

11i Implement and Use Pricing and Advanced Pricing

Student Guide

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Preface

Profile

How This Course Is Organized

11i Implement and Use Pricing and Advanced Pricing is an instructor-led course featuring lecture and hands-on exercises. Online demonstrations and written practice sessions reinforce the concepts and skills introduced.

Related Publications

Oracle Publications

Additional Publications

- System release bulletins
- Installation and user's guides
- *read.me* files
- *Oracle Magazine*

Typographic Conventions

Typographic Conventions in Text

Convention	Element	Example
Bold italic	Glossary term (if there is a glossary)	The <i>algorithm</i> inserts the new key.
Caps and lowercase	Buttons, check boxes, triggers, windows	Click the Executable button. Select the Can't Delete Card check box. Assign a When-Validate-Item trigger to the ORD block. Open the Master Schedule window.
Courier new, case sensitive (default is lowercase)	Code output, directory names, filenames, passwords, pathnames, URLs, user input, usernames	Code output: <code>debug.set ('I", 300);</code> Directory: <code>bin (DOS), \$FMHOME (UNIX)</code> Filename: Locate the <code>init.ora</code> file. Password: User <code>tiger</code> as your password. Pathname: Open <code>c:\my_docs\projects</code> URL: Go to <code>http://www.oracle.com</code> User input: Enter <code>300</code> Username: Log on as <code>scott</code>
Initial cap	Graphics labels (unless the term is a proper noun)	Customer address (<i>but</i> Oracle Payables)
Italic	Emphasized words and phrases, titles of books and courses, variables	Do <i>not</i> save changes to the database. For further information, see <i>Oracle7 Server SQL Language Reference Manual</i> . Enter <code>user_id@us.oracle.com</code> , where <i>user id</i> is the name of the user.
Quotation marks	Interface elements with long names that have only initial caps; lesson and chapter titles in cross-references	Select "Include a reusable module component" and click Finish. This subject is covered in Unit II, Lesson 3, "Working with Objects."
Uppercase	SQL column names, commands, functions, schemas, table names	Use the SELECT command to view information stored in the LAST_NAME column of the EMP table.

Convention	Element	Example
Arrow	Menu paths	Select File→ Save.

Brackets	Key names	Press [Enter].
Commas	Key sequences	Press and release keys one at a time: [Alternate], [F], [D]
Plus signs	Key combinations	Press and hold these keys simultaneously: [Ctrl]+[Alt]+[Del]

Typographic Conventions in Code

Convention	Element	Example
Caps and lowercase	Oracle Forms triggers	When-Validate-Item
Lowercase	Column names, table names	SELECT last_name FROM s_emp;
	Passwords	DROP USER scott IDENTIFIED BY tiger;
	PL/SQL objects	OG_ACTIVATE_LAYER (OG_GET_LAYER (`prod_pie_layer`))
Lowercase italic	Syntax variables	CREATE ROLE <i>role</i>
Uppercase	SQL commands and functions	SELECT userid FROM emp;

Typographic Conventions in Navigation Paths

This course uses simplified navigation paths, such as the following example, to direct you through Oracle Applications.

(N) Invoice > Entry > Invoice Batches Summary (M) Query > Find (B) Approve

This simplified path translates to the following:

1. (N) From the Navigator window, select Invoice > Entry > Invoice Batches Summary.
2. (M) From the menu, select Query > Find.
3. (B) Click the Approve button.

Notations :

(N) = Navigator

(M) = Menu

(T) = Tab

(I) = Icon

(H) = Hyperlink

(B) = Button

Typographical Conventions in Help System Paths

This course uses a “navigation path” convention to represent actions you perform to find pertinent information in the Oracle Applications Help System.

The following help navigation path, for example—

(Help) General Ledger > Journals > Enter Journals

—represents the following sequence of actions:

1. In the navigation frame of the help system window, expand the General Ledger entry.
2. Under the General Ledger entry, expand Journals.
3. Under Journals, select Enter Journals.
4. Review the Enter Journals topic that appears in the document frame of the help system window.

Getting Help

Oracle Applications provides you with a complete online help facility.

Whenever you need assistance, simply choose an item from the Help menu to pinpoint the type of information you want.

To display help for a current window:

1. Choose Window Help from the Help menu, click the Help button on the toolbar, or hold down the Control key and type 'h'.

A web browser window appears, containing search and navigation frames on the left, and a frame that displays help documents on the right.

The document frame provides information on the window containing the cursor. The navigation frame displays the top-level topics for your responsibility, arranged in a tree control.

2. If the document frame contains a list of topics associated with the window, click on a topic of interest to display more detailed information.

3. You can navigate to other topics of interest in the help system, or choose Close from your web browser's File menu to close help.

Searching for Help

You can perform a search to find the Oracle Applications help information you want. Simply enter your query in the text field located in the top-left frame of the browser window when viewing help, then click the adjacent Find button.

A list of titles, ranked by relevance and linked to the documents in question, is returned from your search in the right-hand document frame. Click on whichever title seems to best answer your needs to display the complete document in this frame. If the document doesn't fully answer your questions, use your browser's Back button to return to the list of titles and try another.

11i Overview of Pricing

Chapter 1

11i Overview of Pricing

Oracle Order Management Release 11i

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Agenda

Agenda

- Introduction
- Pricing features
- Using pricing
- Conclusion



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Agenda

Agenda

- **Introduction**
- Pricing features
- Using pricing
- Conclusion



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Objectives

After this module you should be able to:

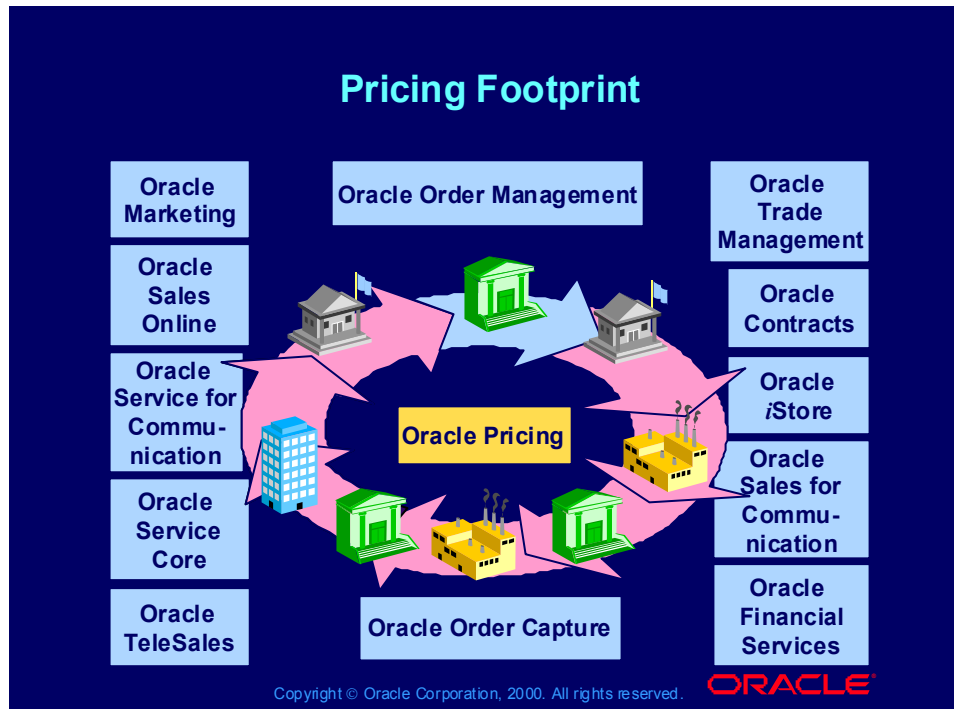
- Explain the pricing features and functions of Oracle Applications release 11i
- Describe how to use pricing in Oracle Applications release 11i



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Pricing Footprint



Integration

The following products use Oracle Pricing setup and engine processing:

- Order Management
- Order Capture
- Marketing
- Core Contracts
- Service Contracts
- Service Core
- Trade Management
- Sales for Communications
- Service for Communications
- Financial Services

The following products use Oracle Pricing engine processing only:

- iStore
- TeleSales
- Sales Online

Review Question

Which Oracle Applications suites use pricing?

- 1. Customer Relationship Management and Self-service Applications**
- 2. Order Management and Customer Relationship Management**
- 3. Advanced Planning and Scheduling and Purchasing**

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Review Question

Which Oracle Applications suites use pricing?

1. **Customer Relationship Management and Self-service Applications**
2. **Order Management and Customer Relationship Management**
3. **Advanced Planning and Scheduling and Purchasing**

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The Pricing Concept

The Pricing Concept

The pricing engine determines selling prices for products and services. It provides answers to the following questions:

- What is the product or service?
- Who qualifies for prices, benefits, and adjustments for this item?
- How do I adjust the order and order line prices?

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Pricing and e-Business

Oracle Pricing is e-business enabled:

- The following features support business-to-business pricing needs:
 - Deals and promotions
 - User-defined qualifiers
 - Pricing based on attributes
- The following features support business-to-consumer pricing needs:
 - Coupon issue and next order user redemption
 - Ask-for promotions
 - User defined qualifiers

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The Pricing Concept: Product Hierarchy & Pricing Attributes

The Pricing Concept: Product Hierarchy & Pricing Attributes

All plastic items of Grade-B quality

What is the item or service?

The product hierarchy and pricing attributes control what the pricing engine prices.

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The Pricing Concept: Qualifiers

The Pricing Concept: Qualifiers

- **Customer Class = VIP**
- **Order Type = Special**

Who qualifies?

Pricing qualifiers control who is eligible
for certain prices and benefits.

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The Pricing Concept: Modifiers

The Pricing Concept: Modifiers

- Discount of 2%
- Buy one get one free
- Get 480 ml shampoo for the same price as 360 ml shampoo
- Get a coupon for 100 currency units if you buy over 1000 currency units

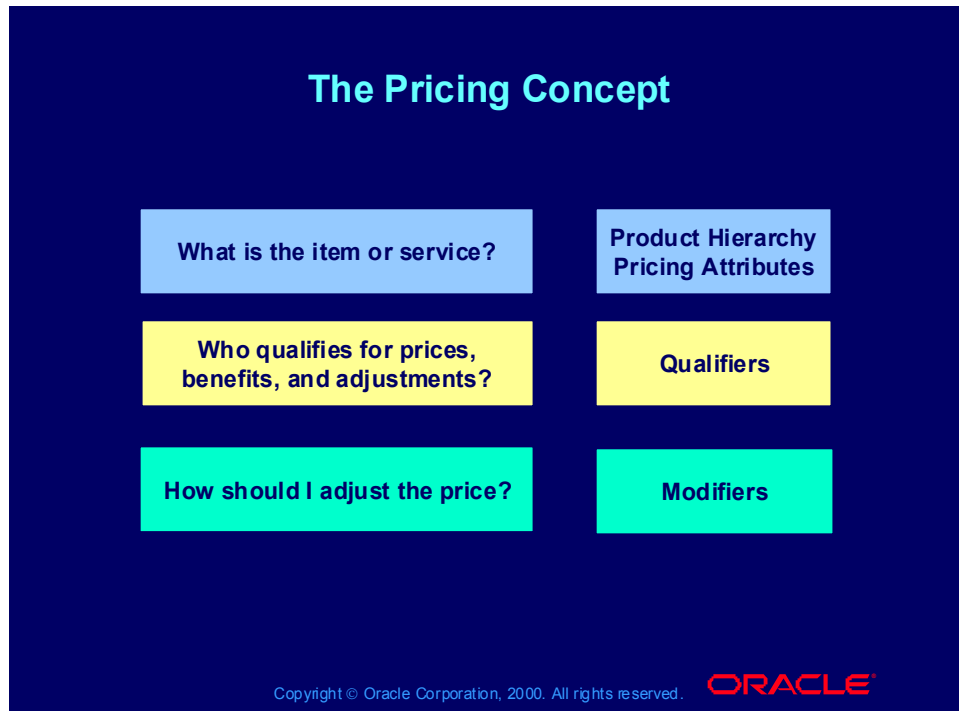
How should I adjust the price?

Pricing modifiers control
adjustments to the base price.

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The Pricing Concept



Review Question

Review Question

What component is not part of the pricing concept?

1. Sourcing rules
2. Pricing attributes
3. Product hierarchy
4. Modifiers
5. Qualifiers

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Review Question

Review Question

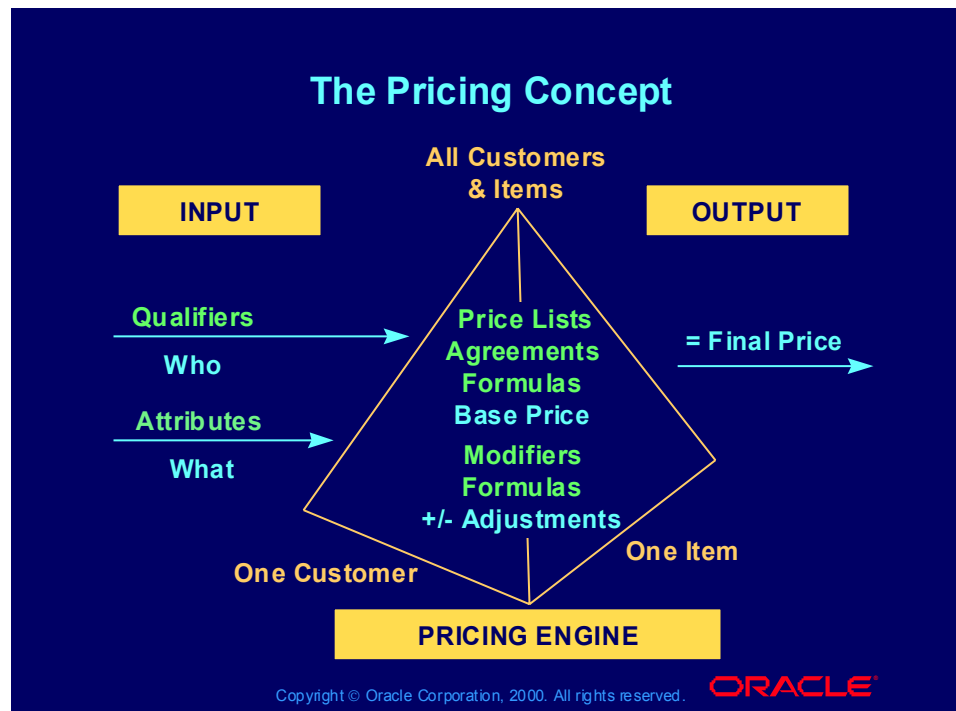
What component is not part of the pricing concept?

1. Sourcing rules
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3. Product hierarchy
4. Modifiers
5. Quallfiers

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The Pricing Concept



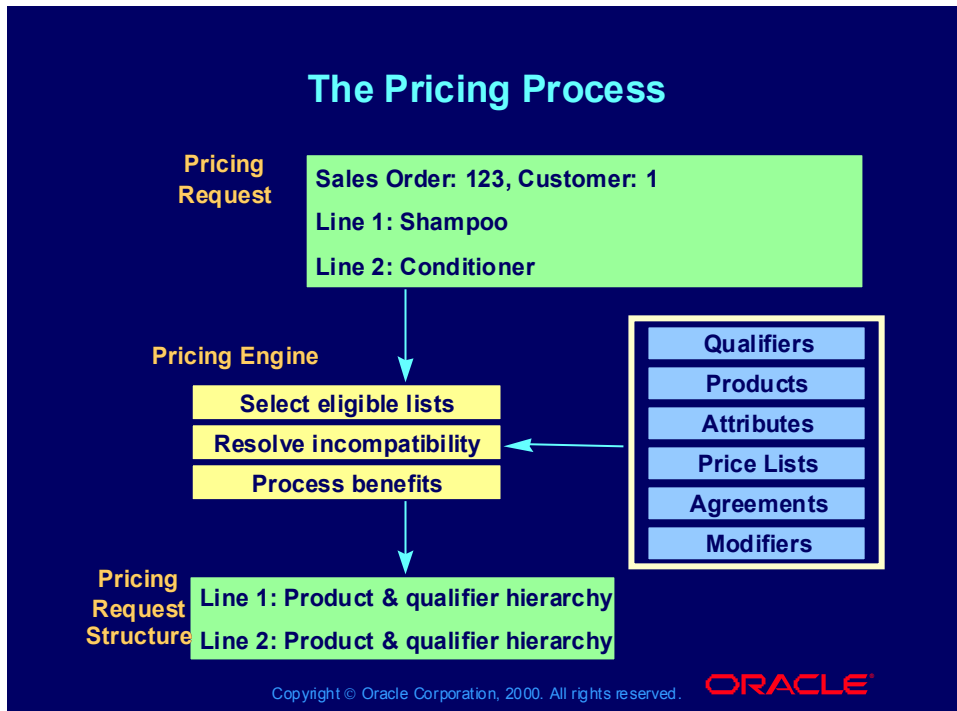
Pricing Components

- Pricing qualifiers: Determines *who* is eligible for a price or modifier list, for example, customer class, customer site, buying group, and sales territory.
- Pricing attributes: Determines *what* is being priced or modified on a price or modifier list, for example, product group, brand, location, distance, age, and volume.
- Price lists: Lists containing base (list) prices for items and services, for example, Corporate price list, Summer Promotion price list.
- Agreements: Lists containing base (list) prices that you have negotiated with specific customers for items and services.
- Modifiers: Determines *how* the eligible pricing request or pricing request line should be adjusted, for example, discounts, surcharges, coupon issue, item upgrade, other item discount, terms substitution, freight charge, and promotional goods.

You can define price lists and modifiers from the most general level to the most specific level. For example, Price List B is for all products and all customers and Price List A is for Product 1 and Customer 1.

- Formulas: Algebraic expressions used to calculate values of base prices and modifier amounts.
- Pricing engine: The pricing engine retrieves the base price from the appropriate price list and calculates selling price by applying modifiers to the base price.

The Pricing Process

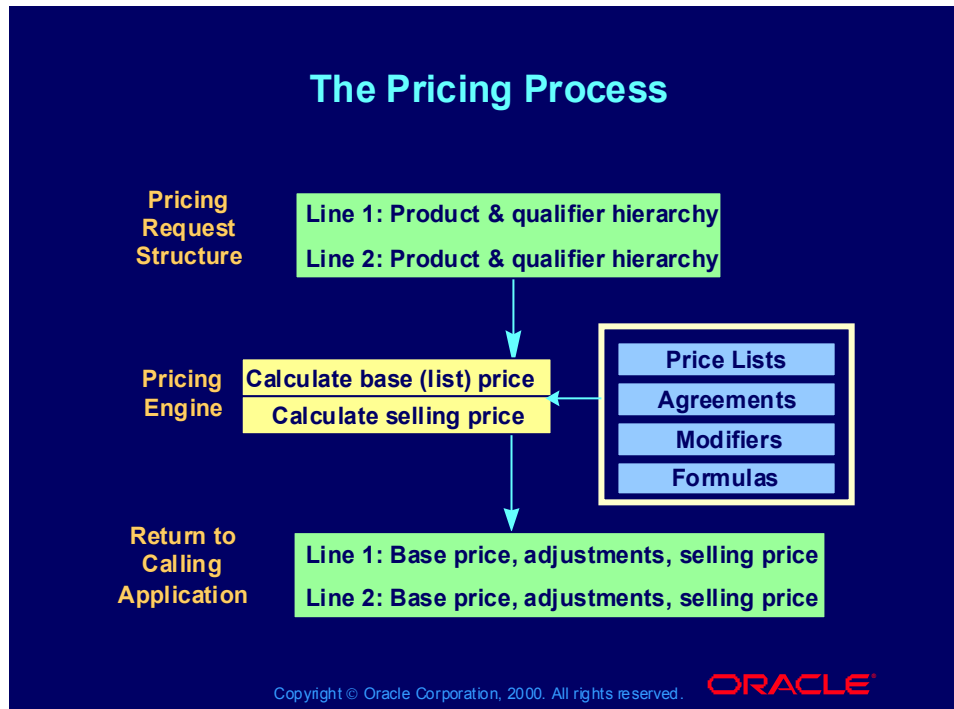


The Pricing Process

The calling application sends a request to the pricing engine (the *pricing request*) for a sales order from Customer 1 with two lines—shampoo and conditioner.

The pricing engine selects the appropriate information into the pricing request structure and analyzes the pricing request.

The Pricing Process



The Pricing Process

The pricing engine:

- Selects eligible price lists and calculates the list price.
- Applies modifiers to calculate the selling price.
- Returns the pricing request to the calling application.

Review Question

Review Question

What term describes the information that the calling application sends when it needs a price for a good or service?

1. Pricing engine
2. Pricing attributes
3. Product hierarchy
4. Pricing request

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Review Question

Review Question

What term describes the information that the calling application sends when it needs a price for a good or service?

1. Pricing engine
2. Pricing attributes
3. Product hierarchy
4. Pricing request

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Agenda

Agenda

- Introduction
- **Pricing features**
- Using pricing
- Conclusion



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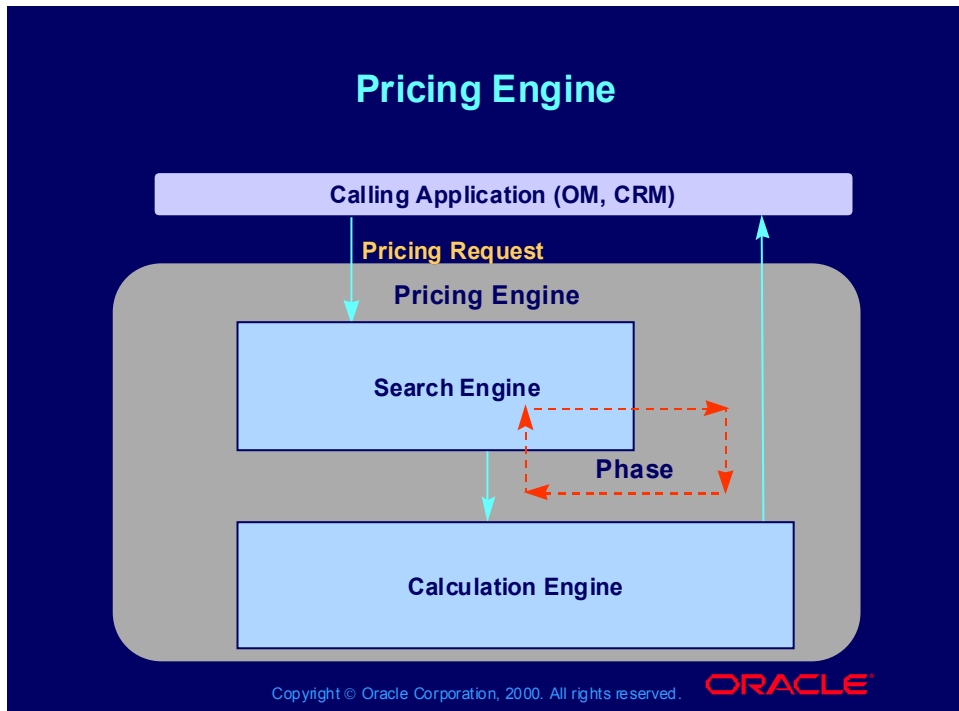
Pricing Features

- Pricing engine
- Flexible attribute mapping
- Price lists
- Formulas
- Qualifiers
- Modifiers
- GSA pricing
- Agreements
- Reports

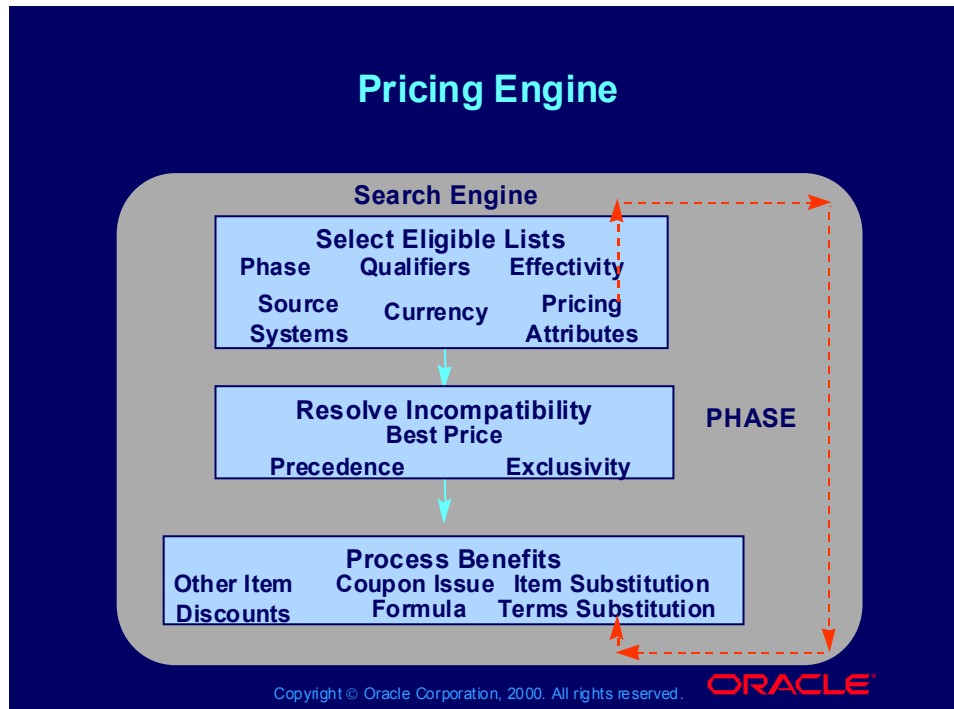
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Pricing Engine



Pricing Engine



Pricing Engine Processing

Select Eligible Lists

The search engine:

- Receives the pricing request
- Looks at the qualifiers and attributes to select the appropriate price lists and modifiers for the customer, products, and services
- Validates price lists and modifiers against currency, effectivity, source system, and phase.

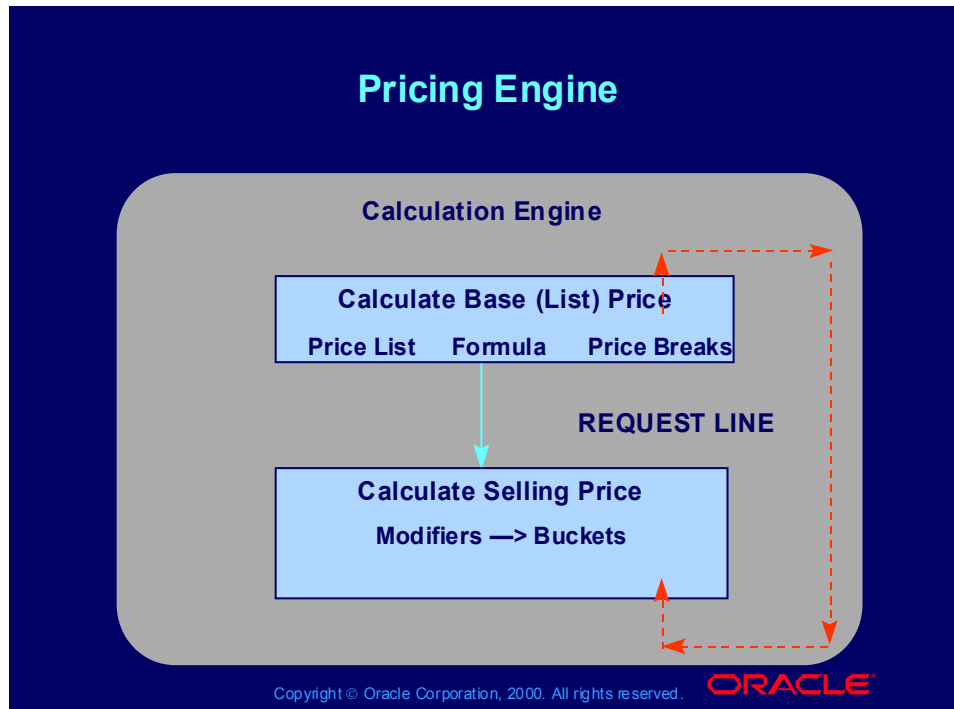
• Resolve Incompatibility

- Orders the price lists and modifiers based on precedence
- Selects the highest precedence price list
- Selects the highest precedence modifier in each incompatibility group
- Finds exclusive modifiers

• Process Benefits

- Processes benefits and adjustments (modifiers) for the valid lists
- Calls the calculation engine

Pricing Engine



Pricing Engine Processing

Calculate Base (List) Price

The calculation engine uses price lists, agreements, and formulas, and price to determine the base price.

Calculate Selling Price

The calculation engine:

- Applies modifiers to the base price
- Calculates the final selling price
- Returns the result to the calling application

Flexible Attribute Mapping

- **Controls what the pricing engine:**
 - **Prices**
 - **Modifies**
- **Map to:**
 - **Customers**
 - **Items**
 - **Orders**

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Price Lists

- **Contain prices and currencies:**
 - **Specific products and services**
 - **Item categories**
 - **Product groups**
 - **The same price for all items**
- **The prices can be:**
 - **Absolute values**
 - **Percentages of other prices**
 - **Formulas**
 - **Positive and negative values**

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Price Lists

You can apply prices to:

- Your entire business
- A single operating unit

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Formulas

- The pricing engine uses formulas to determine price list and modifier amounts as an alternative to retrieving fixed amounts that you enter.
- Formulas are algebraic relationships constructed of individual terms.
- Each term can be:
 - A numeric constant
 - A combination of pricing attributes (for example, thickness and height) and factors (for example, 1 to 5, 5 to 10, and more than 10)
 - The price of the item in a specific price list
 - The price on a specific price list line
 - A function that you develop

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Formulas

Apply formulas:

- **Statically:** Before submitting pricing requests, execute a concurrent process to evaluate the formula and calculate a list price for the item on the price list.
- **Dynamically:** Each time the pricing engine receives a pricing request, it evaluates the formula and calculates a list price for the item.

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Qualifiers

- **State who can receive benefits and adjustments:**
 - **Specific customers**
 - **Customer groups**
 - **By order type**
 - **By amount within an order and across many orders**
- **Associate qualifiers with**
 - **Price lists**
 - **Modifiers**

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Qualifier Groups

You define a qualifier within a qualifier group so that you can:

- **Associate qualifiers of a common type or for a common benefit**
 - Easier to search for qualifiers
 - Easier to assign groups to modifiers
- **Create AND and OR Boolean conditions among qualifiers**

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Review Question

Review Question

Which pricing component maps information about who can receive benefits?

1. Qualifier
2. Modifier
3. Flexible attribute mapping
4. Price list

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Review Question

Review Question

Which pricing component maps information about who can receive benefits?

1. Qualifier
2. Modifier
3. Flexible attribute mapping
4. Price list

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Modifiers

Modifiers

Discount	10% off item A
Surcharge	10% surcharge for purchase of under 100 units of item A
Freight/Special Charge	450 currency unit freight cost on entire order

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Modifiers

Modifiers

Item Upgrade	For the price of 100 ml of item A get 200 ml of item B
Terms Substitution	Purchase over 1000 currency units on entire order, receive 30/60/90 terms instead of NET 30 terms
Other Item Discount	Buy items A , B, and C; get 20% off item A

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Modifiers

Modifiers

Promotional Goods	Buy one item A and one item B; get one item C at 20% off
Coupon Issue	Buy over 1000 currency units, receive a coupon for 100 currency units off a future purchase
Price Break <ul style="list-style-type: none">• 1-100 units item A, 100 currency units each• 101-500 units item A, 75 currency units each• More than 500 units item A, 50 currency units each	Point: Order 150 item A, receive 150 item A @ 75 currency units each Range: Order 150 units item A, receive 100 item A @ 100 currency units each and 50 item A @ 75 currency units each

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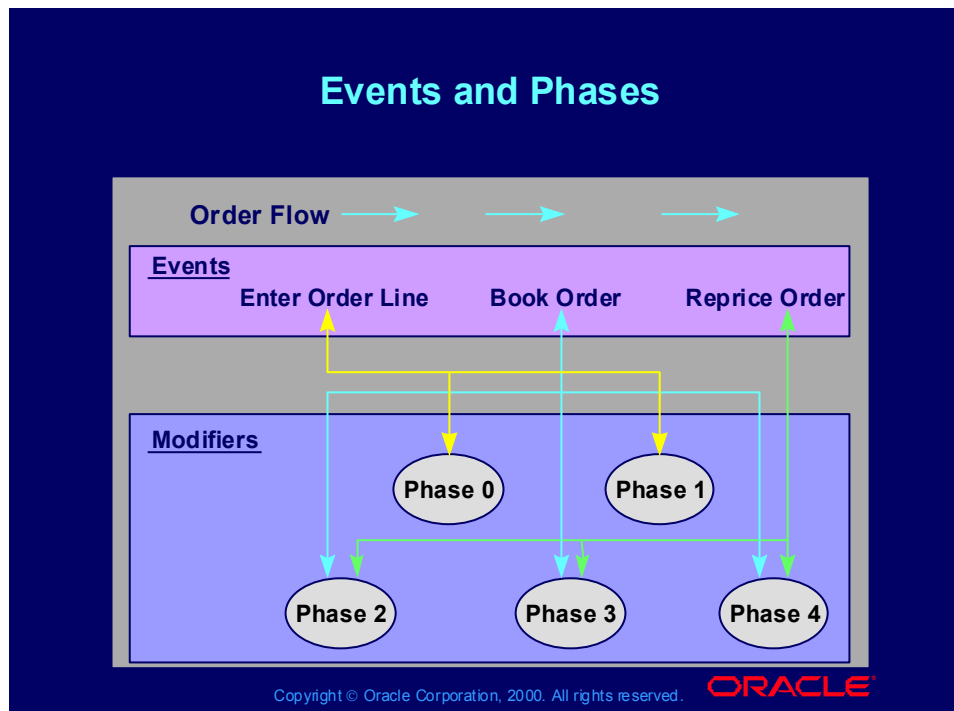
Modifier Control Features

- **Events:** Periods of time within the order flow
- **Phases:** Groups of pricing activities performed at same time
- **Incompatibility processing:** Sorting out multiple modifiers that the pricing engine may not apply same time. The pricing engine uses precedence and exclusivity rules.
- **Buckets:** Groupings of modifiers that allow cascading discounts by controlling subtotals

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Events and Phases

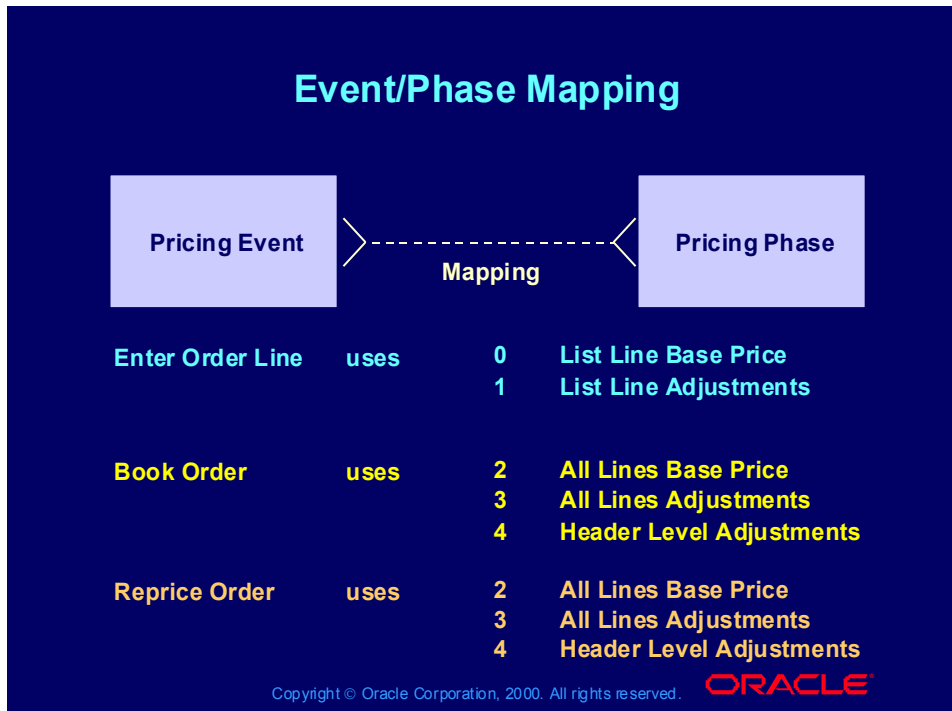


Events and Phases

Pricing Event: A time in the process flow of the calling application at which it makes a call to the pricing engine (analogous to an Oracle Workflow event); for example, Book Order in Order Management.

Pricing Phase: A user-defined group of modifiers that the search engine considers together when applying them to pricing requests, for example, Phase 1: Line Adjustments.

Event/Phase Mapping



Event Phase Mapping

Enter Order Line:

- Phase 0: Base price returned at time that order line is entered
- Phase 1: Line level modifiers calculated

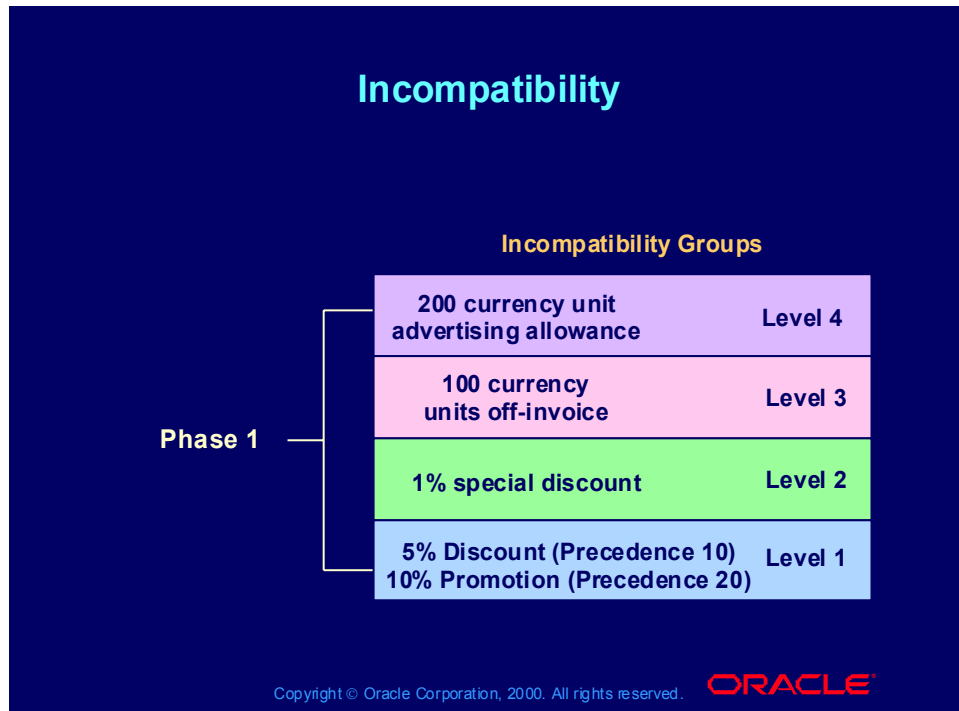
•Book Order:

- Phase 2: Line group pricing returned
- Phase 3: Line group level modifiers calculated
- Phase 4: Order level modifiers calculated

•Reprice Order:

- Automatic repricing occurs if you change customer item, inventory item, ordered quantity, ordering unit of measure, pricing date, price list, deal/promotion number, or pricing attributes.
- Phase 2: Line group pricing returned
- Phase 3: Line group level modifiers calculated
- Phase 4: Order level modifiers calculated

Incompatibility

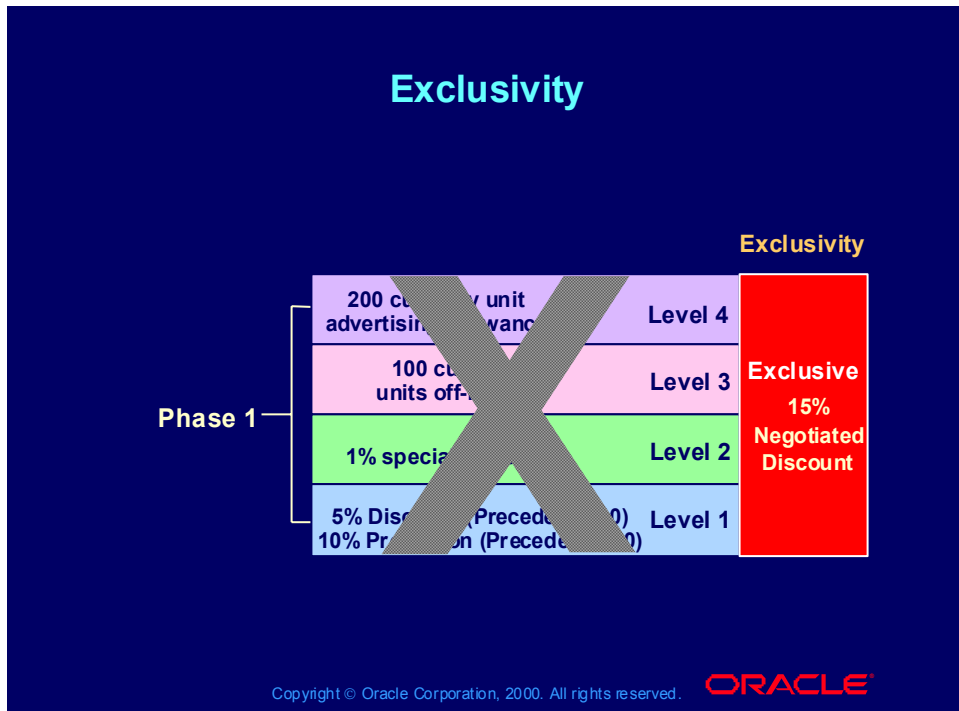


Incompatibility

In any given level within the same phase, the system only allows one modifier to be selected. The pricing engine may retrieve more than one modifier that meets the calling request and can be applied. There are three methods to resolve incompatibilities within the modifiers that the pricing engine retrieves:

- Precedence
- Best price
- Exclusivity
- Precedence: Each modifier has a precedence used to decide among incompatible modifiers.
- Incompatibility Level: Each modifier has an incompatibility level. If there is more than one modifier line with the same incompatibility level, the pricing engine selects the one with the highest precedence. If there is more than one modifier with the highest precedence in an incompatibility level, the pricing engine selects the modifier that provides the best benefit to the customer.

Exclusivity

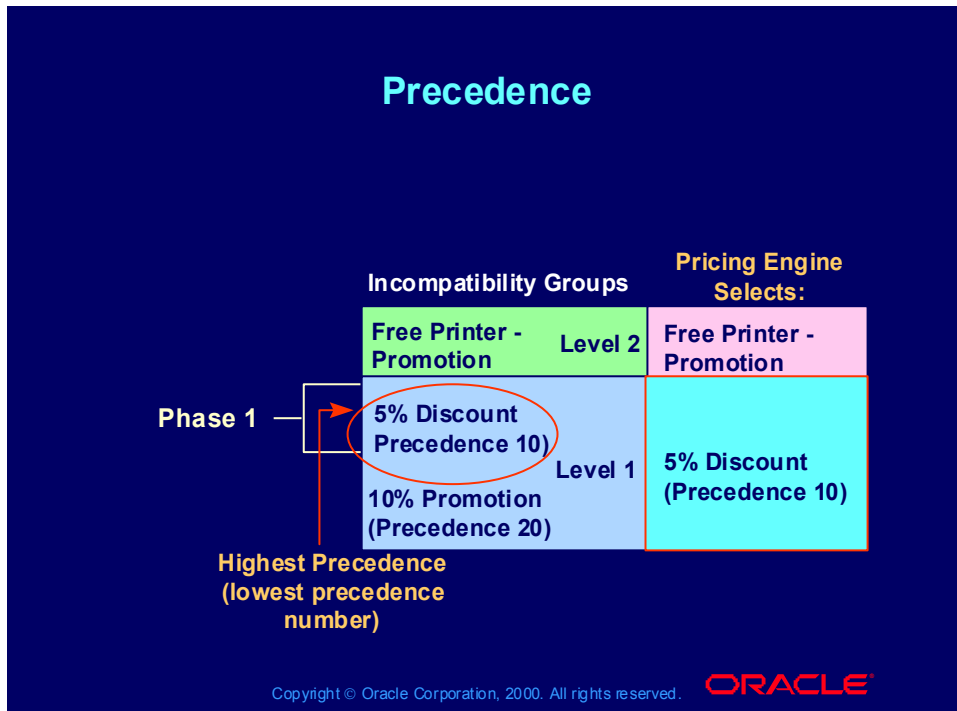


Exclusivity

If a customer qualifies for multiple modifiers and one is exclusive, the pricing engine ignores precedence and applies the exclusive modifier.

Exclusivity occurs within each phase.

Precedence

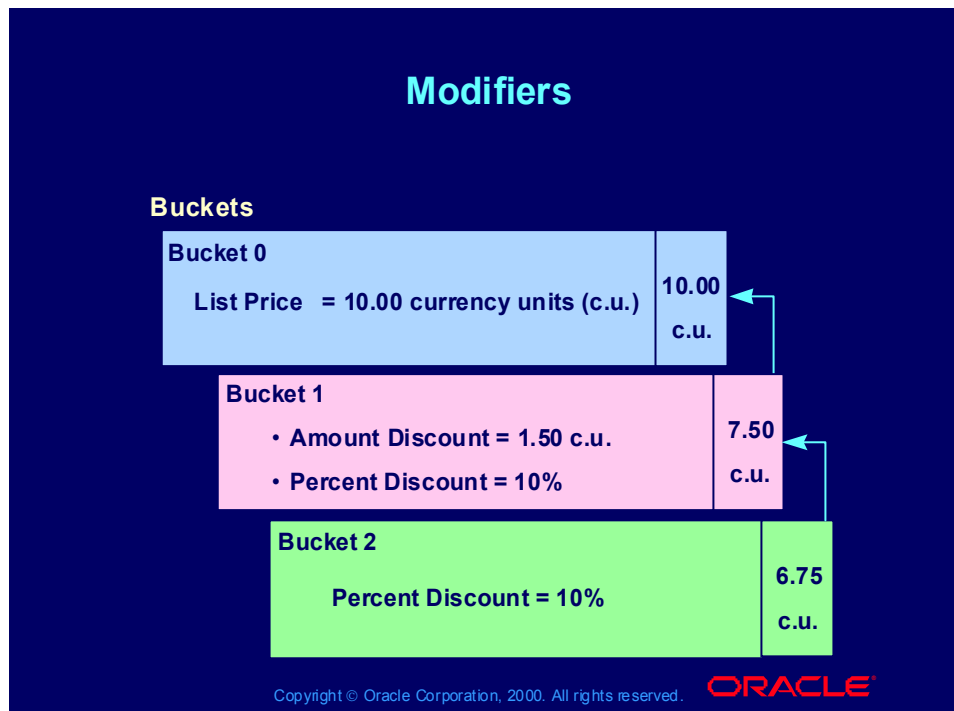


Precedence

The pricing request is eligible for two promotions in the level 1 incompatibility group for phase 1. The pricing engine applies the 5% discount because it has the highest precedence (lowest precedence number).

When you create a modifier, Oracle Pricing sets a default precedence value. If you want your precedence processing to be different from the default, change the default precedence numbers to fit your scheme.

Modifiers



Buckets

Each modifier has a price bucket. The pricing engine calculates all modifiers in the same price bucket together (additive modifier application) and subtracts the total from the total of the previous bucket (cascading modifier application).

GSA (USA General Services Administration) Price Lists

GSA (USA General Services Administration) Price Lists

You must charge commercial customers for items on the GSA price lists a higher price for those items than the prices on the on GSA price lists.

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Agreements

You can establish agreements with your customers that record your negotiated:

- Prices
- Freight terms
- Payment terms

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Reports

- Price List Detail Report
- Pricing Formulas Report
- Qualifier Grouping Report

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Review Question

On a price list, you can enter a price for a product or service. What other task can you perform that results in a price on a price list ?

- 1. Link a qualifier to a modifier**
- 2. Enter a static formula**
- 3. Map a pricing event to a pricing phase**
- 4. Assign an item upgrade**

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Review Question

Review Question

On a price list, you can enter a price for a product or service. What other task can you perform that results in a price on a price list ?

1. **Link a qualifier to a modifier**
2. **Enter a static formula**
3. **Map a pricing event to a pricing phase**
4. **Assign an item upgrade**

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Agenda

Agenda

- Introduction
- Pricing features
- **Using pricing**
- Conclusion



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Setup Tasks

Oracle Pricing provides data for the following types of information:

- Qualifier contexts, attributes, and domains
- Pricing contexts, attributes, and attribute values
- Flexible attribute maps
- System sources
- Events and phases
- Profile options

You can tailor these to your business needs by defining your own additional information.

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Setup Tasks

Other Oracle Applications provide pricing setup information:

- **System administration**
- **Inventory**
 - **Units of measure**
 - **Item categories**
 - **Inventory organizations**
 - **Items**
 - **Item relationships**

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Setup Tasks

- **Receivables**
 - Customers
 - Payment terms
- **Order Management**
 - Order Management lookups
 - Order types
 - Line types
- **Shipping Execution**
 - Shipping lookups
 - Freight terms
 - Freight cost types
- **General Ledger: Currencies**

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Flexible Attribute Mapping Processes

- **Setting up qualifier and pricing attributes**
- **Entering and updating conditions**
- **Entering and updating sourcing rules**

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Price List Processes

- **Creating price lists**
- **Defining pricing attributes**
- **Defining price breaks**
- **Attaching secondary price lists**
- **Defining qualifiers**
- **Deleting price list information**
- **Copying price lists**
- **Adjusting price lists**
- **Adding items to price lists**

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Formula Processes

- **Creating a pricing formula**
- **Defining factor list details**
- **Updating formula prices**

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Qualifier Processes

- Adding qualifier groups
- Querying qualifier groups
- Modifying qualifier groups and qualifiers
- Using qualifiers with price lists
- Using qualifiers with modifiers

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Modifier Processes

- **Creating modifier lists**
- **Creating list-level qualifiers**
- **Entering basic modifier line information**
- **Entering discount and charge information**
- **Entering freight charge information**

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Modifier Processes

- Entering item upgrade information
- Entering terms substitution information
- Entering coupon issue information
- Entering other item discount and promotions information
- Entering price break information

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Modifier Processes

- **Creating line-level qualifiers**
- **Attaching pricing attributes**
- **Excluding items**
- **Changing modifier incompatibility**
- **Redeeming accruals**

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Review Question

Review Question

Which of the following process can you use to charge a customer extra for a small order?

1. Entering and updating conditions
2. Attaching pricing attributes
3. Entering discount and charge information
4. Using qualifiers with price lists

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Review Question

Which of the following process can you use to charge a customer extra for a small order?

1. Entering and updating conditions
2. Attaching pricing attributes
3. Entering discount and charge information
4. Using qualifiers with price lists

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GSA (USA General Services Administration) Pricing Processes

GSA (USA General Services Administration) Pricing Processes

- **Creating GSA (USA General Services Administration) price lists**
- **Creating GSA list qualifiers**

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Agreement Processes

- **Creating pricing agreements**
- **Defining pricing attributes**
- **Defining price breaks**

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Review Question

Review Question

In which of the following areas can you not use price breaks?

1. Formulas
2. Price lists
3. Agreements

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Review Question

Review Question

In which of the following areas can you not use price breaks?

1. Formulas
2. Price lists
3. Agreements

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Agenda

Agenda

- Introduction
- Pricing features
- Using pricing
- **Conclusion**



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Basic and Advanced Pricing

Price Lists	Basic	Advanced
Add items	X	X
Copy price list	X	X
Adjust price list	X	X
GSA price list	X	X
Qualifiers	Defaulted in OM	Unlimited
Pricing Attributes	1 Context	Unlimited
Secondary price list	1	Unlimited
Formula	Static	Static/Dynamic
Line level	X	X

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Basic and Advanced Pricing

Agreements	Basic	Advanced
Define customer items	X	X
Separate setup form	X	X
Same time create pr list	X	X
Version number - header & line	X	X
Change reason code	X	X
Price breaks	X	X

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Basic and Advanced Pricing

Formulas	Basic	Advanced
Numeric constant	X	X
Product attributes	Item	Item/category
Pricing attributes	1 Context	Unlimited
Factors	Multiple/1 Context	Multiple/Unlimited
Price list line		X
Customizable		X

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Basic and Advanced Pricing

Modifiers	Basic	Advanced
Discount	X	X
Surcharge	X	X
Price breaks	Point	Point and Range
Freight/special charges	X	X
Coupon issue		X
Item upgrade		X
Other item discount		X
Terms substitution		X
Promotional goods		X
Ask for		X
Order or ship date		X

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Basic and Advanced Pricing

Modifiers (continued)	Basic	Advanced
Price list independent	X	X
Order & line level	X	X
Group of line level		X
Qualifiers	Limited	Unlimited
Attributes	Limited	Unlimited
Formulas		X
Exclude items		X
Buckets		X
Phases		X
Incompatibility		X
Accrual		X

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Review Question

Review Question

Which pricing function is not available in basic pricing?

1. Price lists
2. Formulas
3. Qualifier groups
4. Agreements

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Review Question

Review Question

Which pricing function is not available in basic pricing?

1. Price lists
2. Formulas
3. Qualifier groups
4. Agreements

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Summary

In this module, you should have learned how to:

- Explain the pricing features and functions of Oracle Applications release 11*i*.
- Describe how to use pricing in Oracle Applications release 11*i*.



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11i Manage Pricing

Chapter 2

11i Manage Pricing, Part 1

Oracle Order Management Release 11i

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Agenda

Agenda

- Introduction
- Price lists
- Formulas
- Qualifiers
- Modifiers
- GSA Pricing
- Agreements
- Reports
- Conclusion



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Agenda

Agenda

- **Introduction**
- Price lists
- Formulas
- Qualifiers
- Modifiers
- GSA Pricing
- Agreements
- Reports
- Conclusion



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Objectives

In this module, you should learn how to:

- Explain the pricing features and functions of Oracle Applications release 11*i*.
- Execute common pricing processes in Oracle Applications release 11*i*.

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Using Oracle Applications Help

1. **Navigate to the Oracle Applications Navigator.**
2. **Select Help—>Window Help from the menu bar. The Oracle Applications Help window is displayed.**
3. **Enter your search criteria, enclosed within quotation marks, in the Help field and click Find. Oracle Applications Help displays a list of topics that meet your search criteria.**
4. **Click a topic to view detailed information.**

Note: Click Search Instructions for help with searching Oracle Applications Help.

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Using Oracle Applications Help Within a Window

1. Open a window in the application you are using.
2. Select Help—>Window Help from the menu bar. Oracle Applications Help displays detailed information about the window you opened, including step-by-step instructions for entering information in each field in the window.

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Agenda

Agenda

- Introduction
- **Price lists**
- Formulas
- Qualifiers
- Modifiers
- GSA Pricing
- Agreements
- Reports
- Conclusion



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Price List Overview

- **Contain prices and currencies:**
 - **Specific products and services**
 - **Item categories**
 - **Product groups**
 - **The same price for all items**
- **The prices can be:**
 - **Absolute values**
 - **Percentages of other prices**
 - **Formulas**
 - **Positive and negative values**

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Price List Overview

You can apply prices to:

- Your entire business
- A single operating unit

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Price List Overview

A blue rectangular slide with white text. The title 'Price List Overview' is centered at the top in a light blue font. Below it is a bulleted list of pricing types. At the bottom right is the Oracle logo, and at the bottom left is a small copyright notice.

Price List Overview

- **Warranty pricing: Price is a percentage of another item's price**
- **GSA (USA General Services Administration) pricing: Uses modifiers**
- **Secondary price lists**
- **Effective dates:**
 - **Start date**
 - **End date**

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Price List Active Flag

In the future, the price list active flag indicates if the price list is active. You can use it:

- To temporarily or permanently disable the price list
- In the Euro conversion, to manually activate or de-activate a particular price list.
- The default is active. In query mode the checkbox appears as checked, but the underlying value is null. Therefore, to query active price lists, uncheck and recheck the box.

Price Types

Price Types

- **Unit price: Fixed price**
- **Percent price: Percent of another item's price**
- **Formula: Algebraic expression**
- **Price break (Point and range): Price varies by quantity ordered**

Attribute	Value	Value From	Value To	Price
Item #	A11111	1	10	50
Item #	A11111	11		45

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Price Types

Fixed Price: Used for common list pricing when a set value is desired (Example: AS18947 \$75.00)

Percentage Price: Used when the item to be priced is derived from the value of another item. (Example: Extended Service = 10% of whatever item it is ordered for)

Formula Price: An mathematical expression is used to drive the final calculated price. (Example: $1*2+3 = \$100$)

Price Break Pricing: Used to drive pricing based upon quantity ordered (Example: 1-100 units item A, 100 currency units each

101-500 units item A, 75 currency units each

More than 500 units item A, 50 currency units each

•**Point:** Order 150 item A, receive 150 item A @ 75 currency units each.

•**Range:** Order 150 units item A, receive 100 item A @ 100 currency units each and 50 item A @ 75 currency units each.

Currency

- **Essential for international sales**
- **Currency must match among the following :**
 - **Price list**
 - **Pricing request**
 - **Assigned customer profile class**

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Rounding Factor

Rounding Factor

- **Number of places for rounding:**
 - Entering a positive number affects positions to left of decimal mark
 - Entering a negative number affects positions to right of decimal mark
- **Limited by the number of positions in the QP: UNIT_PRICE_PRECISION_TYPE profile option**

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Rounding Factor

If the number of digits after the decimal is greater than the precision of the currency on the sales order, Unit Selling Price displays as is. For example:

- USD Currency Precision is 2
- Unit Selling Price is 1.1234567
- Seven is greater than currency precision.
- Display Unit Selling Price 1.1234567
- If the number of digits after the decimal is less than the precision of the specified currency, Unit Selling Price displays as the format mask of the currency. For example
- USD Currency Precision is 2
- Unit Selling Price is 5
- Zero is less than currency precision.
- Display Unit Selling Price 5.00.

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Pricing Primary Unit of Measure

Pricing Primary Unit of Measure

When you specify an item price and a pricing primary unit of measure on a price list, the pricing engine:

- Converts the unit of measure on the order to the pricing primary unit of measure (Primary UOM)
- Converts quantity on the order line to its corresponding quantity in the pricing primary unit of measure (Pricing Quantity).
- Calculates the selling price using Primary UOM and Pricing Quantity
- Returns pricing information to the calling application in terms of order quantity and order unit of measure

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Pricing Primary Unit of Measure

For example:

- Enter item on price list as unit of measure (UOM) Each.
- Check Primary UOM checkbox
- Receive order for one dozen
- Pricing engine checks price list for item price in UOM dozen
 - If it finds a price in UOM dozen, the pricing engine uses it.
 - If it does not find a price in UOM dozen, the pricing engine uses the UOM conversion factor to calculate Pricing Quantity 12 and Pricing UOM Each.

You can specify only one item/unit of measure combination on each price list as primary.

The pricing engine only uses direct conversions from ordered to primary units of measure; it does not process interclass unit of measure conversions.

Pricing Business Scenario

Pricing Business Scenario

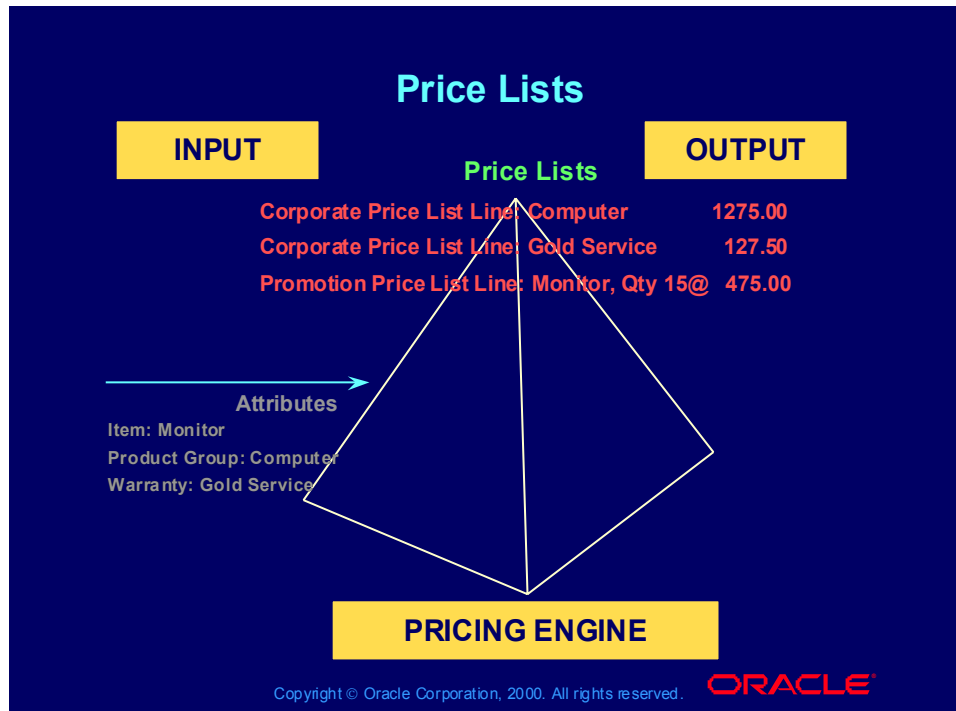
- The customer places an order through Oracle Order Management, the **calling application** (also known as **source system**)
- Order Management passes the following **pricing request**:
 - Customer: **ABC Computers**
 - Territory: **Western region**
 - Order lines:
 - Item: **Computer, Quantity: 1**
 - Product group: **Computer**
 - Warranty: **Gold service**
 - Item: **Monitor, Quantity: 15**
 - Product group: **Computer**

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Pricing Business Scenario

- You are creating a promotion for all of your computer-related customers who are based in the west.
- You have created a promotion which allows a customer to receive a free printer if they purchase the computer.
- There is another promotion of 5% off all computer equipment.
- Gold support service is sold at 10% of the product which it supports.
- Monitors have a price break:
 - 1-10: 500 currency units
 - 11- : 475 currency units

Price Lists



Practice 1: Enter People

Practice 1: Enter People

This practice covers entering yourself as an employee in the system for use in a later practice.

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Practice 1: Enter People

User = Operations

Password = Welcome

Responsibility = Human Resources

(N) People - Enter and Maintain

1. Select the New Button
2. Last name = Yours
3. First Name = Yours
4. Gender = Yours
5. Type =employee
6. Social Security - Any number in this format (xxx-xx-xxxxx)
7. Date of Birth = Yours (real or not)
8. Save
9. Record your employee number _____

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Practice 2: Create a User ID

Practice 2: Create a User ID

This practice covers establishing a user ID and password to log into the system. You attach your responsibilities to it.

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Practice 2: Create a User ID

File Switch Responsibility

Responsibility = System Administer

(N) Security-user-define

1. Name = Any ID you want
2. Password = password (lower case)
3. Tab
4. Enter pass word again
5. Person = your Last name % select
6. Responsibilities Select the following Responsibilities from a List of Values
 - Order Management Superuser VISION OPERATIONS (USA)
 - Move cursor to next row
 - Purchasing Vision Operations (USA)
 - Move cursor to next row
 - Inventory VISION OPERATIONS (USA)
 - Move cursor to next row
 - Receivables VISION OPERATIONS (USA)
 - Move cursor to next row
 - Oracle Pricing Manager

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- Move cursor to next row
 - System Administrator
7. Save
 8. File-Log in as a different user
 9. User = Your user name
 10. Password = password (lower case)
 11. You will receive a message informing you that your password has expired, Select the OK button.
 12. Enter in the following data
 13. Old pass word = password
 14. New password= Anything you want, Record it here in case you forget later
-
15. Re-enter password = Your new password.
 16. Select Order Management Superuser Responsibility

Practice 3: Manage Your Top Ten List

Practice 3: Manage Your Top Ten List

This practice covers establishing ten commonly used forms for your responsibility in the top ten list. Then, you can use keyboard numbers to open these forms.

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Practice 3: Manage Your Top Ten List

(N) Navigator

1. Expand all menu trees of the Order Management Responsibility
2. Move over the Following forms to your Top Ten list.
 - Order Organizer
 - Sales Orders
 - Release Sales Orders
 - Transactions
 - Customers Standard
 - Customers Quick
 - Price List
 - Master Items
 - Reports
 - Requests

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Practice 4: Enter Standard Customer

Practice 4: Enter Standard Customer

This practice covers entering a customer with two addresses and decentralized billing. With decentralized billing, each address has its goods billed to itself.

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Practice 4: Enter Standard Customer

1. Navigate Customers > Standard (T) Advanced
 - Name: XX-Big City Electronics Wholesale (where XX is your initials)
 - Click [B] Find and when 'Note' displays, click [B] OK.
 - Click [B] New.
2. Select (T) Classification
 - Profile Class: DEFAULT
 - Type: External
 - Class: High Technology
 - Category: High Technology
 - Sales Channel: Commercial
3. Select (T) Order Management
 - Price List: Corporate
 - Freight Terms: Prepaid
 - FOB: Customer Site
 - Warehouse: Seattle Manufacturing
4. Select (T) Addresses
 - Click [B] New.
 - Country: United States
 - Address: 222 W. Las Colinas Blvd.

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Postal Code: 75039 (Note: City, State, and County will default)

5. Select (T) Business Purposes

Usage: Bill To

Location: BIG D

Primary: Checked

Move cursor to next row of the Usage field.

Usage: Ship To

Location: BIG D

Primary: Checked

6. Save your work. Note the Site Number.

7. Close the Customer Addresses window.

8. Select (T) Addresses

Click [B] New.

Country: United States

Address: 2020 Michigan Ave.

Postal Code: 60600 (Note: City, State, and County will default)

9. Select (T) Business Purposes

Usage: Ship To

Location: CHICAGO

Bill To: BIG D

Primary: Unchecked

10. Save your work and note the Site Number.

11. Close the Customer Addresses window.

12. Note the Customer Number.

Practice 5: Create Items

Practice 5: Create Items

This practice covers creating items. The products and services that your customers order are items.

You must create your items:

- **Meeting the item definition requirements for sales orders.**
- **Assigned to the warehouses from which you ship them.**

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Practice 5: Create Items

1. Items > Master Items (Note: If organization window appears, select V1-Vision Operations, as Master Organization)
2. Item: XX-Palm Pilot (where XX is your initials)
3. Description: PV Palm Pilot
4. Select (M) Tools > Copy From...
5. Template: Finished Good
6. Click (B) Apply then (B) Done.
7. Save your work.
8. Select (M) Tools > Organization Assignment
9. Click the 'Assigned' checkbox for M1-Seattle and M2-Boston Manufacturing.
10. Save your work. Close the window.
11. Select (M) File > New
12. Repeat the above process to create item XX-Phone, XX-Palm Case, and XX-Pager

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Practice 6: Process Miscellaneous Receipt Transaction

Practice 6: Process Miscellaneous Receipt Transaction

This practice covers entering stock into the Seattle and Boston warehouse to use in later scheduling and shipping practices.

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Practice 6: Process Miscellaneous Receipt Transaction

(M) File - Switch Responsibility

Select the Inventory, Vision Operations responsibility from the list.

(N) Transactions - Miscellaneous Transaction

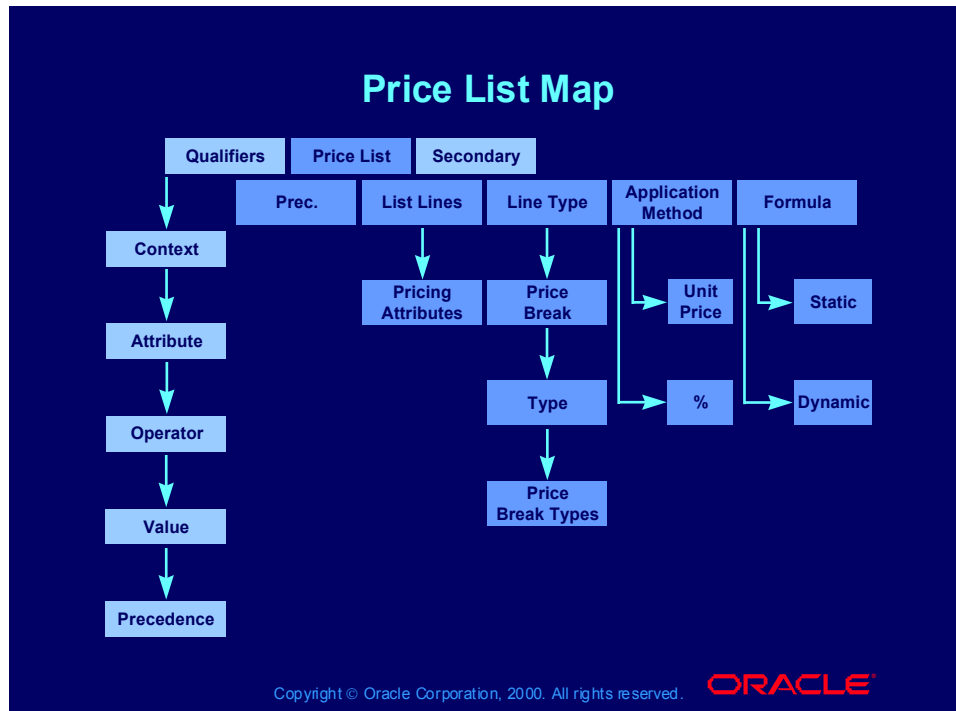
Note: If organization window appears, select M1-Seattle Manufacturing. Ensure that when you enter the Miscellaneous Receipt the organization is M1. If still V1, then Navigate to Change Organization, pick M1 from the list of values and press OK

1. Date: Defaults
2. Type: Miscellaneous receipt
3. Account: 01-520-5250-0000-000. or select Misc. from the Account Aliases (pick list).
4. Click [B] Transaction Lines
5. Item: XX-Palm Pilot, Subinventory: FGI, Quantity: 1000
6. Move cursor to next row below the Item field.
7. Item: XX-Phone, Subinventory: FGI, Quantity: 1000
8. Move cursor to next row below the Item field.
9. Item: XX-Palm Case, Subinventory: FGI, Quantity: 1000
10. Move cursor to next row below the Item field.

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11. Item: XX-Pager, Subinventory: FGI, Quantity: 15
12. Save your work.
13. Change organization to M2 (in Inventory reps., Change Organization - select M2 - press OK). And repeat step 3 for XX-item1. Save your work.
14. Return to the Order Management SuperUser responsibility to put the items on a price list (pre-requisite for being able to put items on a sales order). See following practice.

Price List Map



Price List Processes

- **Creating price lists**
- **Defining pricing attributes**
- **Defining price breaks**
- **Attaching secondary price lists**
- **Defining qualifiers**
- **Inactivating price list information**
- **Copying price lists**
- **Adjusting price lists**
- **Adding items to price lists**
- **Creating GSA price lists**
- **Creating GSA list qualifiers**

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Creating Price Lists Process

Creating Price Lists Process

Use the **Creating Price Lists** process to create and change price lists.

Use the Navigator path below to navigate to the **Price Lists** window and consult **Oracle Applications Help** for information about performing the process.

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(N) Oracle Pricing Manager > Price Lists > Price List Setup
(Help) Oracle Pricing > Price Lists > Overview of Price Lists

Practice 7: Defining a Price List

Practice 7: Defining a Price List

This practice covers placing items on a price list. All items that you place on sales must exist on a Price List.

You create a price list, then restrict its availability to your XX-Big City Electronics Wholesale customer.

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Practice 7: Defining a Price List

OM Superuser, Vision Operations Responsibility.

(N) Pricing - Price Lists - Price List Setup

1. Enter XX-Price List (where XX is your initials) in the Name field.
 2. Enter a description for your price list in the Name and Description field.
 3. Currency: USD
 4. Round To: -2
 5. Effective Date: Current date
- (T) List Lines
6. Select 'Item' from LOV in the Product Context field.
 7. Select 'Item Number' from LOV in the Product Attribute field.
 8. Select either 'XX-Phone' from LOV in the Product Value field.
 9. Select 'Ea' from LOV in the UOM field.
 10. Enter 100 in the Value field.
 11. Repeat the steps 3-7 to enter XX-Palm Pilot, XX-Palm case, and XX-Pager choose different selling values for each.
- Qualifier Tab
12. Grouping Number = 1

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13. Context = Customer
14. Qualifier attribute = XX-Big City Electronics Wholesale, select customer name from list of values
15. Precedence = 100
16. Value From = Yes
17. Value = XX-Big City Electronics Wholesale
18. Save your work.
19. Copy steps 1-27 to Create XX-Test Price List

Defining Pricing Attributes Process

Defining Pricing Attributes Process

Use the Defining Pricing Attributes process to enter pricing attributes for price list lines.

Use the Navigator path below to navigate to the Price Lists window and consult Oracle Applications Help for information about performing the process.

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(N) Oracle Pricing Manager > Price Lists > Price List Setup (Help) Oracle Pricing > Price Lists > Overview of Price Lists Pricing Attributes

Pricing attributes define the item that you are pricing or discounting in more detail than item number. For example, you price an item which has quality of Grade A differently than the item with quality of Grade B. Use item grade as a Pricing Attribute.

You can:

- Add more pricing attribute contexts
- Add additional attributes (segments) based on any fields that you need to use to model your pricing business processes

Seeded attributes:

- Context: Pricing Attributes
- Attributes:
 - Customer Item: Implements pricing by customer item on agreements.
 - Parent Price List: Passes the parent price list of a service item.
 - Insurance, Handling, Export, Duty, Freight, Administration: Passes shipping costs to the pricing engine for freight/special charge costs; the pricing engine uses the information to calculate charge amount based on shipping costs.

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Defining Price Breaks Process

Defining Price Breaks Process

Use the Defining Price Breaks process to define the price breaks for price list lines.

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(N) Oracle Pricing Manager > Price Lists > Price List Setup
(Help) Oracle Pricing > Price Lists > Overview of Price Lists

Practice 8: Create Point and Range Price Breaks

Practice 8: Create Point and Range Price Breaks

This practice covers creating price breaks.

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Practice 8: Create Point and Range Price Breaks

(N) Pricing - Price Lists - Price List Setup

1. Query up XX-Test Price List
2. Check/Enter the following information
Line 1
 3. Product Context: Item
 4. Product Attribute: Item Number
 5. Product Value: XX-Phone
 6. UOM: Each
 7. Line Type: Price Break Header
 8. Price Break Type: Point
 9. Select the Price Breaks button
 10. Line 1 Value From 1 , Value To 5 , Price: 100 ,
 11. Now create two more lines 6-10 = 75 and 11-20 = 50
 12. Save your records and return to the Pricing lines.
Line 2
 13. Product Context: Item
 14. Product Attribute: Item Number
 15. Product Value: XX-Palm Pilot

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16. UOM: Each
17. Line Type: Price Break Header
18. Price Break Type: Range
19. Select the Price Breaks button
20. Line 1 Value From 1 , Value To 5 , Price 300.
21. Now create two more lines for 6-10 = 275 and 11-20 = 250
22. Save your records, close the forms and return to the main menu.

Enter an order to test your setups.

(N) Orders Returns -Sales Orders.

23. Customer: XX-Big City Electronics Wholesale
24. Ship To: The primary Ship To code and the related address details should automatically default in from your customer, assuming you set these up correctly in the previous exercises. If a default does not appear use pick to choose your Ship to.

25. Bill To: The primary Bill To and the related address details should automatically default in from your customer, assuming you set these up correctly in the previous exercise. If a default does not appear use pick to choose your Bill To.

26. Order Type: Mixed.
27. Price list: XX-Test Price List
28. Sales Person: Abbott, Rachael
- (T) Select the Others tab
29. Payment Terms: 30 Net
30. Warehouse: M1
31. FOB Destination
32. Sales Channel: Commercial
33. Shipping Method: UPS
34. Freight Terms: Prepaid

(T) Now select the line items tab.

35. Line 1.1 Ordered Item: XX-Phone
36. Quantity: 6.
37. UOM: Ea.
38. Price: should be retrieved and default in as \$75

39. Line 2.1 Ordered Item: XX-Palm Pilot

40. Quantity: 6.

41. UOM: Ea.

42. Price: \$691.67

43. Save your records, write your order number down , close the forms and return to the menu.

Summary: Item XX-Item1 was set up with a "Point" type, you entered a quantity of 6 , in your set up anything between 6-10 would be priced at \$75.

Item XX-Item2 was set up as a "Range" type, you entered a quantity of 6 . The pricing engine calculated 5 at \$300, 1 at \$250 , and then calculated the average \$291.70.

Attaching Secondary Price Lists Process

Attaching Secondary Price Lists Process

Use the **Defining Secondary Price Lists** process to attach secondary price list to a price list.

Use the Navigator path below to navigate to the **Price Lists** window and consult **Oracle Applications Help** for information about performing the process.

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(Help) Oracle Pricing > Price Lists > Overview of Price Lists

Secondary Price Lists

Secondary Price Lists

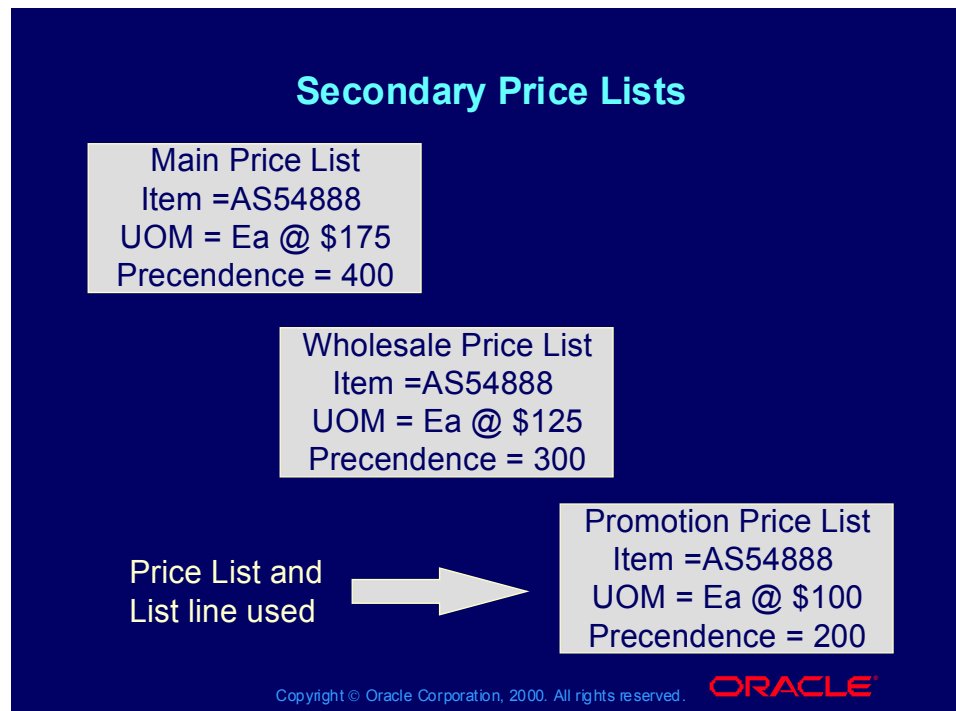
- Assigned to primary price lists with the same currency
- Used when item is not on the primary price list or inactive on primary price list

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(N) Oracle Pricing Manager > Price Lists > Price List Setup
(Help) Oracle Pricing > Price Lists > Overview of Price Lists

Secondary Price Lists



(N) Oracle Pricing Manager > Price Lists > Price List Setup
(Help) Oracle Pricing > Price Lists > Overview of Price Lists

Defining Qualifiers Process

Defining Qualifiers Process

Use the Defining Qualifiers process to attach qualifiers to price lists.

Use the Navigator path below to navigate to the Price Lists window and consult Oracle Applications Help for information about performing the process.

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(N) Oracle Pricing Manager > Price Lists > Price List Setup
(Help) Oracle Pricing > Price Lists > Overview of Price Lists

Price List Maintenance

You can:

- **Copy price list lines from one price list to another**
- **Manually add lines to a price list**
- **Adjust a price list**
- **Add a new group of inventory items to a price list**

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Copying Price Lists Process

Copying Price Lists Process

Use the Copying Price Lists process to create new price lists and to add items to existing price lists by copying from existing price lists.

Use the Navigator path below to navigate to the Copy Price List window and consult Oracle Applications Help for information about performing the process.

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(N) Oracle Pricing Manager > Price Lists > Copy Price List
(Help) Oracle Pricing > Price Lists > Copying a Price List

Copying Price Lists

You can:

- **Create a new price list by copying from an existing price list. Options:**
 - **Copy a range of lines or all lines from the original price list**
 - **Only active price list lines copy**
 - **Copy active discounts from the original price list**
 - **Copy the effective dates from the original price list lines**
- **Copy a price list and specify an adjustment factor (percentage or amount) to create duplicate price lists in other currencies**

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Practice 9: Copy Price List

Practice 9: Copy Price List

This practice covers copying price lists.

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Practice 9: Copy Price List

(N) Price Lists -> Copy Price List

1. Select XX-Price List from the LOV
2. Enter XX-Price List 2
3. Enter a description for your second price list in the Description field.
4. Click on the Submit button.
5. Record the Request ID number.
6. From the View Menu select Requests.
7. Find your ID number for the Copy Price List request and record the status of the request. The concurrent request should complete normal.

(N) Pricing - Price Lists - Price List Setup

8. Query your XX-Price List 2 to verify that the process worked.

Manual Price List Changes

- **Effective for pricing requests passed to the pricing engine after the change**
- **Use price list and price list line effectivity dates to retain history**

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Adjusting Price Lists Process

Adjusting Price Lists Process

Use the **Adjusting Price Lists** process to adjust the prices on price lists.

Use the Navigator path below to navigate to the **Adjust Price List** window and consult Oracle Applications Help for information about performing the process.

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(N) Oracle Pricing Manager > Price Lists > Adjust Price List
(Help) Oracle Pricing > Price Lists > Adjusting a Price List

Adjust Price Lists

- Increase or decrease the list price of price list lines by:
 - Amounts
 - Percentages

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Adjust Price Lists

- **Apply the increase or decrease to:**
 - All lines on the price list
 - Lines that belong to an item category, for example, Computers
 - Lines with items of a certain status, for example, Prototype
 - Lines created on a specified date, for example, 3-Jun-2001
 - Lines having a range of items, for example, AS18947 - AS54888
- Individual changes show a history of price adjustments; mass changes do not maintain price history.

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Practice 10: Adjust Price List

Practice 10: Adjust Price List

This practice covers adjusting price lists.

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Practice 10: Adjust Price List

(N) Pricing - Price Lists - Adjust Price List

1. Select XX-Price List 2 from the LOV
2. We will adjust all items in this Price List
3. Adjust by Amount
4. Value = 10
5. Click on the Submit button.
6. Record the Request ID number.
7. From the View Menu select Requests.
8. Find your ID number for the Copy Price List request and record the status of the request. The concurrent request should complete normal.

(N) Pricing - Price Lists - Price List Setup

9. Query your XX-Price List 2 to verify that the process worked.

Adding Items to Price Lists Process

Adding Items to Price Lists Process

Use the **Adding Items to Price Lists** process to add items from the item master file to price lists.

Use the Navigator path below to navigate to the **Add Items to Price List** window and consult **Oracle Applications Help** for information about performing the process.

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(N) Oracle Pricing Manager > Price Lists > Add Items to Price List
(Help) Oracle Pricing > Price Lists > Adding Items to a Price List

Adding Inventory Items

Options:

- Specify an item status, for example, active or planned
- Specify an item category, for example, hardware or software
- Specify a range of items
- Price
 - Zero amount
 - Items' established cost in the OM validation inventory organization

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Adding Inventory Items

- **The process:**
 - Adds items that exist in the OM validation inventory organization (Set profile option QP: Item Validation Organization)
 - Does not override information for Items that exist on the price list, regardless of their status.
- **To add items from an item category:**
 - Set up default inventory category set
 - Specify an inventory category set for the process
 - The process adds all items of the item category set chosen to the price list

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Practice 11: Add items To a Price List

Practice 11: Add items To a Price List

This practice covers adding new items to an already active price list.

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Practice 11: Add items To a Price List

Consult with your instructor for more information about performing this practice.

Basic Pricing

- **Qualifiers: Defaulted (seeded)**
- **Pricing attributes: 15**
- **Secondary price lists: One**
- **Price breaks: No**

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Basic and Advanced Pricing

- **Qualifiers: Defaulted (seeded) / Unlimited (seeded and user-defined)**
- **Pricing attributes: 15 / 100**
- **Secondary price lists: One / Unlimited**
- **Price breaks: No / Yes**

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Basic and Advanced Pricing Summary

Price Lists	Basic	Advanced
Add items	X	X
Copy price list	X	X
Adjust price list	X	X
GSA price list	X	X
Qualifiers	Defaulted in OM	Unlimited
Pricing attributes	1 Context	Unlimited
Secondary price list	1	Unlimited
Formula	Static	Static/Dynamic
Line level	X	X

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Review Question

Review Question

Which concept is not associated with price lists?

1. Rounding factor
2. Sourcing rules
3. Currency
4. Types

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Review Question

Review Question

Which concept is not associated with price lists?

1. Rounding factor
2. Sourcing rules
3. Currency
4. Types

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Review Question

Which structures can you not attach to a price list header?

1. Breaks
2. Lines
3. Secondary lists
4. Defaulting conditions

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ORACLE[®] 52

Review Question

Which structure can you not attach to a price list header?

1. Breaks
2. Lines
3. Secondary lists
4. Defaulting conditions

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ORACLE[®]53

Agenda

Agenda

- Introduction
- Price lists
- **Formulas**
- Qualifiers
- Modifiers
- GSA Pricing
- Agreements
- Reports
- Conclusion



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Formula Overview

Formula Overview

- The pricing engine uses formulas to calculate list price and modifier price adjustments as an alternative to retrieving fixed amounts that you enter.
- Formulas are algebraic relationships constructed of individual terms.
- Each term must be one of several component types.

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Formula Overview

Formulas replace pricing rules in Oracle Applications Release 11.

Component Types

- **Numeric constant**
- **Function**
- **List price**
- **Price list line**
- **Pricing attribute**
- **Factor list**

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Numeric Constant Component Type

Numeric Constant Component Type

A numeric value

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Function Component Type

Function Component Type

- **Hook:** GET_CUSTOM_PRICE
- **Retrieve price from external system**
- **You create program logic as a PL/SQL package**
- **Returns numeric value**

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Function Component Type

Examples:

- You coat integrated circuit pins with gold and you price the circuit depending on the price of gold. The formula uses the commodity price of gold posted on a specific web page..
- You price an item depending upon a replacement value. The formula uses the value which you maintain in a spreadsheet.
- In the future, there is a profile option to control the use of the GET_CUSTOM_PRICE function.

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List Price Component Type

List Price Component Type

Uses the price of an item to which the formula is attached.

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Price List Line Component Type

Price List Line Component Type

Price of the item on a specific line of another price list

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Price List Line

For an example, consult CM13139 in the Corporate price list.

Pricing Attribute Component Type

Pricing Attribute Component Type

- **Absolute value of pricing attributes**
- **Characteristics of a product that determine its price, for example:**
 - **Distance**
 - **Age of related product**
 - **Customer class**
 - **Product family**
 - **Level of service**

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Pricing Attribute Component Type

You can add additional attributes (segments) based on any fields that you need to use to model your pricing business processes

Pricing Attribute Component Type

Example:

- **Formula = 1 x 2**
 - **1: Pricing attribute for thickness of glass item**
 - **2: Base price of glass item**
- **Pricing request:**
 - **1: 0.3 mm**
 - **2: 100 currency units**
- **Calculation: $1 \times 2 = 0.3 \times 100 = 30$ currency units**

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Factor List Component Type

- **A list of factors that you can:**
 - **Link to multiple pricing attributes or a range of these attributes**
 - **Use in AND and OR conditions**
- **The pricing engine evaluates the formula:**
 - **Determines into which range the pricing attribute falls**
 - **Chooses the appropriate factor**

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Factor List Component Type

Factor List Component Type

Example of single factor:

- Thickness 0.1 mm – 0.3 mm: Factor 3
- Thickness 0.4 mm – 0.8 mm: Factor 5
- Thickness greater than 0.8 mm: Factor 7

Example of multiple factors:

- Thickness between 0.1 mm and 0.3 mm and length is between 0.5 mm and 2 m: Factor 3
- or
- Thickness between 0.4 mm and 0.8 mm and length between 0.5 m and 2 m: Factor 5

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Linking Formulas

- **Link formulas to:**
 - **Price list lines**
 - **Modifier lines**
- **Do not enter the base price except for the list price component type**

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Applying Formulas

- **Statically:** Before submitting pricing requests, execute a concurrent process to evaluate the formula and calculate a list price for the item on the price list.
- **Dynamically:** Each time the pricing engine receives a pricing request, it evaluates the formula and calculates a list price for the item.

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Basic Pricing

- **Components**
 - **Numeric constant**
 - **Pricing attribute**
 - **Factor list**
- **Generation:**
 - **Static for price lists and only for freight/special charges modifier**

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Basic and Advanced Pricing

- **Components**
 - **Numeric constant**
 - **Pricing attribute**
 - **Factor list**
 - **Function**
 - **List price**
 - **Price list line**
- **Generation**
 - **Static**
 - **Dynamic**

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Basic and Advanced Pricing Summary

Formulas	Basic	Advanced
Numeric constant	X	X
Product attributes	Item	Item/category
Pricing attributes	1 Context	Unlimited
Factors	Multiple/1 Context	Multiple/Unlimited
Price list line		X
Customizable		X

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Formula Processes

- **Creating a pricing formula**
- **Defining factor list details**
- **Updating formula prices**

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Creating a Pricing Formula Process

Creating a Pricing Formula Process

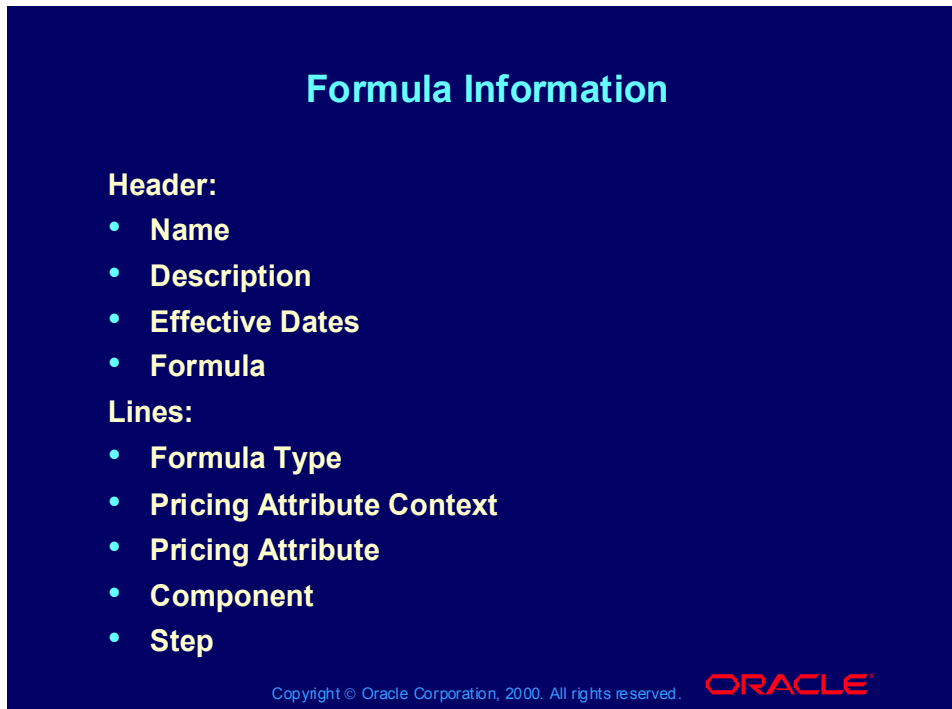
Use the **Creating a Pricing Formula** process to create formulas.

Use the **Navigator** path below to navigate to the **Pricing Formulas** window and consult **Oracle Applications Help** for information about performing the process.

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(N) Oracle Pricing Manager > Pricing Formulas > Formulas Setup
(Help) Oracle Pricing > Formulas > Overview of Formulas

Formula Information



Formula Information

Header:

- Name
- Description
- Effective Dates
- Formula

Lines:

- Formula Type
- Pricing Attribute Context
- Pricing Attribute
- Component
- Step

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Formula Information

Enter terms in the Formula Lines tabbed region.

- Formula Type:
 - If you enter Numeric Constant, you enter the value in the Component field.
 - If you enter Pricing Attribute, then you can enter Pricing Attribute Context and Pricing Attribute.
 - If you enter Factor List, then should be able to create your own factor list or select a factor list from the list of values in the Component field. Then select the Factors button to enter the factor list details.
 - For Base Pricing Attributes
 - Select a Value for the Base Pricing Attribute Context.
 - Select a Value for the Base Pricing Attribute
 - Select the Operator and enter the Value From and Value To Fields where necessary.
 - Enter the Adjustment Factor.
 - For Associated Pricing Attributes: You can create an 'AND' condition by entering values for Associated Pricing Attribute Context, Associated Pricing Attribute, Operator, and Value From and Value To fields.

Practice 12: Simple Formula Setup and Usage

Practice 12: Simple Formula Setup and Usage

This practice covers setting up and using a simple formula.

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Practice 12: Simple Formula Setup and Usage

First you must define the formula.

(N) Pricing -Pricing Formulas- Formulas Setup

1. Enter formula name = XX-Formula ,where XX are your initials. Enter description, Pick effective start date = today.
2. Enter in formula field $1*2$
3. Go to the formula lines. At the first line pick for formula type "numeric constant", enter 1.02 in the component field, enter 1 in the step field.
4. Go to the next line and pick for formula type "price list line", pick for the component field item AS92888 on the corporate price list, enter 2 in the step field.
5. Save your work.

After defining the formula you attach the formula to a price list line.

6. Pricing - Price List-Price list setup.
7. Query up XX-Price List 2
8. Add item AS92888 to your price list: select for product context "item", select for product attribute "item number", for product value "AS92888", select for line type "price list line", for application method "unit price" and in the dynamic formula field you pick your formula (XX-formula).

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9. Save your work

Once the formula is attached to the price list, you can enter a sales order using the formula.

(N) Orders,Returns-Sales Orders

10. Select your customer XX-Big City Electronics Wholesale in the customer field and XX-Price List 2 in the price list field of the sales order header.

11. Go to the line level and enter item AS92888, quantity = 1, save.

12. The price should be calculated by the pricing engine and result in \$2346, which is $1.02 * \text{price on corporate price list} = 1.02 * 2300$.

Defining Factor List Details Process

Defining Factor List Details Process

Use the Defining Factor List Details process to enter the factors for the factor list formula component type.

Use the Navigator path below to navigate to the Pricing Formulas window and consult Oracle Applications Help for information about performing the process.

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(N) Oracle Pricing Manager > Pricing Formulas > Formulas Setup
(Help) Oracle Pricing > Formulas > Overview of Formulas

Updating Formulas

Updating Formulas

- **Select either option to update your Pricing Formulas.**
- **Run a concurrent request.**
- **New and Modified Lines Only of Price List**
 - **If checked, then formula-based prices for price list lines whose formulas you have added or changed since the process was last executed will get updated.**
 - **If unchecked, the process will calculate the formula-based prices for all price list lines.**

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(N) Oracle Pricing Manager > Pricing Formulas > Update Formula Prices

(Help) Oracle Pricing > Formulas > Updating Formula Prices

Updating Formula Prices Process

Updating Formula Prices Process

Use the Updating Formula Prices process to set list prices for items with static formulas prior to order entry.

Use the Navigator path below to navigate to the Update Formula Prices window and consult Oracle Applications Help for information about performing the process.

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(N) Oracle Pricing Manager > Pricing Formulas > Update Formula Prices

(Help) Oracle Pricing > Formulas > Updating Formula Prices

Practice 13: Complicated Formula Setup and Usage

Practice 13: Complicated Formula Setup and Usage

This practice covers setting up and using a complex formula.

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Practice 13: Complicated Formula Setup and Usage

Formula setup can become more complicated when you would like to work with user defined product pricing attributes and pricing factors.

For example, you are selling cars and want to adjust the price based on the car options chosen by the customer:

- if the car options are "standard" the price is multiplied by 1 (factor=1)
- if the car options are "business" then the price is multiplied by 1.5 (factor = 1.5)
- if the car options are "deluxe" then the price is multiplied by 2 (factor=2).

If the cars you are selling are second hand, you probably want to adjust the price further based on the age of the car.

For example:

- if the car is between 0.0 and 1.0 years old, the price is multiplied by 1
- if the car is between 1.1 and 3.0 years old, the price is multiplied by 0.8
- if the car is older than 3.0 years, the price is multiplied by 0.6

The product pricing attributes "car age" and "car options" must first be defined before you can use them in a formula and before you can select them as pricing attributes values on a sales order.

Defining Pricing Attributes Option and Age is done in three steps:

- a) define value sets "Car Option" and Value Set "Car Age",
- b) define values for the value sets
- c) link the value sets to the Pricing Context descriptive flexfield.

The next step is to link the pricing attributes to a formula and then link the formula to your car item(s) in your price list.

Finally you can enter a sales order, with at the line level, the item for which you have defined the formula and the user defined pricing attributes. At the order line level, under the Action button, "Promotions/Pricing Attributes", Pricing Attributes tab, you can select the pricing attribute context (e.g. the context is Cars), and then the descriptive flexfield will pop up with the correct prompts to enter information on the car age and the car options, which were chosen by the customer.

The next pages will take you through the above process.

To define a value set for "Car Age", switch responsibility to "System Administrator". (N) Application - Validation - Set.

1. Enter in Value Set Name "XX-Car Age", where XX are your initials.
2. Enter in description "XX-Car Age"
3. Security available = no
4. Enable long list = no.
5. Format type = number
6. Maximum size = 4
7. Precision = 1
8. Numbers only = yes,
9. Uppercase only = no,
10. Right-just-zero-fill numbers = no,
11. Validation type = none.
12. Save your work.
13. Then enter minimum value = 0.0 and maximum value = 30.0.
14. Save again.

Define a value set for "Car Options".

In responsibility System Administrator

(N) Applications - Validation - Set.

1. Enter in Value Set Name "XX-Car Options", where XX are your initials.

2. Enter in description "XX-Car Options"
3. Security available = yes
4. Enable long list = no
5. Format type = Char
6. Maximum size = 10
7. Numbers only = no
8. Uppercase only = no
9. Right-just-zero-fill numbers = no
10. Do not enter minimum or maximum values.
11. Validation type = independent.
12. Save.

To define values for the Car Options value set, in the responsibility System Administrator,

(N) Applications - Validation - Values.

1. In the find screen enter XX-Car Options in the value set name field and press Find button. The segment value form will open and you can enter the values for your XX-Car Options.

2. Enter at first line in the Value field "Standard", the translated value will default to Standard, enter in the Description field "Standard".

3. Go to the second line and enter in the Value field "Business", the translated value will default, enter in the Description field "Business".

4. Go to the third line and enter in the Value field "Deluxe", the translated value will default, enter in the Description field "Deluxe".

5. Save your work.

Note: Since for the Car Age Value set the Validation Type was set to "none" you do not need to create values for the value set Car Age. By entering a minimum and maximum value in the Car Age Value Set, you defined that a car age can fall between 0 and 30 years.

You can now create a descriptive flexfield that contains your pricing attributes.

(N) Setup- Applications - Flexfields - Descriptive- Segments

1. Press F11 to enter a query. Enter %Pricing% in the Application field and %Pricing%Context% in the Title field. Press ctrl+F11 to run the query.
2. To be able to enter any data in this form, the flexfield must be unfrozen, i.e. the checkbox Freeze flexfield definition should be unchecked
3. Go to the flexfield lines and click the insert line icon (= green plus).
4. Enter in the Code field "XX-Cars", name will default, enter in description "XX-Cars".
5. Then go to the Segments (button).

In the flexfield segments summary form:

1. Enter at the first line 1 in the number field.
2. XX-Car Age in the Name field, Window prompt will be XX-Car Age (you can change it to Car Age).
3. Select PRICING_ATTRIBUTE1 in the column name, select XX-Car Age in the Value set field.
4. Press the Open button to open up the XX-Car Age segment.

Review the defaults and select Constant in the Default type field, and enter 0.0 in the default value field. Required must be yes, security is set to no, range is left blank. Save.

You may get a warning message "Your List of Value Prompt is longer than your segment size...". Press OK. Check that your records have been saved (see line at the bottom of the form).

Close the form to go back to the Segments Summary Form.

You repeat the last two steps for the Car Options segment.

So, in the Segment Summary form, enter under the Car Age line, the following information (for print screen of form, see previous page):

number = 2

Name = XX-Car Options (where XX are your initials)

Column = PRICING_ATTRIBUTE2

Value Set = XX-Car Options (select from pick list)

Displayed and Enabled boxes are ticked.

Press Open to enter the Segments detail (see for form print screen on this page)

In the "Segment Pricing Contexts-XX-Car Options" form.

Select "Constant" in the Default type field.

Enter "Standard" in the Default Value field.

Required must be set to yes, Security is set to yes, Range is left blank.

Save.

The flexfield definition must be frozen to be used. WAIT FOR THE CLASS to have finished. Once each team has entered its flexfield details, THE INSTRUCTOR will freeze the flexfield definitions. Do not freeze the flexfield yourself, because you may get others stuck halfway through their exercise.

After the instructor successfully compiled the flexfield, you can attach the pricing attributes to the formula.

Switch responsibility to : Order Management Super User, Vision Operations.

(N) Pricing - Pricing Formulas - Formulas Setup. Query up your XX-formula and adjust the formula to 1*2*3*4. Save. For guidance in the following steps, you can check the print screen on the following page.

1. Go to the line level of the formula, to a new line (use down arrow or insert record icon from the menu). Enter in the formula type field "Factor List". Type in Component field XX-Age. A question will pop up "A new factor list will be created. Continue?", press OK. Enter in the step field "3". Then press the factor button.
2. In the factor form, select XX-Cars in the Base Pricing Attribute Context field, select Car Age in the Base Pricing Attribute field. Select as operator BETWEEN. Select as value from 0.0 and value to 1.0 and enter in factor field 1.
3. Go to the next line and make the same selection but the value from for the second line is 1.1 and value to is 3.0 and factor is 0.8.
4. Go the third line and make the same selections but the value from for the third line is 3.1 and value to is 30.0 and factor is 0.6. Save.
5. Go back to the formula setup form, go to the line level of the formula, to a new line (use down arrow or insert record icon from the menu). Enter in the formula type field "Factor List". Type in Component field XX-Option. A question will pop up "A new factor list will be created. Continue?", press OK. Enter in the step field "4". Then press the factor button.
6. In the factor form, select XX-Options in the Base Pricing Attribute Context field, select Car Options in the Base Pricing Attribute field. Select as operator =.

Select as 'value from' Standard, leave the 'value to' blank and enter in factor field 1.

Note: The value in the Descriptive Flexfield Value Set and the value chosen here in the Base Pricing Attributes definition must exactly match. So, if you have entered Standard in the values for the Car Options Value Set, then you should also type Standard (and not e.g. STANDARD) in the Base Pricing Attributes Value when defining the factor list.

7. Go to the next line and make the same selection but the 'value from' for the second line is Business and factor is 1.5.
8. Go the third line and make the same selections but the 'value from' for the third line is Deluxe and factor is 2.0. Save.

Since the new formula is already attached as a dynamic formula to AS92888 in XX-PRICE-LIST-2, you can now enter a sales order making use of the new pricing attributes.

(N) Orders,Returns-Sales Orders.

1. Select your customer XX-Big City Electronics Wholesale in the customer field and XX-PRICE-LIST-2 in the price list field of the sales order header.
2. Go to the line level and enter item AS92888, quantity = 1, save.
3. Press the Action button and select "Promotions/pricing attributes". Select the pricing attributes tab.
4. Enter XX-Car in the Pricing Context. Click on the descriptive flexfield which is a small field that can be recognized by the rectangular brackets. You will be prompted to enter Car Options, enter Business, and you need to enter Car Age, enter 2.0. Press OK. Press Apply.

The price should be calculated by the pricing engine and result in \$2815.2, which is $1.02 * \text{price on corporate price list} * \text{factor for Business options} * \text{factor for age of 2 years} = 1.02 * 2300 * 1.5 * 0.8 = \2815.2

If the outcome is not \$2815.2, check in Actions -> View Adjustments if any other modifier was applied automatically. The extended price on which the modifier was based should read \$2815.2.

Review Question

Review Question

What does the process Update Formula Prices do?

1. Creates factor lists
2. Updates price list line prices
3. Links formulas to price list lines
4. Updates pricing rules

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Review Question

Review Question

What does the process Update Formula Prices do?

1. Creates factor lists
2. Updates price list line prices
3. Links formulas to price list lines
4. Updates pricing rules

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Agenda

Agenda

- Introduction
- Price lists
- Formulas
- **Qualifiers**
- Modifiers
- GSA Pricing
- Agreements
- Reports
- Conclusion



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Qualifier Overview

- **Qualifiers denote who can receive particular prices, discounts, surcharges, promotions, and benefits:**
 - **Specific customers**
 - **Customer groups**
 - **Order types**
 - **Order amount**
- **You link them to price lists and modifiers:**
 - **List (header) level**
 - **Line level**

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Qualifier Overview

- **Examples:**
 - **Customer grouping hierarchies**
 - **Product grouping hierarchies**
 - **Weights, volumes, monetary amounts, and so on**
 - **Distance**
 - **Geographic location**
 - **Any other qualifier that meets your business needs**
- **Control features**
 - **Effectivity dates**
 - **Delete**

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Pricing Business Scenario

Pricing Business Scenario

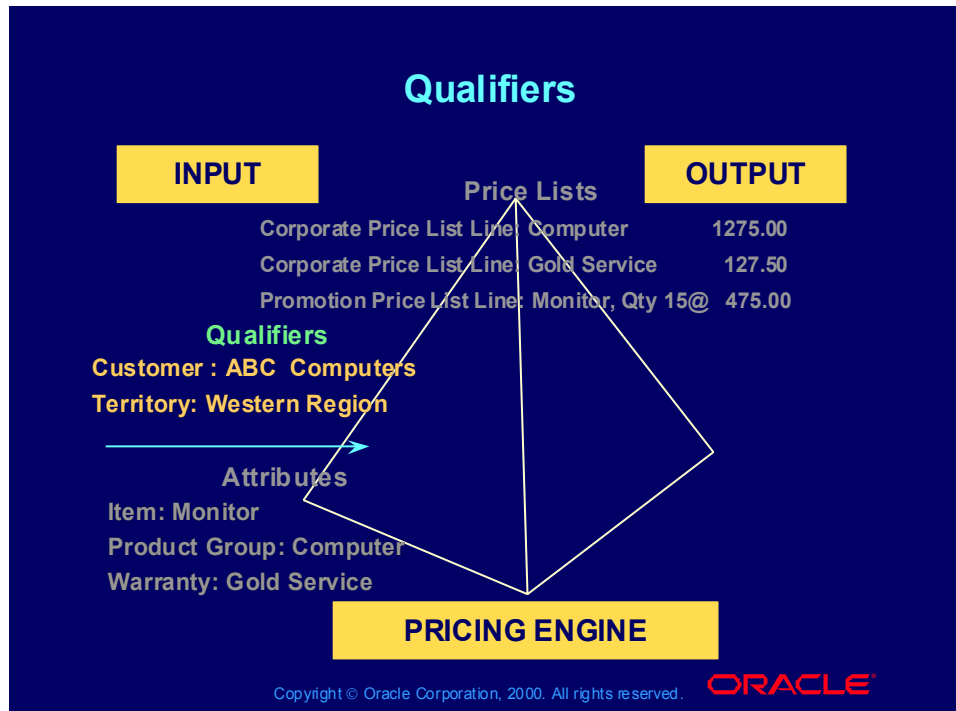
- The customer places an order through Oracle Order Management, the **calling application** (also known as **source system**)
- Order Management passes the following **pricing request**:
 - Customer: **ABC Computers**
 - Territory: **Western region**
 - Order lines:
 - Item: **Computer, Quantity: 1**
 - Product group: **Computer**
 - Warranty: **Gold service**
 - Item: **Monitor, Quantity: 15**
 - Product group: **Computer**

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Pricing Business Scenario

- You are creating a promotion for all of your computer-related customers who are based in the west.
- You have created a promotion which allows a customer to receive a free printer if they purchase the computer.
- There is another promotion of 5% off all computer equipment.
- Gold support service is sold at 10% of the product which it supports.
- Monitors have a price break:
 - 1-10: 500 currency units
 - 11- : 475 currency units

Qualifiers



Qualifier Groups

- **Collecting qualifiers into qualifier groups allows you to:**
 - **Associate qualifiers of a common type or for a common benefit. It is easier to:**
 - **Search for qualifiers**
 - **Assign groups to modifiers**
 - **Create AND and OR Boolean conditions among qualifiers**
- **You link them to price lists and modifiers in the same way as individual qualifiers.**
- **Null qualifier: No grouping number**

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Qualifier Group Example

Qualifier Group Example

Customer is in territory WEST

and

**Order amount is between 2000 currency units and
5000 currency units or order quantity is greater than
10,000**

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Qualifier Contexts

- **Qualifier contexts are:**
 - **Flattened hierarchies: Qualifiers do not store relationships among the hierarchies**
 - **A way of grouping similar qualifying attributes in the qualifier flexfield.**
- **You indicate the level in the hierarchy by the flexfield sequence (precedence).**

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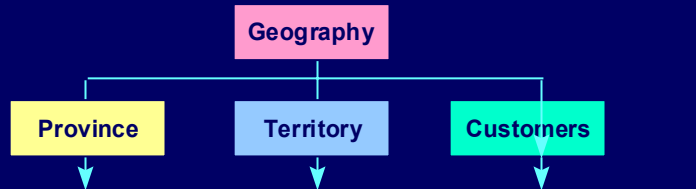
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Qualifier Context Example

Qualifier Context Example

Create a hierarchy by:

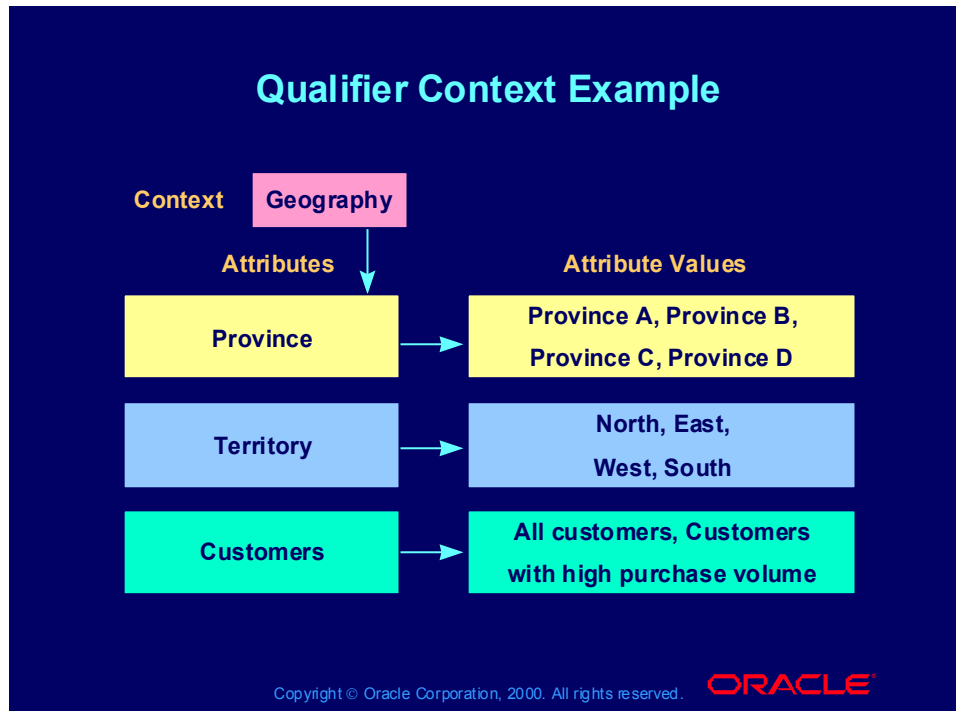
- Defining a context: Geography.
- Under this context, defining attributes: Province, Territory, and Customers.
- Defining specific validation sets for each attribute. Using value set definitions to provide the correct source. This allows the user to chose and enter correct values for the attributes.



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Qualifier Context Example



Sourcing

Since hierarchical relationships are not stored and the pricing engine needs to know the information at all the levels of hierarchy, you need to define the sourcing information. In the example hierarchy:

- If the qualifying conditions are **Territory must be West and Province must be Province D**, the pricing engine needs to know both the customer territory **and** province to determine eligibility.
- If the qualifying conditions are **Territory must be West or Province must be Province D**, the pricing engine needs to know either the customer territory **or** province to determine eligibility.

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Predefined Qualifier Information

Predefined Qualifier Information

- Oracle provides basic seeded qualifier contexts and attributes. The pricing engine sources qualifier values for predefined attributes from the Oracle Application database whenever applicable.
- You can also set up qualifier contexts and attributes to suit your own business needs.

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Qualifiers and Basic Pricing

In basic pricing, you cannot create qualifier groups but you can attach the following seeded qualifiers to modifiers

- List (header) level
 - Customer name
 - Price list
 - Customer class
 - Customer site
- Line level:
 - Agreement name
 - Agreement type
 - Order type
 - Purchase order

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Predefined Qualifier Information

Contexts	Attributes
Customer	Customer Name, Bill to, Sales Channel
Order	Order Type, Shipment Date, Line Type
Terms	Payment Terms, Freight Terms, Shipping Terms
Volume	Order Amount, Line Volume
Modifier List	Price List, Coupon Number, Promotion Number

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Qualifier Processes

- Adding qualifier groups
- Querying qualifier groups
- Modifying qualifier groups and qualifiers

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Adding Qualifier Groups Process

Adding Qualifier Groups Process

Use the Adding Qualifier Groups process to create new qualifier groups and their associated qualifiers.

Use the Navigator path below to navigate to the Qualifier Group window and consult Oracle Applications Help for information about performing the process.

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(N) Oracle Pricing Manager > Qualifier Setup

(Help) Oracle Pricing > Qualifiers > Creating a Qualifier Group

Querying Qualifier Groups Process

Querying Qualifier Groups Process

Use the Querying Qualifier Groups process to query specific qualifier groups and to define new qualifier groups.

Use the Navigator path below to navigate to the Qualifier Group window and consult Oracle Applications Help for information about performing the process.

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(N) Oracle Pricing Manager > Qualifier Setup

(Help) Oracle Pricing > Qualifiers > Querying a Qualifier Group

Modifying Qualifier Groups and Qualifiers Process

Modifying Qualifier Groups and Qualifiers Process

Use the **Modifying Qualifier Groups and Qualifiers** process to update and delete qualifier groups and associated qualifiers.

Use the Navigator path below to navigate to the **Qualifier Group** window and consult **Oracle Applications Help** for information about performing the process.

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(N) Oracle Pricing Manager > Qualifier Setup

(Help) Oracle Pricing > Qualifiers > Modifying or Deleting Qualifier Groups

Practice 14: Create Qualifier Groups

Practice 14: Create Qualifier Groups

This practice covers creating qualifier groups.

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Practice 14: Create Qualifier Groups

Oracle Pricing Manager Responsibility

(N) Qualifier Setup

1. Enter XX-QUALIFIER-GROUP (where XX is your initials) in the Name field.
2. Enter a description for your qualifier group in the Description field.

(T) Qualifiers

Qualifier 1 - Customer Name

3. Enter 1 in the Grouping No field.
4. Select 'Customer' from LOV in the Context field.
5. Select 'Customer Name' from LOV in the Attribute field.
6. Select '=' from LOV in the Operator field.
7. Select either XX-Big City Electronics Wholesale
8. Save your work.

Qualifier 2 - Price List

9. Enter 1 in the Grouping No field.
10. Select 'Modifier List' from LOV in the Context field.
11. Select 'Price List' from LOV in the Attribute field.
12. Select '=' from LOV in the Operator field.
13. Select either 'XX-Price List
14. Save your work.

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Review Question

Review Question

Which structure is not associated with qualifiers?

1. Attributes
2. Incompatibility
3. Contexts
4. Groups

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Review Question

Review Question

Which structure is not associated with qualifiers?

1. **Attributes**
2. **Incompatibility**
3. **Contexts**
4. **Groups**

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Agenda

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- Introduction
- Pricing engine
- Flexible attribute mapping
- Qualifiers
- Price lists
- Formulas
- Modifiers
- Agreements
- Reports
- Conclusion



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Summary

In this lesson, you should have learned how to:

- Explain the pricing features and functions of Oracle Applications release 11*i*.
- Execute common pricing processes in Oracle Applications release 11*i*.

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11i Manage Pricing, Part 2

Oracle Order Management Release 11i

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Objectives

In this module, you should learn how to:

- Explain the pricing features and functions of Oracle Applications release 11*i*.
- Execute common pricing processes in Oracle Applications release 11*i*.

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Using Oracle Applications Help

1. **Navigate to the Oracle Applications Navigator.**
2. **Select Help—>Window Help from the menu bar. The Oracle Applications Help window is displayed.**
3. **Enter your search criteria, enclosed within quotation marks, in the Help field and click Find. Oracle Applications Help displays a list of topics that meet your search criteria.**
4. **Click a topic to view detailed information.**

Note: Click Search Instructions for help with searching Oracle Applications Help.

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Using Oracle Applications Help Within a Window

1. Open a window in the application you are using.
2. Select Help—>Window Help from the menu bar. Oracle Applications Help displays detailed information about the window you opened, including step-by-step instructions for entering information in each field in the window.

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Agenda

Agenda

- Introduction
- Price lists
- Formulas
- Qualifiers
- **Modifiers**
- GSA Pricing
- Agreements
- Reports
- Conclusion



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Pricing Business Scenario

Pricing Business Scenario

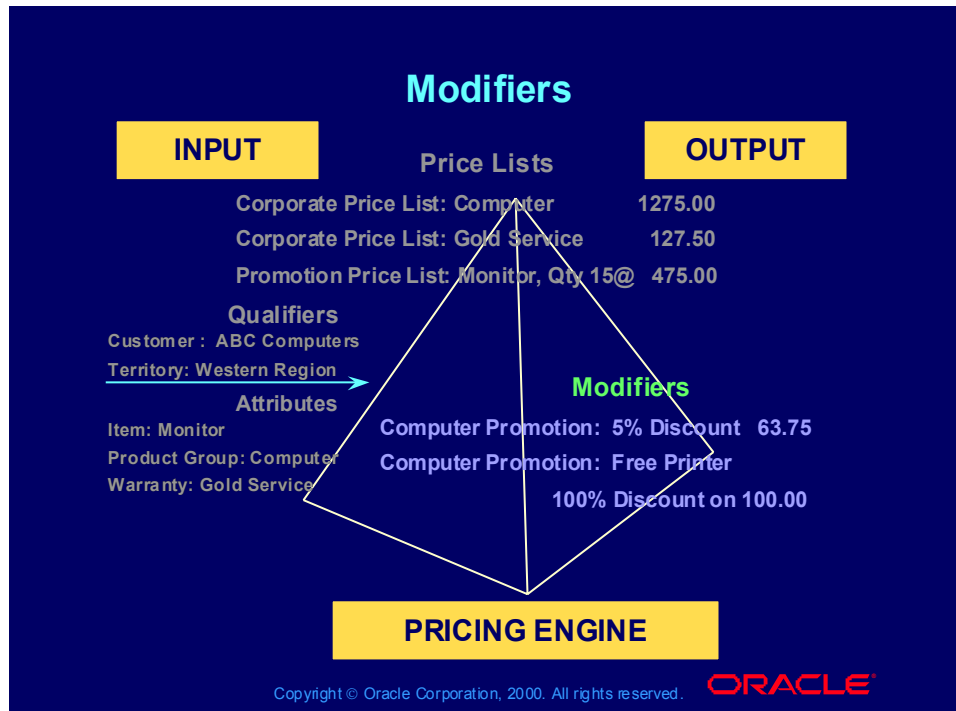
- The customer places an order through Oracle Order Management, the **calling application** (also known as **source system**)
- Order Management passes the following **pricing request**:
 - Customer: **ABC Computers**
 - Territory: **Western region**
 - Order lines:
 - Item: **Computer, Quantity: 1**
 - Product group: **Computer**
 - Warranty: **Gold service**
 - Item: **Monitor, Quantity: 15**
 - Product group: **Computer**

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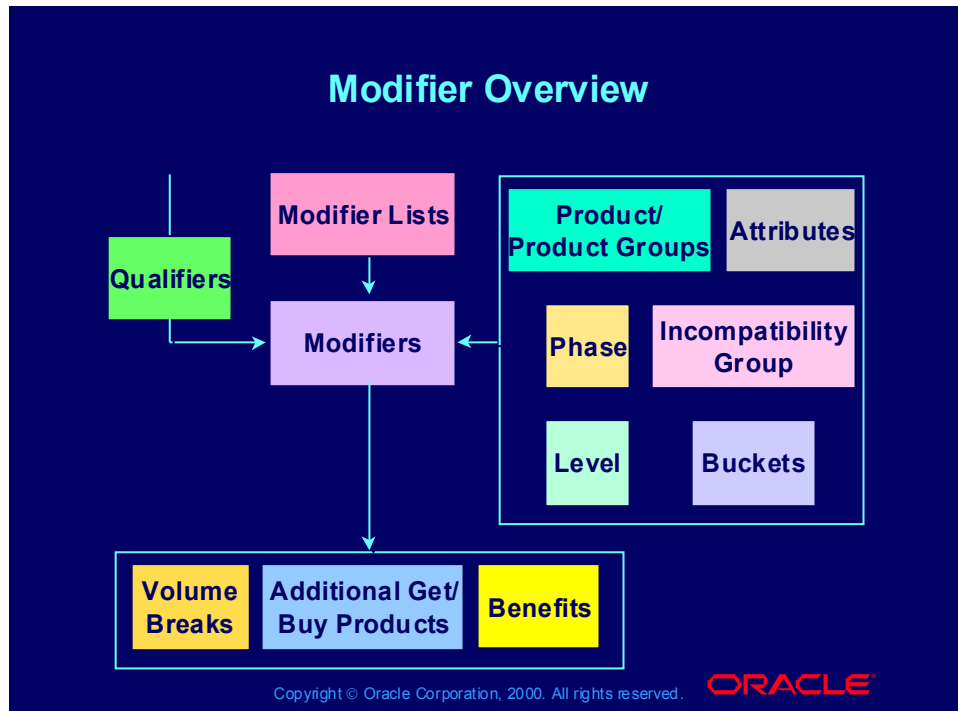
Pricing Business Scenario

- You are creating a promotion for all of your computer-related customers who are based in the west.
- You have created a promotion which allows a customer to receive a free printer if they purchase the computer.
- There is another promotion of 5% off all computer equipment.
- Gold support service is sold at 10% of the product which it supports.
- Monitors have a price break:
 - 1-10: 500 currency units
 - 11- : 475 currency units

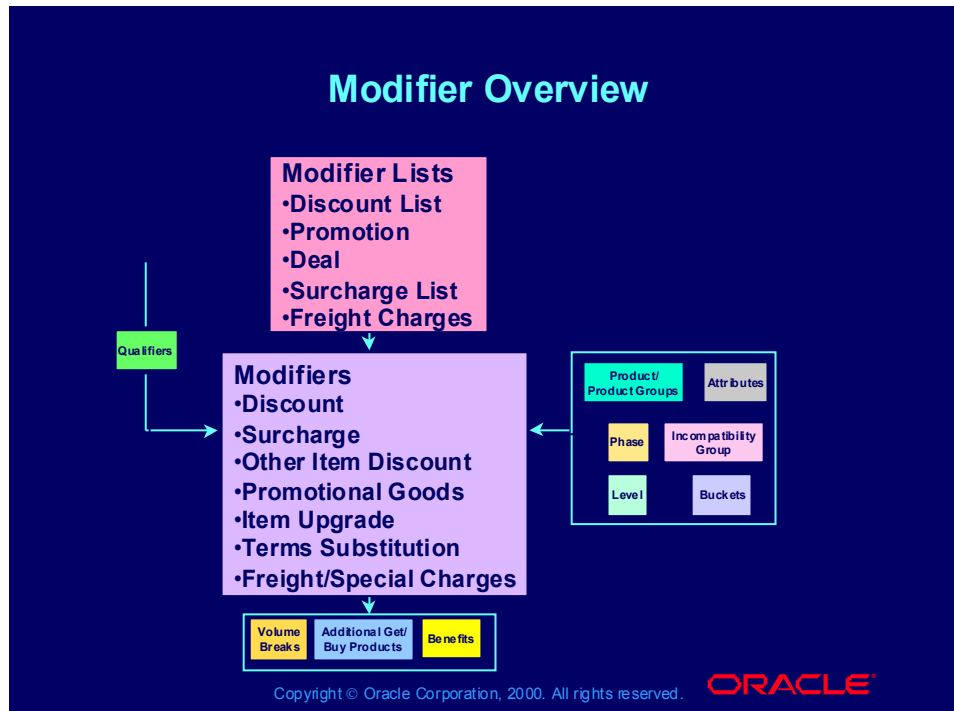
Modifiers



Modifier Overview



Modifier Overview



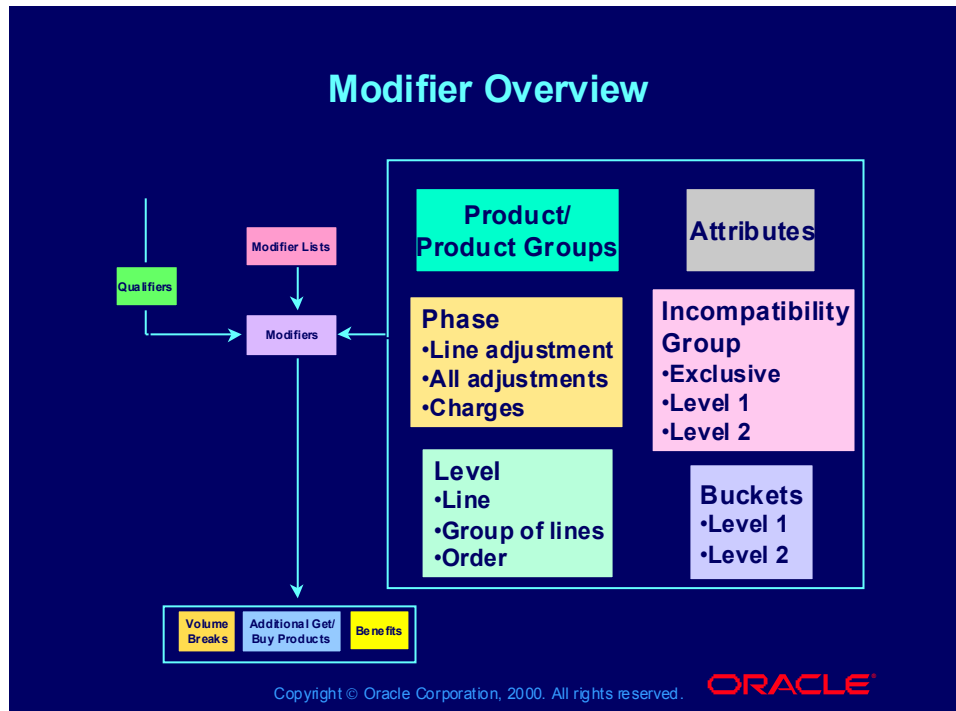
Modifiers

For basic pricing, the qualifiers determine the eligibility of various modifiers. By defining them at the list and line levels, you can define a customer's eligibility.

The modifier level, product & product groups, and attributes also help to determine which modifiers will get applied. In basic pricing pricing phase, incompatibility group, and bucket are defaulted.

The pricing engine returns volume breaks and price adjustments back to the calling application.

Modifier Overview



Modifier Concepts

- **Use modifiers to offer price adjustments and benefits. You can provide them provide through:**
 - Invoices
 - Accruals
 - Free goods or other discounted items
- **Modifier lists contain modifier lines.**
- **Qualifiers at the list and line levels denote a customer's eligibility for the modifier.**

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Discounts

- **Discount by:**
 - Percent, amount, new price, lump sum
 - Price breaks: Point and range
 - Factors
 - Formulas
- **Use multiple discounting methods:**
 - Tiered (cascading, cumulative), additive, chained, fixed price, and percentage
 - Product family, group of products
 - Any user-defined qualifier

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Discount Value Field

- Amount: Creates a fixed price adjustment on each unit for the amount specified.
- Percentage: Creates a percentage price adjustments on each unit for the percentage specified.
- New Price: Overrides the calculated selling price and uses the price specified.
- Lumpsum: Creates a price adjustment for this lump sum amount for the entire line (for Freight/Special Charges).

Deals and Promotions

- **Example: Buy shampoo and conditioner, get hair styling guidebook at 20% off and a hair brush for 5 currency units**
- **Accruals/off-invoice: Value, weight, volume, mileage, user-defined. For example, frequent buyer points.**

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Modifier Effectivity

- Header level
- Line level
- By order date and ship date

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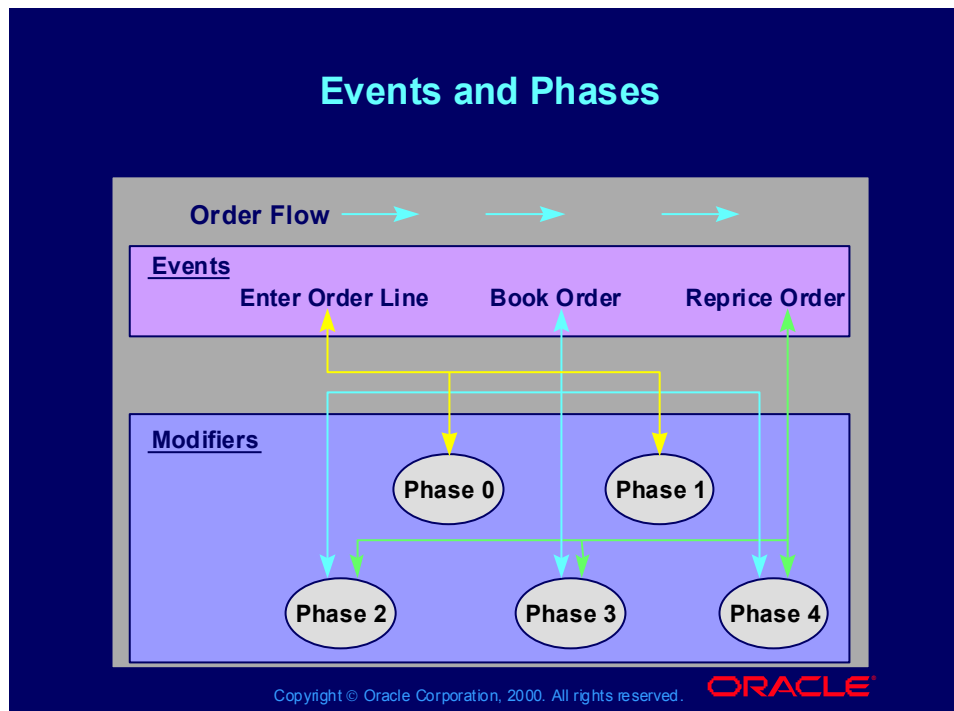
Modifier Control Features

- **Events:** Periods of time within the order flow
- **Phases:** Groups of pricing activities performed at same time
- **Incompatibility processing:** Sorting out multiple modifiers that the pricing engine may not apply same time
- **Buckets:** Groupings of modifiers that allow cascading discounts by controlling subtotals

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Events and Phases

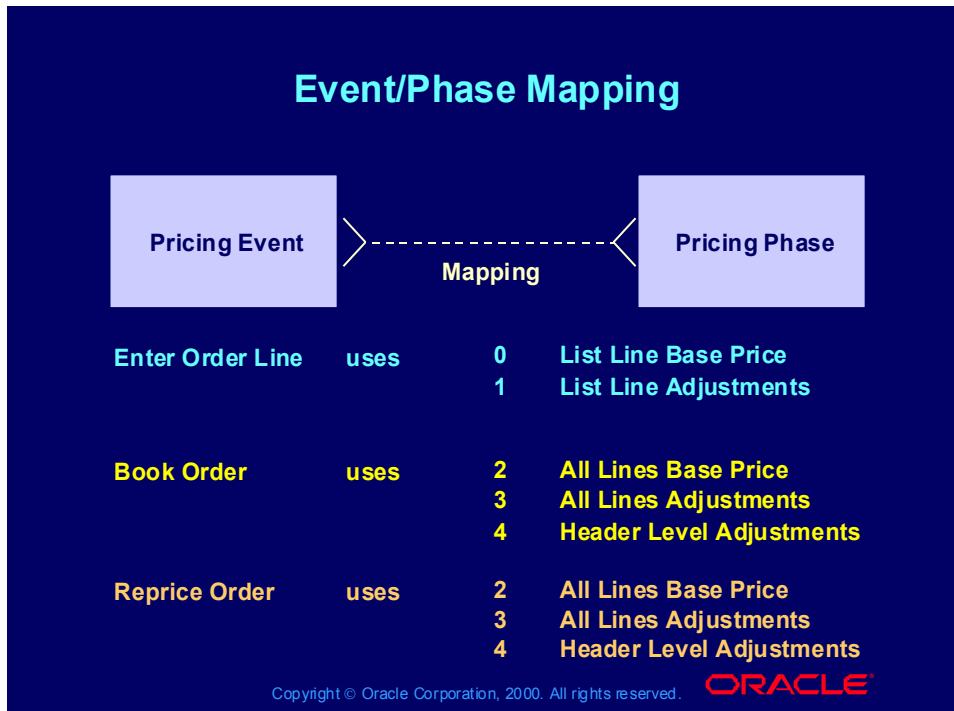


Events and Phases

Pricing Event: A point in the process of a calling application at which it calls the pricing engine, for example, Book Order in Oracle Order Management. It is similar to an Oracle Workflow event.

Pricing Phase: A user-defined group of modifiers that the search engine considers together as it applies them to pricing requests, for example, Phase 1: Line Adjustments.

Event/Phase Mapping



Event Phase Mapping

Enter Order Line:

- Phase 0: Return base price
- Phase 1: Calculate line level modifiers

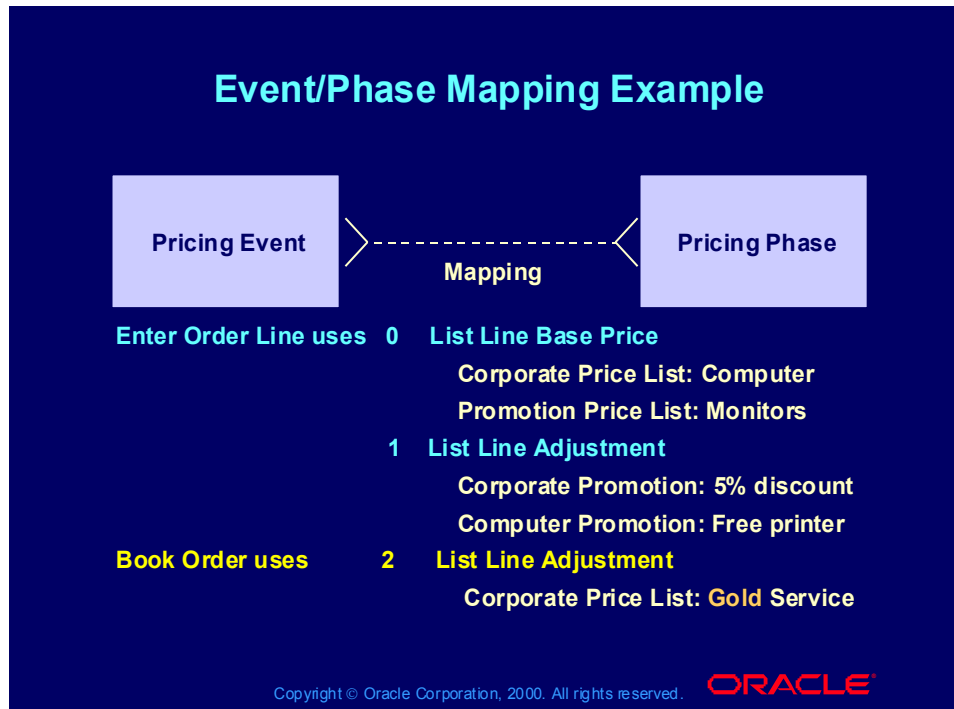
•Book Order:

- Phase 2: Return line group pricing
- Phase 3: Calculate line group level modifiers
- Phase 4: Calculate order level modifiers

•Reprice Order occurs if you change customer item, inventory item, ordered quantity, ordering unit of measure, pricing date, price list, deal/promotion number, or pricing attributes.

- Phase 2: Return line group pricing
- Phase 3: Calculate line group level modifiers
- Phase 4: Calculate order level modifiers

Event/Phase Mapping Example



Event Phase Mapping Example

Enter Order Line:

- Phase 0: Return base price
- Base price for computer: 1 ordered at 1275.00 currency units each
- Base price for monitor: 15 ordered at 475.00 currency units each based on price break
- Phase 1: Calculate line level modifiers
 - Computer: 5 % discount
 - Printer: Free
- Book Order: Phase 3: Calculate line level modifiers that depend on all order lines.
- Gold Service is a percentage of all the products in the Computer product group; It is 127.50 (10 % of 1275.00).

Incompatibility Processing

- **Incompatible modifier: Modifiers that you do not want the pricing engine to apply to an order or order line together.**
- **Incompatibility groups:**
 - **Assign incompatibility levels to modifier lines.**
 - **The pricing engine uses incompatibility processing to resolve incompatible modifiers.**

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Incompatibility Processing

- **Incompatibility processing occurs when:**
 - **A customer is eligible for more than one modifier**
 - **The modifiers are assigned to the same incompatibility group**
- **Assign multiple incompatibility levels to each pricing phase.**
- **Create modifier lines and assign each modifier to a phase and assign it an incompatibility level.**

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Incompatibility Processing

- The pricing engine applies only one modifier for each incompatibility level and phase combination.
- It resolves incompatibility by one of the following methods:
 - Selecting the modifier with the highest precedence (the lowest precedence number) and applying it to the base price of an item
 - Using the best price feature

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Incompatibility Processing

- You can create one exclusive modifier in each pricing phase.
- If the pricing engine encounters an exclusive modifier, it suspends incompatibility pricing for the phase and applies only the exclusive modifier.

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Incompatibility Processing Scenario

Incompatibility Processing Scenario

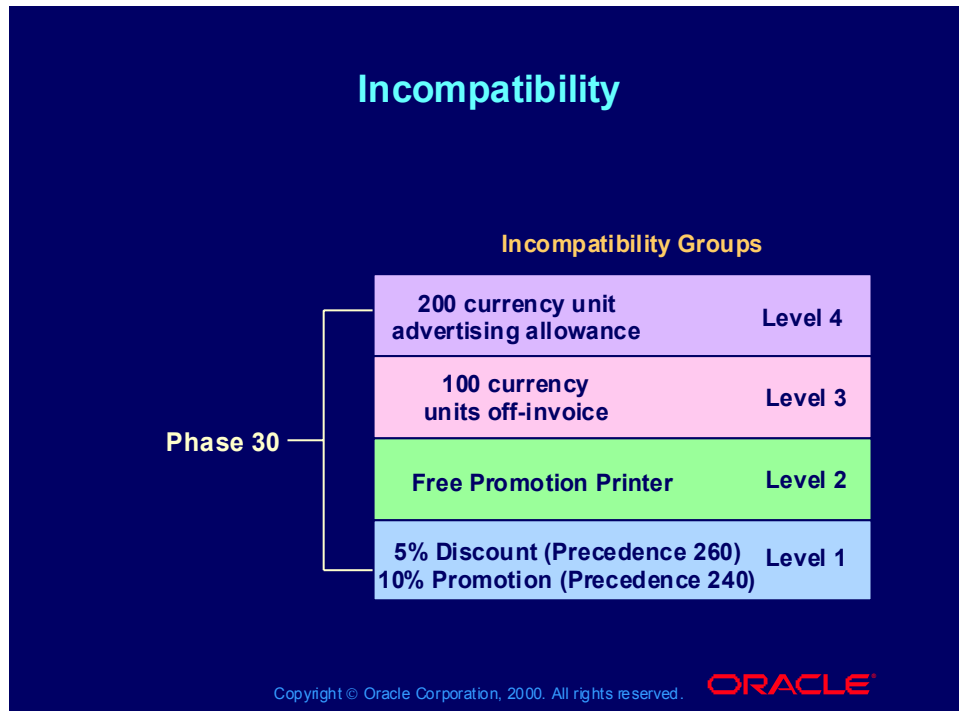
Modifier	Phase	Inc Level	Precedence	Applies?
5% discount	30	1	260	No
10% promotion	30	1	240	Yes
Free promo printer	30	2	260	Yes
100 c.u. off-invoice	30	3	200	Yes
200 c.u. adv allow	30	4	240	Yes
25 c.u. deal	40	1	260	Yes

c.u. = Currency Unit

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Incompatibility

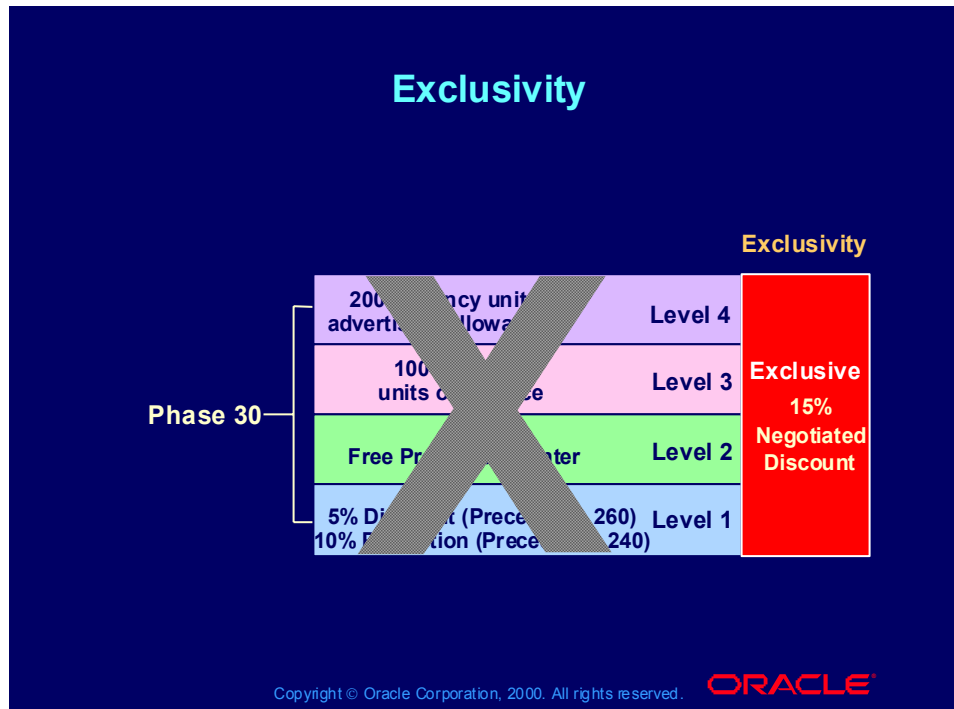


Incompatibility

In any given level within the same phase, the system only allows one modifier to be selected. The pricing engine may retrieve more than one modifier that meets the calling request and can be applied. There are three methods to resolve incompatibilities within the modifiers that the pricing engine retrieves:

- Precedence
- Best price
- Exclusivity
- Precedence: Each modifier has a precedence used to decide among incompatible modifiers.
- Incompatibility Level: Each modifier has an incompatibility level. If there is more than one modifier line with the same incompatibility level, the pricing engine selects the one with the highest precedence (lowest precedence number). If there is more than one modifier with the lowest precedence in an incompatibility level, the pricing engine selects the modifier that provides the best benefit to the customer.

Exclusivity

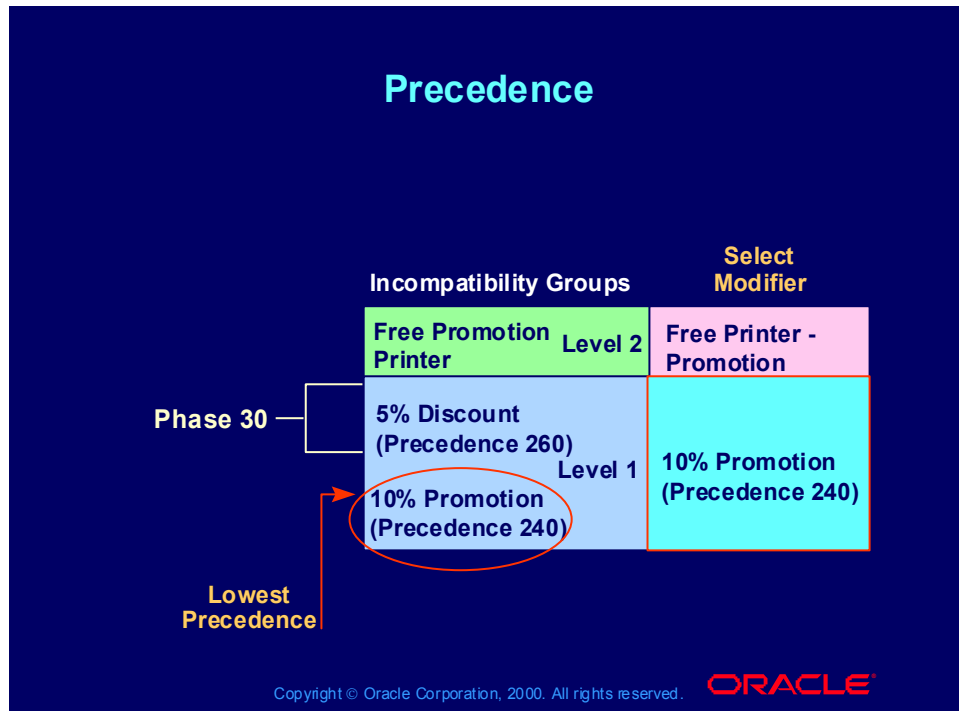


Exclusivity

If a customer qualifies for multiple modifiers and one is exclusive, the pricing engine ignores precedence and applies the exclusive modifier.

Exclusivity occurs within each phase.

Precedence



Precedence

The pricing request is eligible for two promotions in the level 1 incompatibility group for phase 1. The pricing engine applies the 5% discount because it has the highest precedence (lowest precedence number).

When you create a modifier, Oracle Pricing sets a default precedence value. If you want your precedence processing to be different from the default, change the default precedence numbers to fit your scheme.

Buckets and Modifiers

- **Assign modifiers to buckets to create cascading price adjustments.**
- **The pricing engine:**
 - **Calculates percent type modifiers using the previous bucket's subtotal**
 - **Sums all bucket modifier values to create a bucket subtotal**

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Modifier Bucket Scenario

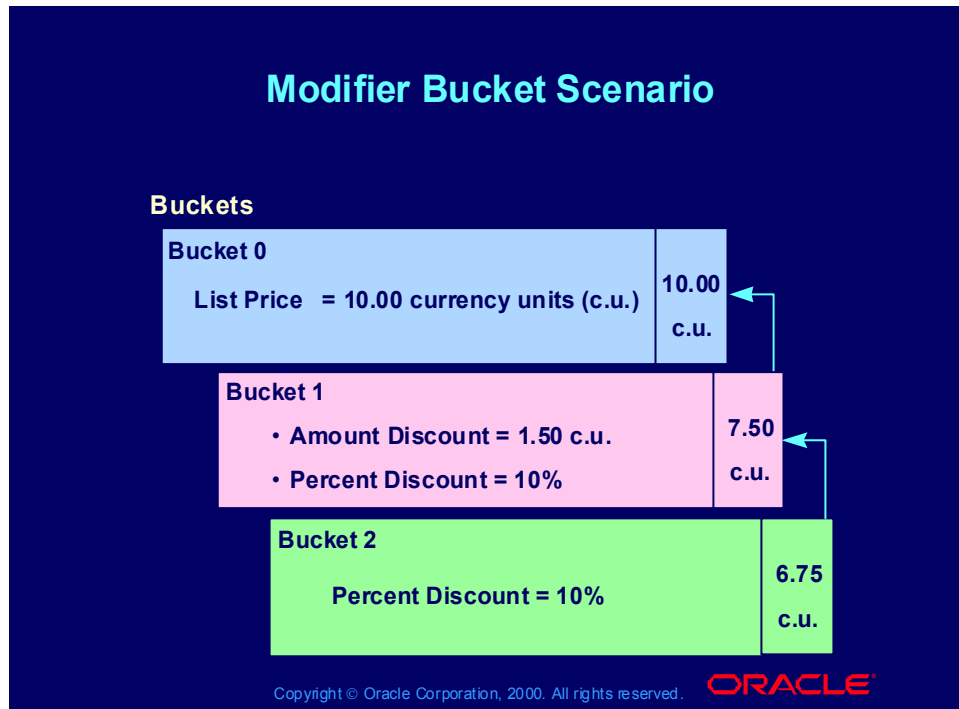
The following scenario shows an example of how the pricing engine uses buckets and their modifiers to calculate the final selling price.

In the scenario, the base list price is 10 currency units and the pricing engine calculates a final selling price of 6.75 currency units.

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Modifier Bucket Scenario



Buckets

Each modifier has a price bucket. The pricing engine calculates all modifiers in the same price bucket together (additive modifier application) and subtracts the total from the total of the previous bucket (cascading modifier application).

Null Bucket

The pricing engine applies manual modifiers to the null bucket. It:

- Calculates percent discounts using the list price.
- Sums all bucket modifier values to create a bucket subtotal
- Applies the subtotal after the last numbered bucket.

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Bucket Scenario Using the Null Bucket

Bucket Scenario Using the Null Bucket

The following scenario shows an example of how the pricing engine uses buckets and their modifiers to calculate the final selling price.

In the scenario, the base list price is 100 currency units and the pricing engine calculates a final selling price of 66.20 currency units.

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Bucket Scenario Using the Null Bucket

Bucket Scenario Using the Null Bucket

Bkt	Modifier	Price Adj	Bkt Subtot	Sell Price
				100.00
1	2% discount	(2.00)		
1	5 c. u. discount	(5.00)		
1			(7.00)	93.00
2	5 c. u. discount	(5.00)		
2			(5.00)	88.00

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Bucket Scenario Using the Null Bucket

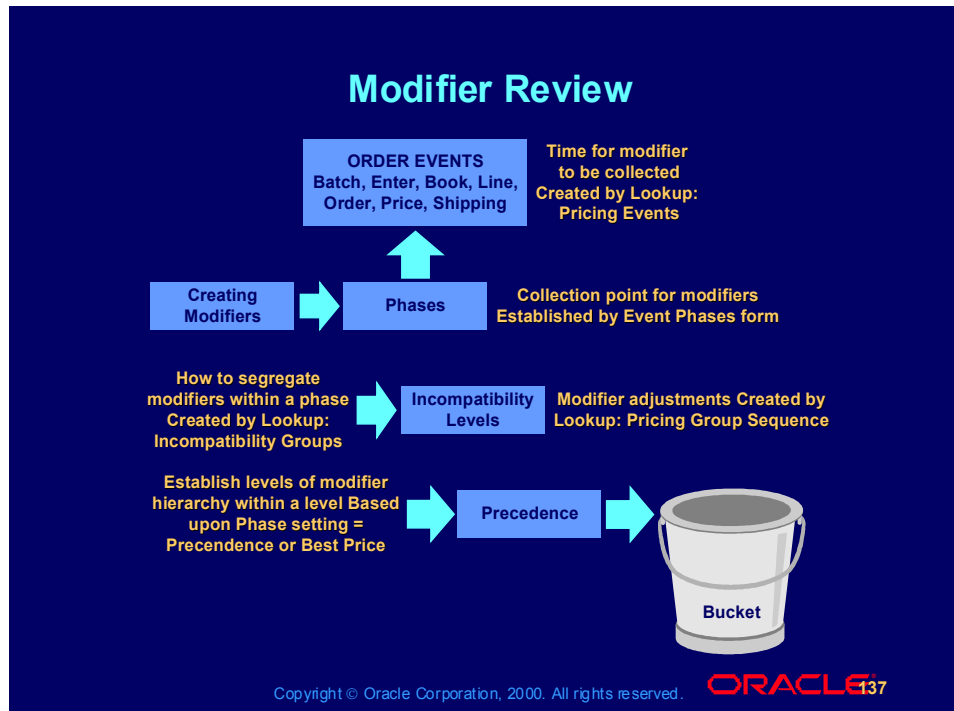
Bucket Scenario Using the Null Bucket

Bkt	Modifier	Price Adj	Bkt Subtot	Sell Price
3	2 c. u. surcharge	2.00		88.00
3	10% discount	(8.80)		
3			(6.80)	81.20
Null	5% discount	(5.00)		
Null	10 c. u. discount	(10.00)		
Null			(15.00)	66.20

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Modifier Review



Review Question

Review Question

What modifier control feature groups modifiers to create subtotals?

1. Buckets
2. Phases
3. Incompatibility levels
4. Events

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Review Question

Review Question

What modifier control feature groups modifiers to create subtotals?

1. Buckets
2. Phases
3. Incompatibility levels
4. Events

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Basic Pricing Modifier Functions

Basic Pricing Modifier Functions

- **Level:** Order, line
- **Qualifiers:** Limited (seeded)
- **Attributes:** Limited (seeded)
- **Price breaks:** Point

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Basic Pricing Modifier Functions

- **Line types**
 - **Discount**
 - **Surcharge**
 - **Price break**
 - **Freight/special charge**
- **Price list independent**

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Basic and Advanced Pricing Modifier Functions

Basic and Advanced Pricing Modifier Functions

- Level: Order, line, group of lines
- Qualifiers: Limited (seeded) / Unlimited (seeded and user-defined)
- Attributes: Limited (seeded) / Unlimited (seeded and user-defined)
- Price breaks: Point, range, recurring
- Buckets
- Phases
- Incompatibility
- Formulas
- Exclude items

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Basic and Advanced Pricing Modifier Functions

Basic and **Advanced** Pricing Modifier Functions

- **Line types**
 - Discount
 - Surcharge
 - Price break
 - Freight/special charge
 - **Item upgrade**
 - **Terms substitution**
 - **Other item discount**
 - **Promotional goods**
 - **Coupon issue**
- **Price list independent**

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Modifier Feature Summary

Modifiers	Basic	Advanced
Discount	X	X
Surcharge	X	X
Price breaks	Point	Point and Range
Freight/special charges	X	X
Coupon issue		X
Item upgrade		X
Other item discount		X
Terms substitution		X
Promotional goods		X
Ask for		X
Order or ship date		X

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Modifier Feature Summary

Modifiers	Basic	Advanced
Price list independent	X	X
Order and line level	X	X
Group of line level		X
Qualifiers	Limited	Unlimited
Attributes	Limited	Unlimited
Formulas		X
Exclude items		X
Buckets		X
Phases		X
Incompatibility		X
Accrual		X

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Modifier Processes

- **Creating modifier lists**
- **Creating list-level qualifiers**
- **Entering basic modifier line information**
- **Entering discount and charge information**
- **Entering freight charge information**
- **Entering item upgrade information**
- **Entering terms substitution information**
- **Entering coupon issue information**
- **Entering other item discount and promotions information**

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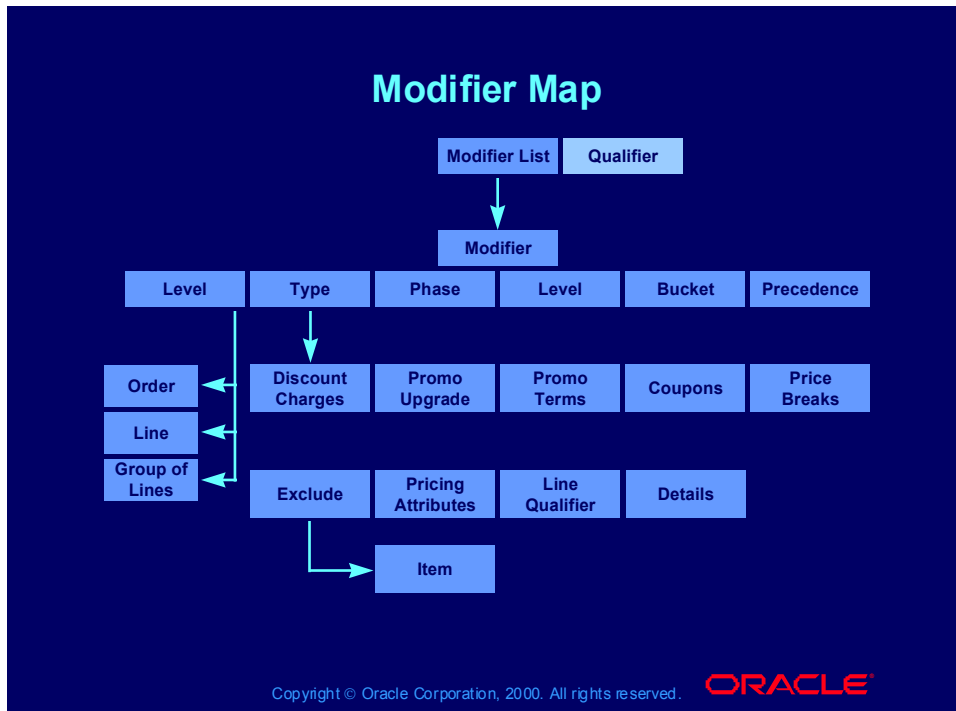
Modifier Processes

- **Entering price break information**
- **Creating line-level qualifiers**
- **Attaching pricing attributes**
- **Excluding items**
- **Changing modifier incompatibility**
- **Redeeming accruals**

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Modifier Map



Creating Modifier Lists Process

Creating Modifier Lists Process

Use the **Creating Modifier Lists** process to enter modifier list header information.

Use the Navigator path below to navigate to the **Define Modifier** window and consult **Oracle Applications Help** for information about performing the process.

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(N) Oracle Pricing Manager > Modifiers > Modifier Setup
(Help) Oracle Pricing > Modifiers > Overview of Modifiers

List Types

- Discount
- Surcharge
- Freight/Special Charges
- Promotion
- Deal

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Creating List Level Qualifiers Process

Creating List Level Qualifiers Process

Use the **Creating List Level Qualifiers** process to enter modifier list level qualifiers. Modifier list level qualifiers help the pricing engine to determine who is eligible for the modifier lines.

Use the Navigator path below to navigate to the **Define Modifier** window and consult **Oracle Applications Help** for information about performing the process.

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(N) Oracle Pricing Manager > Modifiers > Modifier Setup
(Help) Oracle Pricing > Modifiers > Overview of Modifiers

Entering Basic Modifier Line Information Process

Entering Basic Modifier Line Information Process

Use the Entering Basic Modifier Line Information process to enter modifier list line common information.

Use the Navigator path below to navigate to the Define Modifier window and consult Oracle Applications Help for information about performing the process.

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Line Types

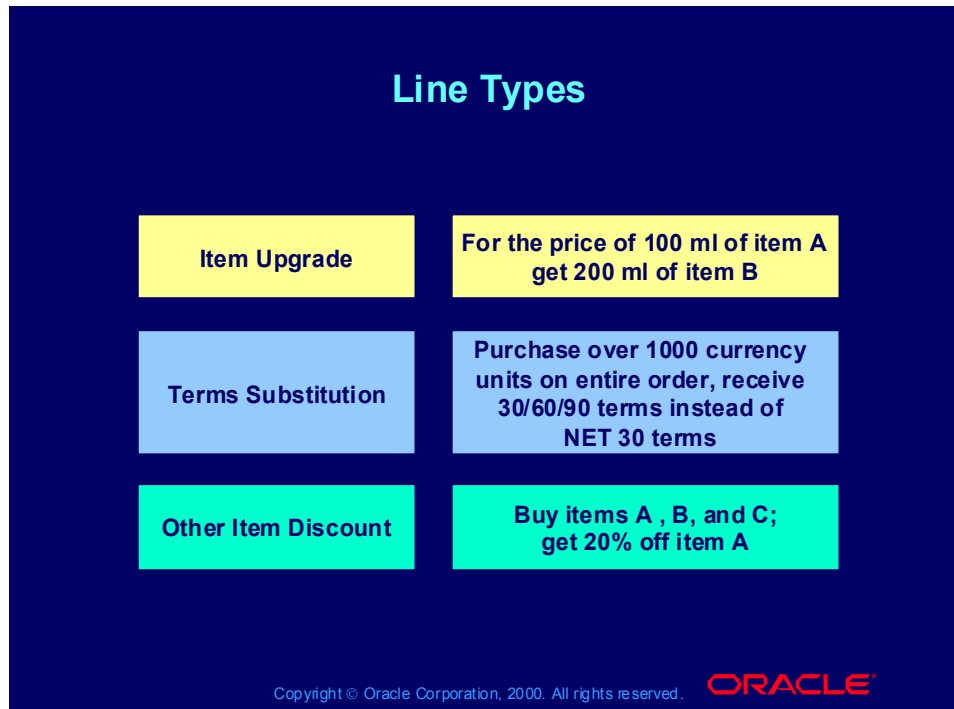
Line Types	
Discount	10% off item A
Surcharge	10% surcharge for purchase of under 100 units of item A
Freight/Special Charge	450 currency unit freight cost on entire order

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Modifier List Types

- Discount: Creates a negative price adjustment.
- Surcharge: Creates a positive price adjustment.
- Freight/special charge

Line Types



Modifier List Types

- Item upgrade: Replaces a specific item ordered with another item for the same price. You must relate the items in Oracle Inventory.
- Terms substitution: Replaces freight charges, shipping charges, and payment terms with typically more favorable charges.
- Other item discount: Gives a price adjustment or benefit to a specified item on an order when the customer orders one or more other items on the same order.

Line Types



Modifier List Types

- Promotional goods: Adds a new item with a price adjustment or benefit when the customer orders one or more other items on the same order. You must relate the items in Oracle Inventory.
- Coupon issue: Issues a coupon on one order for the customer to redeem for a price adjustment or benefit on a later order.
- Price break: Applies a variable discount or surcharge price adjustment to a pricing request. You can use both point and range type breaks.

List Type/Line Type Relationships

List Type/Line Type Relationships

List Type	Disc	Surch	Fr/Spec	Promo	Deal
Line Type					
Discount	X			X	X
Surcharge	X	X		X	X
Freight/Special Chg			X		
Price Break Header	X	X		X	X
Item Upgrade				X	X
Other Item Discount				X	X
Terms Substitution				X	X
Promotional Goods				X	X
Coupon Issue				X	X

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Creating Line Level Qualifiers Process

Creating Line Level Qualifiers Process

Use the **Creating Line Level Qualifiers** process to enter modifier list line level qualifiers. Modifier line level qualifiers help the pricing engine to determine who is eligible for the modifier lines.

Use the Navigator path below to navigate to the **Define Modifier** window and consult **Oracle Applications Help** for information about performing the process.

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(Help) Oracle Pricing > Modifiers > Overview of Modifiers

Attaching Pricing Attributes Process

Attaching Pricing Attributes Process

Use this process to attach attributes to the items and item categories that you define in modifier lines. When the pricing engine determines eligibility for a modifier, it validates the pricing attributes along with the item number or item category.

Use the Navigator path below to navigate to the Define Modifier window and consult Oracle Applications Help for information about performing the process.

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(Help) Oracle Pricing > Modifiers > Overview of Modifiers

Excluding Items Process

Excluding Items Process

Use the **Excluding Items** process to mark items and item categories as excluded from application of a modifier.

Use the **Navigator** path below to navigate to the **Define Modifier** window and consult **Oracle Applications Help** for information about performing the process.

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(Help) Oracle Pricing > Modifiers > Overview of Modifiers

Review Question

Review Question

What modifier do you use if you want to give the customer an additional, bonus item if they order another one of your items?

1. Promotional goods
2. Other item discount
3. Item upgrade
4. Item attribute

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Review Question

Review Question

What modifier do you use if you want to give the customer an additional, bonus item if they order another one of your items?

1. Promotional goods
2. Other item discount
3. Item upgrade
4. Item attribute

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Discount Modifiers



Cross Order Volume Discount

Beginning with release 11i4, use cross order volume discounting to offer discounts to customers for purchasing a certain amount of products and services over multiple sales orders.

Discount Modifier Scenarios

Scenario 1

If the customer is a preferred customer or customer spends more than 150 currency units, they receive 10% off the order.

Create a modifier.

Modifier Type: Discount

Modifier Level: Order

Application Method: Percent

Value: 10

In the Line Qualifiers window, create two line qualifiers.

Grouping Number: 1

Qualifier Context: Volume

Qualifier Attribute: Order Amount

Operator: Between

Value From: 150

Grouping Number: 2

Qualifier Context: Customer

Qualifier Attribute: Customer Class

Operator: =

Value From: Preferred

Scenario 2

For any ten compact discs purchased by April 2000, the customer receives 2 currency units off.

Create a modifier.

Modifier Type: Discount

Modifier Level: Line

End Date: 30 April 2000

Product Attribute: Item Category

Product Attribute Value: CD

Volume Type: Item Quantity

Break Type: Recurring

Value From: 10

Application Method: Lumpsum

Value: 2

Entering Discount and Charge Information Process

Entering Discount and Charge Information Process

Use the **Entering Discount and Charge Information** process to enter modifier list line information specific to discounts and surcharges.

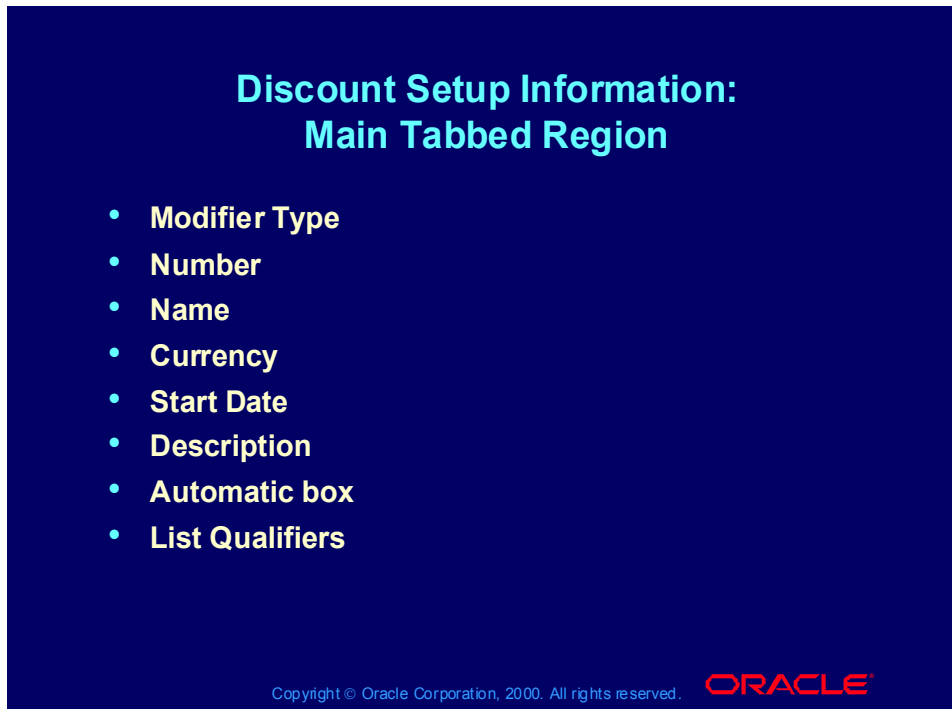
Use the Navigator path below to navigate to the **Define Modifier** window and consult **Oracle Applications Help** for information about performing the process.

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(N) Oracle Pricing Manager > Modifiers > Modifier Setup
(Help) Oracle Pricing > Modifiers > Overview of Modifiers

Discount Setup Information: Main Tabbed Region



**Discount Setup Information:
Main Tabbed Region**

- **Modifier Type**
- **Number**
- **Name**
- **Currency**
- **Start Date**
- **Description**
- **Automatic box**
- **List Qualifiers**

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Discount Setup Information: Main Tabbed Region

Modifier Type: The modifier list type

Number: The modifier list number

Name: The modifier list name.

Start Date: Modifier list effectivity date

List Qualifiers: Qualifiers to guide the pricing engine in determining modifier eligibility

Discount Setup Information: Modifiers Summary Tabbed Region

**Discount Setup Information:
Modifiers Summary Tabbed Region**

- **Modifier No**
- **Level**
- **Modifier Type**
- **Start/End Date**
- **Print on Invoice (always checked)**
- **Automatic**
- **Proration (default to None)**
- **Pricing Phase**
- **Incompatibility (default to Level 1 Incompatibility)**
- **Bucket (default to 1)**
- **Product Attribute**
- **Product Attribute Value**
- **Precedence**
- **UOM**

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Discount Setup Information: Modifiers Summary Tabbed Region

Default values only appear if you are using basic pricing.

You can set up the following modifier types based on Modifier Type and Level:

- Order level and line level discounts
- Order level and line level surcharges
- Line level price breaks

Product Attribute:

- If the modifier is at the line level , you can define item numbers, item categories, and all items.
- You can only define pricing attributes and add line level qualifiers if the Product Attribute field is ITEM_ALL.
- Pricing defaults a precedence which you update.
- Unit of measure is not mandatory unless it is item specific.

Discount Setup Information: Discounts/Charges Tabbed Region

Discount Setup Information: Discounts/Charges Tabbed Region

- Charge Name (for Freight and Special Charges)
- Include on Returns
- Formula (for Freight and Special Charges)
- Application Method
- Value

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Discount Setup Information: Discounts/Charges Tabbed Region

Line level discounts and surcharges:

- Fixed Amount
- Percent
- New Price

Freight/special charges:

- Fixed Amount
- Percent
- New Price
- Lumpsum

Practice 15: Create Modifier Using a Qualifier Group

Practice 15: Create Modifier Using a Qualifier Group

This practice covers creating modifiers using a qualifier group.

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Practice 15: Create Modifier Using a Qualifier Group

Oracle Pricing Manager responsibility.

(N) Modifiers- Modifier setup.

1. Modifier type = Discount List
2. Enter XX1-Discout in the modifier list number field and in the name field.
3. Active and Automatic boxes should be checked
4. Enter 1 in the version field
5. Enter today's date in the start date field.

Note: You can select your qualifier group in the List Qualifiers in the header, which will then apply to all Modifiers defined under the Modifier Summary Tab. However, in this exercise the qualification will be per modifier.

6. Go to the Modifier Summary Tab.
7. Enter 1 in the Modifier Number field
8. Pick Line in the level field
9. Modifier Type = Pick Discount
10. Pricing Phase = Pick List Line Adjustments
11. Incompatibility Group = Level 1
12. Bucket = 1

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13. Application Method = Percent
14. Value field = 5 (thus a 5% discount for any product).
15. Click the "Line Qualifiers" button. The qualifier groups will appear.

Note: If you would press cancel now you can create a new qualifier for this modifier. Instead, select your qualifier group (tick box) and press OK. The qualifier group you selected will be presented in detail.

16. Verify its yours then press OK. You will return to the Modifier form and your work has been saved.

Note: You have now created a discount of 5% for all products on XX-Price List if the customer is XX-Big City Electronics Wholesale Site and the price list used on the order is XX-Price List.

(N) Orders Returns -Sales Orders.

17. Customer: XX-Big City Electronics Wholesale
18. Ship To: The primary Ship To code and the related address details should automatically default in from your customer, assuming you set these up correctly in the previous exercises. If a default does not appear use pick to choose your Ship to.

19. Bill To: The primary Bill To and the related address details should automatically default in from your customer, assuming you set these up correctly in the previous exercise. If a default does not appear use pick to choose your Bill To.

20. Order Type: Mixed.
21. Price list: XX-Test Price List
22. Sales Person: Abbott, Rachael
- (T) Select the Others tab
23. Payment Terms: 30 Net
24. Warehouse: M1
25. FOB Destination
26. Sales Channel: Commercial
27. Shipping Method: UPS
28. Freight Terms: Prepaid

(T) Now select the line items tab.

29. Line 1.1 Ordered Item: XX-Phone

30. Quantity: 1

31. UOM: Ea.

32. Save your records, write your order number down , close the forms and return to the menu.

33. Go to Actions (button)->View Adjustments. You should see the discount information that applied because of the qualifier for the 5% modifier.

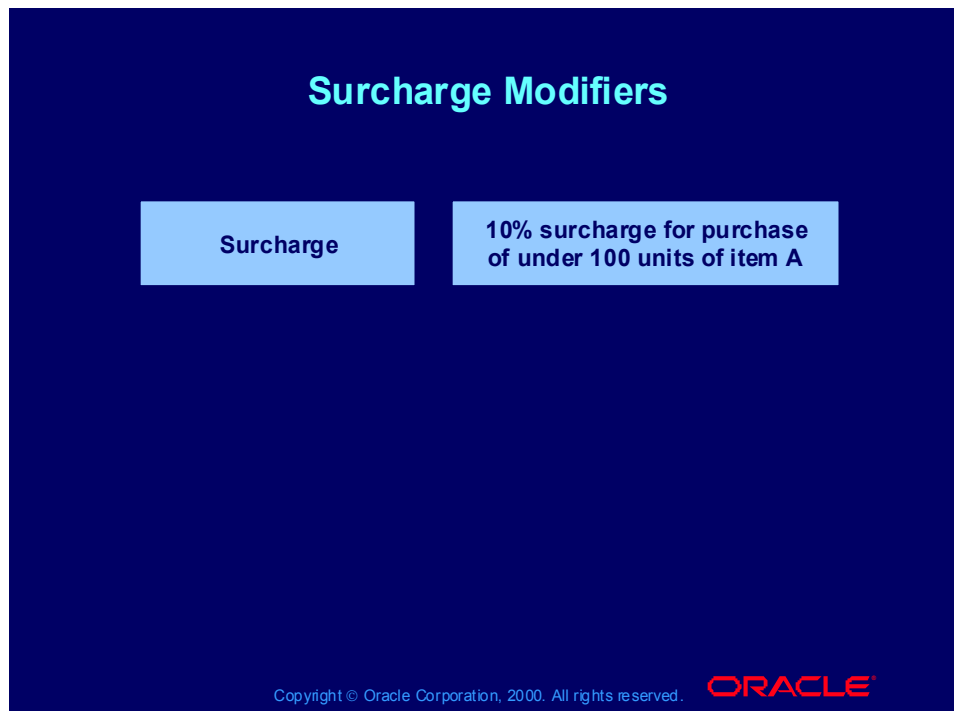
Cross Order Volume Discount

Use cross order volume discounting to offer discounts to customers for purchasing a certain amount of products and services over multiple sales orders.

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Surcharge Modifiers



Surcharge Modifier Scenarios

Scenario 1

Customers in the National Accounts territory who spends less than 1000 currency units per order receives a 2% surcharge.

Create a modifier.

Modifier Type: Surcharge

Modifier Level: Order

Application Method: Percent

Value: 10

In the Line Qualifiers window, create two line qualifiers for the modifier.

Grouping Number: 1

Qualifier Context: Volume

Qualifier Attribute: Order Amount

Operator: Between

Value To: 1000

Grouping Number: 1

Qualifier Context: Customer

Qualifier Attribute: Customer Class

Operator: =

Value From: National Accounts

Scenario 2

Any customer placing a rush order (delivery required within two days) for replacement motors receives a 50 currency unit surcharge.

Create a modifier.

Modifier Type: Surcharge

Modifier Level: Line

Product Attribute: Item Category

Product Attribute Value: Motors, Spare

Application Method: Amount

Value: 50

In the Line Qualifiers window, create a qualifier for the modifier. You have created qualifier attribute Days to Requested Delivery and created the appropriate sourcing rules for this attribute.

Grouping Number: 1

Qualifier Context: Order

Qualifier Attribute: Days to Requested Delivery

Operator: Between

Value To: 2

Practice 16: Surcharge

Practice 16: Surcharge

This practice covers creating surcharge modifiers.

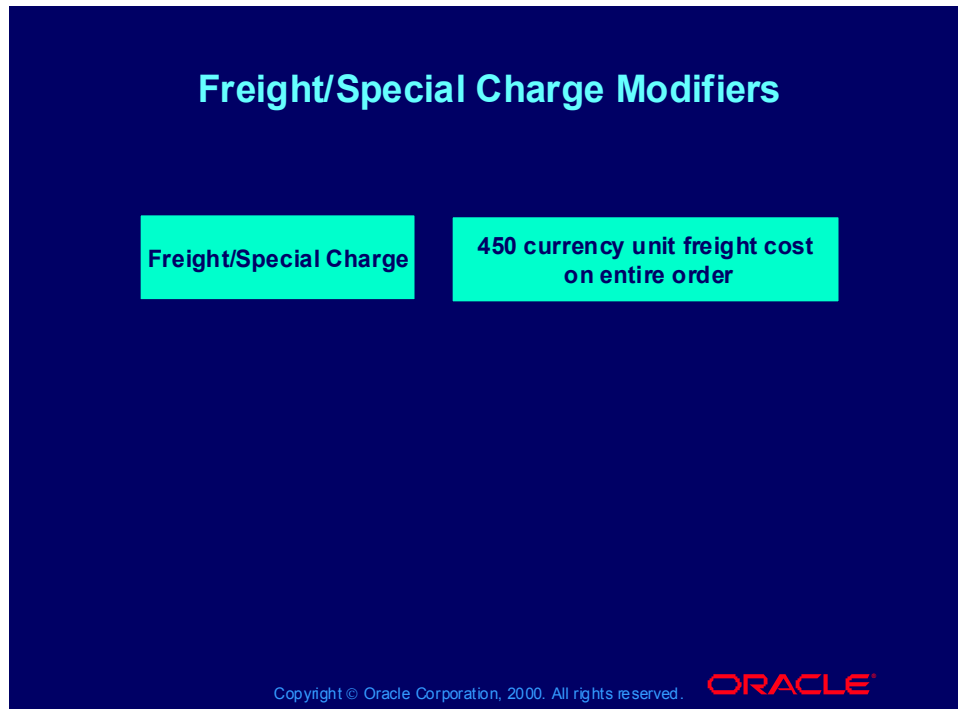
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Practice 16: Surcharge

Consult with your instructor for more information about performing this practice.

Freight/Special Charge Modifiers



Freight/Special Charge Modifier Scenarios

Scenario 1

For all low priority shipments, calculate shipping charges by order line total weight as follows:

0 - 500 kg: 2.50 currency units

501 - 1000 kg: 3.50 currency units

> 1000 kg: 5.00 currency units

Profile Option QP: Line Weight UOM Code is kg.

Create a modifier.

Modifier Type: Freight Charge

Modifier Level: Line

Application Method: Lumpsum

Value: 2.50

In the Line Qualifiers window, create a qualifier for the modifier from step 1.

Grouping Number: 1

Qualifier Context: Order

Qualifier Attribute: Shipment Priority

Operator: =

Value From: Low

Grouping Number: 1

Qualifier Context: Volume
Qualifier Attribute: Line Weight
Operator: =
Value From: 0
Value To: 500

Create a second modifier.

Modifier Type: Freight Charge
Modifier Level: Line
Application Method: Lumpsum
Value: 3.50

In the Line Qualifiers window, create a qualifier for the second modifier from step 3.

Grouping Number: 1
Qualifier Context: Order
Qualifier Attribute: Shipment Priority
Operator: =
Value From: Low

Grouping Number: 1
Qualifier Context: Volume
Qualifier Attribute: Line Weight
Operator: =
Value From: 501
Value To: 1000

Create a third modifier.

Modifier Type: Freight Charge
Modifier Level: Line
Application Method: Lumpsum
Value: 3.50

In the Line Qualifiers window, create a qualifier for the third modifier from step 5.

Grouping Number: 1
Qualifier Context: Order
Qualifier Attribute: Shipment Priority
Operator: =
Value From: Low

Grouping Number: 1
Qualifier Context: Volume
Qualifier Attribute: Line Weight
Operator: =

Value From: 1001

Scenario 2

Calculate freight handling charge as a 10% markup of actual handling cost.

Create a formula.

Formula Name: Handling Cost

Formula: 1 * 2

Create a formula line.

Formula Line Type: Pricing Attribute

Pricing Attribute Context: Pricing Attribute

Pricing Attribute: Handling Cost Amount

Step: 1

Formula Line Type: Constant

Component: 1.1

Step: 2

Create a modifier.

Modifier Type: Freight Charge

Modifier Level: Line

Application Method: Lumpsum

Formula: <reference formula Handling Cost from step 1>

In the Line Qualifiers window, create a qualifier for the third modifier from step 2.

Grouping Number: 1

Qualifier Context: Order

Qualifier Attribute: Freight Cost Type

Operator: =

Value From: Handling

Entering Freight Charge Information Process

Entering Freight Charge Information Process

Use the Entering Freight Charge Information process to enter modifier list line information specific to freight/special charges.

Use the Navigator path below to navigate to the Define Modifier window and consult Oracle Applications Help for information about performing the process.

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(N) Oracle Pricing Manager > Modifiers > Modifier Setup
(Help) Oracle Pricing > Modifiers > Overview of Modifiers

Freight and Special Charges Overview

Freight and Special Charges Overview

- You set up freight and special charges as pricing modifiers.
- When you save an order line, the pricing engine applies the qualified freight and special charges to it.
- You can view the application of freight and special charges.
- Order Management captures costs at shipping and converts them to charges.
- Freight and special charges appear on invoices.

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Practice 17: Freight/Special Charge

Practice 17: Freight/Special Charge

This practice covers creating freight/special charge modifiers.

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Practice 17: Freight/Special Charge

Consult with your instructor for more information about performing this practice.

Cost to Charge Conversion

Cost to Charge Conversion

- **Before ship confirmation, Oracle Order Management uses qualifiers to:**
 - Estimate freight charges
 - Apply them to the order
- **At ship conformation, Oracle Shipping Execution:**
 - Captures actual freight costs
 - Applies them to the order lines
 - Generates a pricing request for the SHIP event

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Cost to Charge Conversion

The SHIP event passes the following qualifiers to the pricing engine:

- QUALIFIER_ATTRIBUTE11: SHIPPED_FLAG = Y
- QUALIFIER_ATTRIBUTE20: FREIGHT_COST_TYPE_CODE = For freight costs transferred to Oracle Order Management.
- If there are multiple freight cost types, the pricing engine sources the attribute multiple times, for example:
 - QUALIFIER_ATTRIBUTE20 = INSURANCE
 - QUALIFIER_ATTRIBUTE20 = HANDLING
 - QUALIFIER_ATTRIBUTE20 = DUTY

The SHIP event passes the following pricing attributes to the pricing engine:

- PRICING_ATTRIBUTE12: INSURANCE COST = Sum of type INSURANCE costs
- PRICING_ATTRIBUTE13: HANDLING COST = Sum of type HANDLING costs
- PRICING_ATTRIBUTE14: EXPORT COST = Sum of type EXPORT costs
- PRICING_ATTRIBUTE15: DUTY COST = Sum of type DUTY costs
- PRICING_ATTRIBUTE16: FREIGHT COST = Sum of type FREIGHT costs

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- PRICING_ATTRIBUTE17: ADMINISTRATION COST = Sum of type ADMINISTRATION costs

The SHIP event causes the second modifier list (for cost conversion) to qualify and the cost converted charges apply to the order line.

Cost to Charge Conversion Charge Types

Cost to Charge Conversion Charge Types

- Order Management shares freight cost types with shipping for the cost to charge conversion.
- Charge types are based on the following lookup types:
 - Oracle Shipping Execution `FREIGHT_COST_TYPE`
 - Oracle Pricing `FREIGHT_CHARGES_TYPE`

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Charge Types

`FREIGHT_COST_TYPE` seeded charge type values:

- INSURANCE
- EXPORT
- DUTY
- FREIGHT
- ADMINISTRATION
- HANDLING

`FREIGHT_CHARGES_TYPE` seeded charge type value: MISCELLANEOUS

`FREIGHT_CHARGES_TYPE` seeded charge subtype values:

- MISC
- PENALTY
- RESTOCKING
- RETURN FEES

Cost to Charge Conversion Qualification

The ship confirmation process qualifies freight charge modifiers that you:

- Set up with qualifier `SHIPPED_FLAG = Yes`
- Tie to a formula that converts cost amount to charge amount

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Cost to Charge Conversion Process

Cost to Charge Conversion Process

- Create a modifier list for estimated charges with different charge types.
- Create a second modifier list which converts freight costs to freight charges.
- Set up a formula for each freight cost type.
- Attach qualifiers to the modifier list (charge list) and modifier list lines.
- To make sure a correct charge is qualified, specify a list line level qualifier (Context = Order, Attribute = freight_cost_type_code) for all list lines in the second modifier list.

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Cost to Charge Conversion Process

First Modifier List

Set Level = LINE and assign all the modifier list lines to the Line Charges phase.

Assign a list level qualifier.

Set SHIPPED_FLAG = No so that the list will qualify only until you ship the line.

Second Modifier List

As part of the Pricing setup, define a freight charge list in the modifier setup which uses these qualifiers and pricing attributes to convert freight cost to freight charge.

Create list lines for each FREIGHT_COST_TYPE, for example, FREIGHT, INSURANCE, ADMINISTRATION, DUTY, EXPORT, and HANDLING, and attend to the following fields:

- Automatic = Yes
- Level = Line
- Pricing Phase = Line Charges
- Bucket = 1
- Charge Name = <the COST_TYPE, for example INSURANCE>
- Formula = F_GET_INSURANCE_CHARGE_AMOUNT
- Application Method = Lumpsum

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Formula

Use formula names such as F_GET_(\$COST_TYPE)_CHARGE_AMOUNT and associate them with each list line in the charge list.

The formula is: (CONSTANT) * (PRICING_ATTRIBUTE), for example, to retrieve insurance cost:

- Name = F_GET_INSURANCE_CHARGE_AMOUNT
- Formula = 1*2
- Term 1:
 - Formula Type = Pricing Attribute
 - Pricing Attribute = Insurance Cost
 - Step = 1
- Term 2:
 - Formula Type = Numeric Constant
 - Component = Any markup or markdown factor, for example, if charge is 120% of cost then Component = 1.2
 - Step = 2

First Modifier List Qualifiers

After you perform basic charge list setup, define qualifiers for the list and the list lines.

For list level qualifiers use:

- Grouping No = 1
- Context = ORDER
- Attribute = SHIPPED_FLAG
- VALUE = Yes

For line level qualifiers, use, for each line of the list:

- Grouting No = 1
- Context = ORDER
- Attribute = FREIGHT_COST_TYPE
- VALUE = The COST_TYPE for the list line (charge name)

For example, for a list line insurance cost:

- Grouping No = 1
- Context = ORDER
- Attribute = FREIGHT_COST_TYPE
- Value = INSURANCE

These lists can be either generic or a customer/item specific by specifying the appropriate list level qualifier (Customer or Item/Item Class) on the list line.

Second Modifier List Qualifiers

At order entry, the process applies the estimated charge list to the order line.

You can modify the charge list if you created it with OVERRIDE_FLAG = Y. If

you change the status to FIXED, the pricing engine does modify the charges during subsequent pricing events.

Item Upgrade Modifiers

Item Upgrade Modifiers

Item Upgrade

For the price of 100 ml of item A
get 200 ml of item B

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Item Upgrade Modifier Scenarios

Scenario 1

Customers who order a standard video recorder before end of April 2000 receive a deluxe video recorder for the same price.

Create a modifier.

Type: Promotion or Deal

Date Type: Requested Ship Date

End Date: 31 April 2000

Assign a modifier line to the modifier list in Step 1. You have defined the item relationship between the standard video recorder and deluxe video recorder.

Modifier Type: Item Upgrade

Modifier Level: Line

Product Attribute: Item

Product Attribute Value: Video Recorder Standard

Upgrade Item: Video Recorder Deluxe

Scenario 2

Customers who buy a shirt receive the shirt and a tie for the shirt price.

Create a modifier. You have defined the item relationship between the shirt and the marketing bill shirt and tie pack.

Modifier Type: Item Upgrade

Modifier Level: Line

Product Attribute: Item

Product Attribute Value: Shirt

Upgrade Item: Marketing item shirt and tie pack

Entering Item Upgrade Information Process

Entering Item Upgrade Information Process

Use the Entering Item Upgrade Information process to enter modifier list line information specific to item upgrades.

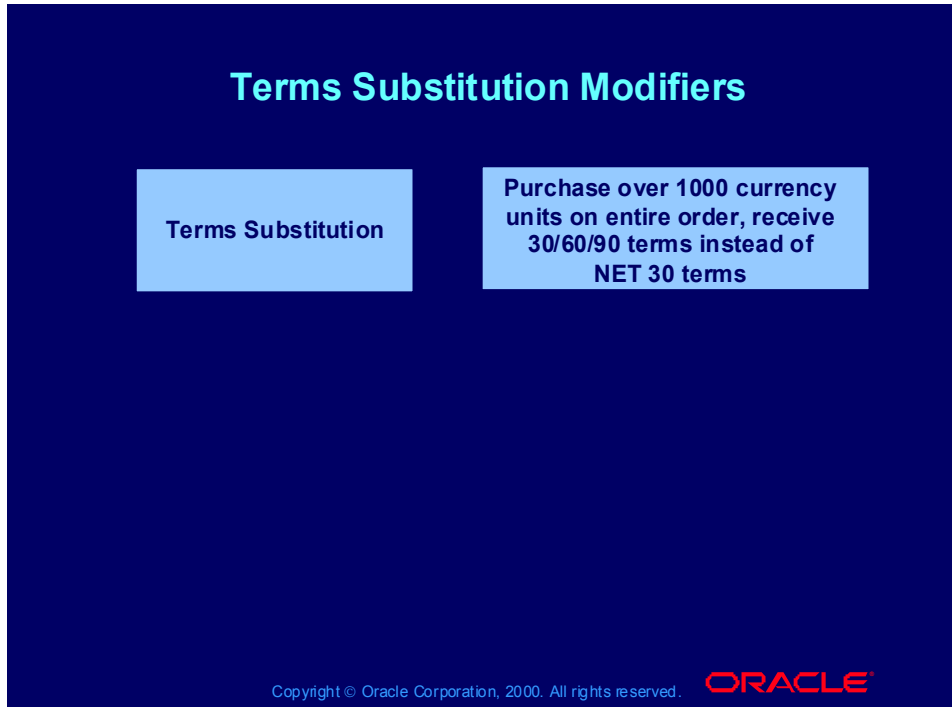
Use the Navigator path below to navigate to the Define Modifier window and consult Oracle Applications Help for information about performing the process.

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(Help) Oracle Pricing > Modifiers > Overview of Modifiers

Terms Substitution Modifiers



The screenshot shows a dark blue background with the title "Terms Substitution Modifiers" in light blue at the top. Below the title are two light blue rectangular boxes. The left box contains the text "Terms Substitution". The right box contains the text "Purchase over 1000 currency units on entire order, receive 30/60/90 terms instead of NET 30 terms". At the bottom right of the screenshot is the ORACLE logo in red. At the bottom left, there is a small copyright notice: "Copyright © Oracle Corporation, 2000. All rights reserved."

Terms Substitution Modifier Scenarios

Scenario 1

Customers who spend more than 1000 currency units on a sofa pay nothing for shipping.

Create a modifier.

Modifier Type: Terms Substitution

Modifier Level: Line

Product Attribute: Item Category

Product Attribute Value: Sofa

Volume Type: Item Amount

Break Type: Point

UOM: Each

Value From: 1000

Terms Attribute: Shipping Terms

Terms Value: No Charge

Scenario 2

Customers who buy more than 100 currency units of one item on an order receive terms of 2% 30/NET 60.

Create a modifier.

Modifier Type: Terms Substitution

Modifier Level: Line

Terms Attribute: Payment Terms

Terms Value: 2% 30/NET 60

In the Line Qualifiers window, create a qualifier.

Grouping Number: 1

Qualifier Context: Volume

Qualifier Attribute: Line Amount

Operator: Between

Value From: 100

Entering Terms Substitution Information Process

Entering Terms Substitution Information Process

Use the Entering Terms Substitution Information process to enter modifier list line information specific to terms substitutions.

Use the Navigator path below to navigate to the Define Modifier window and consult Oracle Applications Help for information about performing the process.

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Practice 18: Terms Substitution

Practice 18: Terms Substitution

This practice covers creating terms substitution modifiers.

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Practice 18: Terms Substitution

One of your customers is about to order from you but hesitate whether to buy now or later. To motivate the customers to buy now you offer him "90 Net" payment term instead of his usual "30 Net", if he orders within now and a month. Use a new customer for this exercise, so you can be sure that this modifier does not get overwritten by other modifiers.

(N) Modifiers- Modifier Setup

1. Pick Promotion in the Modifier List Type field and enter XX3-Terms in the Modifier List Number, Name and Description field. Enter 1 in the Version field and select today's date in the start date field. Ensure the boxes Active and Automatic are checked.
2. Go to the Modifiers Summary tab and enter 1 in the number field, pick Line for the level field, pick Terms Substitution in the Modifier Type field. Pick for Pricing Phase 'List Line Adjustments' and pick level 2 in the Incompatibility Group field. Enter 1 in the bucket field. Save your work.
3. You will be prompted to enter information under the Promotion Tab. Pick "Payment Terms" for the Terms Attribute field and pick "Net 90" in the Terms Value field. Save your work.
4. Go to the Line Qualifier tab and enter 1 in the Grouping Number, pick Customer in the Qualifier Context, pick Customer Name in the Qualifier Attribute

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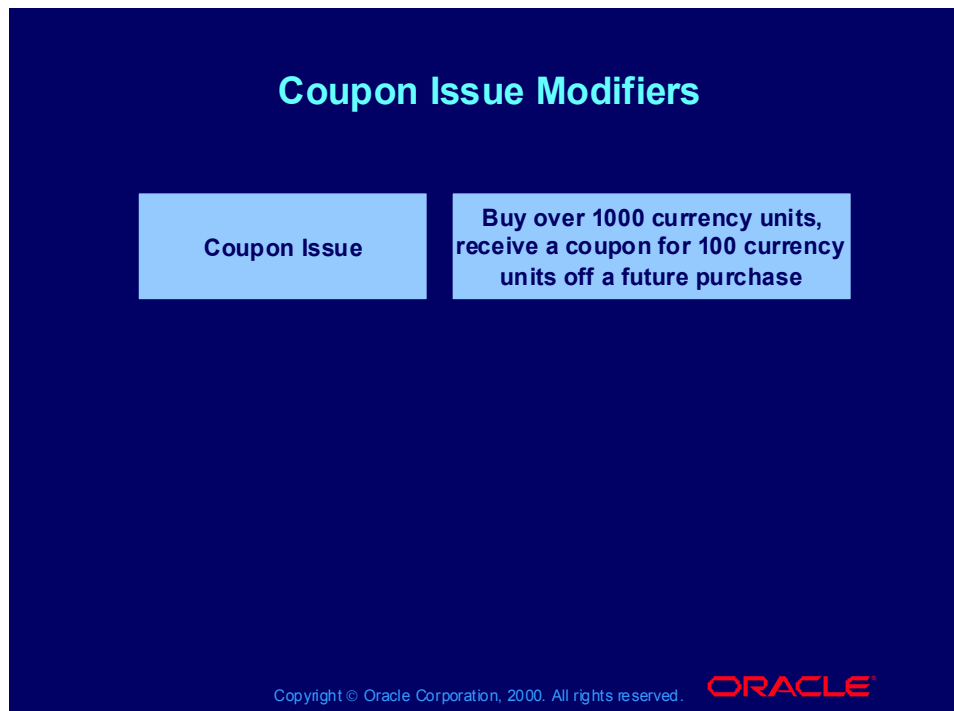
field, pick + as operator and select XX-Big City Electronics Wholesale as the Value From. Pick today as start date and one month later as end date. Press OK.

Switch Responsibility to Order Management, Super User, Vision Operations.

(N) Orders, Returns -> Sales Orders. Enter your customer XX-Big City Electronics Wholesale in the customer name field and enter XX-Price List in the Price List field. Complete the required fields for the sales order header.

5. Go to the sales order lines and enter XX-item2, and 1 as ordered quantity, pick today's date as scheduled ship date. Go to the Pricing Tab and check that the value for Payment Term = 30 Net. Then Save the sales order line. The value for the Payment Term should have changed to "90 Net".

Coupon Issue Modifiers



Coupon Issue Modifiers

Coupon Issue

Buy over 1000 currency units, receive a coupon for 100 currency units off a future purchase

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Coupon Issue Modifier Scenarios

Scenario 1

Customers who buy any product in the Chubo brand receive 10% off any item in the Chubo brand on their next order.

Create a modifier line.

Modifier Type: Discount

Modifier Level: Line

Product Attribute: Item Category

Product Attribute Value: Chubo

Application Method: Percent

Value: 10

Create a second modifier line for the coupon issue and assign it to the modifier from step 1.

Modifier Type: Coupon Issue

Modifier Level: Line

Product Attribute: Item Category

Product Attribute Value: Chubo

Coupon Modifier: <modifier from step 1>

Scenario 2

Customers ordering from the website receive a coupon for 10% off a future order.

Create a modifier.

Modifier Type: Discount
Modifier Level: Order
Application Method: Percent
Value: 10

Create a second modifier for the coupon issue and assign it to the modifier from step 1.

Modifier Type: Coupon Issue
Modifier Level: Order
Coupon Modifier: <modifier from step 1>

In the line qualifiers window, create a qualifier for the coupon issue modifier from step 2. You have created the qualifier attribute Website Domain and created the appropriate sourcing rules for it.

Grouping Number: 1
Qualifier Context: Customer
Qualifier Attribute: Website Domain
Operator: =
Value From: co.uk

Scenario 3

With any order, receive a coupon for two free bags of coffee on a future order.
Create a modifier.

Modifier Type: Promotional Goods
Modifier Level: Order
In the modifier details, enter the get product.
Product Attribute: Item
Product Value: Coffee
Get Quantity: 2
Get Price: <price list line for bag of coffee>
Get UOM: Bag
Application Method: Percent
Value: 100

Create a second modifier for the coupon issue and assign it to the modifier from step 1.

Modifier Type: Coupon Issue
Modifier Level: Order
Coupon Modifier: <modifier from step 1>

Entering Coupon Issue Information Process

Entering Coupon Issue Information Process

Use the Entering Coupon Issue Information process to enter modifier list line information specific to coupons.

Use the Navigator path below to navigate to the Define Modifier window and consult Oracle Applications Help for information about performing the process.

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(Help) Oracle Pricing > Modifiers > Overview of Modifiers

Practice 19: Coupon Issue and Redemption

Practice 19: Coupon Issue and Redemption

This practice covers creating coupon issue modifiers and redeeming them.

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Practice 19: Coupon Issue and Redemption

As a company you would like to motivate your customers to increase the order value for each order. You therefore define a coupon, that will be issued each time the customer orders for more than \$1000. On a next sales order, when the coupon is redeemed by the customer, the sales order value will be discounted by \$20.

So the benefit for the customer is to get \$20 discount for each time he spends \$1000 (but no immediate discounts, only at the next purchase). The benefit for you is a higher order value per sales order, so a better relation between cost for processing a sales order and the revenue per sales order. Another benefit for you, as a company, is customer loyalty, since the customer must place another order to receive the discount.

For the purpose of the exercise, please create a new customer (XX-Customer New) with a bill to and ship to address. The coupon issue and redemption that you create will then be restricted to your new customer. Thus each team can do the exercise without influencing the outcome for other teams.

Setting up automatic coupon issue and the related benefit:

(N) Pricing - Modifiers.

You will first create the benefit that the customer can receive when redeeming the coupon.

1. Select in the Modifier List type, Discount. Enter in the Modifier List Number field XX-Disc (where XX are your initials). Enter in the Modifier List Name field, XX-Disc. Active = yes. Automatic = No.
2. Go to the Modifier Summary level.
3. Modifier number = XX-CoupD (where XX are your initials and CoupD stands for Coupon Discount)
4. Modifier Level = Group of Lines, Modifier Type = Discount, Applied Automatic = yes, Pricing Phase = All Lines Adjustments. Incompatibility Group = Level 1 Incompatibility. Bucket = 1.
5. Go to the Discount/Charges tab and enter "Lumpsum" in the Application Method field. Enter 20 in the value field. Save your work.
6. Once you have defined the Coupon Issue Modifier, you will restrict the \$20 lumpsum discount to the coupon being redeemed. So first create the Coupon Issue modifier by following the steps underneath.

Go with your cursor to the Modifier List Type field (upper left corner of the Modifier form) and press the green plus in the menu bar to create a new record.

1. Select in the Modifier List type, Promotion. Enter in the Modifier List Number field XX-Prom (where XX are your initials). Enter in the Modifier List Name field, XX-Prom. Active = yes. Automatic = No.
2. Go to the Modifier Summary level.
3. Modifier number = XX-Coup (where XX are your initials). The system will generate coupon numbers when issuing coupons based on your modifier number. So the first coupon to be issued will carry number XX-Coup1. Since this is the number that the customer will quote when redeeming the coupon it is very important that your modifier number enables you to recognize the type of coupon.
4. Modifier Level = Group of Lines, Modifier Type = Coupon Issue, Applied Automatic = yes. Select "Modifier for Book Event" in the Pricing Phase field. Select "level 1 Incompatibility" in the Incompatibility Group field. Enter 1 in the Bucket field. Enter 10 in the precedence field.
5. Select the Coupon tab. Select in the Coupon Modifier Number field your Modifier List Type "XX-Disc" with Modifier Number "XX-CoupD".

Note: the field Coupon Conversion Rate is used to specify the conversion of the Benefit UOM to the primary currency. For example, if one air mile is 0.50 currency units, the accrual conversion rate is 0.50.

Note: The field Expiration Date can be entered to redemption of coupons to that date. Alternatively you enter the Expiration Period and Expiration Period Type

(e.g. 1 Month). The pricing engine will take as a start date the first day a coupon is issued. The pricing engine will then calculate the expiration end date using the values you entered for period and period type. In this exercise, do not enter values in these fields.

1. The coupon is only issued when the customer orders for more than \$1000. So you have to attach a Line Qualifier to the Modifier "Coupon Issue". Click on the List Qualifier tab. Press Cancel, to get to the "QUALIFIER-Line Level Qualifiers" form.
2. Enter 1 in the grouping number, select "Volume" in the Qualifier Context, select "Order Amount" in the Qualifier Attribute, select "Between" as operator, enter 1000 in the "Value from" field, leave the "Value to" field blank. Save.
3. For the purpose of this exercise, enter your customer name as an additional qualifier. So go to next line in the line qualifier form, enter 1 in the grouping number, select "Customer" in the Qualifier Context, select "Customer Name" in the Qualifier Attribute, select "=" as operator, select "XX-Customer New" in the value from field (where XX are your initials). Save.

Now you can enter the coupon as a condition for the \$20 lumpsum discount modifier being applied.

1. Query up your Modifier List XX-Disc.
2. Go to the Modifier number "XX-CoupD" in the Modifier Summary tab.
3. Click on the List Qualifier tab. Press Cancel, to get to the "QUALIFIER-Line Level Qualifiers" form.
4. Enter 1 in the grouping number, select "Modifier List" in the Qualifier Context, select "Coupon Number" in the Qualifier Attribute, select "Between" as operator, enter XX-Coup in the "Value from" field, leave the "Value to" field blank. Save.

Note: at this point in time you can not select "=" as operator since no coupons have been created yet. However, you will see later in this exercise that the pricing engine will add a line qualifier, where coupon number = issued coupon number.

Automatic Issue of Coupons

Enter a sales order for XX-Customer New, at the sales order line level enter your item XX-item with a quantity which ensures the sales order line amount is more than \$2000. Book the sales order.

At Order Header level, click the Action button, select "View Adjustments". You will see that a coupon has been issued with number XX-Coup2. At Order Header level you will see the last coupon number being issued. Go to the first line on the sales order, click the Action button, select "View Adjustments". You will see that a coupon has been issued with number XX-Coup1. At the Order Line level you can find the first coupon being issued.

Go to Modifiers (Navigate: Pricing -> Modifiers) and query up your modifier list XX-Disc. Then go to the Modifier Summary Line, click on the Line Qualifiers button. You will see that the pricing engine has created additional qualifiers, which ensures that the discount is only applied when one of the created coupon number is quoted.

Redeem and issue coupons

Enter a sales order for XX-Customer New, at the sales order line level enter your item XX-item with a quantity which ensures the sales order line amount is more than \$2000. Save.

Go to Actions, select Promotions/pricing attributes, select the Coupon tab.

From the list of values, select coupon number XX-Coup1 and press Apply button.

The line price should be decreased by \$20.

Book the sales order.

On the Order Header Level, click the Action button, select "View Adjustments". You will see that the last coupon being issued on this sales order is XX-Coup4.

Other Item Discount Modifiers

The screenshot shows a dark blue background with the title 'Other Item Discount Modifiers' in white. Below the title are two red rectangular boxes. The left box contains the text 'Other Item Discount'. The right box contains the text 'Buy items A , B, and C; get 20% off item A'. At the bottom right of the screenshot is the Oracle logo, and at the bottom left is the copyright notice: 'Copyright © Oracle Corporation, 2000. All rights reserved.'

Other Item Discount Modifier Scenarios

Scenario 1

Customers who buy more than three meters of fabric across an order receive 10% off thermal curtain linings and 5% off drapery services.

Create a modifier.

Modifier Type: Other Item Discount

Modifier Level: Group of Lines

Product Attribute: Item Category

Product Attribute Value: Fabric

Volume Type: Item Quantity

Break Type: Point

UOM: Yard

Value From: 10

In the modifier details, enter the get products.

Product Attribute: Item

Product Value: Thermal Linings

Application Method: Percent

Value: 10

Product Attribute: Item

Product Value: Drapery Services

Application Method: Percent

Value: 5

Scenario 2

Customers who buy a set of six chairs, a coffee table, or two standard lamps receive 400 currency units off of a dining table.

Create a modifier.

Modifier Type: Other Item Discount

Modifier Level: Line

Product Attribute: Item

Product Attribute Value: Dining Chair

Volume Type: Item Quantity

Break Type: Point

UOM: Each

Value From: 6

In the modifier details, enter the related product.

Group No: 1

Product Attribute: Item

Product Value: Coffee Table

UOM: Each

Group No: 2

Product Attribute: Item

Product Value: Standard Lamp

Pricing Attribute: Item Quantity

Operator: Between

Value From: 2

UOM: Each

In the modifier details, enter the get product.

Product Attribute: Item

Product Value: Dining Table

Application Method: Amount

Value: 400

Entering Other Item Discount Information Process

Entering Other Item Discount Information Process

Use the **Entering Other Item Discounts and Promotions Information** process to enter modifier list line information specific to other item discounts.

Use the Navigator path below to navigate to the **Define Modifier** window and consult **Oracle Applications Help** for information about performing the process.

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(N) Oracle Pricing Manager > Modifiers > Modifier Setup
(Help) Oracle Pricing > Modifiers > Overview of Modifiers

Practice 20: Other Item Discount

Practice 20: Other Item Discount

This practice covers creating other item discount modifiers.

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Practice 20: Other Item Discount

Consult with your instructor for more information about performing this practice.

Promotions Modifiers

Promotions Modifiers

Promotional Goods Buy one item A and one item B;
get one item C at 20% off

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Promotions Modifier Scenarios

Scenario 1

Customers who buy one bottle of shampoo receive a free bottle of conditioner.

Create a modifier.

Modifier Type: Promotional Goods

Modifier Level: Line

Product Attribute: Item

Product Attribute Value: Shampoo

Volume Type: Item Quantity

Break Type: Recurring

UOM: Each

Value From: 1

In the modifier details, enter the get product.

Product Attribute: Item

Product Value: Conditioner

Get Quantity: 1

Get Price: <price list line for conditioner>

Get UOM: Each

Application Method: Percent

Value: 100

Scenario 2

Customers who buy two bottles of shampoo receive 10% off the purchase of a third bottle of shampoo.

Create a modifier.

Modifier Type: Promotional Goods

Modifier Level: Line

Product Attribute: Item

Product Attribute Value: Shampoo

Volume Type: Item Quantity

Break Type: Recurring

UOM: Each

Value From: 2

In the modifier details, enter the get product.

Product Attribute: Item

Product Value: Shampoo

Get Quantity: 1

Get Price: <price list line for shampoo>

Get UOM: Each

Application Method: Percent

Value: 10

Scenario 3

Customers who spend over 45 currency units on an order receive a free cosmetic bag.

Create a modifier.

Modifier Type: Promotional Goods

Modifier Level: Order

In the Line Qualifiers window, create a qualifier.

Grouping Number: 1

Qualifier Context: Volume

Qualifier Attribute: Order Amount

Operator: Between

Value From: 45

In the modifier details, enter the get product.

Product Attribute: Item

Product Value: Cosmetic Bag

Get Quantity: 1

Get Price: <price list line for cosmetic bag>

Get UOM: Each

Application Method: Percent

Value: 100

Entering Promotions Information Process

Entering Promotions Information Process

Use the **Entering Other Item Discounts and Promotions Information** process to enter modifier list line information specific to promotions.

Use the Navigator path below to navigate to the **Define Modifier** window and consult Oracle Applications Help for information about performing the process.

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(N) Oracle Pricing Manager > Modifiers > Modifier Setup
(Help) Oracle Pricing > Modifiers > Overview of Modifiers

Practice 21: Promotional Goods

Practice 21: Promotional Goods

This practice covers creating promotional goods modifiers.

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Practice 21: Promotional Goods

Consult with your instructor for more information about performing this practice.

Price Break Modifiers

Price Break Modifiers

Price Break <ul style="list-style-type: none">• 1-100 units item A, 100 currency units each• 101-500 units item A, 75 currency units each• More than 500 units item A, 50 currency units each	Point: Order 150 item A, receive 150 item A @ 75 currency units each
	Range: Order 150 units item A, receive 100 item A @ 100 currency units each and 50 item A @ 75 currency units each

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Price Break Modifier Scenarios

Scenario 1

All employees in Company ABC's mobile phone plan receive per minute discounts based on minutes used, as follows:

- 0-120 minutes: 0.5 currency units per minute
- 121-240 minutes: 0.10 currency units per minute
- 241-420 minutes: 0.12 currency units per minute
- > 421 minutes: 0.15 currency units per minute

A customer who uses 150 minutes receives the following discounts:

0.5 currency unit per minute discount on 120 minutes

0.10 currency unit per minute discount on 30 minutes

Create a modifier.

Modifier Type: Price Break Header

Modifier Level: Line

Product Attribute: Item

Product Attribute Value: Minutes

Volume Type: Item Quantity

Break Type: Range

Adjustment Type: Discount

In the Price Break Lines region, enter the break lines.

Value From: 0
Value To: 120
Application Method: Amount
Value: 5
Value From: 121
Value To: 240
Application Method: Amount
Value: 10
Value From: 241
Value To: 420
Application Method: Amount
Value: 12
Value From: 421
Application Method: Amount
Value: 15

In the Line Qualifiers window, create a qualifier for the price break modifier.

Grouping Number: 1
Qualifier Context: Customer
Qualifier Attribute: Customer Name
Operator: =
Value From: ABC

Scenario 2

Customers who buy cases of TY brand products across an order receive a percent rebate per case as follows:

- 1 - 500 cases: 2% rebate per case
- 501 - 1000 cases: 3% rebate per case
- > 1000 cases: 5% rebate per case
- Create a modifier.
- Modifier Type: Price Break Header
- Modifier Level: Group of Lines
- Product Attribute: Item Category
- Product Attribute Value: TY
- Volume Type: Item Quantity
- Break Type: Point
- UOM: Case
- Adjustment Type: Discount
- Select Accrue
- In the Price Break Lines window, enter the break lines.
- Value From: 1

- Value To: 500
- Application Method: Percent
- Value: 2
- Value From: 501
- Value To: 1000
- Application Method: Percent
- Value: 3
- Value From: 1001
- Application Method: Percent
- Value: 5

Entering Price Break Information Process

Entering Price Break Information Process

Use the **Entering Price Break Information** process to enter modifier list line information specific to price breaks.

Use the Navigator path below to navigate to the **Define Modifier** window and consult Oracle Applications Help for information about performing the process.

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(N) Oracle Pricing Manager > Modifiers > Modifier Setup
(Help) Oracle Pricing > Modifiers > Overview of Modifiers

Changing Modifier Incompatibility Process

Changing Modifier Incompatibility Process

Use the Changing Modifier Incompatibility process to review and change incompatibilities on one form. When you query incompatibility levels for a specific phase, you see the modifier lines attached to each incompatibility group and can assign them to a new incompatibility level.

Use the Navigator path below to navigate to the Modifier Incompatibility Setup window and consult Oracle Applications Help for information about performing the process.

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ORACLE

(N) Oracle Pricing Manager > Modifiers > Modifier Incompatibility Setup

(Help) Oracle Pricing > Modifiers > Overview of Modifiers

Manual Adjustments

Manual Adjustments

- **In the Modifiers form:**
 - **Clear Automatic**
 - **Clear Override**
- **In the Sales Order form:**
 - **Click Actions**
 - **Create new line and choose Modifier Name = Manual Adjustment**
 - **Click Apply**
- **In Sales Order form, Line Items tabbed region, select from the Unit Selling Price list of values**

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Manual Adjustments

Release 11i3 changes overtyping unit Selling price irregularities.

Oracle Order Management verifies that:

- The user has authority to manually override the selling price through profile option OM: Discounting Priviledges:
 - Unlimited: All manual adjustments
 - Non-Overridable Only: Only non-overridable manual adjustments
- The order allows manual override of selling price (clear Enforce List Price for the order type).

Basic and Advanced Overrides

- Basic: Pricing Phase defaults, you can override the price when you leave or save the line.
- Advanced Pricing: For each phase, set manual adjustments as list line adjustments.

Manual Overridable Adjustments

Manual Overridable Adjustments

- In the Modifiers form:
 - Clear Automatic
 - Check Override
- In the Sales Order form:
 - Click Actions
 - Create new line and choose Modifier Name = Manual Adjustment
 - Override the adjustment and enter a reason
 - Click Apply
- In Sales Order form, Line Items tabbed region, overtype Unit Selling Price

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You enter one of the following fields in the Adjustment window, depending on the modifier application method:

- Lumpsum: Enter Lumpsum
- Percent: Enter Rate
- New Price: Enter New Price
- Amount: Enter Amount Reduced

Practice 22: Create a Manual Discount

Practice 22: Create a Manual Discount

This practice covers creating manual discounts.

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Practice 22: Create a Manual Discount

To set up a manual discount, you need to have a modifier set up that is not automatic and is overrideable at the line level. The modifier should not be specific to any Product Attribute, unless you want to restrict the manual discount to certain items. You can apply a manual discount at list line level or all lines level. You must have the profile flag to allow override set to yes and the order type must allow override of a selling price. Once this is set up, you can override the price at the order line or override any manual discounts in the view adjustments screen.

(N) Modifier- Modifier Setup.

Modifier type = Discount List

1. Enter XX2-Manual Discount in the modifier list number field and in the name field.
2. Active box should be checked
3. Automatic box should be unchecked.
4. Enter 1 in the version field
5. Enter today's date in the start date field.

Go to the Modifiers Summary Tab.

6. Modifier No: 1
7. Level: Line
8. Automatic: Unchecked
9. Override: Checked.

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10. Modifier Type: Discount
 11. Pricing Phase: List Line Adjustment
 12. Incompatibility Group: leave blank.
 13. Bucket: Leave blank (should be null bucket).
- Go to the Discounts/Charges Tab
14. Application Method: Percent
 15. Value: 0.
 16. Save your work.

Since the modifier is overrideable you can change the percent value, when you apply the modifier on the sales order.

Switch responsibility to Order Management, Super User, Vision Operations.

(N) Orders, Returns- Sales Orders.

Create a Sales Order for your XX-Big City Electronics Wholesale and your price list XX-Price List and your item XX-Phone. At sales order line level pick your item XX-Phone, enter 1 in the quantity field, pick today's date in the scheduled ship date, pick exempt in the tax field. Save your work.

Go to the Action button and select "View Adjustments", pick in the Modifier Number field your manual discount XX2-Manual Discount. You will see that the Modifier value field is updateable. Do not enter any data now, but realize that you could enter a value now and press apply to adjust the unit selling price.

Instead use the second way to manually adjust the price. So, cancel out of the view adjustments form and click in the unit selling price field. Enter a price which is 10% lower than the current unit selling price and save.

Now go to Action button again, view adjustments. You will notice that the value of the modifier has changed from 0 to 10. Cancel out of the view adjustments form.

There are two ways to manually adjust a unit selling price, once the possibility is created through setups:

- Method1: By overriding the value in the unit pricing field.
- Method2: by going through Action- View Adjustments, entering a value for the discount and pressing apply.

Calculate Price Flag

Calculate Price Flag

- In Sales Order form, Line Items tab, go to Pricing tab to find Calculate Price Flag
- Calculate Price Flag on an order line controls if pricing/charge calculate should be done on the line:
 - If it is set to Calculate Price: both pricing and freight freight charges calculation are done
 - If it is set to Partial Price: only freight charges calculation is done
 - Freeze Price: neither pricing nor freight charges calculation is done

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Calculate Price Flag and Split Order Lines

Calculate Price Flag	Original Line before split: Calculate Price	Original line before split: Partial Price	Original line before split: Freeze Price
Original line after user initiated split	Calculate Price	Partial Price	Freeze Price
New line after user initiated split	Calculate Price	Partial Price	Freeze Price
Original line after system initiated split	Partial Price	Partial Price	Freeze Price
New line after system initiated split	Freeze Price	Freeze Price	Freeze Price

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Calculate Price Flag and Split Order Lines

To determine control of a split order line, refer to the after split value of the calculate price flag in the table.

Reprice Orders

- **Changing some order line attributes triggers repricing; for example, Item, Ordered Quantity, Unit of Measure, Pricing Date, Price List.**
- **To manually reprice:**
 - **Click Actions.**
 - **If you changed the price on the price list line, select Price Line to fetch the new price and reprice line adjustments.**
 - **If you changed the order level modifiers, select Price Order to reprice order and line adjustments.**

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Accruals

- **Types:**
 - **Monetary**
 - **Non-monetary: For example, the customer accrues 10 airline frequent flyer credits for each item they purchase.**
- **The pricing engine uses them in price calculations and passes them to the calling application.**

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Accruals

- Do not affect the selling price of an order line
- Do not appear as chargeable items on invoices
- Create an adjustment record in the database
- You can:
 - Assign expiration dates to accruals
 - Mark accruals redeemed
 - Use buckets with monetary accruals

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Accruals Scenario

Accruals Scenario				
Bkt	Modifier	Price Adj	Bkt Subtot	Sell Price
				100.00
1			(7.00)	93.00
2			(5.00)	88.00
3			(6.80)	81.20
Null			(15.00)	66.20
1	10% accrual	(10.00)		
1	5% accrual	(5.00)		
2	10% accrual	(9.30)		

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Redeeming Accruals Process

Redeeming Accruals Process

Use the Redeeming Accruals process to mark accrued price adjustments as redeemed and record redemption transaction information. In addition, you can unredeem coupons recorded as redeemed in error.

Use the Navigator path below to navigate to the Accrual Redemption window and consult Oracle Applications Help for information about performing the process.

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(N) Oracle Pricing Manager > Modifiers > Accrual Redemption
(Help) Oracle Pricing > Modifiers > Overview of Modifiers

Review Question

Review Question

With which modifier list type do you associate with accrual processes?

1. Item substitution
2. Coupon
3. Terms substitution
4. Other item discount

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Review Question

Review Question

With which modifier list type do you associate with accrual processes?

1. Item substitution
2. Coupon
3. Terms substitution
4. Other item discount

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Practice 23: Modifier List Practice

Practice 23: Modifier List Practice

This practice covers creating a modifier list with multiple modifiers.

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Practice 23: Modifier List Practice

Your customer is eligible for 4 different discounts (10%, 10%, 10% and 5%) and a surcharge of \$13. The three 10% discounts will be applied when the order has been entered and saved and the \$13 surcharge and 5% discount will be applied when the order has been booked. The first two 10% discounts are to be added together and applied to the defaulting price, followed by the third 10% discount and \$13 surcharge which are to be applied to the resulting price. The 5% discount will then be deducted from the result.

Oracle Pricing Manager Responsibility

(N) Modifiers - Modifier Setup

(T) Main

1. Select 'Discount List' from LOV in the Type field.
2. Enter XX-DISCOUNT-LIST (where XX is your initials) in the Number field.
3. Enter XX's Discount List (where XX is your initials) in the Name field.
4. Enter a description for your discount list in the Description field.
5. Tick the Active check box.
6. Tick the Automatic check box.
7. Click on the List Qualifiers button.
8. Tick the 'XX-QUALIFIER-GROUP' (where XX is your initials) check box.
9. Click the OK button.

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10. You should now see your qualifiers assigned.
11. Click the OK button.

Modifier 1 - 10% Discount

(T) Modifiers Summary

12. Enter 1 in the Modifier No field.
13. Select 'Line' from LOV in the Level field.
14. Select 'Discount' from LOV in the Modifier Type field.
15. Select 'List Line Adjustment' from LOV in the Pricing Phase field.
16. Select 1 from LOV in the Bucket field.

(T) Discounts/Charges

17. Select 'Percent' from LOV in the Application Method field.
18. Enter 10 in the Value field.
19. Save your work.

Modifier 2 - 10% Discount

(T) Modifiers Summary

20. Enter 2 in the Modifier No field.
21. Select 'Line' from LOV in the Level field.
22. Select 'Discount' from LOV in the Modifier Type field.
23. Select 'List Line Adjustment' from LOV in the Pricing Phase field.
24. Select 1 from LOV in the Bucket field.

(T) Discounts/Charges

25. Select 'Percent' from LOV in the Application Method field.
26. Enter 10 in the Value field.

Modifier 3 - 10% Discount

(T) Modifiers Summary

27. Enter 3 in the Modifier No field.
28. Select 'Line' from LOV in the Level field.
29. Select 'Discount' from LOV in the Modifier Type field.
30. Select 'List Line Adjustment' from LOV in the Pricing Phase field.
31. Select 2 from LOV in the Bucket field.

(T) Discounts/Charges

32. Select 'Percent' from LOV in the Application Method field.
33. Enter 10 in the Value field.

Modifier 4 - \$13 Surcharge

34. Enter 4 in the Modifier No field.
35. Select 'Line' from LOV in the Level field.

36. Select 'Surcharge' from LOV in the Modifier Type field.
37. Select 'Modifiers for BOOK Event' from LOV in the Pricing Phase field.
38. Select 2 from LOV in the Bucket field.
(T) Discounts/Charges
39. Select 'Amount' from LOV in the Application Method field.
40. Enter 13 in the Value field.

Modifier 5 - 5% Discount

- (T) Modifiers Summary
41. Enter 5 in the Modifier No field.
42. Select 'Line' from LOV in the Level field.
43. Select 'Discount' from LOV in the Modifier Type field.
44. Select 'Modifiers for BOOK Event' from LOV in the Pricing Phase field.
45. Select 3 from LOV in the Bucket field.
(T) Discounts/Charges
46. Select 'Percent' from LOV in the Application Method field.
47. Enter 5 in the Value field.
48. Save your work.

Enter an Order

Order Management SuperUser, Vision Operations (USA) Responsibility

(N) Orders>Returns -> Sales Orders

(T) Order Information

(T) Main

49. Select XX-Big City Electronics Wholesale
50. Select 'Order Only' from LOV in the Order Type field.
51. Select 'XX-PRICE-LIST' (where XX is your initials) from LOV in the Price List field.
52. Select 'Lewis, Mr.Barry' from LOV in the Salesperson field.
(T) Line Items
- (T) Main
53. Select 'XX-Item1' (where XX is your initials) or 'AS54888' from LOV in the Ordered Item field.
54. Enter '1' in the Qty field.
55. Note the default price in the Unit Selling Price field. The value should be \$100.
56. Save your order. Record your order number.
57. Note the new price in the Unit Selling Price field. The value should be \$72.
58. Click on the Actions button.

59. Select 'View Adjustments' from the LOV. You should see that all three 10% discounts have been applied.
 60. Click the Cancel button.
 61. Click the Book Order button. A notification is displayed stating that the order has been booked. Click the OK button.
- (T) Line Items
62. Note the new price in the Unit Selling Price field. The value should be \$80.75.
 63. Click on the Actions button.
 64. Select 'View Adjustments' from the LOV. You should now see that all five discounts have been applied.
 65. Click the Cancel button.

Modifier List Lab Guide

Modifier List Lab Guide

Phase	Modifier	Bucket	Final Value
1	10%	1	90
1	10%	1	80
1	10%	2	72
2	\$13	2	85
2	5%	3	80.5

↑ Determine what is additive or not

Phase 1 = Entry
Phase 2 = Booking

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Practice 24: Modifier Incompatibility Practice

Practice 24: Modifier Incompatibility Practice

This practice covers working with modifier incompatibilities.

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Practice 24: Modifier Incompatibility Practice

The customer is only eligible for 2 of the 10% discounts. The customer is eligible for both the \$13 surcharge and the 5% discount.

The customer is only eligible for 2 of the 10% discounts. The customer is eligible for both the \$13 surcharge and the 5% discount.

Oracle Pricing Manager Responsibility

(N) Modifiers -> Modifier Setup

(T) Main

1. Find your Discount List - XX-DISCOUNT-LIST (where XX is your initials).

(T) Modifiers Summary

2. Place the cursor on Modifier No 1.

3. Select 'Level 1 Incompatibility' from LOV in the Incompatibility Group field.

4. Enter 20 in the Precedence field.

5. Save your work.

6. Place the cursor on Modifier No 2.

7. Select 'Level 2 Incompatibility' from LOV in the Incompatibility Group field.

8. Enter 30 in the Precedence field.

9. Save your work.

10. Place the cursor on Modifier No 3.

11. Select 'Level 1 Incompatibility' from LOV in the Incompatibility Group field.

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12. Enter 10 in the Precedence field.
13. Save your work.
14. Place the cursor on Modifier No 4.
15. Select 'Level 1 Incompatibility' from LOV in the Incompatibility Group field.
16. Save your work
17. Place the cursor on Modifier No 5.
18. Select 'Level 2 Incompatibility' from LOV in the Incompatibility field.
19. Save your work.

Enter an Order

Order Management SuperUser, Vision Operations (USA) Responsibility

(N) Orders>Returns -> Sales Orders

(T) Order Information

(T) Main

20. Select XX-Big City Electronics Wholesale

21. Select 'Order Only' from LOV in the Order Type field.

22. Select 'XX-Price List

23. Select 'Lewis, Mr.Barry' from LOV in the Salesperson field.

(T) Line Items

(T) Main

24. Select XX-Phone

25. Enter '1' in the Qty field.

26. Note the default price in the Unit Selling Price field. The value should be \$100.

27. Save your order. Record your order number.

28. Note the new price in the Unit Selling Price field. The value should be \$80.

29. Click on the Actions button.

30. Select 'View Adjustments' from the LOV. You should see that only the first two 10% discounts have been applied.

31. Click the Cancel button.

32. Click the Book Order button. A notification is displayed stating that the order has been booked. Click the OK button.

(T) Line Items

33. Note the new price in the Unit Selling Price field. The value should be \$88.35.

Modifier Incompatibility Lab Guide

Modifier Incompatibility Lab Guide

Level	Phase	Precedence	Modifier	Bucket	Final Value
1	1	20	10%	1	90
2	1	30	10%	1	80
1	1	10	10%	2	72
1	2		\$13	2	85
2	2		5%	3	80.5

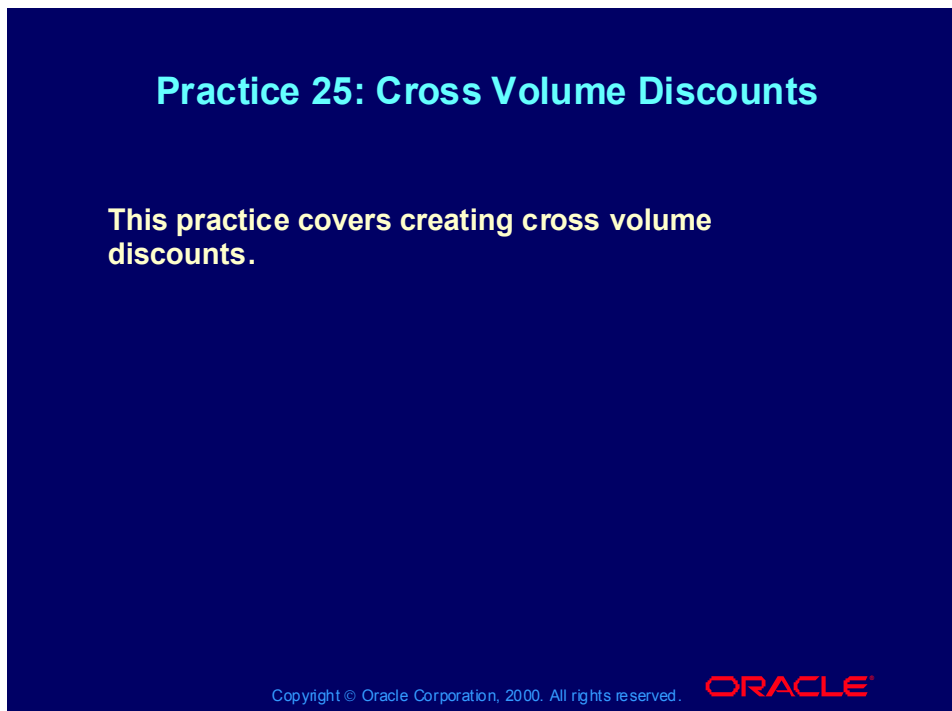
↑ Isolates conflicting rules within phases

↑ Determine what is additive or not

Phase 1 = Entry
Phase 2 = Booking

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Practice 25: Cross Volume Discounts



Practice 25: Cross Volume Discounts

This practice covers creating cross volume discounts.

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Practice 25: Cross Volume Discounts

As with other modifiers, cross order volume discounts can be set up for all customers and regardless of the items they have bought, over a pre-defined period of time. Or for example, for one specific customer and for one specific item over a pre-defined period of time.

Example 1 "Happy New Year Discount":

You would like to motivate your customers to spend at least \$10,000 in the month of December. You decide to give \$100 discount in the first week of January for each sales order with a request date before the 15th of January and an amount of \$1000 or more, for those customers, who spent more than \$10,000 in December.

Note of Caution: you should only run the "Cross Order Volume Load" report once for the cross order modifier you set up, on the ending date of your action (31st of December in this example). You should also be specific on the period of time a customer can benefit from the action (e.g. only 1 week) and ensure the benefit is still in line with the order value (e.g. only for orders with a value of \$1000 or more).

This example can not be used as a class exercise. Use the second example instead. The trainer could demonstrate the first example by:

- n adjusting the start and end date of the modifier to today's date
- n adding a chosen customer (e.g. CDS, Inc) as line qualifier
- n adjusting the dates in which the order line request date should fall (e.g. Value from = today, Value to = today + 7 days)
- n adjust the report date in the "Cross Order Volume Load" to today.

Setups for Example 1 "Happy New Year Discount"

To define the Cross Order Volume Period:

1. Switch to the System Administrator Responsibility. Navigate: Profiles -> System profiles. Enter %QP%Cross% in the Profile field and press the find button. Enter 30 in the Profile option for PERIOD1_ORDER_AMOUNT. The cross order volume period is always expressed in days.

To define the \$100 Discount:

1. In Oracle Order Management Super User, Vision Operations responsibility, navigate to Pricing -> Modifiers.
2. Create a new modifier. Modifier Type = Discount list, Modifier List Number = HNY-Disc (Happy New Year Discount), Modifier List Name = HNY-Disc. Active box is unchecked (to ensure it will not be applied and is only used for review purposes). Automatic box is unchecked.
3. In the Modifier Summary, modifier number = COD1 (Cross Order Discount 1, Modifier Level = Group of Lines, Modifier Type = Discount, Start date = 01/01/2001 (MM/DD/YYYY), End Date = 01/07/2001. Applied Automatic = yes, Pricing Phase = Modifier for Book Event. Incompatibility Group = Level 1 Incompatibility. Bucket = 1.
4. Go to the Discount/Charges tab and enter "Lumpsum" in the Application Method field. Enter 100 in the value field. Note: "Amount" discount will discount the item's unit selling price and not the order amount.
5. Go to the Line Qualifiers. Enter 1 in the grouping number field, select "Volume" in the Qualifier Context field, select "Period 1 Order Amount" in the qualifier attribute field. Select "Between" as operator. Enter 10000 in the Value From field. Leave the Value to field blank.
6. Go to the next line in the Line Qualifiers field. Enter 1 in the grouping number field, select "Volume" in the Qualifier Context field, select "Order Amount" in the qualifier attribute field. Select "Between" as operator. Enter 1000 in the Value From field. Leave the Value to field blank.
7. Go to the next line in the Line Qualifiers field. Enter 1 in the grouping number field, select "Order" in the Qualifier Context field, select "Request date" in the qualifier attribute field. Select "Between" as operator. Enter 01/01/2001 in the Value from field and enter 01/15/2001 in the Value To field.
8. Save your work.

To calculate whether a customer has a right on the Cross Order Volume Discount:

1. In the Oracle Pricing Manager responsibility, navigate to Reports. Single Request = yes. Select the report title "Cross Order Volume Load" from the list of values. Enter the operating unit, if you want to run the report for a specific OU. Enter the date for which you want to run the report (in this example 31 Dec. 2000). Press submit. Check via View (menu bar), Requests, whether the report has completed successfully.

To test whether the \$100 discount applied as Cross Order Volume Discount:

1. In the Oracle Order Management Super User, Vision Operations responsibility, navigate to Orders>Returns -> Sales Orders.
2. Enter an order for a customer of which you are sure spent more than \$10,000 in the cross order volume period. Ensure the order amount is less than \$1000. Make sure the order date is within the start and end date of the modifier and the sales order line request date is before the 15th of January 2001. Book the order. The \$100 should not be applied, because the order value is not sufficient.
3. Enter a second sales order for the same customer and ensure the order amount is more than \$1000. Make sure the order date is within the start and end date of the modifier and the sales order line request date is before the 15th of January 2001. Book the order. The \$100 should be applied. Check via the Actions button, View Adjustments.
4. Enter a third sales order for the same customer. Ensure the order amount is more than \$1000. Make sure the order date is within the start and end date of the modifier and the sales order line request date is after the 15th of January 2001. Book the order. The \$100 should not be applied, because the request date is too far into the future.

If you want to restrict a Cross Order Volume Discount to a specific item, you do not enter the "Period1 Order Amount" as a list line qualifier. Instead, you enter the "Period1 Item Amount" or "Period1 Item Quantity" as Volume Type in the Modifier Summary Line (modifier type = price break header). This will be demonstrated in the second example (also class exercise).

Example 2 "Anniversary Discount for Item of The Year"

One year ago, you introduced a new item, which you called "Item of the Year" in your sales campaigns. You would now like to give one Item of the Year for free on the item's Anniversary Day, if the customer has ordered more than 100 of these items in the last year. To get the item for free, the customer should also place an order for your "Item of the Year" on the anniversary day of the "Item of the Year".

The item for free could be set up as a Promotion Modifier type (buy one get one free). However in this exercise the customer gets maximum one item for free,

regardless whether he buys 1 or 10 "Items of the Year" on the item's anniversary day.

For the purpose of the exercise, the above will be setup as an exclusive modifier and for each team restricted to the team's customer (XX-Customer).

To define the Cross Order Volume Period:

1. Switch to the System Administrator Responsibility. Navigate: Profiles -> System profiles. Enter %QP%Cross% and press the find button. Enter 365 in the Profile option for PERIOD1_ORDER_AMOUNT. The cross order volume period is always expressed in days.

To define the "One Item for Free" as a Discount:

1. In Oracle Order Management Super User, Vision Operations responsibility, navigate to Pricing -> Modifiers.
2. Create a new modifier. Modifier Type = Discount list, Modifier List Number = XX-ANN-Disc (Your initials, Anniversary Discount), Modifier List Name = XX-ANN-Disc. Active box is checked. Automatic box is unchecked.
3. In the Modifier Summary, modifier number = XX-ANN, Modifier Level = Group of Lines, Modifier Type = Price Break Header, Start date = Today's date =End Date. We assume that today is the Anniversary day of the Item of the Year. Applied Automatic = yes, Pricing Phase = Modifier for Book Event.
4. Incompatibility Group = Exclusive. Bucket = 1.
5. Select "Item Number" in the Product Attribute field, select your item "XX-item1" in the pricing attribute field (for you the Item of the Year = XX-Item1).
6. Select "Period1 Item Quantity" in the Volume type field. Select "Point" in the break type field, select Between as operator, select Each as UOM, enter 100 in the Value From field, leave the Value to field blank.
7. Click on the Price Break Tab. Select Discount in the "Application Method" field.
8. Click on the "Define Details" button. Enter 1 in the "Value from" field, enter 99999 in the "Value to" field. Select "Lumpsum" in the Application Method field. Enter the base list price of your item in the value field (so if your item is priced at \$250, you enter 250 in the Value field). Save.
9. Go to the Line Qualifiers. Press cancel to create a new line qualifier. Enter 1 in the grouping number field, select "Customer" in the Qualifier Context field, select "Customer Name" in the qualifier attribute field. Select "=" as operator. Select your customer XX-Customer in the Value From field. Leave the Value to field blank. Press OK.
10. Make sure this customer has already ordered more than 100 of your item XX-item1. If not, enter and book a sales order for your customer XX-Customer, and your item XX-item1, and a quantity of 100, before you run the Cross Order Volume Load report.

THE FOLLOWING STEP CAN ONLY BE DONE ONCE THE WHOLE CLASS FINISHED THE PREVIOUS STEPS.

Step for the Trainer:

To calculate whether a customer has a right on the Cross Order Volume Discount:

1. In the Oracle Order Management Super User, Vision Operations responsibility, navigate to Reports. Single Request = yes. Select the report title "Load Cross Order Volume" from the list of values. Enter the date for which you want to run the report (in this example today's date). Press submit. Check via View (menu bar), Requests, whether the report has completed successfully.

To test whether the discount (equivalent to the base list price of your item XX-item1) will apply as Cross Order Volume Discount:

1. In the Oracle Order Management Super User, Vision Operations responsibility, navigate to Orders>Returns -> Sales Orders.
2. Enter an order for your customer XX-Customer and your item XX-item1 and quantity = 2. Book the order. The discount equivalent to the base price list of your item should have applied. So in fact your customer received one item for free. You can enter a new sales order tomorrow with the same details. The discount should no longer be applied since it was only valid for one day (the anniversary day).

If you want to complete your tests today:

- n ensure your second customer (XX-Customer2) has not ordered 100 or more of your XX-item1 (or select a seeded customer)
- n add XX-Customer2 in the line qualifier of the AnnDisc modifier, with grouping number 2 (so the condition reads: XX-Customer OR XX-Customer2)
- n enter and book a sales order for XX-Customer2 and XX-item1 (quantity of 5). The AnnDisc modifier should not be applied.

With the above setup a "malicious" customer could enter multiple sales orders for the Item of the Year in the item's anniversary day, each order for a quantity of one. The above setup would then result in giving multiple items for free to the same customer.

To prevent this, create an automatic temporary item hold (e.g. for 1 day) after the booking step. Query on hold, order date and request date. Review whether a customer has tried to benefit more than was intended. If so, contact the customer, explain the rules of your anniversary campaign again and agree on whether to combine or to cancel the orders.

Practice 26: Modifier Case Study

Practice 26: Modifier Case Study

This practice covers supporting a business scenario using modifiers.

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Practice 26: Modifier Case Study

Consult with your instructor for more information about performing this practice.

Agenda

Agenda

- Introduction
- Pricing engine
- Flexible attribute mapping
- Qualifiers
- Price lists
- Formulas
- Modifiers
- Agreements
- Reports
- Conclusion



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Summary

In this lesson, you should have learned how to:

- Explain the pricing features and functions of Oracle Applications release 11*i*.
- Execute common pricing processes in Oracle Applications release 11*i*.

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