

JD EDWARDS ENTERPRISEONE ADVANCED PRICING



KEY BENEFITS

- Align pricing to product and market strategy
- Stimulate sales with flexible pricing options
- Ensure profitability with automated price controls
- Buying structures
- Tier structure rebates
- Sales price based on date
- Extended terms
- Enhanced basket pricing
- Related items pricing
- Sliding rate adjustments
- Free goods catalogue
- Multiple units of measure in defining price deals
- Complex groups – up to 10 category codes
- Order detail groups – up to 8 values
- Sliding rates are enabled for both sales and procurement
- Sliding rates can be quantity, weight or amount based
- Sliding rate adjustment is weighted for each sales order line

Represent a customer's buying organization as a parent/child structure. Allow adjustments to be inherited by traversing up through the buying structure and locating applicable adjustments. In addition, permit new entities into the buying structure as acquisitions and mergers take place.

The Issue: Targeted Pricing in Complex, Customized Environments

Essential to customer-driven marketing is offering the right price to the right target market—while optimizing profitability. As a result, you must effectively manage multiple prices and discounts to cover varying sales situations.

To further complicate transaction price management, you may need to manage overlapping promotions, special allowances, contracts, commodity-based pricing, rebates, accruals, and even free goods. Without sophisticated pricing tools, labor-intensive pricing execution can consume your sales and marketing staff.

In addition, the customer service and financial costs of pricing mistakes can be high. Research shows that a mere one percent price decrease for an average company can eliminate 11.1 percent of operating profit. “Improving transaction price management may be one of the most attractive and over-looked profit enhancement opportunities available to most managers.” (“Managing Price, Gaining Profit,” Harvard Business Review, October 1992.)

The Solution: Flexible Pricing Execution

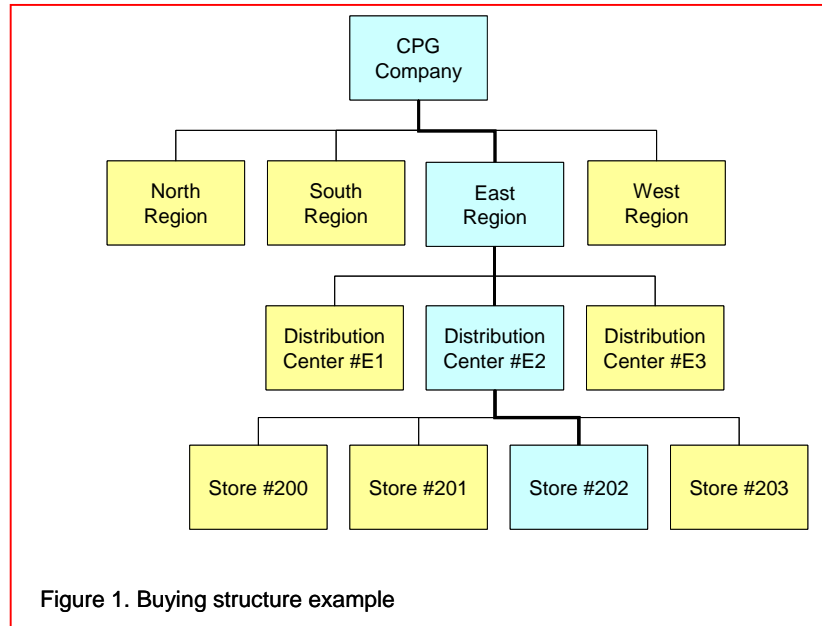
Oracle's JD Edwards EnterpriseOne Advanced Pricing allows you to manage even the most complex and volatile sales environments effectively. You can make adjustments to base prices that reflect numerous criteria, including market segment, item unit of measure, supply point, line of business or end use, delivery mode and distance, tax and duty, payment terms, currency, exchange rate, and effective dates.

JD Edwards EnterpriseOne Advanced Pricing provides a wide range of methods for calculating price adjustments:

- Set a specific markdown amount.
- Define a percentage of list or net price.
- Establish a cost-plus amount.
- Develop a discount formula that pulls from variable data, such as selected sales order line details or a commodity price table.
- Exit to a custom pricing program.

With JD Edwards EnterpriseOne Advanced Pricing, you can also streamline pricing setup for customers who have multi-layer organizational hierarchies, sometimes

referred to in Europe as grande distribution. Pricing, discounts, and deals such as rebates can be set up at one level in the customer's hierarchy. For example, the Eastern Distribution Center and individual retail stores that belong to the Eastern Distribution Center automatically inherit the same pricing rules. This functionality, called buying structures, ensures accurate pricing throughout your customers' organizations, as well



as efficient price setup and maintenance.

JD Edwards EnterpriseOne Advanced Pricing also enables sophisticated basket pricing. For example, you might offer a 10 percent order discount if the customer buys 20 boxes of batteries, no matter what combination of lithium, AA, or 9-volt. If you define batteries as a basket, the system uses information in each order line to calculate the number of boxes ordered. When the discount eligibility requirement is met, a new line is written to the sales order, adding the 10 percent adjustment.

You can also vary the discount percentage for different items within the basket. In cases like this, JD Edwards EnterpriseOne Advanced Pricing provides automatic order repricing that can be based on any of following criteria:

- Total weight
- Quantity
- Amount of the order as a whole
- Amount of a basket group of items

Accrual Management to Stimulate Sales

Sophisticated accrual management enables you to track rebate and commission accruals automatically. For rebate offers, you can define eligible purchases in terms of quantity, amount, or weight and specify the time period. To stimulate sales at order entry, you have online access to the volume history that permits immediate feedback to customers on their progress toward rebate targets. When sales convert to Oracle's JD Edwards

EnterpriseOne Accounts Receivable, accruals are posted to user-defined Oracle's JD Edwards EnterpriseOne General Ledger accounts and do not appear on invoices. During the rebate period, you can measure the success of the promotion by monitoring accrual costs against sales. Once sales to a customer reach target, a system-generated credit note is provided for your review. You decide whether credit amounts will be offset against outstanding invoices or used to issue rebate checks.

Price Controls to Ensure Profitability

Having controls in place to ensure that profit margin targets are met is just as important as having the flexibility to adapt and execute on any pricing requirement. JD Edwards EnterpriseOne Advanced Pricing allows you to set up an automated workflow process, so pricing changes are sent to a manager for approval before they become valid in the system. You can also define preset margin boundaries, within which your sales people can negotiate. The margin limits can vary based on the customer and item combination. And, JD Edwards EnterpriseOne Advanced Pricing automatically maintains a detailed price audit history on every added, modified, or deleted price and adjustment record.

Added Value Through Integration

JD Edwards EnterpriseOne Advanced Pricing is integrated with Oracle's JD Edwards EnterpriseOne Sales, Sales Order Management, Product Variants, Customer Self-Service, and Configurator modules.

This integration allows you to take advantage of JD Edwards EnterpriseOne Advanced Pricing capabilities when you are:

- Creating quotes for prospects
- Configuring products
- Processing orders online

In addition, full integration with the JD Edwards EnterpriseOne Financial Management product line permits fast, accurate evaluation of the impact of pricing promotions on your bottom line. Each price adjustment can be tied to a different general ledger account for detailed margin analysis using your preferred reporting category, including: by customer, by item or by promotion.

Aligning Pricing to Market Strategy

With Oracle's JD Edwards EnterpriseOne Advanced Pricing, you can choose the best pricing strategy to meet the needs of specific customers and market segments. The flexible and cost-sensitive pricing rules enable targeted response to competition and keep prices in line with costs. Numerous, complex, and overlapping price promotions are managed automatically so that your sales and marketing staff can spend time on more strategic activities. You also gain the power to set price schedules, make adjustments, and build customer-centric programs to drive revenue, achieve profitable margins, and ultimately gain market share.

Feature/Function Highlights

- View/edit prices at order entry
- Flexible price maintenance
- Online price history
- Online margin checking
- Margin protection rules
- Multilevel customer and item rules
- Multiple price components
- Multicurrency pricing
- Multiple units of measure prices
- Volume-sensitive pricing and up-selling
- Tier structure rebates
- Related items pricing
- Multi-order volume incentives
- Free goods management
- Overlapping effective dates
- Rebate processing
- Supplier proof-of-sale rebates
- Accrual to user-defined ledger accounts
- Extended payment terms
- Formula-based and commodity-table pricing
- Flexible basket pricing
- Sliding rate adjustments
- Sales price based on date
- Extended terms

Solution Integration

- JD Edwards EnterpriseOne Financial Management
- JD Edwards EnterpriseOne Supply Chain Management
 - Bulk Stock Inventory module
 - Configurator module
 - Inventory Management module
 - Product Variants module
 - Sales Order Management module
- JD Edwards EnterpriseOne Supply Management
 - Procurement and Subcontract Management module

Copyright © 2005 Oracle. All Rights Reserved.

This document is provided for information purposes only, and the contents hereof are subject to change without notice. This document is not warranted to be error-free, nor is it subject to any other warranties or conditions, whether expressed orally or implied in law, including implied warranties and conditions of merchantability or fitness for a particular purpose. We specifically disclaim any liability with respect to this document, and no contractual obligations are formed either directly or indirectly by this document. This document may not be reproduced or transmitted in any form or by any means, electronic or mechanical, for any purpose, without our prior written permission.

Oracle, JD Edwards, and PeopleSoft are registered trademarks of Oracle Corporation and/or its affiliates. Other names may be trademarks of their respective owners.

Z270A