

# Oracle R12 Advanced Pricing Training

Part 1

# Overview of Pricing

# Agenda

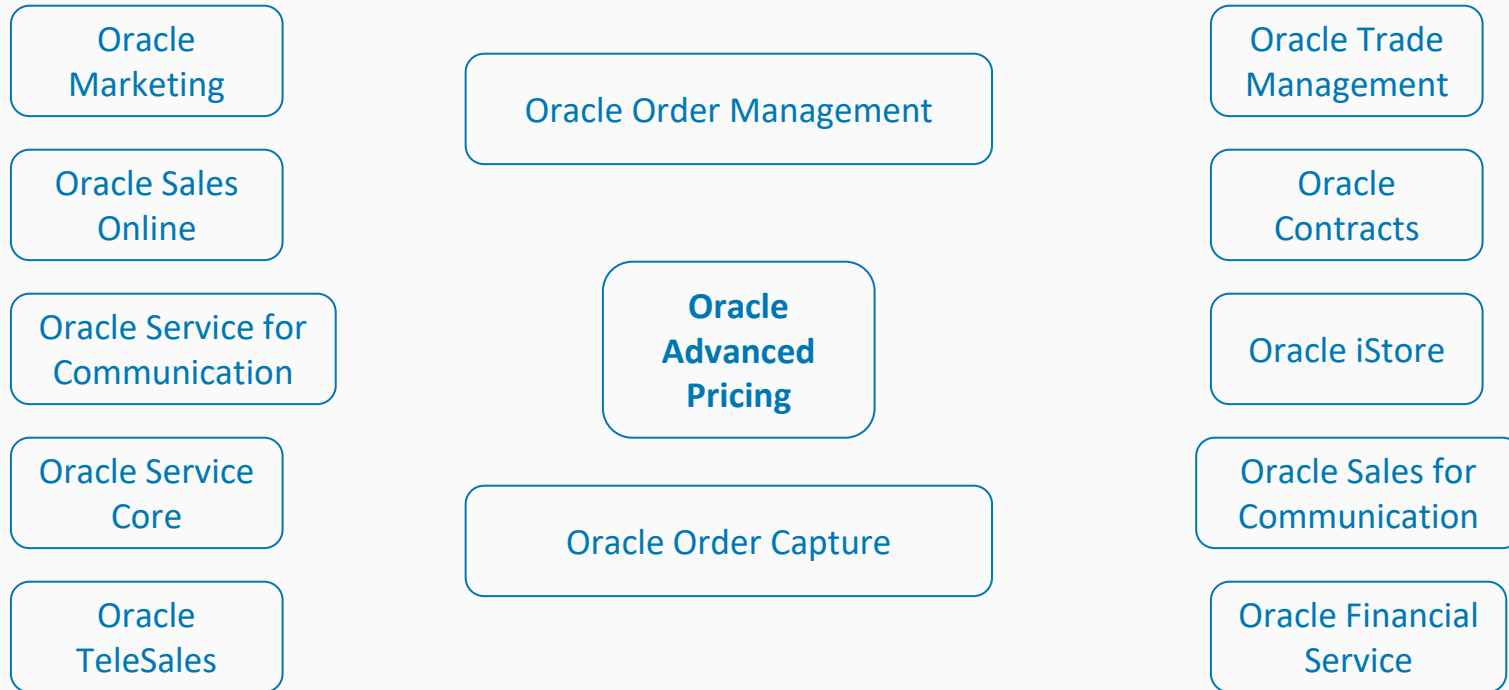
- Introduction to Advanced Pricing
- Pricing features and Concepts
- Using pricing and Pricing Engine
- Conclusion

# Objectives

After this module you should be able to:

- Explain the pricing features and functions of Advanced Pricing
- Describe how to use Oracle Advanced Pricing

# Pricing Footprint



# Review Question

Which Oracle Applications suites use pricing?

1. General Ledger and Cash Management
2. Order Management and Customer Relationship Management
3. Advanced Planning and Scheduling and Purchasing

# 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?

# The Pricing Concept: Product Hierarchy & Pricing Attributes

All Items of Grade - B

What is the item or service?

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



# The Pricing Concept: Qualifiers

- Customer Class/Type = Retail/Wholesale/Organization
- Order Type= Special/Holiday Sale

Who Qualifies?

Pricing qualifiers control who is eligible for certain prices and benefits

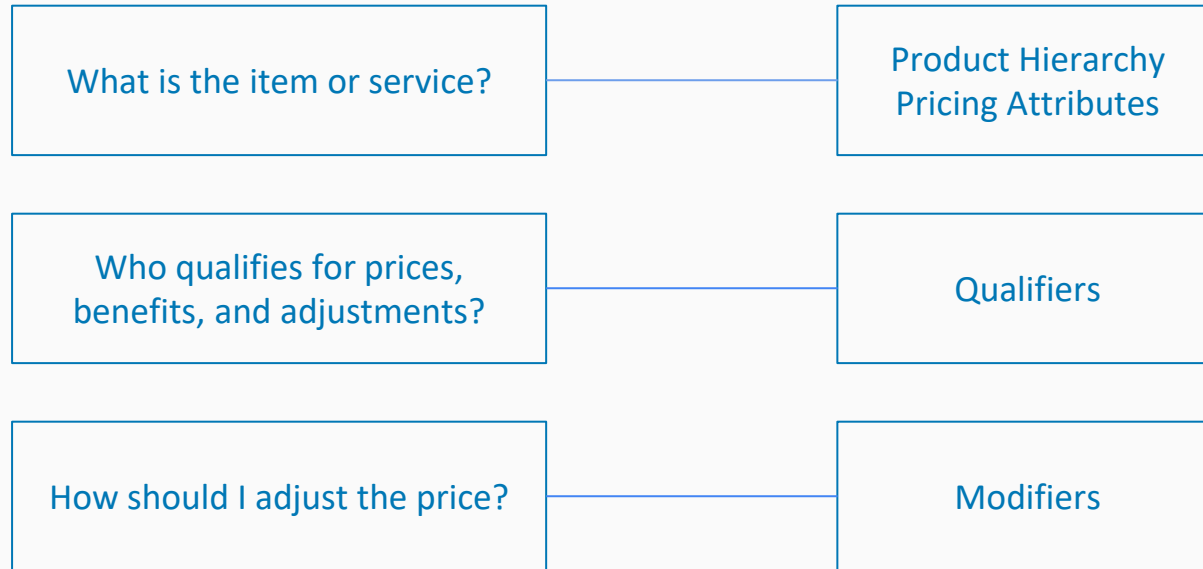
# The Pricing Concept: Modifiers

- Different types of Discounts- like \$10 off, or 2% of actual price
- Promotions and sales offer - Buy one get one free
- Get 480 ml bottle for the same price as 360 ml bottle
- Get a coupon for \$10 if you buy over \$300

How should I adjust the price?

Pricing modifiers control adjustments to the base price.

# The Pricing Concept

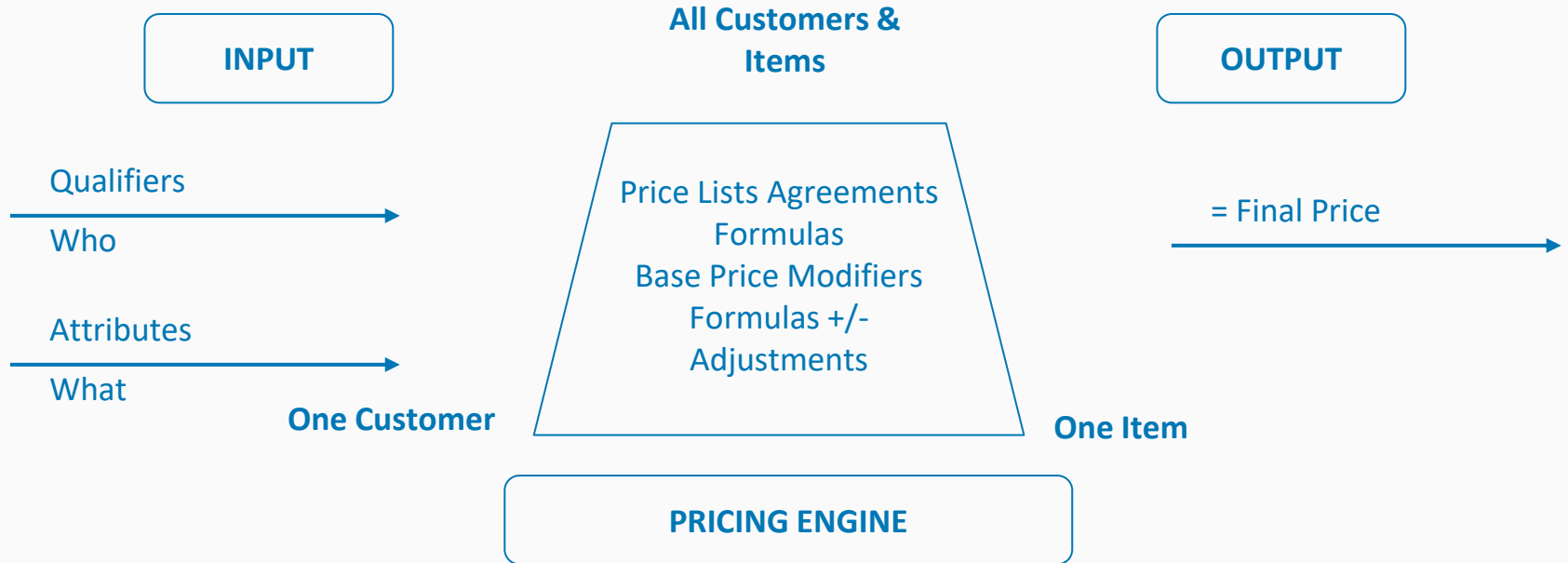


# Review Question

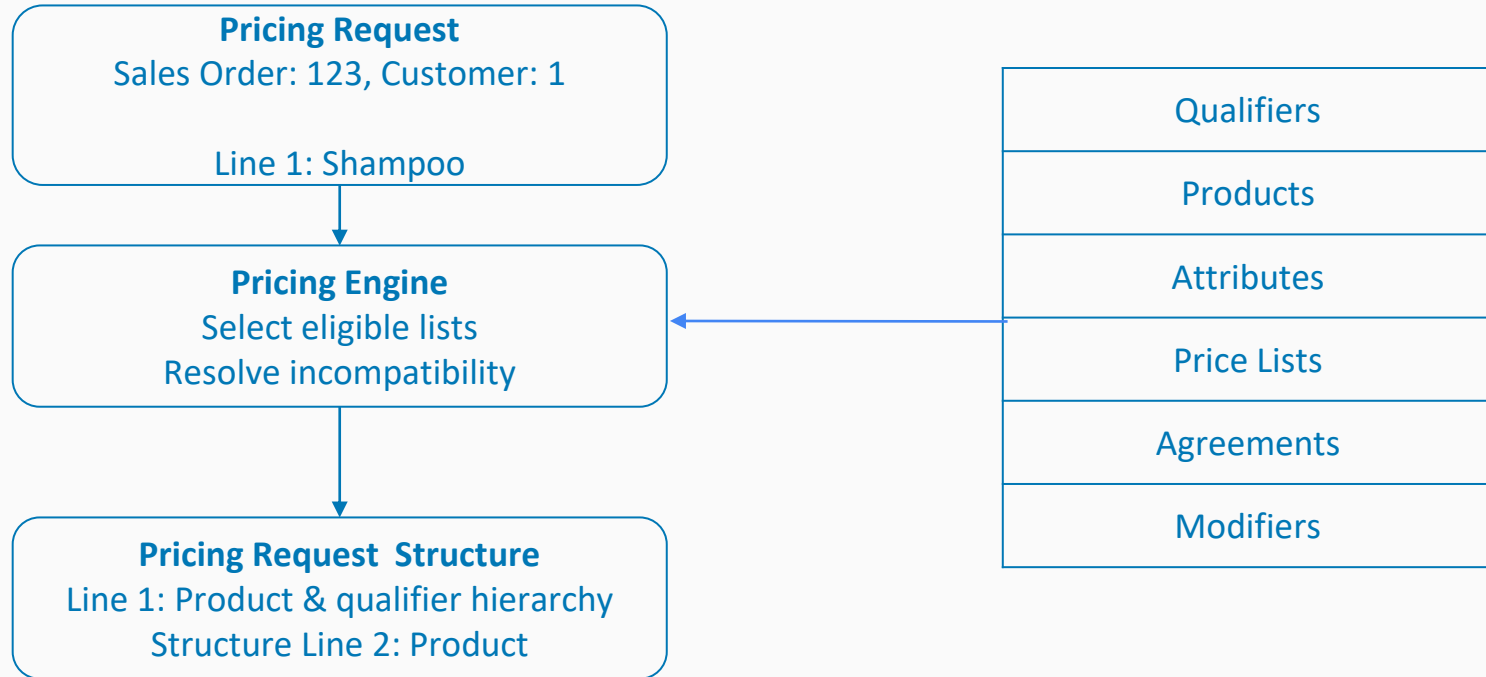
What component is not part of the pricing concept?

- Sourcing **rules**
- Pricing attributes
- Product hierarchy
- Modifiers
- Qualifiers

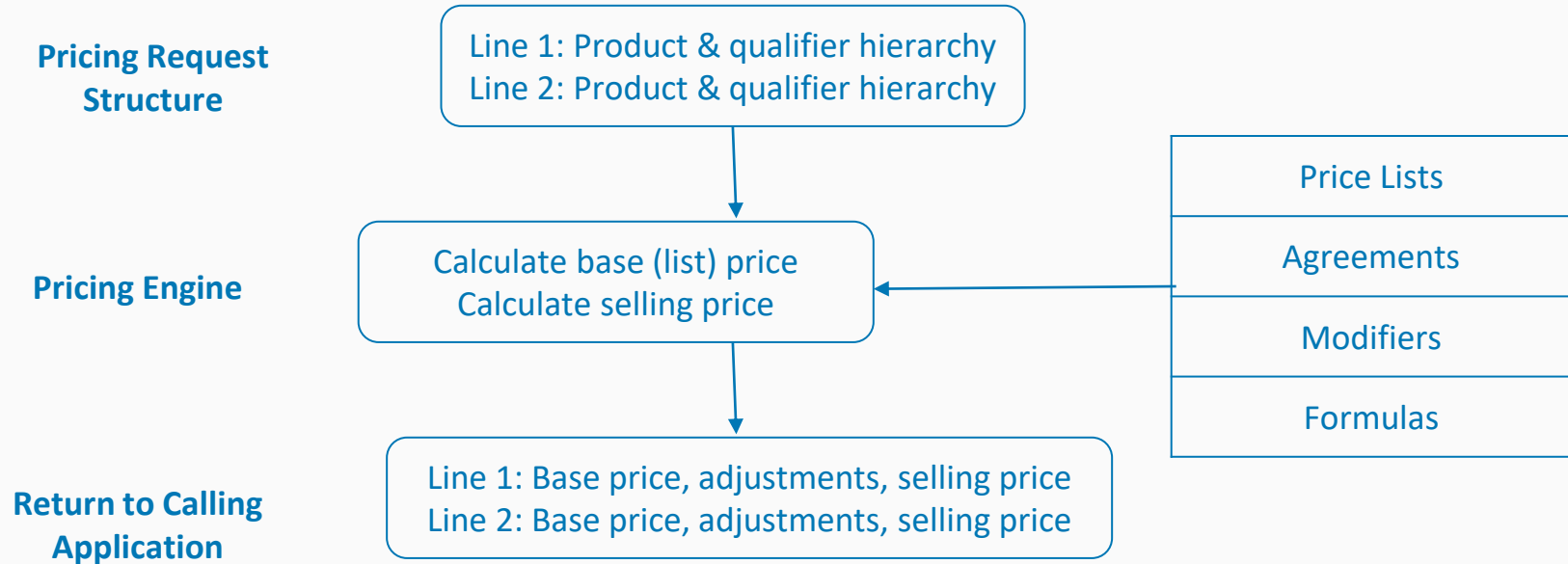
# The Pricing Concept



# The Pricing Process



# The Pricing Process



# Review Question

Which of following are not used directly by pricing engine to derive the price?

1. Modifiers
2. Qualifiers
3. Formulas
4. Employee Hierarchy



# Lets See in System

## Login into Oracle Application

In this step, user will open the link of Oracle Applications and logs into the application by providing correct **Username** and **Password**.

1. Open Oracle Applications link and enter Username and Password.
2. Click on the **Login** button to log into Oracle Applications.

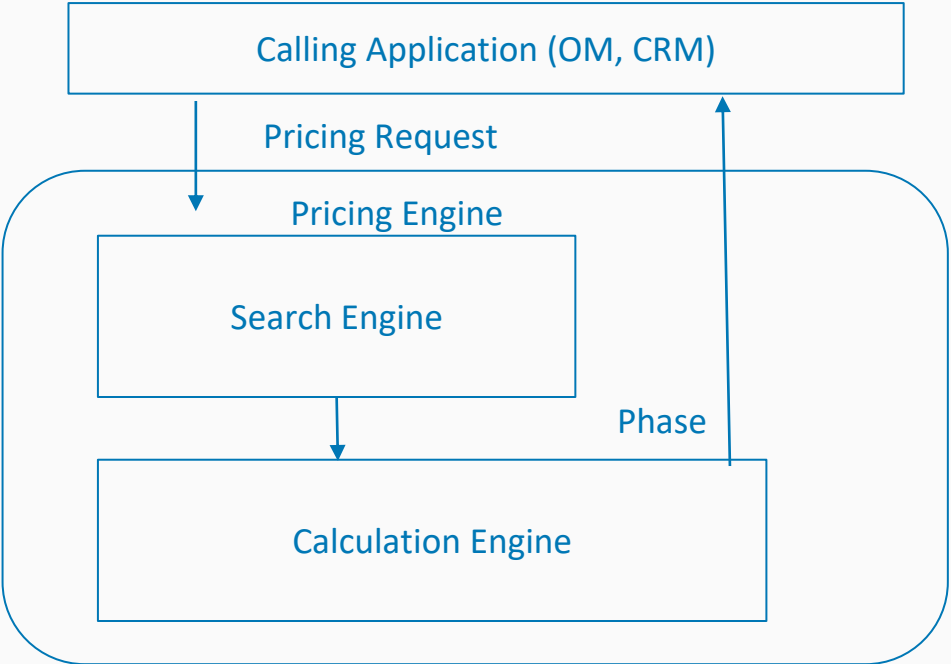
# Session - 2

## Pricing Features

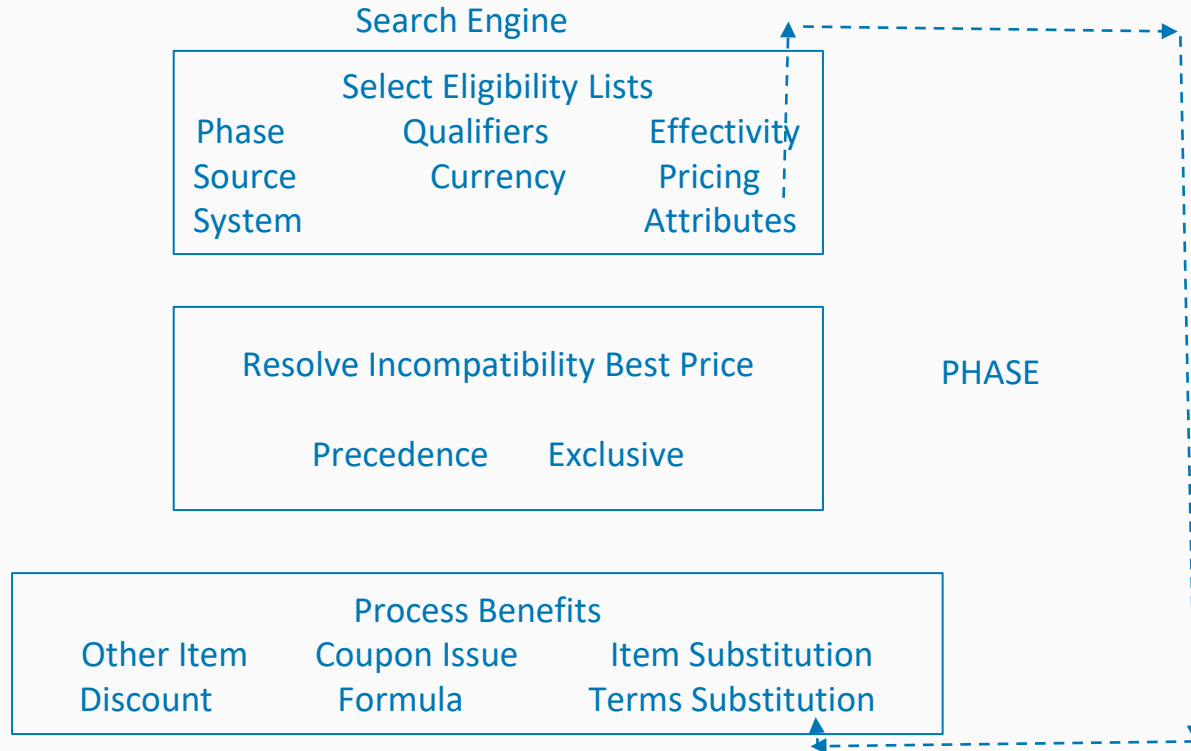
# Pricing Features

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

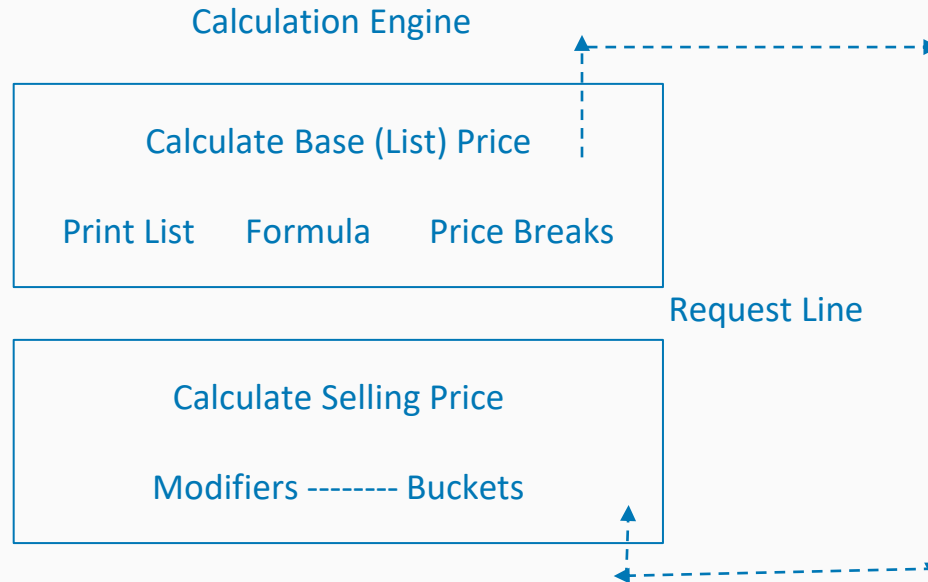
# Pricing Engine



# Pricing Engine



# Pricing Engine



# Flexible Attribute Mapping

Controls what the pricing engine:

- Prices
- Modifies

Map to:

- Customers
- Items
- Orders

# 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



# Price Lists

You can apply pricesto:

- Your entire business
- A single operating unit

# 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

# 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 pricelist.
- **Dynamically:** Each time the pricing engine receives a pricing request, it evaluates the formula and calculates a list price for the item.

# 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

# 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

# Review Question

Which pricing component can change the price for a line ?

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

# Modifiers

Discount

10% off item A

Surcharge

10% Surcharge for purchase of  
under 100 units of A

Freight/Special  
Charge

\$40 freight cost on entire order

# Modifiers

Item Upgrade

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

Terms Substitution

Purchase over 1000 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



# 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

- 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

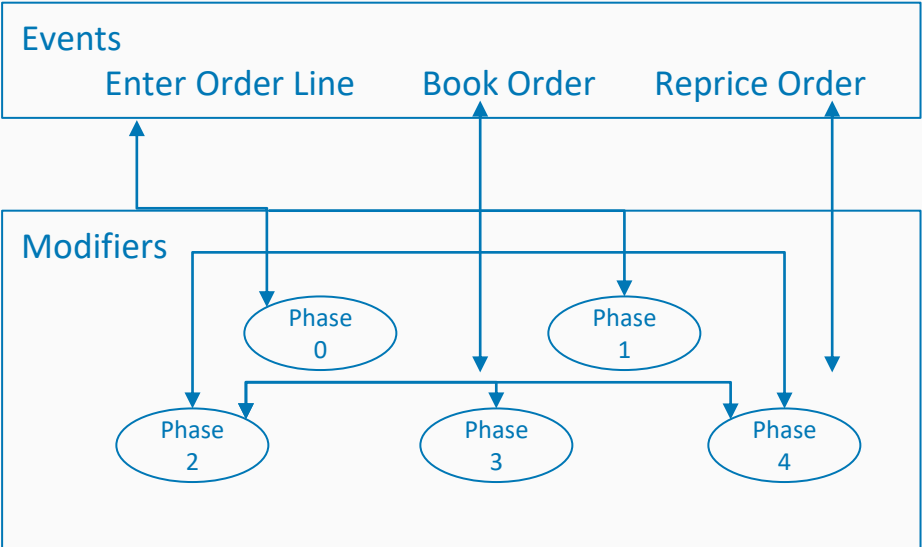
Point: Order 150 item A, receive  
150 item A @ 75 currency  
units each

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

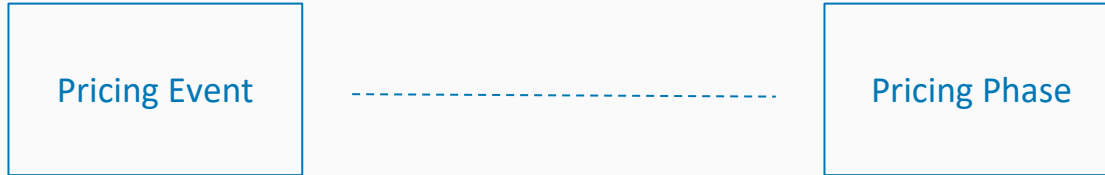
# Modifier Control Features

- 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 sametime. The pricing engine uses precedence and exclusivity rules.
- Buckets: Groupings of modifiers that allow cascading discounts by controlling subtotals

# Events and Phases



# Event/Phase Mapping



Enter Order Line	Uses	0 - List Line Base Price 1 - List Line Adjustments
Book Order	Uses	2 - All Lines Base Price 3 - All Line Adjustments 4 - Header Level Adjustments
Reprice Order	Uses	2 - All Lines Base Price 3 - All Lines Adjustments 4 - Header Level Adjustments

# Incompatibility

## Incompatibility Groups

Phase 1

200 currency unit advertising allowance	Level 4
100 currency units off-invoice	Level 3
1% special discount	Level 2
5% Discount (Precedence 10) 10% Promotion (Precedence 20)	Level 1

# Exclusivity

Exclusive

Phase 1

200 currency unit advertising allowance	Level 4	Exclusive 15% Negotiated Discount
100 currency units off-invoice	Level 3	
1% special discount	Level 2	
5% Discount (Precedence 10) 10% Promotion (Precedence 20)	Level 1	

# Precedence

Incompatibility Groups

Pricing Engine Selects:

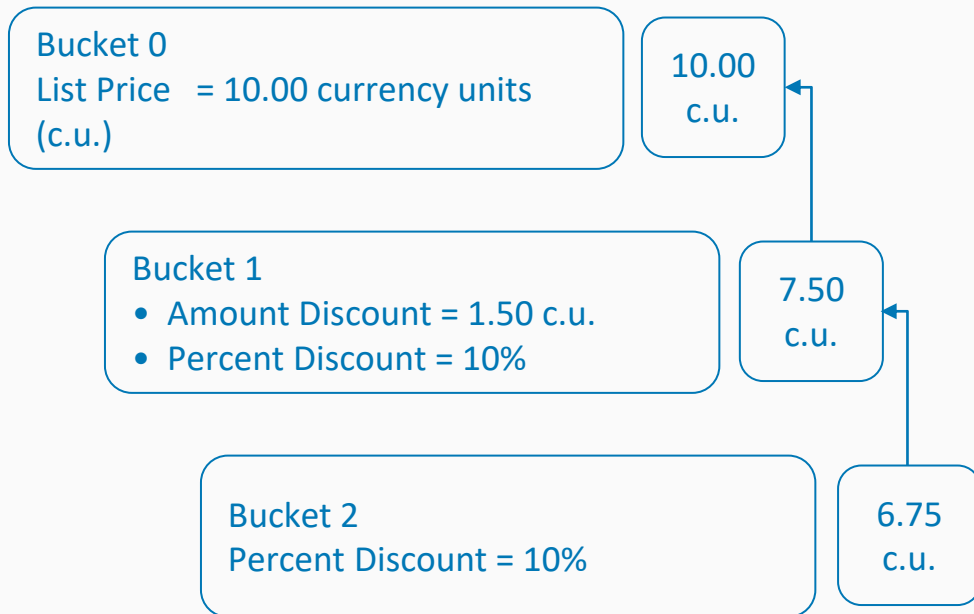
Phase 1

Free Printer - Promotion 5% Discount	Level 2	Free Pro	Printer-motion
Precedence 10) 10%Promotion (Precedence 20)	Level 1	5% Discount (Precedence 10)	

Highest Precedence  
(lowest precedence  
numbers)

# Modifiers

## Buckets





# 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 GSA price lists.

# Agreements

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

- Prices
- Freight terms
- Payment terms

# Reports

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

# 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 ?

- Link a qualifier to a modifier
- Enter a static **formula**
- Map a pricing event to a pricing phase
- Assign an item upgrade

# Session - 3

## Using Pricing

# Agenda

Using Pricing

# Setup Tasks

Other Oracle Applications provide pricing setup information:

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

# Setup Tasks

## Receivables

- Customers
- Payment terms

## Order Management

- Order Management lookups
- Order types
- Linetypes

## Shipping Execution

- Shipping lookups
- Freight terms
- Freight cost types

## General Ledger:Currencies



# Flexible Attribute Mapping Processes

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

# 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

# Formula Processes

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

# Qualifier Processes

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

# Modifier Processes

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

# Modifier Processes

- Entering item upgrade information
- Entering terms substitution information
- Entering coupon issue information
- Entering other item discountand
- Promotions information
- Entering price break information

# Modifier Processes

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

# Review Question

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

- Entering and updating conditions
- Attaching pricing attributes
- Entering discount and charge **information**
- Using qualifiers with price lists



# GSA (USA General Services Administration) Pricing Processes

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

# Agreement Processes

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

# Review Question

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

- Formulas
- Price lists
- Agreements

# Session - 4

## Basic Pricing Vs Advanced Pricing Conclusion

# Agenda

Conclusion

# 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

# 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

# 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



# 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

# 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

# Review Question

Which pricing function is not available in basic pricing?

- Price lists
- Formulas
- Qualifier groups
- Agreements

# Summary

In this module, you should have learned how to:

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

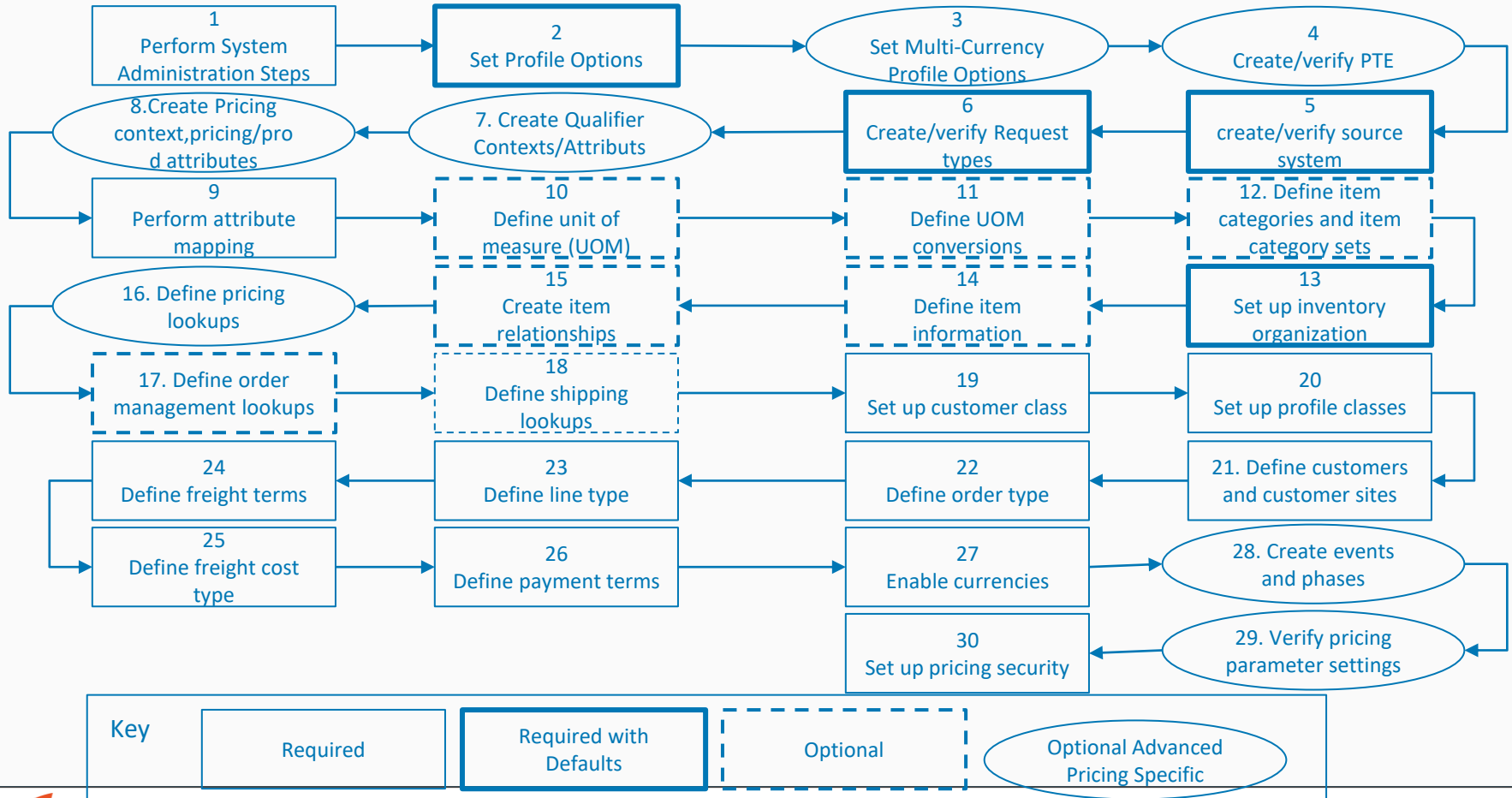
# Session 5

## Manage Pricing

# Agenda

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

# Setup Flow for Oracle Advanced Pricing



# Objectives

In this module, you should learn how to:

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



# 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.

# 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.

# Agenda

Price Lists

# 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

# Price List Overview

You can apply pricesto:

- Your entire business
- A single operating unit

# 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

# 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	ValueFrom	ValueTo	Price
Item#	A11111	1	10	50
Item#	A11111	11		45

# Currency

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



# 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

# Pricing Primary Unit of Measure

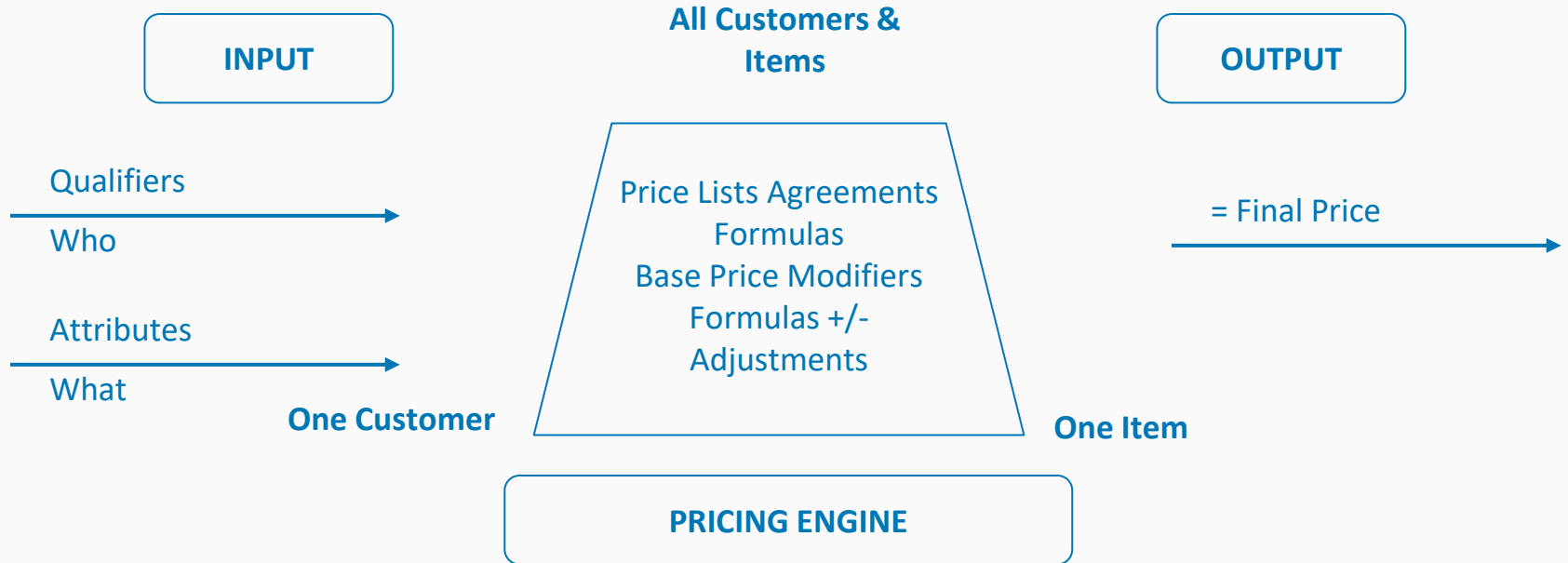
When you specify an item price and a pricing primary unit of measure on a price list, the pricing engine:

- Converts the unit of measure on the order to the pricing primary unit of measure (Primary UOM)
- Converts quantity on the orderline 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

# Pricing Business Scenario

- The customer places an order through Oracle Order Management, the calling application (also known as source system)
- OrderManagement 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

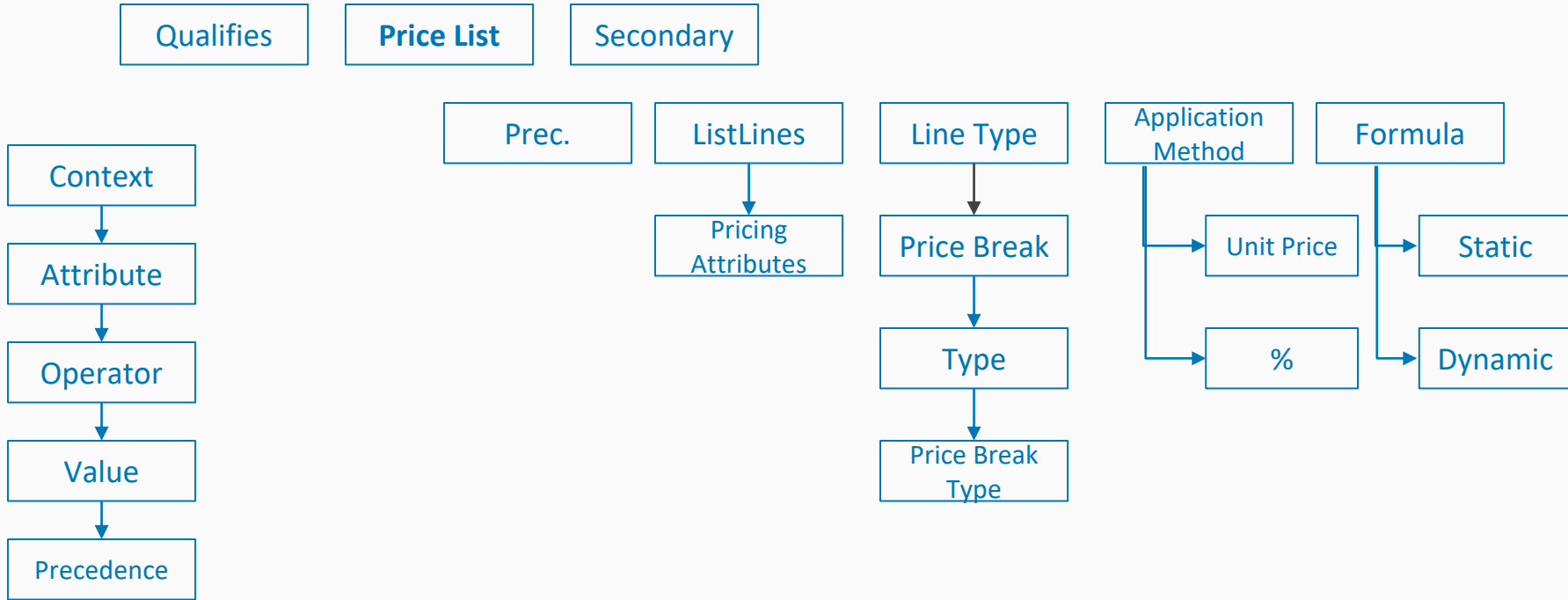
# The Pricing Concept



# 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

# 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

# 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.



# 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-BigCity ElectronicsWholesale customer.

# Defining Pricing Attributes Process

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

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

# Defining Price Breaks Process

Use the Defining Price Breaks process to define the price breaks 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.

# Practice: Create Point and Range Price Breaks

This practice covers creating price breaks.

# 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.

# 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

# Secondary Price Lists

Main Price List  
Item = AS54888  
UOM - Ea @ \$175  
Precedence = 400

Wholesale Price List  
Item = AS54888  
UOM = Ea @ \$125  
Precedence = 300

Promotion Price List  
Item = AS54888  
UOM = Ea @ \$100  
Precedence = 200

List and Used



# 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.



# Price List Maintenance

You can:

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

# 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.

# 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

# Practice : Copy Price List

This practice covers copying price lists.

# 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

# 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.

# Adjust Price Lists

- Increase the list price of pricelist linesby:
  - Amounts
  - Percentages

# 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



# Practice : Adjust Price List

This practice covers adjusting price lists.

# 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 the process.

# 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

# 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:

- Setup 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

# Practice: Add items To a Price List

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

# Session 6

## Basic Pricing Vs Advanced Pricing

# Basic Pricing

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

# 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



# Basic and Advanced Pricing Summary

Price List	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

# Basic Pricing

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

# Basic and Advanced Pricing

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

# Basic and Advanced Pricing Summary

<b>Formulas</b>	<b>Basic</b>	<b>Advanced</b>
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

# Basic and Advanced Pricing Modifier Functions

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

# 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

# Modifier Feature Summary

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

# 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



# Predefined Qualifier Information

## 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

# Qualifier Processes

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

# 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.

# 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.

# 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.

# Practice: Create Qualifier Groups

This practice covers creating qualifier.

# Review Question

Which structure is not associated with qualifiers?

- Attributes
- Incompatibility
- Contexts
- Groups

# Summary

In this lesson, you should have learned how to:

- Explain the pricing features and functions of Oracle Advanced Pricing
- Execute common pricing processes in Oracle Advanced Pricing



# Manage Pricing Part 2

# Objectives

In this module, you should learn how to:

- Explain the pricing features and functions of Oracle Advanced Pricing
- Execute common pricing processes in Oracle Advanced Pricing

# 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

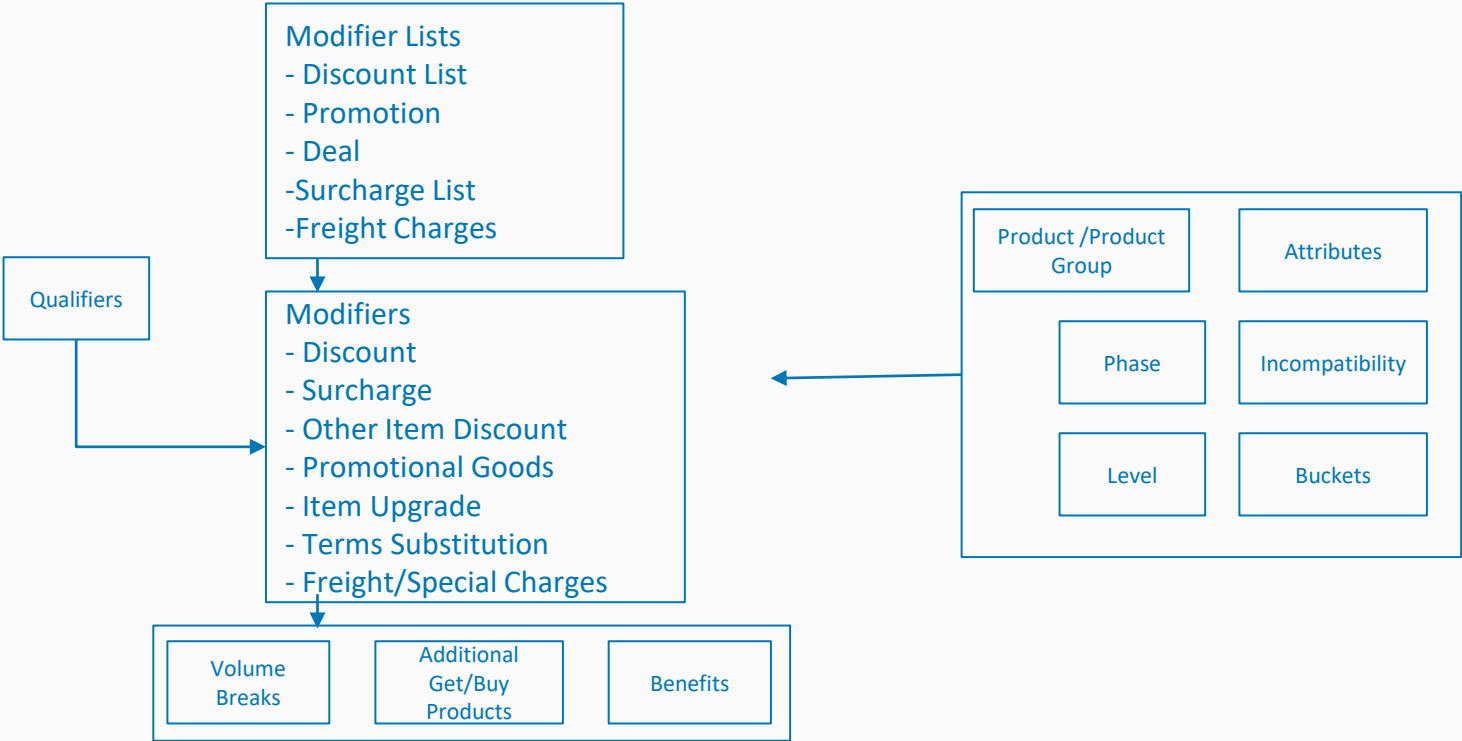
# Pricing Business Scenario

- The customer places an order through Oracle Order Management, the calling application (also known as source system)

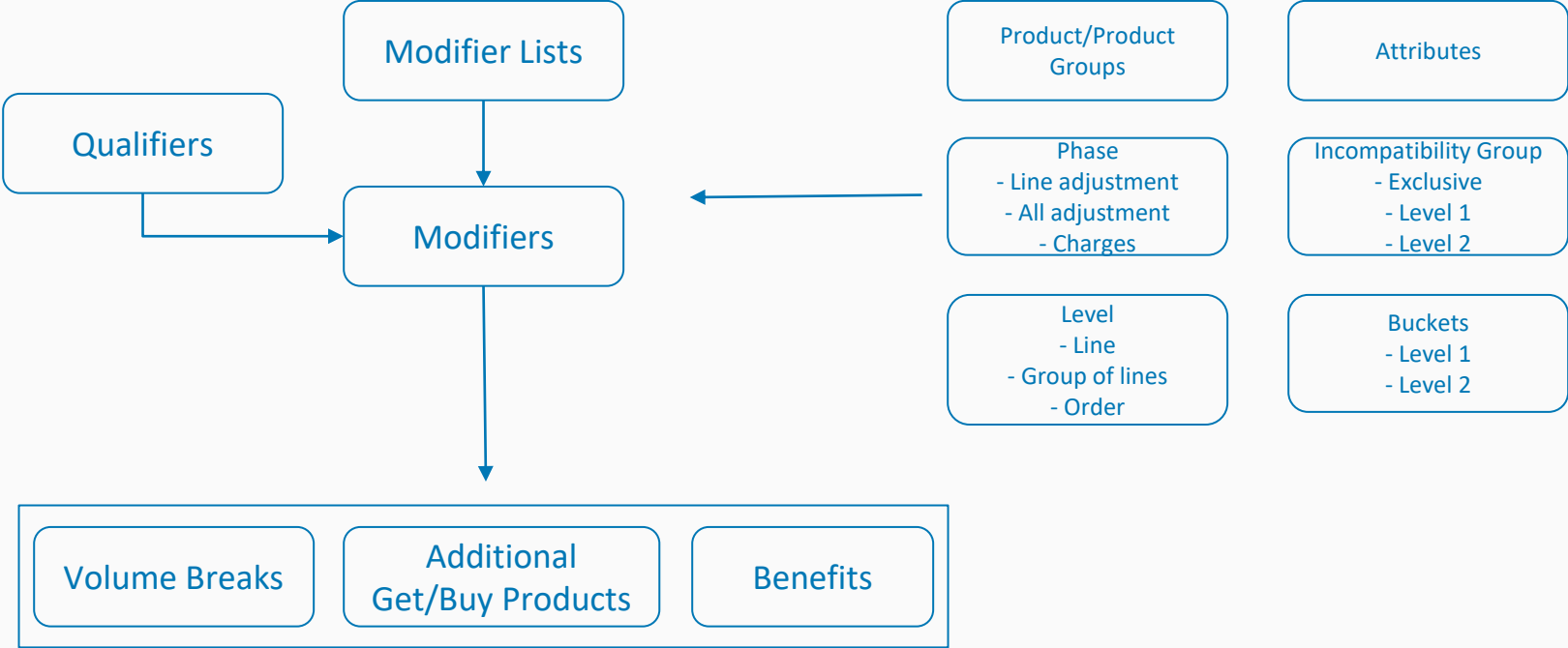
OrderManagement passes the following pricing request:

- 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

# Modifier Overview



# Modifier Overview



# 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.

# Incompatibility Processing Scenario

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

C.u. - Currency Unit



# Exclusivity

Phase 30

Exclusivity

200 currency unit Advertising allowance	Level 4	Exclusive 15% Negotiated Discount
100 currency Units off-invoice	Level 3	
Free Promotion Printer	Level 2	
5% Discount (Precedence 260) 10% Promotion (Precedence 240)	Level 1	

# 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

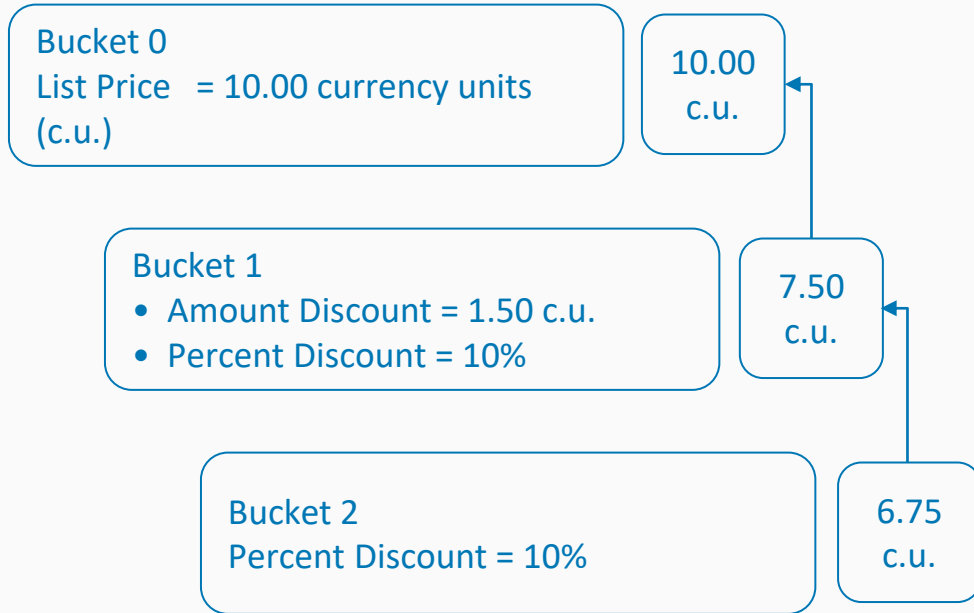
# Modifier Bucket Scenario

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

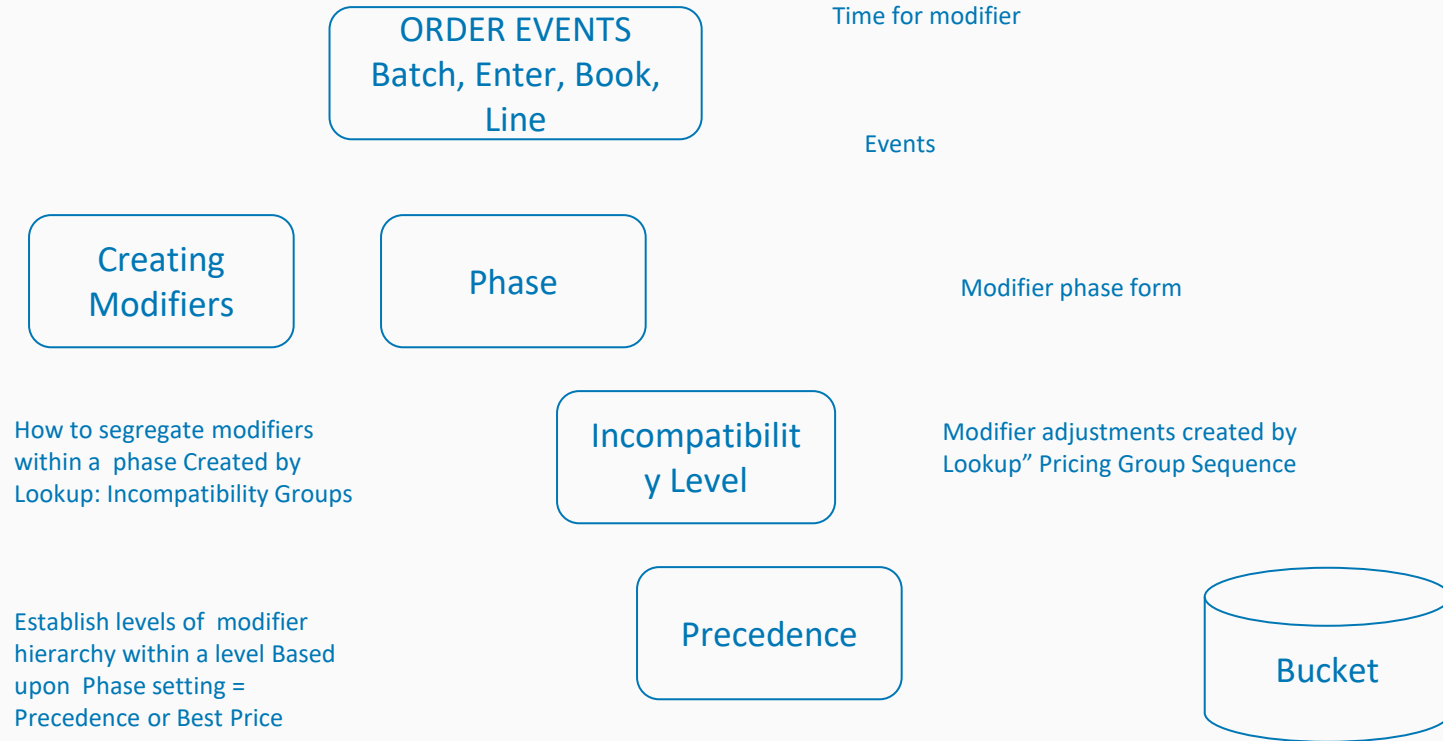
In the scenario, the base list price is 10 currency units and the pricing engine calculates a final selling price of 6.75 currency units.

# Modifier Bucket Scenario

## Buckets



# Modifier Review



# Review Question

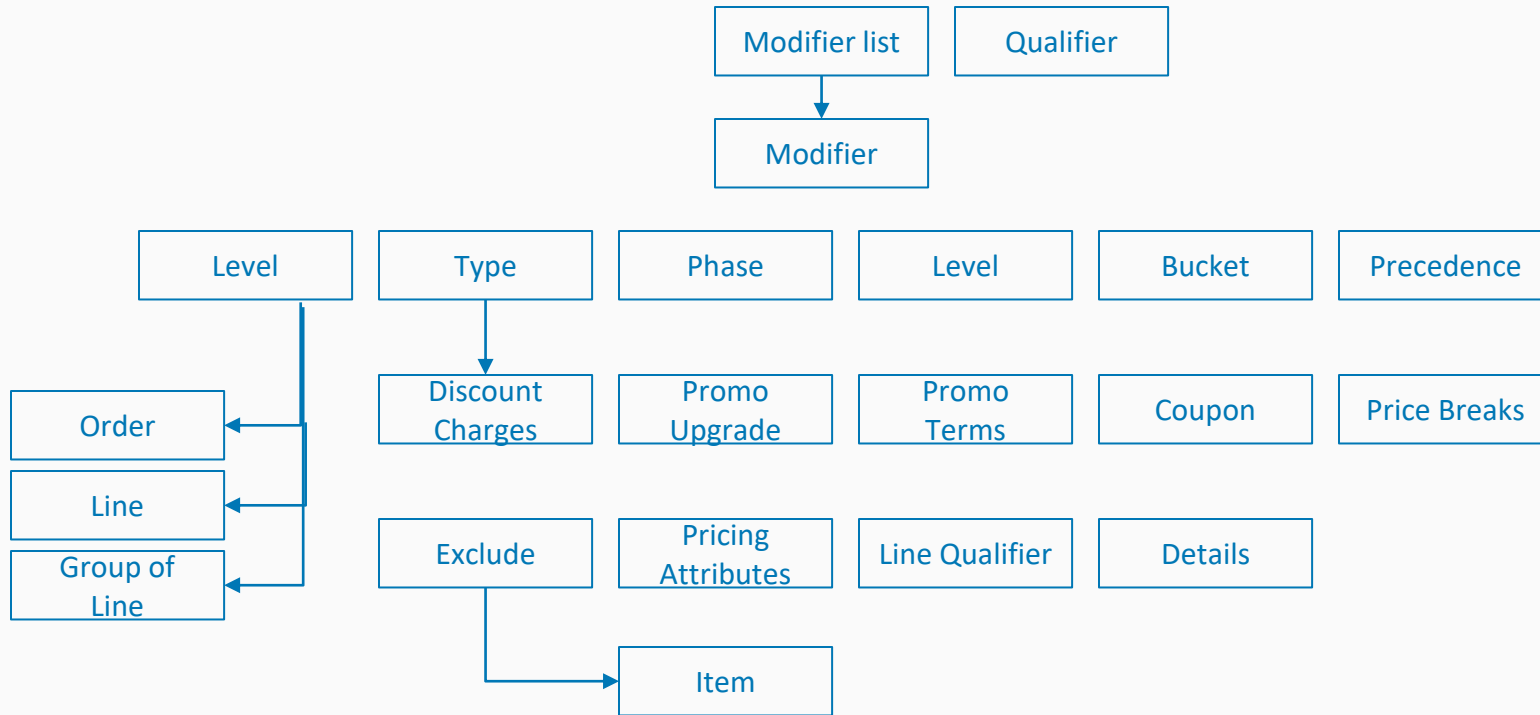
What modifier control feature groups modifiers to create subtotals?

- Buckets
- Phases
- Incompatibility levels
- Events

# Modifier Processes

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

# Modifier Map





# List Type/Line Type Relationships

List Type	Disc	Surch	Frnt/Spec	Promo	Deal
Discount	X			X	X
Surcharge	X	X		X	X
Freight/Special Chq			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

# 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.

# 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.

# 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?

- Promotional goods
- Other item discount Item upgrade
- Item attribute

# 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.

# 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

# Surcharge Modifiers

Surcharge

10% surcharge for purchase of under  
100 units of item A

# Freight/Special Charge Modifiers

Freight/Special Charge

450 currency unit freight cost on entire order



# 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.

# 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.

# Cost to Charge Conversion

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

# 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

# Cost to Charge Conversion Qualification

The ship confirmation process qualifies freight charge modifiers that you:

- Setup with `qualifierSHIPPED_FLAG = Yes`
- Tieto a formula that converts cost amount to charge amount

# 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.

# Item Upgrade Modifiers

Item Upgrade

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

# 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.



# 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.

# Terms Substitution Modifiers

Terms Substitution

Purchase over 1000 currency units on entire order, receive 30/60/90 terms instead of NET 30 terms

# 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.

# Coupon Issue Modifiers

Coupon Issue

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

# 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.

# Other Item Discount Modifiers

Other Item Discount

Buy items A, B and C; get 20% off item A

# 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.

# Promotions Modifiers

Promotional Goods

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



# 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.

# Price Break Modifiers

## Price Break

- 1-100 units item A, 100 currency units each
- 101-500 units item A, 75 Range: Order 150 units item A, Price Break
- More than 500 units item A, 50 currency units each

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

Purchase over 1000 currency units on entire order, receive 30/60/90 terms instead of currency units each and 50 item purchase currency units on entire order, receive 30/60/90 terms instead of NET 30 terms

# 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.

# 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.

# 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

# 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, over type Unit Selling Price

# 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 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

# Calculate Price Flag and Split Order Lines

CalculatePrice Flag	OriginalLine beforesplit: CalculatePrice	Originalline beforesplit: PartialPrice	Originalline beforesplit: FreezePrice
Originallineafter userinitiatedsplit	CalculatePrice	PartialPrice	FreezePrice
Newlineafteruser initiatedsplit	CalculatePrice	PartialPrice	FreezePrice
Originallineafter systeminitiated split	PartialPrice	PartialPrice	FreezePrice
Newlineafter systeminitiated split	PartialPrice	PartialPrice	FreezePrice





# 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 change the price on the pricelist line, select Price Line to fetch the new price and reprice line adjustments.
  - If you change the order level modifiers, select Price Order to reprice order and line adjustments.

# 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.

# 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 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)		

# Redeeming Accruals Process

Use the Redeeming Accruals process to mark accrued price adjustments as redeemed and record redemption transaction information. In addition, you can un-redeem 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.

# Review Question

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

- Item substitution
- Coupon
- Terms substitution
- Other item discount

# 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

# 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

Determine what  
is additive or not

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# Modifier Incompatibility Lab Guide

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