# xpedx.com Next generation

# *Promotions Design Document*

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**Note**: The sign off indicates approval of all sections of the document.

Document Revision History

This chart tracks the changes introduced by the revisions to the document as the project progresses through the stages of the System Development Life Cycle (SDLC).

| Version | **Date** | **Description (Changes Made)** | **Author(s)** |
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Related or Reference Documents

| Document Name | Description | Owner | Location |
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| SCI\_Xpedx Solution Definition Document v1.5 | Solution Definition document | Sterling Commerce |  |
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# Introduction

## Document Purpose

This document is the governing functional design document for the Promotions functionality. It presents significant decisions and constructs used in developing the functionality. Testing, builds, configuration management are not covered in this document.

The document will also serve the purpose of keeping a list of assumptions that were made during design discussions.

## Document Audience

This document is intended for management and technical staff working on this project, xpedx IT and Business, webMethods, Legacy(MAX and ACCESS), HP, IW, xpedx/IP Network Team. Sterling will use the document during design and configuration for design consideration.

# Promotions

## Functions & Solution

Promotions are offers that xpedx would like to present to a customer. They can be categorized into three distinct types –

1. ***Pricing Promotions*** – These are promotions that affect the price on the ordered items.
2. ***Marketing Promotions*** – These are used to deliver marketing and promotional messages to the end customers.
3. ***Paid Advertisement Promotions*** – These promotions are primarily used by third party organizations like suppliers, manufacturers, etc. to highlight their content on the xpedx site.

For the scope of BR1 we will be discussing only Pricing and Marketing Promotions. Advertising is in scope for BR1 per Steve. The thought is that they will be link on Sterling pages to render the advertisements from external web server.

## Pricing Promotions

Pricing promotions are used to manage discounts and charges at the level of carts: as users add products to their carts, the prices of items reflect discounted price based on the pricing discounts applied to the cart.

When pricing promotions are used a price override flag will be sent to the backend system. Discounted unit price, unit adjustment amount and coupon code or pricing rule Ids on the line will be passed to backend system.

There are two types of pricing promotions

1. Pricing Rules
2. Coupons

These promotions will be created in Sterling Business Center and will be the master of record.

Pricing Promotions may be targeted towards specific customer attributes. Out of the box there is support to target these by customer and customer attributes such as:

1. Vertical - *Segment*
2. Relationship Type - *Division*
3. Customer Level – *Optimization Code*
4. Region – *Pricing Warehouse*

xpedx maps attributes to the fields on customer profile which they want to use to control pricing rule or coupon, for e.g., Region can be used either as Pricing, Vertical as Customer Segment, Relationship type as Division and Customer Level as Optimization Code.

The functions to be supported for the administration of pricing promotions are –

1. Create Pricing Promotions
2. Activate/Deactivate Pricing Promotions
3. Edit Pricing Promotions
4. Delete Pricing Promotions

**Order Creation** – During order creation if a pricing rule or coupon is applied to the order, the after discount unit price per pricing UOM and unit adjusted amount per pricing uom will be sent to Legacy with override flag = ‘Y’. Order total pricing rules will not be used instead order level discount will be achieved through coupon rule. Order Level coupons will be applicable only during order placement through Sterling and not during order change. Line levels both pricing rule and coupon rules can be used. On order place, all the lines will be locked and no further pricing rule or coupon rule will apply to those lines. New lines added to the order will still be affected by pricing rule or coupon rule if they qualify. In COM if the CSR manually overrides price of a line, no further rules or coupons can be applied on the line.

There will be messaging on the order review page to indicate the user that this is their last chance to enter the coupon code if they have one and want to avail the discount. Once the order is placed and even it is open for change they will not be able to apply discount coupon during order change.

**Order Update** – Order update from Legacy will not impact the promotion related fields in Sterling. If price is updated from Legacy, Sterling will update the price on the order without adjusting the promotion related fields.

**Order Change** – Editing an Order after it is placed with Legacy should not apply any pricing rule or coupon discount. The original lines will be locked from any price change post order placement. Even P&A price change will not take into effect for the lines which were originally placed. For new lines both P&A price and pricing rule will be applicable as they qualify. UOM for existing items cannot change during order change. Coupon field will be hidden from the UI during order change so as to restrict the customers and the CSRs to enter a coupon discount during order change. Essentially no order level discounts are applicable during order change.

## Pricing Rules

A Pricing Rule defines a set of conditions and actions: when the condition of a rule is satisfied, the corresponding action is taken. For example, you can set a bulk discount rule to specify that an item should sell for less if the customer buys more than a specified number of the product. In the case of order rules, these actions result in pricing adjustments, which can be either discounts or charges.

It is important to note that Pricing Rules are in effect without the user requiring to perform any special action, i.e. If a particular pricing rule is in effect for a customer, any customer users order will get that promotional price as long as the criteria of the pricing rule are met.

The status of a pricing rule can be active or inactive. A pricing rule will be applied only if it is in the active state and if it is effective at the time the pricing is performed.

There are several types of pricing rules –

**Combination:** These rules are used to adjust the price of a target item ID if a certain combination of source item IDs is in the order. The rule is only applied if the target item ID is already in the order.

Combination rules can give a discount to either a single target item, all target items, or each combination of trigger items. They can require that certain quantities of item IDs are present: for

example, buy five PCs and get a printer free.

**Item Quantity:** These rules provide the ability to specify quantity tiered pricing for items. You can specify what price an item should sell for if the customer buys more than a specified number of the product. You can specify the item by ID, or you can use item attributes (features) to select the items to which the rule applies.

The item quantity rule can give a percentage or absolute adjustment on a single target item or all target items. For example, a rule can state that if a customer buys 10 or more of a target item, a 5% adjustment is applied to all of the target items.

\*\* xpedx might not use this for doing tier pricing promos but they will use it for creating item specific promotion, such as buy item1 and get 10% off.

**Order Total:** These rules take an action if the total value of the order (before shipping and tax) falls in a range. Typically, the action is to reduce the order total by a percentage discount or by an absolute value specified in the currency of the rule. For example, a rule can state that if the order is over $25, a 10% adjustment is applied to the order.

For BR1, order total discounts will be set to apply on the lines on the order according to the weight age of the line.

\*\* This rule will not be used by xpedx atleast for BR1.

**Shipping Charge Order Total:** These rules provide discounts on shipping charges based upon the order total. Discounts can be a fixed amount, a percentage, or a flat fee shipping charge. For example, a rule can state that if the order is over $25, a $5 discount is applied to the shipping charge.

For BR1, order total discounts will be set to apply on the lines on the order according to the weight age of the line.

\* This rule will not be used by xpedx atleast for BR1.

**Item Shipping Surcharge:** These rules operate at the line item level to associate a shipping surcharge with items with a specified feature.

For example, suppose that you want to charge an additional flat fee for shipping oversized items, such as refrigerators. You can create an item attribute type (feature type) called Oversized, and then create an Oversized: refrigerators item attribute (feature) and associate it with all the refrigerators. When you create the item shipping surcharge rule, you attach the surcharge by selecting the Oversized: refrigerators feature. When the rule applies to a product in the order, the system multiplies the surcharge by the quantity of the item being purchased and adds the resulting amount to the shipping adjustment.

## Coupons

Coupons are a type of pricing rule, but are slightly different. While pricing rules apply to all orders, and customers do not have to do anything to activate them, coupons modify the prices of items in orders only if customers actively add the coupons to their orders.

Another difference is that pricing rules can be applied to one or more target items, whereas coupons can be applied to only one target item. For example, an item quantity rule can apply a percentage or absolute adjustment on a single item or all target items, whereas a coupon can apply the adjustment on only one target item.

Coupons may be added / removed by the customer on the checkout (order review page) page only during new order creation.

The order total coupon codes will still be managed at the header level in Sterling and sent to wM. wM will convert this header coupon to a miscellaneous charge line or a promotion line type before it sends to Legacy and vice versa.

## Marketing Promotions

Marketing Promotions enables xpedx to serve promotional material to customers to highlight offers, new items, etc. Currently in the xpedx solution, the marketing promotions are shown on the home page and the catalog page as carousal. User or Customer specific promotions are not OOTB. For BR1, customization will be done to support marketing promotions based on customer field “Industry”.

Process Flow:

1. Html fragments will be created and will be put on a shared location.
2. The html can be edited by xpedx Marketing team if they decide to change the promotion. A Windows directory will be created and all HTMLs will be placed in that according to the directory structure as in staging and production. The Marketing team will be given access to the folder. They can edit the htmls and work with xpedx IT to get them over to Staging and Production. The HTML changes should be first tested in staging and then promoted to production.
3. Since we are doing it for customer attribute “Industry”, we will use a naming convention for these html files including the Industry value as part of the filename. For e.g, for home page promotion the file name would be “<IndustryName>\_HomePage\_Promo.html”.
4. Catalog page the promotion criteria will be a combination of Top Category name and Division. The file name will be “<TopCategory>\_<CustomerDivisionNumber>\_Catalog\_promo.html”.
5. For guest user, there will be one promo setup each for home and catalog page and the file name would be “HomePage\_Promo.html” and “Catalog\_Promo.html”.

These html files will have three sections for each promo namely, some verbiage about the promo, an image associated with the promo and a link for the promo. The link could be a link to an image, pdf file or a document.

On the Cart and My Items List Page, the promotion real estate will be taken out and will be allocated to the related items carousel.

## Advertisements

Advertisements are being served by xpedx’s advertisement engine through a link that will be included in the html page for the following pages in Sterling.

1. Catalog
2. Home
3. Cart
4. My Items List Detail Page

The details of how the links will be added to the Sterling pages is yet to be determined once the selection of the Advertisement engine that xpedx is going to use is finalized and technical discussion are hosted between the vendor and Sterling team.

## Master System

Sterling is the master of system to maintain and create Promotions.

## Implementation Details

OOTB Promotion functionality will be used with tweaks to calculate unit price after discount on a line. Tweaks will also be done to the marketing promotions display on the home page and catalog pages.

## Entity objects.

## Actions involved and Functions

## Process Flow

Not Applicable

## Screen Shot

[TBD]

## Open Questions

1. A follow up session has been requested to demonstrate the administration screens for all promotions. Answer: Demo has been schedule for 8/19.
2. Pricing Rules – [Chris K - 4/20 - What about Order Shippable Total? Saalfeld only wants to apply a promotion or coupon to the shippable total. Ex. If a customer places an order for $500 and promotion gives 10% off of orders over $500, however, $300 of that $500 is backordered, we would not give the customer the 10% off. This may apply to xpedx promotions as well]. [ Deanna T -4/29 – my understanding is that I am the only one getting shippable order total (via my storefront for Saalfeld, calculated on web, not legacy) and the other segments will not have access to a shippable order total therefore could only base promotions based on the extended total.] – JIRA XCNG-. [PG - 6/10 At the time of order capture, the order shippable total is not know and hence I am not sure if we can reliably apply this rule. This would also lead to customization within Sterling to look at a new order total field.]
3. [Chris K. – 4/20 - What happens to customers who have contract pricing and a promotion is applied to the same product, which price should the customer get?] [Lisa P. - 4/29 - For national accounts, the customer should get the contract price.] Pawan: The price will be the contract price after discount. So, it will be the discounted contract price.
4. Do we need to set the price override flag all the time for all the lines on an order sent to Legacy. This was a question from Dave.

## Assumptions

1. The administration screens for the pricing promotions will be the OOTB Sterling Business Center screens.
2. In case of multiple promotions being applied to a line or order, we will send the promo code as “MULTIPROMOS” through the interface to legacy.

# Glossary of Terms

|  |  |  |
| --- | --- | --- |
| S. No. | Term | Definition |
| 1. | Content Server | A server that hosts all the collateral such as images, specification sheets, etc. |
| 2. | BR1 | Business Release 1 |
| 3. | IW | Industrial Wisdom – UI firm engaged on the project. |
| 4. | SBC | Sterling Business Center |
| 5. | URL | Uniform Resource Locator |