

UNDERSTANDING PRICING

Products

1. Internet Lease Line - ILL
2. Global VPN - GVPN
3. IZO-Private Connect – IZO-PC
4. Global Sip Connect-GSC
5. National Private Line – NPL

Concept of Partner Pricing

1. Sell with
2. Sell through

Rules – 1. India 2. International

Every customer is known by an 18-digit Account ID and Legal Entity ID

Pricing can take place in three ways

1. Historical pricing
2. Rate Card pricing (Agreement)
3. Model pricing

1. Historical pricing

If customer orders the same product with the same bandwidth within 12 months of the previous purchase (only ONWL), history price is shown to them.

In this case, no new rate card is generated, nor model is used to predict the price.

The Port and Last Mile charges are integrated in one and shown as Port Price

2. Rate Card

This is a pre-negotiated price for a regular customer. Rate cards can be understood as an agreement between Tata and the customers for x price for a y period for a selected product and bandwidth.

3. Model pricing

The model is used to predict prices for the new order

Pricing Components (Each component has ARC and NRC)

1. **PORT:** Pricing of the PORT component
2. **CPE:** This is the Customer Premise Equipment depending on whether it is bought or leased. Its price is shown as per Rate Card.
3. **LAST MILE:** Last Mile Component Price
4. **ADDITIONAL COMPONENTS**

Port ARC: (*Annual Recurring Charge*) This is payable yearly.

Port MRC: (*Monthly Recurring Charge*) This is payable monthly. Usually payable for GVPN – Multilevel Protocol Switching Level MPLS

Port NRC: (*Non-Recurring Charge*) This is a one-time charge.

BM - Big Machine – This is the data source for the commercial teams wherein when an opportunity is created, LM and Port charges are concatenated and shown as a deal from the commercial teams.

Flavours or COS Type - The COS or Class of Service can be Standard, Premium, Enhanced, Shared, etc.

The Pricebook is a price table associated with a bandwidth and COS Type.

CAPEX – Capital Expenditure – this is the company's expenditure to provide service. Some of charges are absorbed by the company, others are charged to the customer.

Opportunity Term is the contract term.

Validity is the validity of the price shown. Currently there is no validity and thus, validity is set to 2099. This needs to be handled in Rate Card automation.

When a customer is onboarded, it is checked if the customer is a Rate Card Customer. If customer exists, then automatically the customer's rate card is fetched.

One customer will always have only one rate card.

Issues in Big Machine (BM) Rate Cards

1. Duplicity
2. Growing data granularity

We get Monthly RC in one DB on a weekly basis. (?)

When a model is used to predict the prices, the train data is data set consisting of columns from Big Machines (heart of the data), Live Inventory, Opportunity with Product, and the Customer Data. For each opportunity was quote was published is present in the BM. How often a product was purchased is present in the Opportunity with Product table. Customer Data contains the service provided.

The Output of the model is the discount percentage and final price is calculated by applying this discount on the Pricebook being used as the base price.

Say a discount >91% is to be applied, then a C3 delegate needs to intervene.

GVPN Threshold is 0%

Delegation Levels C1 (Model), C2 (Model), C3 (High)

Guard Rate (?) is done to protect from giving a quote that doesn't make sense

Error Profiling includes 1. Adjustment 2. Marking Up 3. Manual Changes

CPE Pricing

Internationally, this is only charged with customer is from a selected 5-6 cities.

It includes shipping, checks if customer is at a remote location then the cost and time is calculated. If the addendum is not followed, then pricing is done manually.

In the US, UK, Germany, France, and Singapore, International delivery is available. In India too, delivery is available. For other countries/regions, manual pricing takes place from the **OMS (Order Management System)**

Network Check This is a hard check done to see if feasible or not feasible.