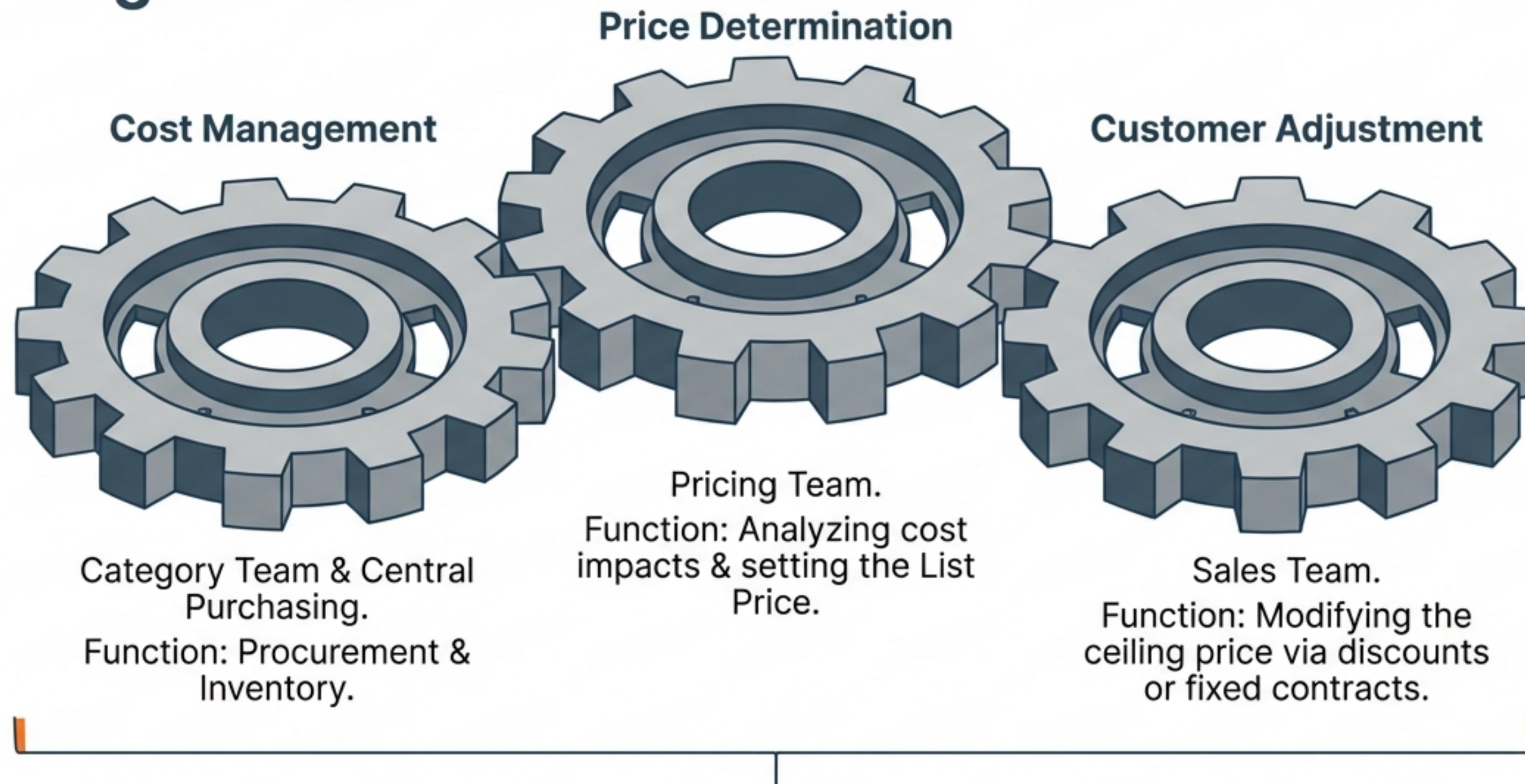


Strategic Pricing Framework & Authority Protocols

Operational Guide for Area Sales Managers

Pricing is an ecosystem, not a singular decision



Strategic Alignment: Each gear must turn for the engine to **maintain margin health**.

Decoding the ERP: Why we rely on Standard Cost

Average Cost

Definition: Recalculated only when stock lands in the warehouse.

Context: Represents historical cost and is a lagging indicator.

Action: Do not use for forward-looking quotes.



Standard Cost (The Truth)

Definition: Bullivants' nomenclature for Cost of Ownership.

Context: The primary driver for the List Price. It preempts price changes before stock physically lands.

Action: Always use as the baseline for margin calculation.



System Anomalies & Hidden Margins

The Alert



The 88,888.88 Protocol

This figure is a compression algorithm for Price on Application (POA). It indicates the system cost is invalid.

Do not quote. Contact the vendor immediately for a fresh quote.

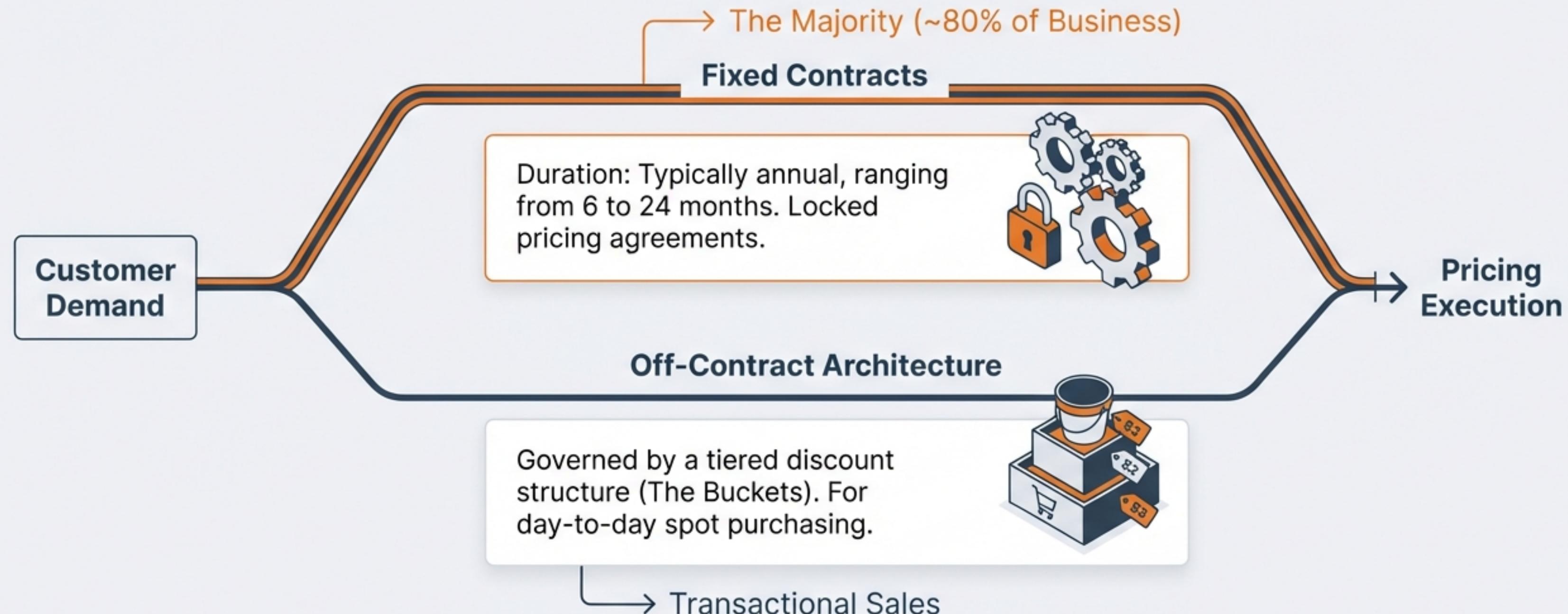
The Insight



Pro-Tip: Strategic Deals & Customer Price Support (CPS)

For high-volume strategic deals, vendor rebates often apply. The ERP Standard Cost may show \$100, but the Real Cost is \$90. The difference is realized via credit notes applied later to the P&L.

The two roads to pricing: Contract vs. Architecture



Contract Governance: Local vs. National Scope



C Contracts (Local Agreements)

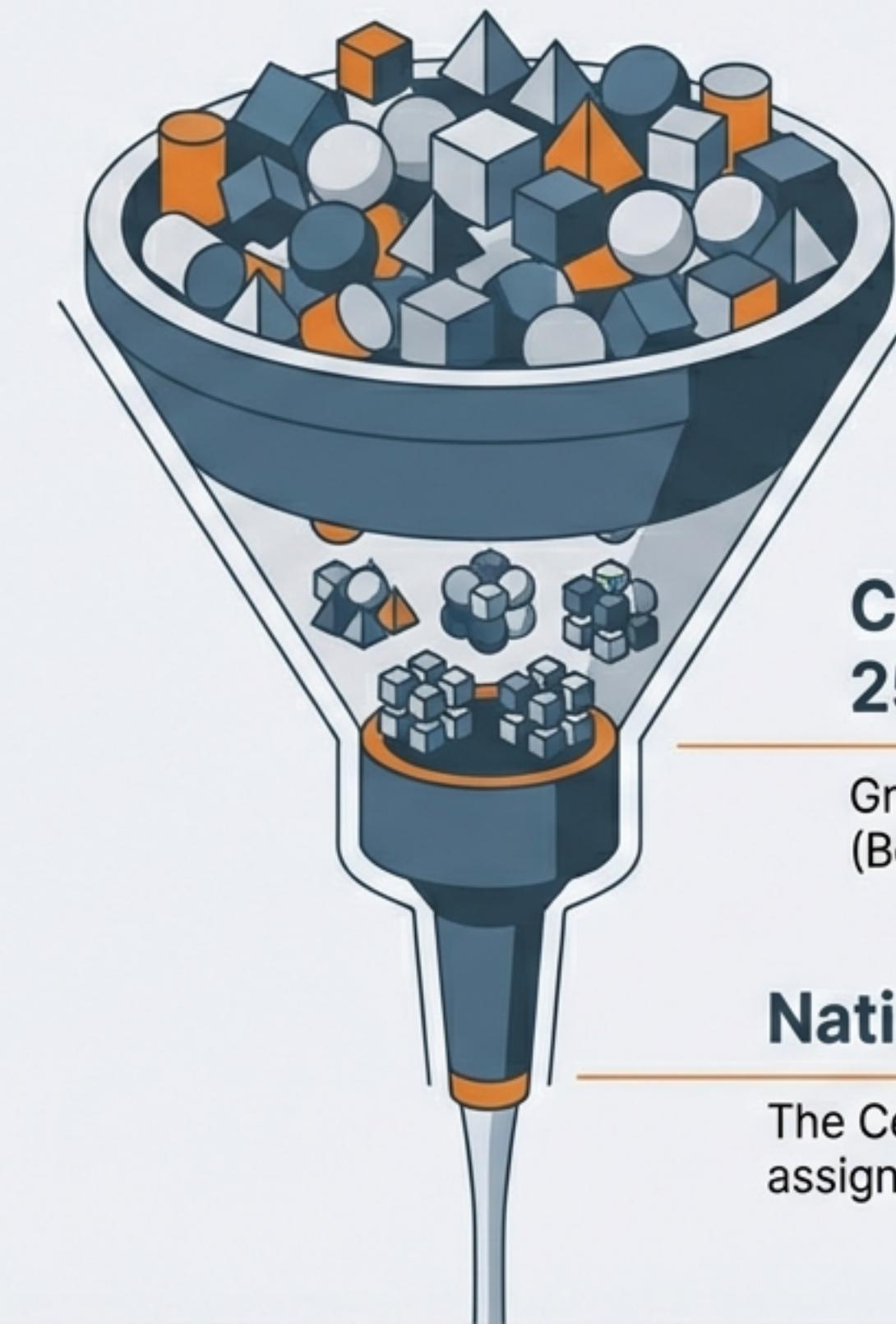
- Scope: Customers operating through a single branch.
- Format: Formal legal documents or handshake agreements.
- Owner: Area Sales Manager (ASM).



C3 Contracts (National Contracts)

- Scope: Multi-million dollar accounts operating across multiple branches (e.g., Glencore, Yancole).
- Owner: National Key Account Managers (NKAMs).
- Support: Strategic Team Support Specialist (Adam Brown).

Off-Contract Architecture: Consolidating the SKU tail



15,000 Total SKUs

**Condensed into
250 Product Groups**

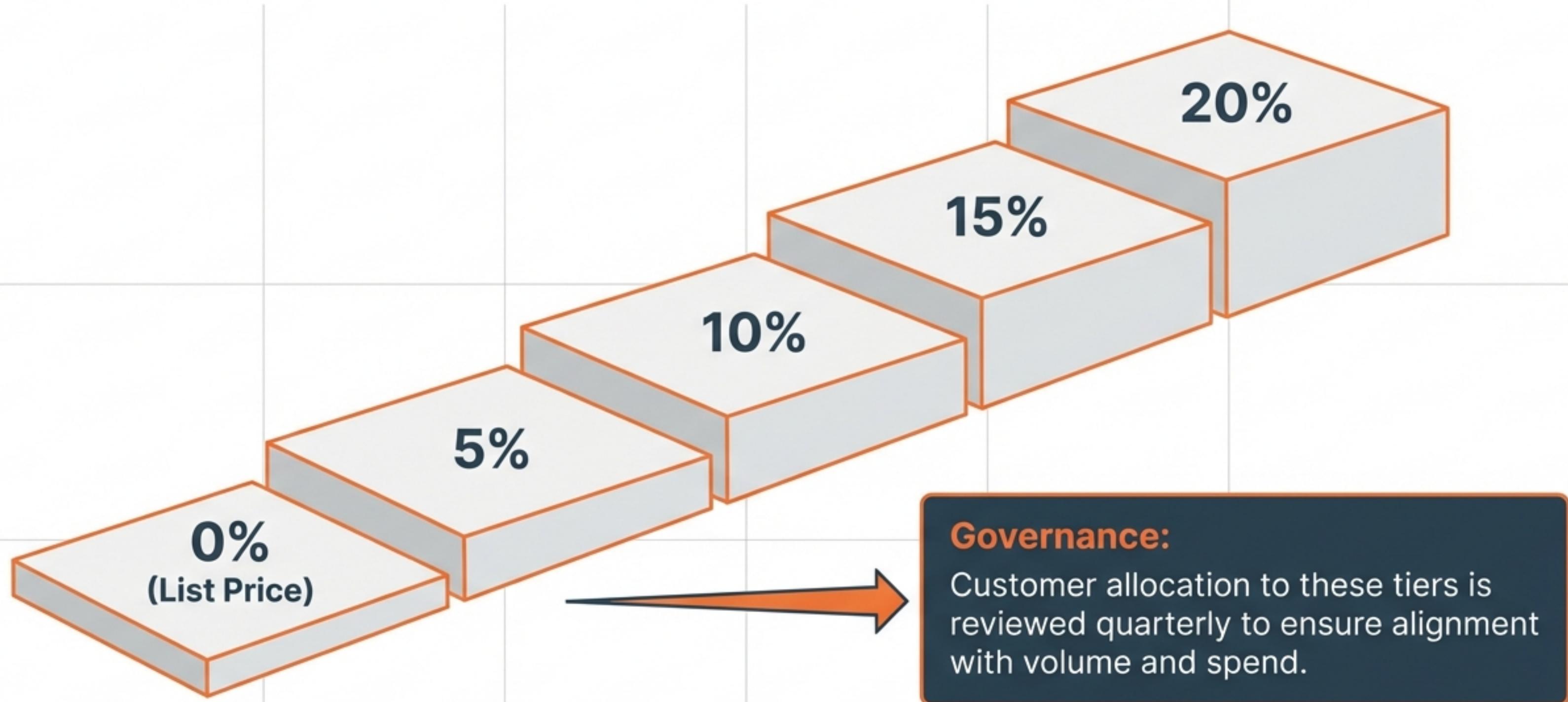
Grouping Logic: Based on Supplier, Quality
(Best-in-class vs. Commodity), and Source.

National List Price

The Ceiling. The Category Team
assigns a margin to each group.

Standardized Discount Buckets

Moving away from arbitrary discounting to tiered logic.



The Philosophy of Manual Overrides

Pricing Team (The Guard Dog)

Role: Analyzes cost impact. Advises Sales on margin outcomes.

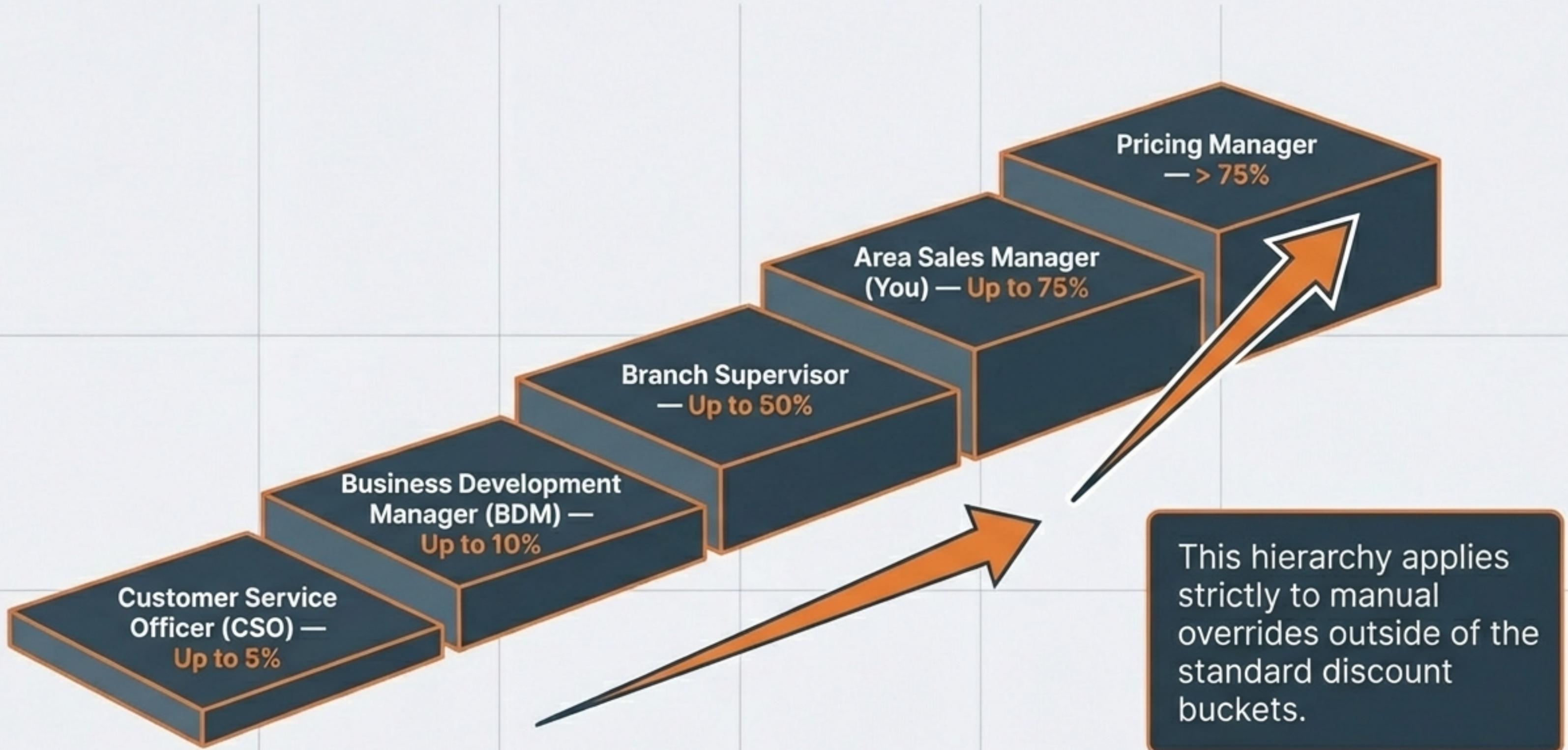


Target KPI:
Manual overrides should remain under 20–25% of total transactions.

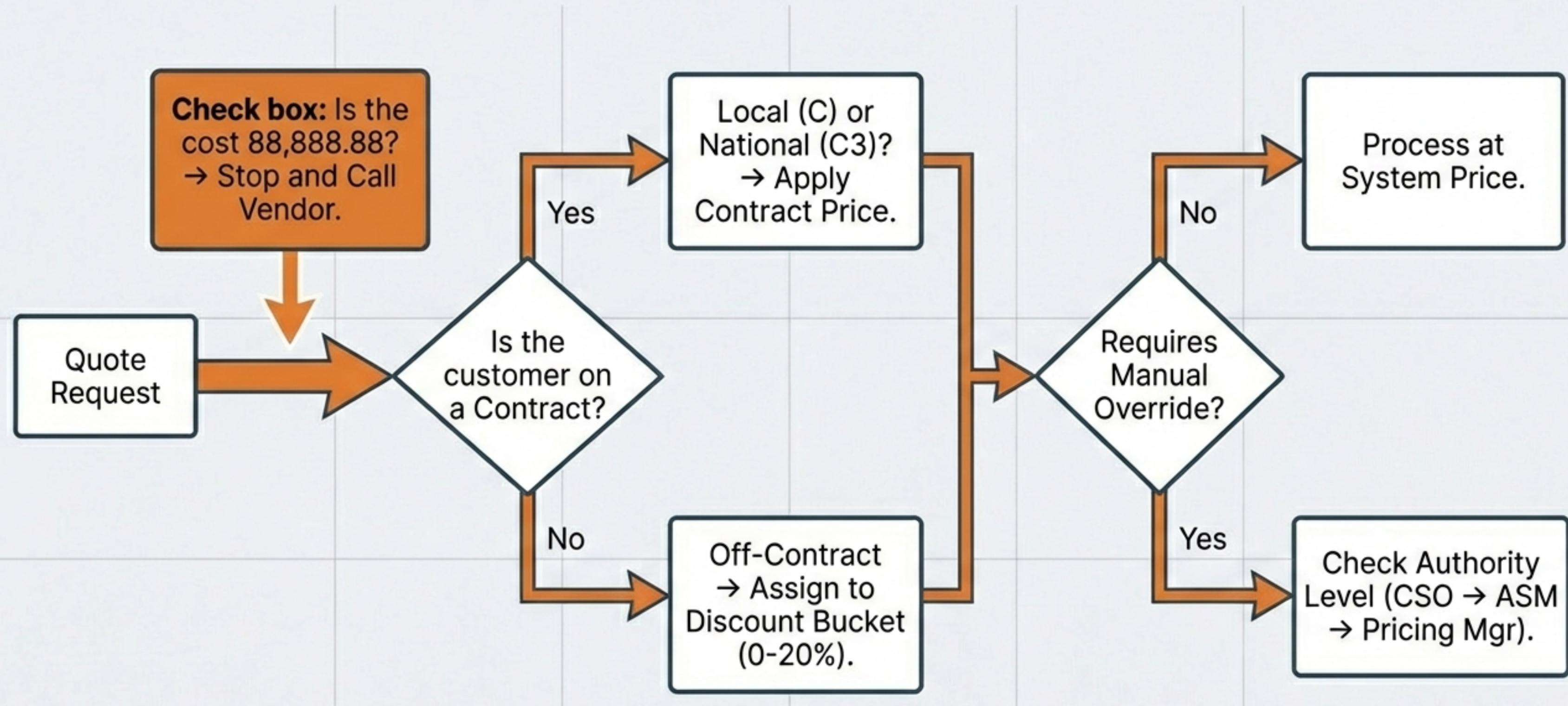
Sales Team (The Owner)

Role: Owns the customer relationship. Owns the final decision on price.

Approval Hierarchy for Price Overrides



The Decision Workflow



Final Principles for Margin Health



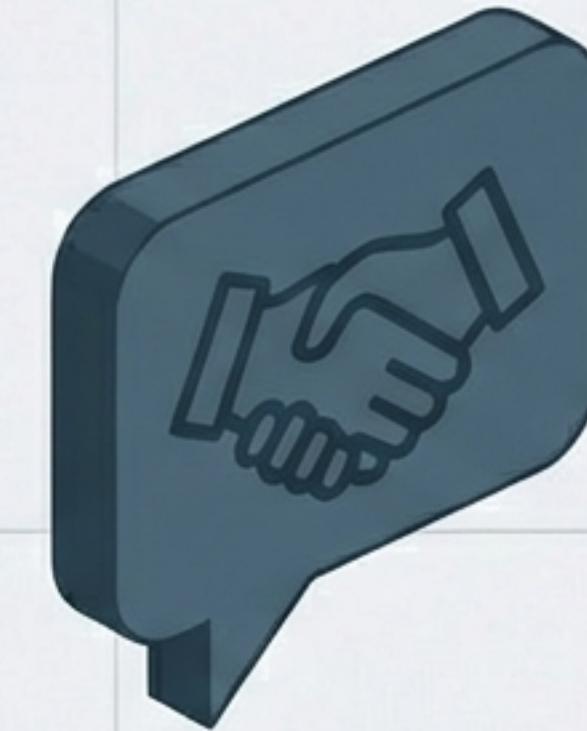
Trust the Standard Cost

It is the only accurate baseline for Cost of Ownership.



Respect the Hierarchy

Escalation isn't a roadblock; it's a safety check for the business.



Use the Sounding Board

Engage the Pricing Team early. Let them perform the impact analysis so you can negotiate with confidence.