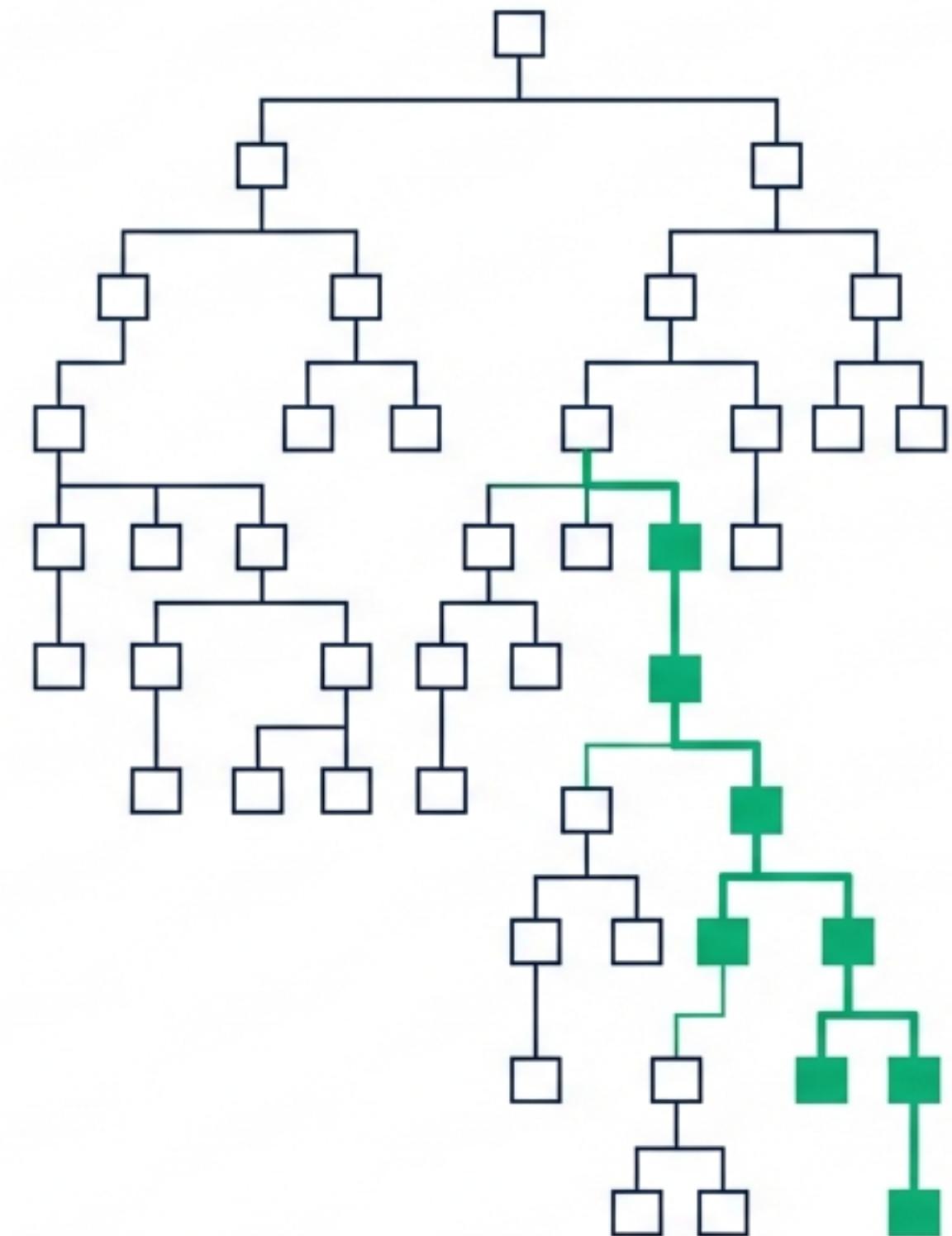


# **Strategic Pricing Optimization for Lift Company & Rope Segments**

# Technical recommendation for implementing Sales Pricing Methods architecture in IBS Enterprise.



# Executive Summary: The Case for Sales Pricing Methods

**Core Statement:** To achieve dynamic pricing for the 'Lift Company' segment without breaking existing logic, we recommend the Sales Pricing Method architecture.



## Data Immunity

It is the unique architecture capable of neutralizing the '88,888' (POA) cost error by using alternative price bases.



## Conflict Prevention

Utilizes 'Sequence Logic' and 'Stop Search' to strictly prevent double-discounting against the existing CDGRP structure.



## Efficiency

Offers a 'Set-and-Forget' maintenance model, covering all Lift customers with a single rule rather than manual per-customer updates.

# The Challenge: Balancing Dynamic Margins with System Constraints

OBJECTIVES	CONSTRAINTS
<p><b>Target:</b> Dynamic, margin-based pricing for the "LiftCompany" customer group.</p> <p><b>Scope:</b> Specifically applied to the "Ropes" item group.</p>	<p><b>Data Integrity</b> Cost fields frequently populate with "88,888" (POA), rendering standard "Cost-Plus" calculations mathematically impossible.</p> <p><b>Conflict Risk</b> New pricing must not overlap with established Customer Discount Group (CDGRP) structure (risk of 'double-dipping').</p> <p><b>Maintenance</b> Solution must avoid manual file maintenance for individual Business Partners (BPs).</p>

# The Landscape of Iptor Pricing Architectures



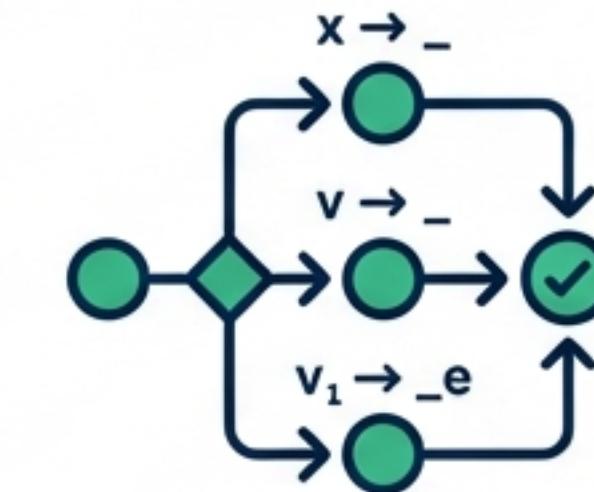
## Sales Price Lists

Roboto Mono Slate Grey  
Static lists manually attached  
to customer records. Rely on  
fixed prices or basic margins.



## Customer Contracts

Roboto Mono Slate Grey  
Rigid agreements best suited  
for fixed quantities and  
specific durations.



## Sales Pricing Methods

Roboto Mono Slate Grey  
A logic-based architecture  
using 'Keys' (variables) to  
apply rules dynamically  
across groups.

# Evaluation Matrix: Stress-Testing the Options

Feature	Sales Price Lists	Customer Contracts	Sales Pricing Methods
Grouping Logic	Manual attachment to Customer Record <span style="color:red;">X</span>	Specific customers only <span style="color:yellow;">!</span>	Automatic via 'Keys' <span style="color:green;">✓</span>
Conflict Handling	Hard to override without manual priority <span style="color:red;">X</span>	Lowest price usually wins <span style="color:yellow;">!</span>	'Sequence' & 'Stop Search' blocks others <span style="color:green;">✓</span>
Cost Basis Flexibility	Static <span style="color:yellow;">!</span>	Fixed Prices <span style="color:red;">X</span>	Dynamic (Price List - %) <span style="color:green;">✓</span>
Maintenance	High <span style="color:red;">X</span>	High (Expiry/Renewals) <span style="color:red;">X</span>	Low (One rule covers all) <span style="color:green;">✓</span>

# Why Standard Lists and Contracts Fail the Lift Scenario

## Analysis: Sales Price Lists



**The Flaw:** They are static. Updating them requires touching every customer BP file. They lack the logic to handle the "If Lift AND Ropes" intersection effectively without manual intervention.

## Analysis: Customer Contracts

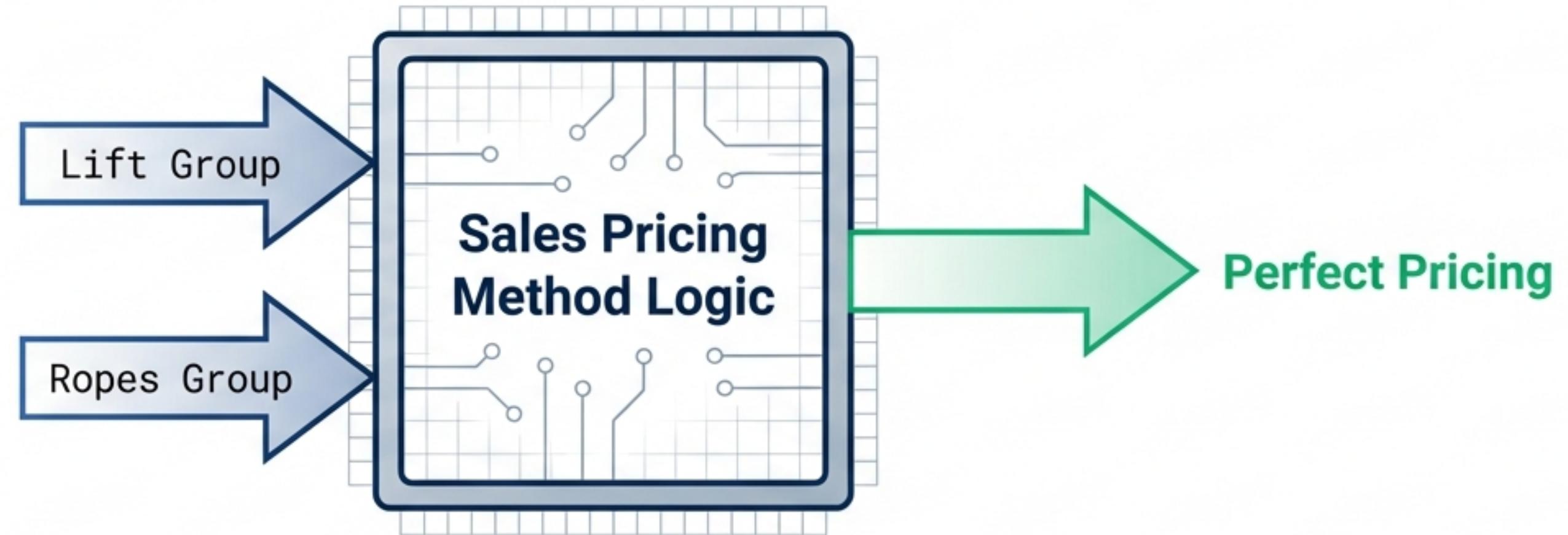


**The Flaw:** They are too rigid. Contracts are designed for fixed quantities and timeframes. They do not offer the "surgical control" needed for a permanent, scalable segment strategy.

# The Solution: Sales Pricing Methods

## Surgical Control & Scalability

After researching the IBS Enterprise architecture, the Sales Pricing Method emerges as the only solution providing "Set-and-Forget" logic.



### Targeted

Applies strict logic to the intersection of Customer Group (Lift) and Item Group (Ropes).

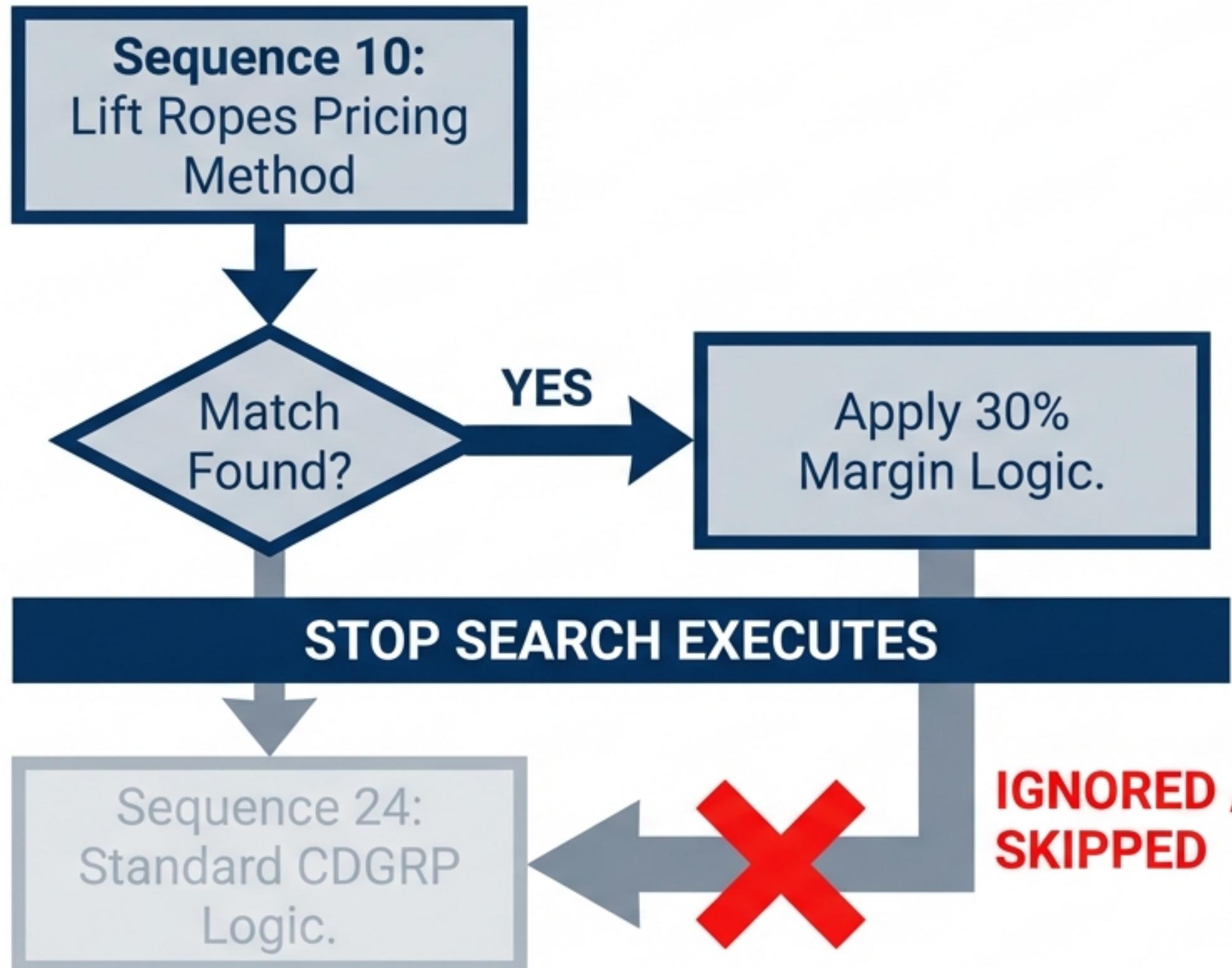
### Protective

Shields margins from data errors.

### Exclusive

Locks out other discounts using system sequence logic.

# The “Stop Search” Advantage



By placing the method at Sequence 10 and ticking the 'Stop search discount' box, we instruct the system:

Roboto Mono

**"We have provided the special deal; do not apply CDGRP or any further discounts."**

# Surgical Precision via Multi-Dimensional Keys

We do not need to alter the customer's 'Discount Group' or Master File.

```
IF Key 1 = Customer Group (LIFT)  
    AND Key 2 = Item Group (ROPES)  
THEN Apply Special Pricing Method  
ELSE Fall back to standard logic
```

**Impact:** 90% of the customer's business remains on standard terms.  
We only target the specific intersection, ensuring low maintenance and high stability.

# Solving the “POA” (88,888) Cost Challenge

## The Problem: Broken “Cost-Plus” Logic



Standard “Cost-Plus” logic fails when the Cost field contains “88,888” (Price on Application) or is outdated. A calculation of 88,888 + 30% results in nonsensical pricing.

## The Solution: Changing the Pricing Basis



Changing the Basis:  
In the Sales Pricing Method, we are not forced to use “Cost” as the calculation basis.

We can switch the Basis to a stable Sales Price List (e.g., L1).

# The ‘Price List Basis’ Workaround

## Scenario A (Risky)

Cost (88,888) + 30% = **ERROR**



## Scenario B (Recommended)

Price List L1 (Stable Market Rate) - X% = **Target Price**



Instead of building up from a volatile cost, we discount down from a stable list price. This achieves the same effective margin result but completely bypasses the risk of ‘88,888’ data errors.

# Implementation Logic Summary



# Recommendation & Next Steps

## Surgical Control

Targets specific products for specific customers without master file disruption.

## Profit Protection

Immune to "88,888" cost errors via Price List basis.

## System Integrity

"Stop Search" guarantees no double-dipping.

## Low Maintenance

One rule manages the entire segment.

## Action Required

Request approval to configure this logic in the Test Environment for the Lift Company / Ropes segment.