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**Executive summary** – a couple of paragraphs which summarize the remainder of the report

We need the final conclusion for this part, so I suggest that we can do this part in the end.

**Background** – use this section to lead in to your Problem Statement; identify symptoms, critical factors and the current state (one to two pages)

Atlantic Computer is a large manufacturer of servers and other high-tech products. It is the market leader for Radia products in traditional markets (two parts: traditional and basic server markets)

Tronn servers are specifically designed to meet emerging market opportunities for basic server users.. It also developed PESA (Performance Enhancement Server Accelerator), a software tool, and PESA increased the speed of Tronn servers four times faster than normal.

The main purpose and focus of this report is to address these challenges by proposing the right price strategy. This report examines detailed quantitative and qualitative factors such as competition and customer needs and makes recommendations.

We can add the pictures to make these part longer.

**Problem Statement** – a succinct statement of the problem/dilemma/issue, preferably in a single declarative sentence; be careful to identify the ***real*** problem and ***not*** the ***symptoms*** of the problem (maximum four lines)

The new Tronn server and PESA software tool called Atlantic Bundle require a market pricing strategy that fits the product.

The challenge is to attract customers in terms of price, performance efficiency, reliability and quality beyond direct and major competitors. The main competitor in the basic segment is Ontario, whose Zinc product occupies 50% of the basic server market. ( Atlantic has 20% and it is a newer) Ontario's business model allows the company to introduce non-value-added costs so that it can compete in price. Other competitors in the basic server market are made up of many small players.

I think that all the numbers that we need are in the Case Exhibits, but we need to do the calculate in different models.

**Analysis** – apply marketing models, course content, and outside research to support your position; logically discuss options, implications and tradeoffs (three to four pages)

Four Price Strategy Options:

1. Status Quo Pricing: A pricing objective that maintains existing prices or meets competitor’s prices (Maintains tradition by charging only for hardware and gives PESA away for free.) *Price-$2,000*
2. Competition Based Pricing: (A pricing method in which a seller uses prices of competing products as benchmark, instead of considering own costs or customer demand). Charge a price equal to what the customer would pay for four Ontario Zink Servers. *Price-$6,800*
3. Cost-Plus Pricing: (A simple method of pricing in which a specified amount or percentage, known as the standard markup, is added to the unit cost of production of an item to determine its selling price) Charges price based on cost-plus approach to pricing PESA *Price-$2,244*
4. Value-in-Use Pring: (A method of setting prices in which an attempt is made to capture a portion of what a customer would save by buying a firm’s product. For this case, assume 50-50 sharing of the savings gain with the customer.) Sets prices in a way that captures a portion of what a customer would save by buying a firm’s product.*Price-$6,400*

Four this part, all of the sources show these four options, I don’t know if there could be any other options. In the case description, it only talk about these four.

**Recommendations and Conclusions –** these should be ***your*** recommendations regarding how the organization should deal with the problem; they should be fully supported by the Analysis section (one page)

4. Talk about revenues and profit. We can also talk something about competitor’s reaction.