROM THE SALES PRICE WORKSHEET

The options for the **Suggest Item Price on Wksh.** batch job, also available from the sales price worksheet, are identical to the **Suggest Sales Price on Wksh.** batch job. The only difference is that the suggested unit prices are retrieved from the **Unit Price** field on the item cards instead of from the **Sales Prices** page.

The **Suggest Item Price on Wksh.** batch job does not change the value of the **Unit Price** field on the item cards. This is the function of the **Adjust Item Costs/Prices** batch job.

Adjust Item Costs/Prices

When sales personnel want to update pricing information on item cards, they can use the **Adjust Item Costs/Prices** batch job.

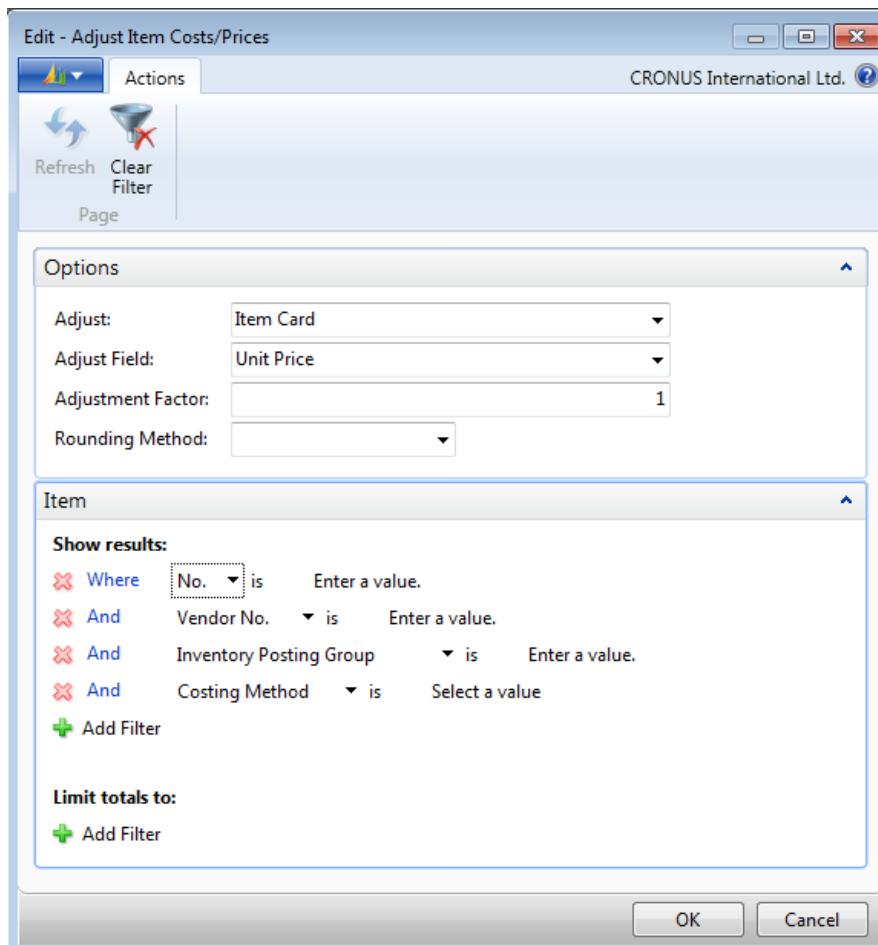


FIGURE 2.10: ADJUST ITEM COSTS/PRICES BATCH JOB REQUEST PAGE

You can also use this batch job to adjust the **Unit Price** field on the item card, the **Profit %** field and multiple cost fields.

There is no worksheet associated with the **Adjust Item Costs/Prices** batch job. This means that changes specified for the batch job are implemented directly on the item cards as soon as the batch job is finished. Notice that price information on the item card is replaced, and no historical records of the original information are kept.

Make sure that you check the information on the batch job's request page before you run the batch job.

Lab 2.2: Update Sales Prices

As the sales manager at CRONUS, you make the changes to the current prices based on the following information:

- Because of changed market conditions, increase the prices offered to all customers by 10 percent for items 70100 to 70104. The new prices are effective February 01, 2014. You also decide to round the new prices to the nearest whole LCY.
- As the CRONUS overseas-customer base expands, extend the reduced price of 34.60 LCY for item 1928-S (if the purchase is paid in euros) to all international customers. Currently, the reduced price is available only to customer 31505050.



Reader Aid: Consider grouping overseas customers.

High Level Steps

- Open the sales price worksheet and run the **Suggest Item Price on Wksh.** batch job. Set the request page filters as it is specified in the scenario.
- Run the **Implement Price Change** batch job.
- Run the **Suggest Sales Price on Wksh.** batch job. Set the request page filters as it is specified in the scenario.
- Run the **Implement Price Change** batch job

Detailed Steps

- Open the sales price worksheet and run the **Suggest Item Price on Wksh.** batch job. Set the request page filters as it is specified in the scenario.
 - In the **Search** box, enter "sales price worksheet", and then select the related link.
 - On the **Home** tab, click **Suggest Item Price on Wksh.**
 - On the **Options** FastTab of the **Suggest Item Price on Wksh.** request page, clear all fields.
 - In the **Sales Type** field, select All Customers.
 - Set the **Starting Date** field to February 01, 2014.
 - In the **Adjustment Factor** field, type "1.1".
 - In the **Rounding Method** field, select WHOLE.
 - Select the **Create New Prices** check box.
 - On the **Item** FastTab, in the **No.** filter, specify a range of items by entering the filter "70100..70104".
 - Click **OK** to start the batch job.

2. Run the **Implement Price Change** batch job.
 - a. On the **Home** tab of the sales price worksheet, click **Implement Price Change**.
 - b. On the **Sales Price Worksheet** FastTab, clear all filter fields.
 - c. Click **OK** on the request page to start the batch job.
 - d. Click **Yes** to delete the suggested price changes.
3. Run the **Suggest Sales Price on Wksh**. batch job. Set the request page filters as it is specified in the scenario.
 - a. On the **Home** tab of the sales price worksheet, click **Suggest Sales Price on Wksh**.
 - b. On the **Options** FastTab, clear all fields.
 - c. In the **Sales Type** field, select Customer Price Group.
 - d. In the **Sales Code** field, click the drop-down arrow to open the **Customer Price Groups** page.
 - e. On the **Home** tab, click **New** to create a new price group.
 - f. In the **Code** field, type "FOREIGN".
 - g. In the **Description** field, type "Foreign Customers".
 - h. Make sure that the **Allow Line Disc.** and **Allow Invoice Disc.** check boxes are selected.
 - i. With the FOREIGN group selected, click **OK**.
 - j. In the **Currency Code** field, select EUR.
 - k. In the **Starting Date** field, press the "W" key for the work date.
 - l. In the **Adjustment Factor** field, enter "1".
 - m. Select the **Create New Prices** check box.
 - n. On the **Sales Price** FastTab, clear all filter fields.
 - o. Set the filter for the **Sales Type** field to "Customer".
 - p. Set the **Sales Code** filter to "31505050".
 - q. Set the filter for the **Item No.** field to "1928-S".
 - r. Click **OK** to start the batch job.

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4. Run the **Implement Price Change** batch job
 - a. On the **Home** tab of the sales price worksheet, click **Implement Price Change**.
 - b. On the **Sales Price Worksheet** FastTab, clear all filter fields.
 - c. Click **OK** on the request page to start the batch job.
 - d. Click **Yes** to delete the suggested price changes.
 - e. Click **OK** to close the sales price worksheet.



Note: For customers to receive the reduced price, assign them to the FOREIGN customer price group. Do this on the **Invoicing** FastTab of the customer card.

Sales Line Discounts

In Microsoft Dynamics NAV, companies can offer three types of discounts to customers:

- Item-related
- Invoice
- Payment

Item-Related Discounts

Item-related discounts are known as sales line discounts. As with sales prices, sales line discounts can be granted to customers based on predefined conditions, such as minimum quantity of a purchase, unit of measure, currency paid, and so on. Companies can offer sales line discounts to individual customers, groups of customers, or all customers. Additionally, sales line discounts can apply to both individual items and groups of items.

Invoice Discounts

Invoice discounts are granted based on the total invoice amount independent of the item(s) being sold. Sales line discounts and invoice discounts can be combined.

Payment Discounts

Payment discounts are only granted to a customer if the customer pays the total invoice amount in a specified time period. For more information about payment discounts, refer to the *Finance Essentials in Microsoft Dynamics NAV 2013* course.

General Discount Setup

Before a company uses the sales line discount and invoice discount functionality, it must decide how it wants discounts posted to the general ledger. It must also decide whether invoice discounts calculate automatically when the sales document is created, or if users must manually apply the calculating function.

These decisions are implemented in the **Sales & Receivables Setup** page. You can find this page by typing “sales & receivables setup” in the **Search** box and then selecting the related link.

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The **Discount Posting** field on the **General** FastTab offers four options for defining the way sales line discounts and invoice discounts post to the general ledger:

Option	Description
No Discounts	The program will not post discounts. Instead it will subtract discounts from the invoice amounts before they are posted.
Invoice Discounts	The program will post invoice discounts when the invoice is posted. However, it will not post sales line discounts.
Line Discounts	The program will post sales line discounts when the invoice is posted. However, it will not post invoice discounts.
All Discounts	The program will post both sales line discounts and invoice discounts when the invoice is posted.

For a detailed definition of each option, refer to the online Help for the field.

If any option other than No Discounts is selected (meaning at least one type of discount will be posted), you must make sure that a dedicated account(s) is created in the chart of accounts (for example, a "Sales Invoice Discount" account). You must also make sure that the appropriate discount options are set up in the **General Posting Setup** page.

When you post sales documents, the program uses the general business posting group of the customer and the general product posting group of the item to retrieve the account that is set up in the **General Posting Setup** page.

If discounts are not set up to post separately, they become part of the sales amount that is posted to the Sales account.

Sales Line Discount Setup

Sales personnel use the **Sales Line Discounts** page to record price discounts agreed upon with individual customers or groups of customers. They can access this page from either the customer card or the item card.

A company can use the **Sales Line Discounts** page to specify the conditions that must be met before a customer is offered a discount. For example, the conditions can require that the customer buy a certain quantity of an item or that a purchase is invoiced in a specific currency before a discount can be granted.

Similar to sales prices, sales line discounts can apply to one customer, a customer group, or all customers. Unlike sales prices, discounts can extend from a single item to several items grouped by common characteristics.

The “Review Sales Line Discounts For Customer and Item Groups” demonstration addresses a situation where a company has set up price discounts for certain item categories in combination with a specific customer discount group.

Demonstration: Review Sales Line Discounts For Customer and Item Groups

Scenario: To manage the company's discount structure, Kevin, the sales manager, has categorized customers into two major customer discount groups—Large accounts and Retail customers.

Because the purchase volume differs from one customer discount group to another, the price discount offered to customers must differ.

Price discounts are also offered, depending on what item category the customer is purchasing—larger discounts for raw materials and, or reduced discounts for finished and retail items.

Review how this discount structure is set up in the program.

Demonstration Steps

To review the discount groups for customers, follow these steps.

1. In the **Search** box, enter “customer disc. groups”, and then select the related link.
2. Notice that two customer discount groups exist: one for LARGE ACC and one for RETAIL.
3. Select the line for LARGE ACC.

Module 2: Sales Prices and Discounts

4. On the **Home** tab, click **Sales Line Discounts**. This opens the **Sales Line Discounts** page.

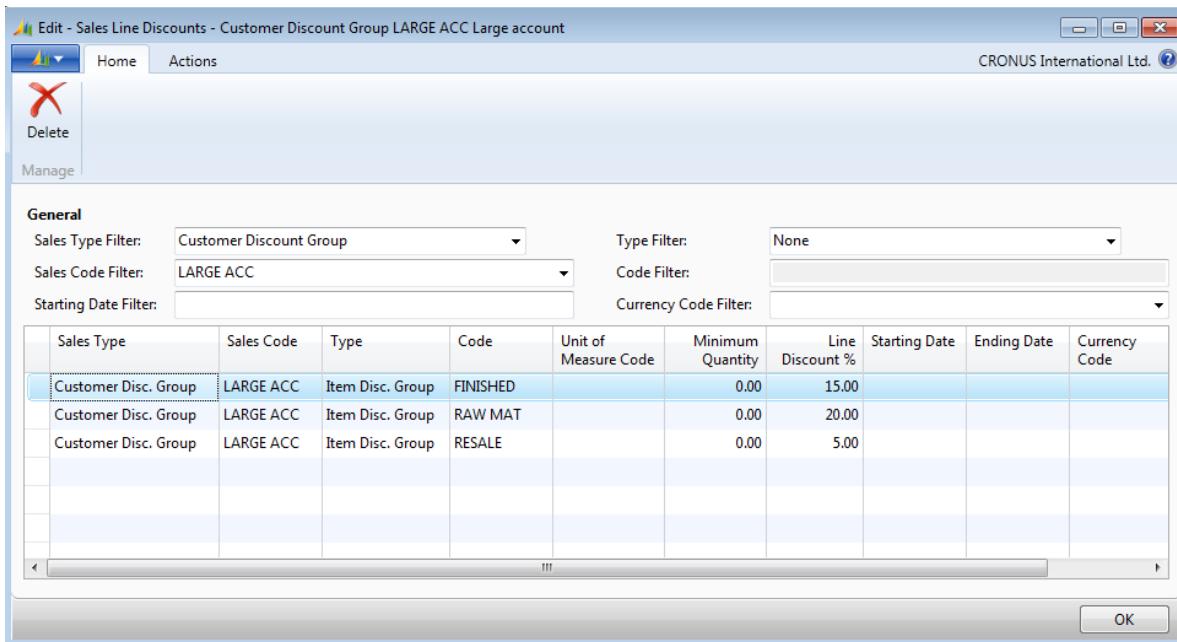


FIGURE 2.11: SALES LINE DISCOUNTS FOR THE LARGE ACCOUNT CUSTOMER DISCOUNT GROUP

Customers who belong to the LARGE ACC discount group can receive one of three sales line discounts, depending on the item discount group. These include the following:

- FINISHED
- RAW MAT
- RESALE

Categorizing items into item discount groups is based on the same principles as categorizing customers. You must set up an item discount group by giving it a code. Then you assign this code to the individual item for which you want to apply the discount.

At CRONUS, there are five item discount groups. To review the item discount groups, follow these steps.

1. On any of the lines in the **Sales Line Discounts** page, click the **Code** field, click the drop-down arrow, and then click **Advanced**.
2. When you are finished viewing the item discount groups, close the **Item Disc. Groups**, **Sales Line Discounts**, and the **Customer Disc. Groups** pages.

When you use the sales line discount functionality, you do not have to assign customers and items to discount groups. You can also set up discounts for combinations of individual customers and items.

To create a sales line discount for customer 30000 that offers a 20 percent discount when the customer buys at least 15 units of item 1972-W, follow these steps.

1. In the **Search** box, enter "customers", and then select the related link.
2. Open the customer card for customer 30000.
3. Expand the **Invoicing** FastTab. Notice that customer 30000's **Customer Disc. Group** field is set to LARGE ACC. This means that customer 30000 already qualifies for the three sales line discounts that are defined for that group.
4. On the **Navigate** tab, click **Line Discounts**.
5. On the line with the **Sales Type** set to Customer and **Sales Code** set to 30000, select Item in the **Type** field, and then enter "1972-W" in the **Code** field.
6. In the **Minimum Quantity** field, type "15".
7. In the **Line Discount %** field, type "20".
8. Click **OK** to close the **Sales Line Discounts** page.

Because item 1972-W is a finished good, customer 30000 would qualify for a 15 percent discount because it belongs to the LARGE ACC customer discount group. By setting up a more specific discount for the combination of customer 30000 and item 1972-W, the company can offer the customer an even larger discount when the order quantity is at least 15.

Sales Line Discount Functionality

Setting up sales line discounts supports sales personnel in their goal of always offering customers the best price.

When a sales order is created for a customer, the program does the following:

- Checks whether sales line discounts are set up for the customer
- Determines which line discounts apply based on whether their conditions are satisfied by the sales header and line details
- Selects the best (highest) discount percentage from among the applicable line discounts

The program then copies the best discount percentage to the **Line Discount %** field on the sales line and enters the calculated discount price in the **Line Amount Excl./Incl. VAT** field. Refer to the "Best Price" topic in the online Help for more information about how the program selects the best discount when more than one discount applies.

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If there are no sales line discounts, or the conditions for applying at least one discount are not satisfied, the program uses the regular unit price that is specified on the item card as the suggested price on the sales line (unless a special sales price is set up for the customer).

The **Sales Line Discounts** field in the **Sales Line Details** FactBox shows the number of discounts that are available. Click the link in this field to view the available sales line discounts.

Demonstration: Set Up and Apply Sales Line Discounts

Scenario: A representative of customer 30000 calls Susan, the order processor, to order 20 units of item 1972-W. The order date is January 25, 2014. The customer also inquires about the total price of the purchase, and the granted discount, if there is any.

Susan must create a sales order and inform the customer about the price. She must also investigate whether there are conditions that the customer wants to accept to receive a better price.

Before Susan begins, she is instructed by Kevin, the sales manager, to assign this customer to the customer price group WHOLESALE1.

Demonstration Steps

To assign customer 30000 to the WHOLESALE1 customer price group, follow these steps.

1. In the **Search** box, enter “customers”, and then select the related link.
2. Open the customer card for customer 30000.
3. Expand the **Invoicing** FastTab.
4. In the **Customer Price Group** field, select WHOLESALE1.
5. Click **OK** to close the customer card.

To create the sales order and review the sales prices, follow these steps.

1. On the **Customers** list page, with customer 30000 selected, click **Sales Order** on the **Home** tab.
2. Press **Enter** and accept any messages.
3. Change the order date to January 25, 2014.
4. On the **Lines** FastTab, in the **Type** field, select Item.

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5. In the **No.** field, enter "1972-W".
6. In the **Quantity** field, type "20". Accept any messages.

The screenshot shows the Microsoft Dynamics NAV 2013 Sales Order screen for Sales Order 1007. The General tab is selected, displaying details like Document Date (1/23/2014), Requested Delivery Date (empty), and Salesperson Code (PS). The Lines tab shows one line item: Type Item, No. 1972-W, Unit of Measure PCS, Unit Price Excl. 850.00, Line Amount Excl. 13,600.00, Line Discount % 20, and Qty. 20. The Sales Line Details fact box on the right shows the item number 1972-W and a discount of -20%. The Notes section at the bottom right has a link to create a new note.

FIGURE 2.12: SALES LINE DISCOUNTS FOR CUSTOMER 30000

Note: To achieve the same column layout for the **Lines** FastTab as is shown in the screen shot, use the **Choose Columns** function.

By viewing the values in the relevant fields, Susan informs the customer that the total price for the 20 pieces of the item is 13,600.00 LCY (based on the unit price of 850.00 LCY and a discount of 20 percent). This is the best price the customer can receive given the terms of this sale.

As indicated by the numbers in the **Sales Prices** and **Sales Line Discounts** fields in the **Sales Line Details** FactBox, Susan can now check whether the customer can receive an even better price, and, or discount under different terms.

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To check the customer's sales terms, follow these steps.

1. On the **Sales Line Details** FactBox, click the link in the **Sales Prices** field. This opens the **Get Sales Price** page.
2. Add the **Currency Code** field by using the **Choose Columns** function. Reopen the **Get Sales Price** page to view the changes.

The screenshot shows the 'Get Sales Price' dialog box. At the top, there are buttons for 'Home', 'Actions' (OneNote, Notes, Links), and 'View' (Show as List, Show as Chart). The title bar says 'Get Sales Price' and 'CRONUS International Ltd.' with a help icon. Below the title bar is a toolbar with icons for Show as List, Show as Chart, OneNote, Notes, Links, and Show Attached. The main area is titled 'Get Sales Price' with a sorting dropdown set to 'Item No.,Sales Type,Sales Code,Starting Date,Currency Code,Variant Code,Unit of Measure Code,Minimum Quantity'. A 'Type to filter (F3)' input field and a 'Sales Type' dropdown are also present. The data grid displays sales prices for item 1972-W across different sales types (Customer Price, Wholesale, All Customers) and starting dates (2/1/2014, 1/1/2014). The columns are: Sales Type, Sales Code, Item No., Unit of Measure Code, Minimum Quantity, Unit Price, Starting Date, Ending Date, and Currency Code. The 'All Customers' row shows a unit price of 843.345 and a currency code of EUR. The bottom right of the dialog box has 'OK' and 'Cancel' buttons.

Sales Type	Sales Code	Item No.	Unit of Measure Code	Minimum Quantity	Unit Price	Starting Date	Ending Date	Currency Code
Customer Pr...	WHOLESALE1	1972-W		0.00	850.00			
Customer Pr...	WHOLESALE1	1972-W		0.00	800.00	2/1/2014	2/28/2014	
All Customers		1972-W		0.00	843.345	1/1/2014		EUR

FIGURE 2.13: SALES PRICES FOR CUSTOMER 30000 FOR ITEM 1972-W

The **Get Sales Price** page suggests that if the purchase of item 1972-W is paid in euros instead of the local currency, the unit price is more favorable. Assume that the customer accepts this condition.

To update the sales lines, follow these steps.

1. Click **Cancel** to close the **Get Sales Price** page.
2. On the sales order, expand the **Foreign Trade** FastTab.
3. In the **Currency Code** field, select EUR.
4. Click **Yes** to change the currency code.

The unit price copies from the **Sales Price** table to the **Unit Price Excl. VAT** field on the sales line and recalculates the line amount value for a price of 843.345 LCY.

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To check the sales line discounts that exist for a combination of the customer and item, follow these steps.

1. Return to the **Lines** FastTab.
2. Select the line for item 1972-W.
3. On the **Sales Line Details** FactBox, click the link in the **Sales Line Discounts** field. This opens the **Get Sales Line Disc.** page.
4. Add the **Currency Code** field by using the **Choose Columns** function. Reopen the **Get Sales Line Disc.** page to view the changes.

Sales Type	Sales Code	Type	Code	Unit of Measure Code	Minimum Quantity	Line Discount %	Starting Date	Ending Date	Currency Code
Customer	30000	Item	1972-W		15.00	20.00			
Customer Disc. Group	LARGE ACC	Item Disc. Group	FINISHED		0.00	15.00			

FIGURE 2.14: SALES LINE DISCOUNTS FOR CUSTOMER 30000

The records specify that the customer can receive a 15 percent discount when it buys items in the FINISHED group (to which item 1972-W belongs). Additionally, a line discount of 20 percent is offered to customer 30000 when it buys at least 15 units of item 1072-W.

Following the "best price" rule, the larger discount is used for the price calculation on the sales line. The same rule also determined that, because the sales line discounts do not have a currency code set up as a condition, the program selected the larger line discount available in the local currency.

Both the sales price and line discount are combined when the total sales price is being calculated. In this case, this is because the **Allow Line Disc.** check box is selected in the relevant lines in item 1972-W's **Sales Prices** page.

Lab 2.3: Offer the Best Available Price to a Customer

Scenario

You are the order processor at CRONUS. Customer 50000 orders 200 pieces of item 70200 on January 25, 2014.

Offer the customer the best (least expensive) price for the purchase.

High Level Steps

1. Create the sales order for customer 50000 for 200 units of item 70200.
2. Review the sales line discounts and sales prices to check whether you can offer the customer a better price.
3. Update the sales order line to provide the best price offer.

Detailed Steps

1. Create the sales order for customer 50000 for 200 units of item 70200.
 - a. In the **Search** box, enter "sales orders", and then select the related link.
 - b. On the **Home** tab, click **New** and then press **Enter**.
 - c. On the **General** FastTab, in the **Sell-to Customer No.** field, enter "50000". Accept any messages.
 - d. Change the order date to January 25, 2014.
 - e. On the **Lines** FastTab, in the **Type** field, select Item.
 - f. In the **No.** field, enter "70200".
 - g. In the **Quantity** field, type "200". Accept any messages.

The **Unit Price Excl. VAT** field is 1.30 LCY, the **Line Amount Excl. Vat** field is 221.00 LCY, and the **Line Discount %** field is 15.

2. Review the sales line discounts and sales prices to check whether you can offer the customer a better price.
 - a. Click the link in the **Sales Line Discounts** field in the **Sales Line Details** FactBox. The **Get Sales Line Disc.** page shows that, because customer 50000 belongs to the RETAIL customer discount group, the customer receives a 15 percent line discount.
 - b. Click **Cancel** to close the **Get Sales Line Disc.** page.

- c. Click the link in the **Sales Prices** field in the **Sales Line Details** FactBox. The **Get Sales Price** page shows that the customer can receive a better unit price by ordering in boxes instead of pieces (there are 100 pieces in each box).
 - d. Click **Cancel** to close the **Get Sales Price** page.
3. Update the sales order line to provide the best price offer.
 - a. In the **Unit of Measure Code** field on the sales line, select **BOX** and then click **OK**. Accept any messages.
 - b. In the **Quantity** field, type "2". Accept any messages.

Now the **Line Amount Excl. VAT** field is 170.00 LCY. This represents a combination of the sales price for purchasing in boxes instead of pieces and the sales line discount for this customer. The best price for the customer is 170.00 LCY.

Invoice Discounts

Sales personnel can also offer customers invoice discounts. Invoice discounts are granted if the invoice is larger than a minimum amount, and they are based on the whole invoice amount.

The automatic calculation of invoice discounts is optional and is controlled by the **Calc. Inv. Discount** and **Calc. Inv. Disc. per VAT ID** check boxes in the **Sales & Receivables Setup** page.

Sales personnel use the **Cust. Invoice Discounts** page to define invoice discounts for customers. They set up invoice discounts based on a minimum invoice amount, a discount percentage, and, optionally, a currency code. Service charges can also be defined on the **Cust. Invoice Discounts** page.

The **Invoice Disc. Code** on the **Invoicing** FastTab of the customer card and the **Code** field on the **Cust. Invoice Discounts** page provide the link between customers and invoice discounts. When a new customer is created, the program uses the customer number as a default value for the **Invoice Disc. Code** because, typically, invoice discounts are granted to individual customers. However, you can assign the same **Invoice Disc. Code** to multiple customers to create invoice discount groups. Customers who belong to the same group receive the same invoice discount terms.

Procedure: Review Invoice Discount Setup

To review the invoice discounts setup for customer 10000, follow these steps.

1. In the **Search** box, enter "customers", and then select the related link.
2. Open the customer card for customer 10000.
3. Expand the **Invoicing** FastTab. The value in the **Invoice Disc. Code** field matches the customer number.

Customer 49633663 belongs to an invoice discount group. To review the setup for this customer, follow these steps.

1. Close the customer card for customer 10000.
2. Open the customer card for customer 49633663.
3. Expand the **Invoicing** FastTab. Instead of the customer number, the invoice discount code is specified as A.

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4. On the **Navigate** tab, click **Invoice Discounts**. This opens the **Cust. Invoice Discounts** page.

The screenshot shows the 'Edit - Cust. Invoice Discounts - A' window. The ribbon has tabs for Home, Actions, and CRONUS Intern... (with a help icon). The Actions tab is selected, showing icons for New, View List, Edit List, Delete, Show as List, Show as Chart, View, OneNote, Notes, Links, and Show Attached. The main area is titled 'Cust. Invoice Discounts'. It includes a filter bar with 'Type to filter (F3)' and 'Currency Code' dropdown. A table lists invoice discounts with columns: Currency Code, Minimum Amount, Discount %, and Service Charge. Two rows are visible: one for a local currency (Minimum Amount 10,000.00, Discount % 5, Service Charge 0.00) and one for EUR (Minimum Amount 12,607.80, Discount % 5, Service Charge 0.00). An 'OK' button is at the bottom right.

Currency Code	Minimum Amount	Discount %	Service Charge
	10,000.00	5	0.00
EUR	12,607.80	5	0.00

FIGURE 2.15: INVOICE DISCOUNTS FOR CUSTOMERS IN GROUP A

Notice that the invoice discounts shown are for group A.

Customers in group A receive an invoice discount of five percent, based on one minimum invoice amount in the local currency and another minimum invoice amount in a specified foreign currency.

You can also use the **Cust. Invoice Discounts** page to specify a service charge amount that the customer must pay on a purchase when the total amount is less than a specified minimum amount.

Invoice Discount Functionality

After the invoice discount code and the associated terms are set up, you can calculate the invoice discount when you invoice a specific customer.

Depending on the specifications in **Sales & Receivables Setup**, this calculation can be manually started or performed automatically.

To manually start the calculation, use the **Calculate Invoice Discount** function on the **Actions** tab of a sales order and, or invoice. The calculated amount of the invoice discount can be verified in the **Sales Order Statistics** page.

Allow and, or Disallow Discounts

Sales prices can be combined with line and invoice discounts. The line and invoice discounts options are available on the **Customer Price Groups** and **Sales Prices** pages. Additionally, the **Allow Line Disc.** field is also available on the customer card.

The status of the **Allow Line Disc.** field on a price line in the **Sales Prices** page has priority over the setting of the same field on the **Customer Price Groups** page and on the customer card. For example, even if the setting on the customer card does not give line discounts, a line discount is still granted if the customer qualifies for a price line in the **Sales Prices** page that gives such discounts. The priority order for the Allow Line Disc. setting is as follows: **Sales Prices** page, **Customer Price Groups** page, and the **Customer** card.

Therefore, if a company wants to stop offering line discounts to a specific customer, it has the following alternatives:

- Clear the **Allow Line Disc.** check box in the **Sales Prices** page for the lines that grant the customer a special price.
- Assign the customer to a customer price group for which line discounts are disallowed in all the group's sales prices.
- Where no sales prices exist, clear the **Allow Line Disc.** check box on the customer card for the customer.

Similar principles apply when controlling invoice discounts, with the following differences:

- The option of (dis)allowing invoice discounts is associated with the item card instead of the customer card.
- The option can be (de)activated on the sales line (or sales price line, if one exists).

Module Review

Module Review and Takeaways

This module describes how sales prices and discounts are set up and maintained in Microsoft Dynamics NAV, depending on the special agreements that are made with customers. The sales prices and discounts features are both required to offer the best prices to customers. By doing this, it provides good customer service and contributes to lasting relationships with customers.

Test Your Knowledge

Test your knowledge with the following questions.

1. Which of the following batch jobs is used to update price information on item cards?
 Update Item Costs/Prices
 Adjust Item Costs/Prices
 Adjust Cost - Item Entries
 Update Cost - Item Entries
2. Explain how to use and process the information in the sales price worksheet.

3. Which of the following take precedence in determining whether line discounts are offered to a customer?
 Customer card
 Item card
 Customer Price Groups page
 Sales Prices page

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4. Which condition are you unable to specify when you set up sales prices?

- () The customer must belong to a particular customer group.
- () The sale must be made by a particular salesperson.
- () The sale must be made in a certain time period.
- () The sales line must be in a specific unit of measure.

Test Your Knowledge Solutions

Module Review and Takeaways

1. Which of the following batch jobs is used to update price information on item cards?
 Update Item Costs/Prices
 Adjust Item Costs/Prices
 Adjust Cost - Item Entries
 Update Cost - Item Entries
2. Explain how to use and process the information in the sales price worksheet.

MODEL ANSWER:

The sales price worksheet provides an overview of the existing pricing structure (either based on item prices or sales prices). This is where you can change and test price information in a consistent and efficient manner. Information can be manually entered or it can be suggested by batch jobs, and then applied by using the Implement Price Change batch job.

3. Which of the following take precedence in determining whether line discounts are offered to a customer?
 Customer card
 Item card
 Customer Price Groups page
 Sales Prices page
4. Which condition are you unable to specify when you set up sales prices?
 The customer must belong to a particular customer group.
 The sale must be made by a particular salesperson.
 The sale must be made in a certain time period.
 The sales line must be in a specific unit of measure.