**Price setup:**

Pricing is a process of fixing the value that a manufacturer will receive in the exchange of services and goods. Pricing method is exercised to adjust the cost of the producer's offerings suitable to both the manufacturer and the customer.

**Procedure for pricing set up:**

To set up price for the product different steps were includes and different teams will involve in this procedure.

Step 1:

Pricing will be requested by end customer or the distributor through sales where the sales team collects the information about the products from customer or distributor.

Step 2:

Sales team submit the same data to the company (Commercial contract team, Offer Development team and Legal team) in the form of agreement.

Step 3:

The agreement is a document which includes the data related to Products, Costs, Quantity, UOM, Seller name and location etc. The information mentioned on Agreement will be validated by the requested teams to confirm or denied for the next process.

Step 4:

Once the agreement is accepted/confirmed the Customer/Distributor will submit the LOC (Letter of commitment) consist of customer, product information, validity of the contract agreement and T&C.

Step 5:

The respective pricing team will validate the LOC information and seek the approval from the sales team if required.

Upon successful approval they will process the document:

1. They will establish the customer accounts.
2. Customer Data Base team will create the accounts.
3. Pricing team is ready to load the accounts into contract or agreement.

Once the agreement is set up with the company the buyer will set up the purchase order

Purchase order:

A purchase order is a legal document form used by a buyer and sent to a supplier for an order. A purchase order specifies items, quantities, prices, and credit terms for a purchase from the vendor. A PO becomes a legally binding contract when a vendor accepts the purchase order.

PO consist of below details:

PO number

Name of the supplier

Address of the supplier

Product details

Product description

Quantity

UOM

Price for the products

PO Date

Terms and condition

The PO will be verified by the seller and prepare the Invoice copy:

***Once PO is received by seller, a copy of Sales Order is raised as a internal reference to initiate the delivery.***

***Once sales order is checked for the valid pricing and quantities an invoice is released to customer*.**

An invoice is a document issued by a seller to the buyer that indicates the quantities and costs of the products or services provider by the seller. An invoice specifies what a buyer must pay the seller according to the seller's payment.

Invoice documents consist of below details:

Bill to address: who makes the payment.

Sold to address: Where the products delivered.

Item details

Item description

Cost of the products

Invoice order number.

Invoice date.

Order date.

Uom

On invoice: Discount allowed is a reduction in the price of goods or services allowed by a seller to a buyer and is an expense for the seller. However, the discount received is the concession in the price received by the buyer of the goods and services from the seller and is an income for the buyer.

Off Invoice: Off-invoice deductions, which are agreed-upon discounts taken directly off a supplier's sales invoice, are among the more-common types of trade-channel sales promotions. Manufacturers typically offer them to distributors, and distributors may offer them to retailers.

Sold To Party (SP): Who places the order.

Ship To Party (SH): To whom you deliver the goods/order.

Bill To Party (BP): One who receives an invoice for goods/order/Service.

Payer (PY): Party responsible for paying the bill/invoice.

**MDM Pricing:**

The pricing in MDM varies from process to process where the price is set up in the system with the help of SAP.

SAP stands for Systems Applications and Products in Data Processing where the pricing will be uploaded as per the request from customers/order management team.

The Order team will place the sales order to set up the pricing, in case if any error occur the team will reach out to the pricing team to resolve the issue.

The Pricing team/pricing analyst plays an important role in MDM pricing.

The pricing analyst will verify the error either the price is already set up in SAP or it’s a new price request.

If it is a new pricing request, he will fill the standard template with the below mentioned information and will share with the appropriate team to load the pricing in SAP.

**List of fields which should be filled to set up pricing in SAP.**

Customer code: The specific number which has been set up in the system for each customer, it’s a unique code.

Customer Name: The name of the customer on which the invoice has been generated.

Sales Organization: A sales organization is responsible for the sale and distribution of goods and services in MDM different sales orgs were set up.

Distribution Channel: The way in which products or services reach the customer. Typical examples of distribution channel are wholesale, retails, or direct sales.

Customer Group: The pricing will be varied depends on the different customer groups for ex: Private, Wholesale, Pharmacies, Government tenders and other channels etc.

Ship to country will be the location in which location the pricing to be set up.

Product code: The specific number which has been set up for the materials. It’s an unique code.

***Product Group: Products are grouped based on the categories they belong. Several products codes groups to a one category. Prices/Discount can be requested to load at group/category level.***

Product Description: The definition/description of the material

Gross price: Gross price is the total price of a product including any associated sales tax or other costs.

Currency: The currency of the country where the pricing must be set up

Pricing Unit: The unit of measure of the product

Net price: The net price is the value at which a product or service is sold after all taxes and other costs are added and all discounts subtracted. Net price is what a customer pays.

Order date: The date on which the invoice has been created.

Effective date: The date where the pricing needs to be loaded to SAP.

Expiration date/Settlement date: The pricing settlement date.