JD Edwards INFOCUS
DIVE DEEP

JDE's advanced pricing can handle the most complex pricing structures

Presented by:

Craig Davied & Dwight Moore

Grant Thornton

Session ID

102050

Executive summary

Craig is a Director with Grant Thornton in the Technology Transformation practice. He has over 20 years of consulting experience, across a diverse set of companies and industries. Craig's experiences include planning and program management of multi-faceted implementation projects, hands on management and implementation of ERP software packages, business process reengineering and system architecture design.

Prior to Grant Thornton, Craig was a founding member of MarketSphere's JD Edwards practice in 2002 and was responsible for managing and delivering projects, practice development, solution design and staff management. He has deep experience with the processes and configuration of the JDE Finance and Distribution modules, specifically with the General Ledger, Accounts Payable, Accounts Receivable, Job Cost, Contract Billing, Procurement / Subcontracts, Sales, Inventory, and Advanced Pricing. Craig also has experience with multiple releases of the software. Prior to joining Grant Thornton Consulting from MarketSphere, Craig was an experienced consultant in a "Big 5" consulting organization and has over 20 years of professional experience.

Craig Davied
Director, Transformation
Kansas City, MO
craig.davied@us.gt.com

Education
B.S. - Business Administration / Finance
Kansas State University

Industries

- Consumer products
- Retail
- Metals and mining
- Mineral exploration drilling

- Construction
- Water management
- Aggregates
- Pet food/manufacturing

- Textiles
- Public utilities
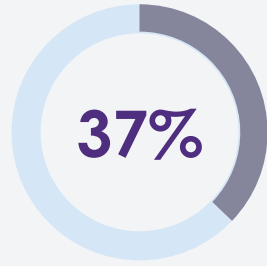- Inbound / outbound Transportation

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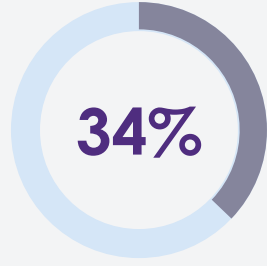
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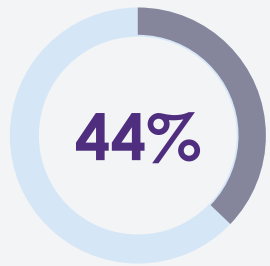
44% Fortune 100 companies

37% Fortune 500 companies

34% Fortune 1000 companies

* Statistics as of July 31, 2020

$1.92bn in revenue

8,459 people, including 595 partners

53 offices

Our Oracle Practice

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Procurement | Inventory management | Cost management | Maintenance | Manufacturing | Order management | Product lifecycle and data management | Supply chain collaboration and planning

EPM Analytics
Planning and budgeting | Profitability and cost management | Financial close and consolidation | Tax reporting and provisioning
Management and operational analytics | Narrative reporting | Account reconciliation | Enterprise data management

HCM
Culture journey | Talent acquisition | Workforce administration | Talent management | Workforce development
Alumni network

Data governance & cloud integration

PaaS

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- Project management office
- Implementations
- Upgrades
- Mobile applications

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- Business process re-engineering
- Managed services (functional)
- User materials and training

- Financials
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- HR / Payroll
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- Cloud roadmap / strategy
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- Chart of accounts optimization

Oracle leadership

- The Leading Oracle Platinum Partner presenter at COLLABORATE, INFOCUS and OpenWorld conferences (more presentations than any other Platinum partner in the past 3 years)

- Featured in PROFIT magazine – JD Edwards Special Issue

- Teaming with JDE product development – we work with JD Edwards on enhancing the code base for customers (e.g. OneView Reporting, Revenue Recognition, Leasing Standards, Configurator)

Experience and recognition

- More than 250 JD Edwards implementations and upgrades as a practice

- Over 20 implementations in the past 5 years

- Over 50 upgrades in the past 5 years

- 2017 JD Edwards Partner Excellence Award for **User Adoption**

- 2016 JD Edwards Partner Excellence Award for **Vertical Industries**

- Oracle JD Edwards recognized Grant Thornton with its 2014 and 2015 JD Edwards Partner Excellence Award for Outstanding **Upgrades**

Why Advanced Pricing

Why Use Advanced Pricing?

Some of the reasons clients choose to implement are as follows:

Track multiple discounts	Promotional discount	Rebates	Handling and expedite fees
Royalties	Accruals	Commodity pricing	Pricing based on order details

Sales Pricing in JD Edwards

- Base Pricing is "static" data.
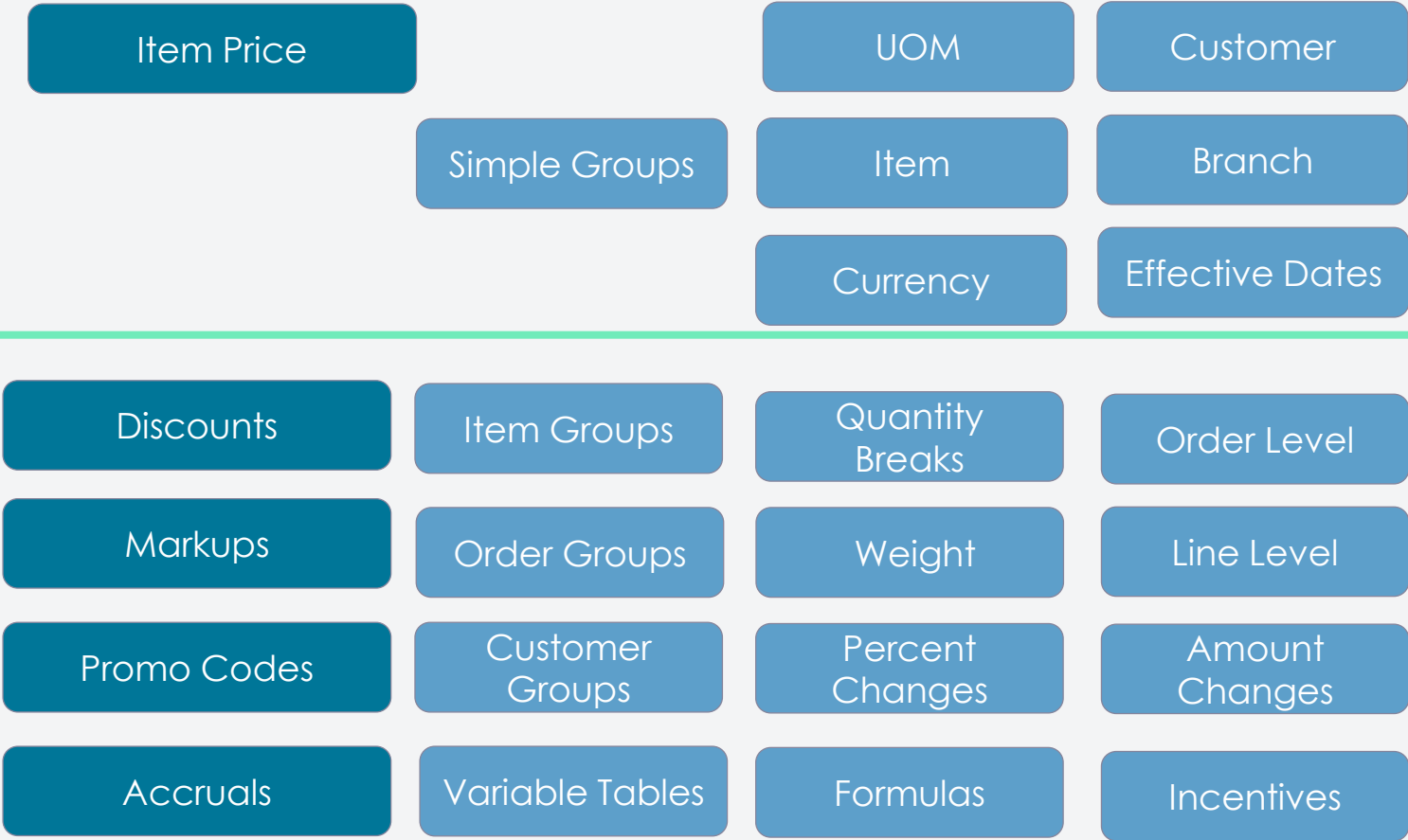- Advanced lets you qualify based on any number of variables.

Customer Master

Item Master

Base Price

Sales Order Entry

Advanced Pricing:
Order Details
Item Groups
Customer Groups
Quantity
Weight
Accruals
Promo Codes
…

Advanced Pricing vs Base Pricing

Advanced Pricing

Advanced Pricing Setup

Base Price Setup

Item Price		UOM	Customer
	Simple Groups	Item	Branch
		Currency	Effective Dates

Discounts	Item Groups	Quantity Breaks	Order Level
Markups	Order Groups	Weight	Line Level
Promo Codes	Customer Groups	Percent Changes	Amount Changes
Accruals	Variable Tables	Formulas	Incentives

Base vs. Advanced Pricing

Item Base Pricing	Advanced Pricing
Price can be based on branch/plant	Price can be based on branch/plant
Ability to use advanced category code groups	Ability to use advanced category code groups
Limited to single customer price group field in billing instructions for base price customer grouping	No requirement to use customer price group field in billing instructions for base price
No level breaks	Level breaks on quantity, weight, or price
No additional sales order detail values available for use	Can have different base price for certain sales order conditions using order detail groups
No enhancement needed	Need to consider price formulas & revenue forecasting look to base price file for base price data…not advanced pricing, would require an enhancement
Setup is very easy	Setup slightly more complex
Will need to maintain separately	All price maintenance is done in one place
Price reporting comes from two areas of the system	All price reporting is done from one place

Base Price Setup

- In P4106 add new and choose which qualifier in hierarchy

- Fill out base price based upon Item and Price Group

Preference Hierarchy Selection

✓ ✗ ⚙ Tools

Base Price

Records 1 - 4

	Description
○	Item and Customer
⦿	Item and Customer Group
○	Item Group and Customer Group
○	Item Only

Personal Form: (No Personalization) ▾ Layout: (No L

Base Price Revisions

✓ 🗑 ✗ ☰ Row ⚙ Tools

Item Number	1001	*Bike Rack - Trunk Mount*
Cust. Price Group	PREFER	*Preferred Customers*

Adjust Prices By:

- ☑ Unit Price   ⦿ Percentage
- ☐ Credit Price   ○ Amount

Records 1 - 2

☐	🖉	Branch/ Plant	Location	Lot Number	UM	Cust. Price Group	Cur Cod	Unit Price	Eff Date From	Eff Date Thru	Credit Price
☐		30			EA	PREFER	USD	1,000.0000	10/07/2020	12/31/2040	
☐											

Advanced Pricing Overview

- Advanced pricing consists of the following main components:
  - Adjustment schedules
  - Adjustment definitions
  - Adjustment detail
  - Preference hierarchy
  - Item, customer and order groups
- It can be used in:
  - Sales
  - Procurement
  - Customer service management
  - Ship and debit
- This presentation will focus on advanced pricing for sales

How it Fits Together...

Advanced pricing constants

AAI's

Adjustment schedule

Adjustment detail

Adjustment definition

Preference Hierarchy

Complex Groups

G/L Class
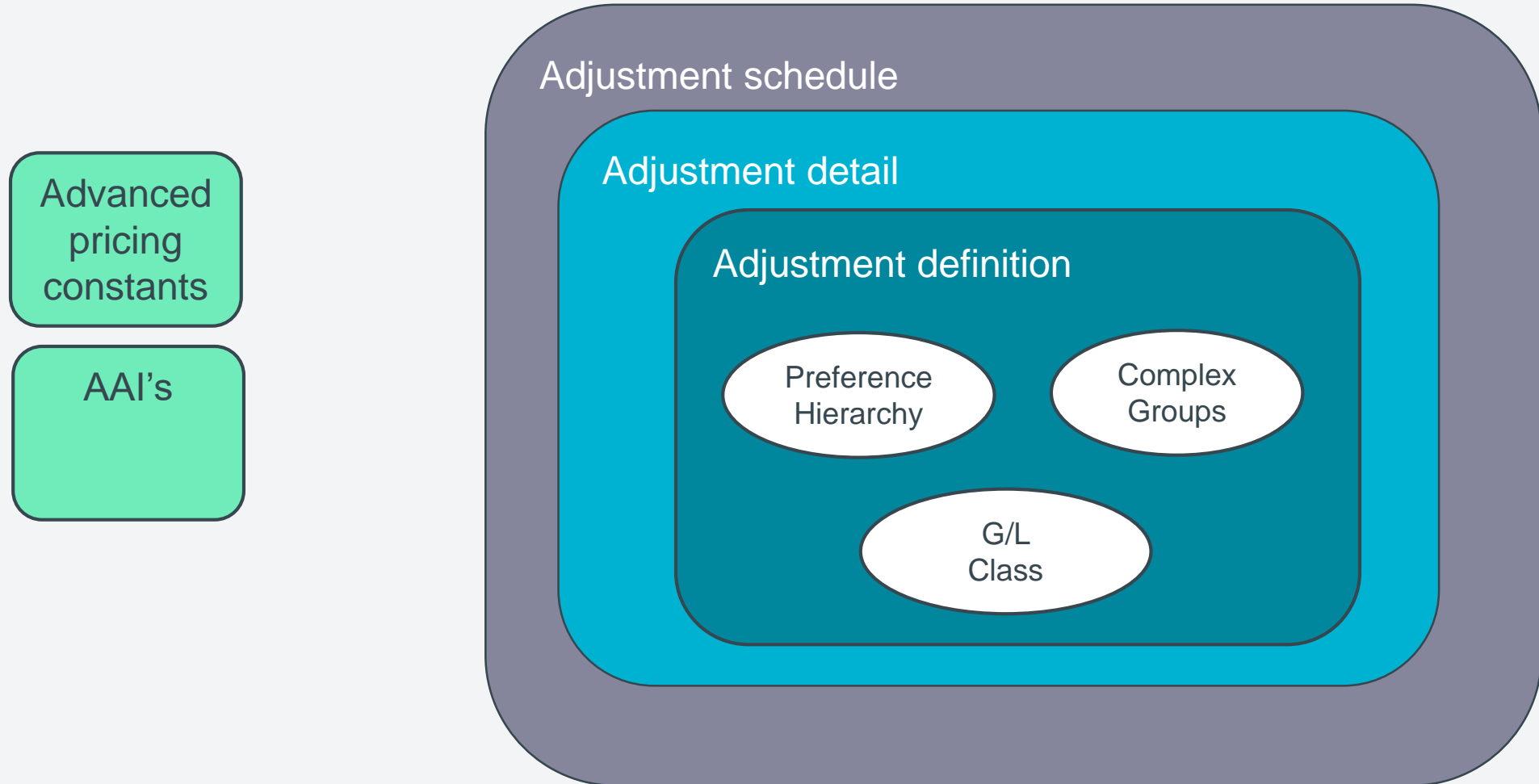
Configuration & Setup

Advanced Pricing Constants

• Pricing constants – are located on the form exit from branch plant constants

Advanced Sales Pricing (Y/N)	Y
Advanced Procurement Pricing (Y/N)	Y
Require Price Approval (Y/N)	N
Adjustment Retrieval Method	2
Sales Pricing on Override Price	N
Procurement Pricing on Override Price	Y

Before you can use pricing you have to activate it in the pricing constants for either sales, procurement or both.

This flag is used in combination with workflow

Hierarchy

- The preference hierarchy determines the order in which the system searches for an existing price.

- Advanced pricing allows you to create your our preference hierarchies.

- General guidelines:
  - Should be sequenced in order of most specific to least specific.

Preference Hierarchy Revisions

✓ ✗ 🏋 Form   ⚙ Tools

Preference Type	AP	Advanced Pricing		
		Item Number	Item Group	All Items
Ship To Customer Number				
Customer Group				
Sold To Customer Number		1		
Customer Group			4	3
Parent Customer Number				
Customer Group				
All Customers			2	5

Item Groups

- Item Groups can use item master/branch attributes

Customer Groups

- Customer Master Groups can use customer master attributes

Order Detail Groups

- Order Detail Groups can use sales order attributes

Adjustment Definition
Adjustment Controls

- Adjustment Name
- Target Application
  - Select Sales Order Management or Procurement
- Adjustment Control Code
  - A code that specifies additional processing features related to an adjustment.

Price Adjustment Definition

✓ ✗ F⌐ Form ⚙ Tools

Adjustment Controls

Adjustment Name	BIKE	Bike Discount
Target Application		*Sales Order Management*
Adjustment Control Code	2	*Print on Document*

☐ Use Price Matrix

Adjustment Definition
Adjustment Level

- Line Level
  - The system calculates the adjustment based on information in the sales order detail line.
- Basket Level
  - The system calculates the adjustment based on information accumulated from all sales order detail lines that you have identified as basket level pricing
- Order Level
  - The system calculates the adjustment based on information accumulated from all the sales order detail lines you have identified as an order pricing group.
- Volume Level
  - The system calculates the adjustment based on the accumulated value of multiple sales orders.

- Note: Basket and Order Level Adjustment do not work with Complex Groups.

Adjustment Level

- ● Line Level Adjustment
- ○ Basket Level Adjustment
- ○ Order Level Adjustment
- ○ Volume Level Adjustment

Adjustment Definition
Options

- Groups
  - Enter Item, Customer and/or Order Group
- Adjustment Specifications
  - Preference Hierarchy
  - Subledger in G/L
    - Parent, Sold Ship To, Adjustment Type, etc.
  - G/L Offset
    - If you want to override the item's GL Class
- Level Break Type
  - What should this adjustment be based on?

Adjustment Definition
Adjustment Options

- Sliding Rate
  - Based on a collection of rates that are applied from each threshold level.
- Up Sell Adjustment
  - Adjustment is eligible for up-sell processing during sales order entry
- Override Price
  - When pricing is based on "multipliers"
  - Special discount that takes precedent over other discounts
- Manual Add/Change
  - Should the user be able to change this adjustment?
- Mandatory Adjustment
  - Do you want the order to error if an adjustment detail is not found..
- Apply Absolute Value
  - System disregards if positive or negative value
- Apply on Override Price
  - Applies adjustment regardless if the price is overridden

Adjustment Options

- ☐ Enable Basket Master
- ☐ Sliding Rate
- ☐ Up Sell Adjustment
- ☐ Override Price
- ☐ Manual Add/Change
- ☐ Mandatory Adjustment
- ☐ Apply Absolute Value
- ☐ Apply on Override Price

Definition Questions to Consider

- Qualified by Group?
- Based on Quantity, Amount, or Weight?
- Apply to the Line, Order, Basket, or Volume?
- Display on Invoice?
- Can they be Manually overwritten?

- What will qualify the Rule (Item Group) and what basis code will be used in the details (%, Amount)
- Request examples of the Sales Entry and the Invoice for each Definition

- General Guidelines:
  - Don't setup definitions for specific customers or specific items. One Definition can be used for all pricing which is qualified the same way.

Adjustment Details

- Adjustment Details define parameters for determining the price.
- The first thing you must determine in setting up adjustment details is which hierarchy step you want to use.

Remember we set-up the Hierarchy to search through 5 steps.

Those are listed here

Adjustment Details

- The adjustment detail consists of the following fields:
  - From Level and UOM
  - Factor Value Numeric
  - Basis Code
  - Effective & Expiration Date
  - Group Attributes – if using Complex Groups

Adjustment Details Considerations

- If you have a definition for PROMO code discounts even if they are different amounts for different customers you don't need different definitions because you can define the WHO and HOW MUCH in the details.
  - This seems obvious but is probably the number one mistake I see made in pricing.

Basis Code

	Code	Description
●	0	% of New Base Price
○	1	% of Base Price
○	2	% of Current Net Price
○	3	% of Cost
○	4	Cost Plus Amount
○	5	Add on Amount
○	6	Add on Variable Amount
○	7	Add on Formula Amount
○	8	Add on User Program Amount
○	9	Gross Profit Margin

Records 1 - 10   Customize Grid

Adjustment Schedule

- A definition must be attached to a schedule to be used.

- Multiple adjustment definitions can be attached to the same schedule as shown. The sequence of the definitions can be significant.

- Which sequence do we want to apply the Definitions/ Types on the Sales Order?

- Do we need more than 1 schedule?

- How to use Skip To ?

- Common Mistakes: Not being careful about how discounts may add on to each other

Price Adjustment Schedule Revisions

✓ 🗑 ✕ ⊩↓ Form ≡↓ Row ⚙ Tools

| Adjustment Schedule | GLOBAL | Global Pricing |
| Address Number | | |

Records 1 - 9

	✎	Seq No.	Adjustment Name	Description	Skip To	Skip To End	New Base Price	Promotion ID
☐		10	VOLUPSEL	Volume Based Upsell		☐	☐	
☐		20	VOLINC	Volume Incentive Deal		☐	☐	
☐		30	SLIDE	Sliding Rate Adjustment		☐	☐	
☐		40	GPMARGIN	Gross Profit Margin		☑	☐	
☐		50	ADDPRICE	Additional Price Search UOM		☐	☐	
☐		60	RELATEUP	Related Items Upselling		☐	☐	
☐		70	MULTUOM	Multiple UOMs		☐	☐	
☐		80	ROUND	Rounding Rule		☐	☐	
☐						☐	☐	

Adjustment Schedule Example

- Example:
  - Customer Qualifies for -5% discount on all orders
  - Customer also Enters a Promo Code for $50 off on any order
  - Enters an order for an item with a base price of $1000

  - Which discount should be applied to the order first?
    - (1000 – 50) * .95 = $ 902.50
    - (1000 * .95) – 50 = $ 900.00

Formulas

From System Constants…

- Prices can be based on formulas

- Formulas can be based on variable tables

Price Formula Revisions

✓ ✕ F̅ Form ⚙ Tools

Formula Name	BUTANEPRC	Butane Daily Price
Target Application		

Calculation Formula

&BUTANE*1.1

Symbols

Symbol to Identify Variable Tables	&
Symbol to Identify UOM	%
Symbol to Identify Currency	!
Symbol to Identify Data Fields	?
Symbol to Identify Test Result Name	@
Symbol to Identify Function Name	$
Symbol to Identify Func. Arg. Separator	|
Symbol to Identify Adjustment Detail Ref	#

Variable Tables

- Prices can be based on a variable table.

- Variable Pricing is used for products whose price changes frequently or fluctuates daily.

- Often used for commodity pricing: Oil, Gas…

- Uses a simplified table to store the date and price of an item. This table can be manually updated or interfaced into to populate

Price Variable Table

✓ 🗑 ✕ ⤵ Form ☰ Row ⚙ Tools

| Variable Table Name | BUTANE | Butane Daily Price | |
| UoM | LB | Currency Code | USD |

Records 1 - 18

☐	🖉	Effective * Date	Unit Price
☐		01/01/2018	.2100
☐		12/01/2017	.2000
☐		11/01/2017	.1900

Sales Price Example

Price History

Customer Service Inquiry | **Price History**

✕ ☰ Form ☰ Row ‹ › ⚙ Tools

Currency Code	USD	☐ Foreign
Address Number	505	*Consignment Agent*
Ship To	505	*Consignment Agent*
Item Number	220	*Touring Bike, Red*
Quantity From	1 EA	
Exchange Rate		

Line Number	1.000
Branch/Plant	30
Price Effective	09/17/2020
Adjustment Schedule	AP
Pricing UOM	EA

Records 1 - 4

☐	✎	Seq No.	New Base Price Flag	Adj Name	Desc Adj Name	Factor Value Numeric	Unit Price	B C	Desc BC	Factor Value
☐			☐		Base Price		650.0000			
☐		20	☐	BIKE	Bike Discount	10.0000-	65.0000-	1	% of Base Price	
☐		25	☐	FREEHELM	Free Helmet		.0000	5	Add on Amount	
☐			☐							

Unit Cost	550.0000	Unit Price	585.0000	Profit Margin	5.98

2 definitions: 1) 10% for ordering a bike and 2) a free helmet for ordering a bike

Additional Functionality

Additional Advanced Pricing Tools

- Mass Maintenance
- Price List
- Free Goods
- Pricing Workbench
- Procurement
- Buying Structures
- OneView Audit Trail
- Price Approvals Workflow
- Price Matrix

Mass Maintenance

- Perform maintenance on all adjustments that expire in a specified time frame.

- Change records by extending the expiration date.

- Copy records to create a new set of adjustments for a specified time frame without affecting the existing adjustment records.

- Copy adjustment from one branch/plant to another.

- Copy price matrix records.

Price List

- Create and maintain customer price lists based on advanced pricing information and then forward them to customers.

- A customer price list displays price for each item within a range of effective and expiration dates, as well as promotions, deals, and other adjustments that were applied.

- Adjustments from both the schedule and direct price adjustments, if any, will be included in the calculations for the price list.

Work With Price List

✓   🔍   ➕   ✖   ☰ Row   ⚙ Tools

Customer   *

Price List ID   *

Price List Name   *

As of Date

Records 1 - 3

	A/B Number	A/B Description	Price List ID	Price List Name
◉	4242	Capital System	1000	BIKE
○	4242	Capital System	1001	BIKEACC
○	4242	Capital System	1002	TERMINALS

Free Goods

You can also trigger a free good with an adjustment detail

- Free Good – Is a related item added (or netted) to the sales order detail file.
- The free good is triggered by exceeding the "quantity from" field on the adjustment detail

Price & Adjustment Detail Revisions - Free Goods Revisions

✓ 🗑 ✕ ☰ Row ⚙ Tools

| Quantity From | 1.0000 | EA | Currenc |
| Effective Date | 09/16/2020 | | Expiratio |

PT - Controls how the free good is added to the order

QTY Per – free good for every multiple of this quantity

Records 1 - 2

		Item Number	Quantity Ordered	UM	Related Price	Ln Ty	P T	Quantity Per Ordered	Catalog
⦿		2410		EA	10.00	S	1	.00	
○									

It does not have to be free

Pricing Workbench

Advanced Pricing in Procurement

- Define procurement as the target application for the adjustment definition.

- You can use many of the same adjustments in Sales except basket and order reprice adjustments.

- Based on Item Cost table (F4105), not Item Base Price table (F4106), using purchasing cost method set up for the item in the F4105.

Buying Structures

- Enable you to manage complex, customer-specific pricing.
- Configure a customer's pricing system according to the customer's organizational structure.
- For example, you can determine pricing based on entities in the organization that do not order items directly, but have authority over the item price, such as a distributor.

OneView Audit Trail

- Business View - v4074a
- Table – F4074

Price Approvals

- **Standard Functionality**
  - The system allows for routing of changes in advanced pricing for Sales (not Procurement)
  - JD Edwards Workflow functionality is used

- **Orchestrator**
  - In lieu of using the standard functionality of workflow it is possible to orchestrate the same process in less time

*Both processes utilize email

Price Matrix

- Used to add and edit a multitude of adjustment detail records in the F4072 table.

- Using this program enables you to access a view to suit your needs and quickly enter and maintain pricing information.

General Guidelines

Guiding Principle Example

With the goal of keeping Maintenance Manageable

- Consider using "add on" not Override prices.

- Use Percent not Amount.

- Start with Base price.

- Aim for a single Schedule for pricing

- Aim for a single Hierarchy for pricing

- Aim to keep the number of definitions under 15

- Separate your Preference hierarchies from your Pricing hierarchies

Summary

- One Hierarchy

- One Schedule for all customers

- Setup general Definitions

- Use very specific details

- Understand your pricing requirements

- Think about Long term scale and Maintenance

Maintenance with Simplified Definitions

Hierarchy

Groups

Customer Master

Item Master

Definition

Schedule

Customer Master
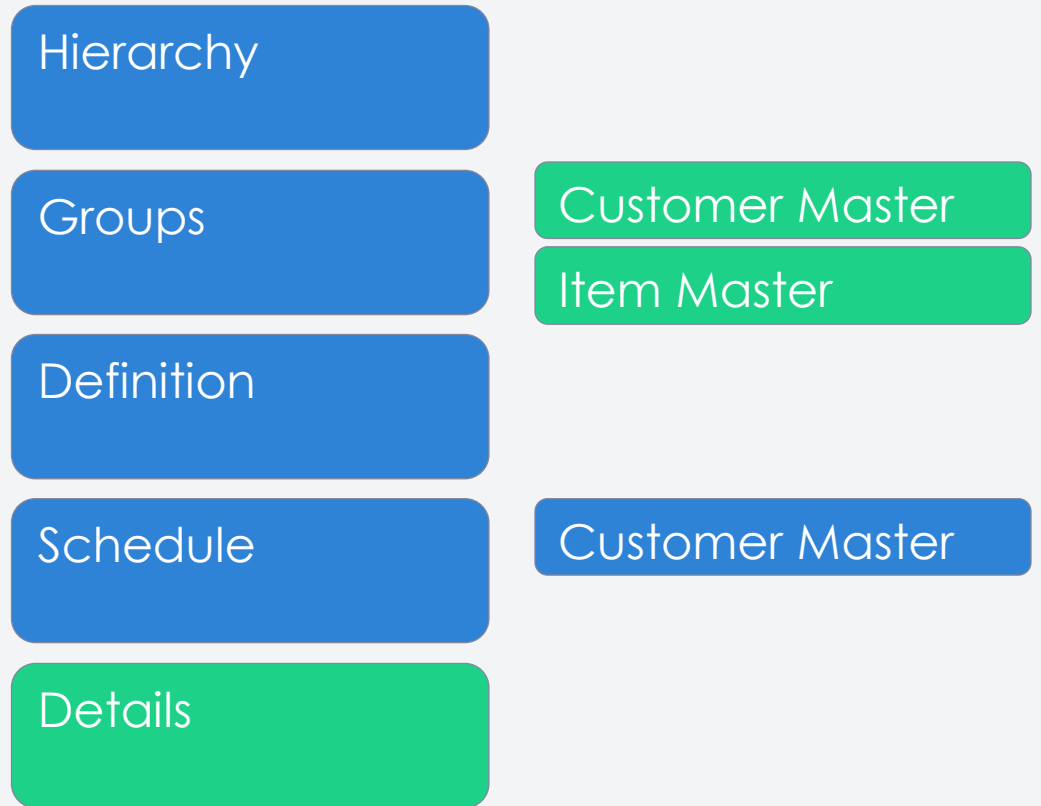
Details

Use Simplified Definitions

Common Setup

Too many components

- Definition
  - PROMO05
  - PROMO10
  - PROMO15
- Schedule
  - PROMO05
  - PROMO10
  - PROMO15
- Details
  - Promo – 5%
  - Promo – 10 %
  - Promo – 15 %

Simplified Definitions

- Definition
  - PROMO
- Schedule
  - PROMO
- Details
  - PROMO – 5%
  - PROMO – 10 %
  - PROMO – 15 %

Streamlined maintenance

*Details contain pricing

Simplified Definitions - Example

Current…

- Every 6 months we run a special promotion for new items.
  - % discount
- Different items each time
- Different percentages
- Different code to be used

- Customer was creating a new Definition every 6 months.
  - Left loopholes on certain items
  - Frequent edits to Definitions, Schedules, Details
  - Messy Schedules
  - Specified specific items in the details

Why Not…

- Create a single Definition "PROMO ITEMS" which qualifies by item group
- Define the item group to look at a item UDC code.

- The only work for new promotions is to setup a new detail record pointed at the new item code.
- Add the UDC code to those items in the item master

Additional Advanced Pricing Possibilities

- Product Allocation Preference

- Item Restrictions

- Inventory Commitment preference

- Rounding

- Variable Pricing for regularly changing prices

Hear more from Grant Thornton

Tuesday

- **Automating positive pay with Orchestrations** | Mohammad Shujaat | 8:15 a.m. CT

- **Designing job cost code structures for effective cost management** | Craig Davied | 11:15 a.m. CT

- **Unleash the power of EDI 852** | Shrikant Gogate | 11:15 a.m. CT

- **Use form extensions to turbocharge JD Edwards 9.2** | Mohammad Shujaat | 1:15 p.m. CT

- **Extend JDE reporting with Oracle Analytics** | Jeffrey Silverman and Matt Elfeldt, Greer Labs | 3:15 p.m. CT

Wednesday

- **JDE's advanced pricing can handle the most complex pricing structures** | Craig Davied | 7:30 a.m. CT

- **A simplified guide to implementing lease accounting** | Sam Johnson | 7:30 a.m. CT

- **Creating workflows with JD Edwards Orchestrator** | Dwight Moore | 8:45 a.m. CT

- **The steps to JD Edwards Orchestrator** | Anthony Palmisano | 12:45 p.m. CT

- **Used enhanced RMA** | Shrikant Gogate | 12:45 p.m. CT

- **How general ledger can improve sales and operational reporting** | Craig Davied | 2:00 p.m. CT

- **A Covid migration: World to EnterpriseOne upgrade** | David Kratzke | 4:00 p.m. CT

- **Utilizing Orchestrator Studio for real estate** | Sam Johnson | 4:00 p.m. CT

Thursday

- **Stop Integrating & start InteGreat-ing|** Mohammad Shujaat | 8:15 a.m. CT

- **The benefits from upgrading from World to EnterpriseOne** | Craig Davied | 10:00 a.m. CT

- **Paperless AP automation journey - An Orchestrator case study** | David Kratzke and Matt Marfice, Watson Land Company | 10:00 a.m. CT

- **Step by step: Evaluate the effectiveness of your EAM/CAM asset maintenance program** | Steve Yniguez | 11:15 a.m. CT

- **IoT methods for reporting, dashboarding & customer portal using Orchestrator and CafeOne** | Jordan Myers | 11:15 a.m. CT

- **Manage your joint venture needs in JDE** | Craig Davied | 1:15 p.m. CT

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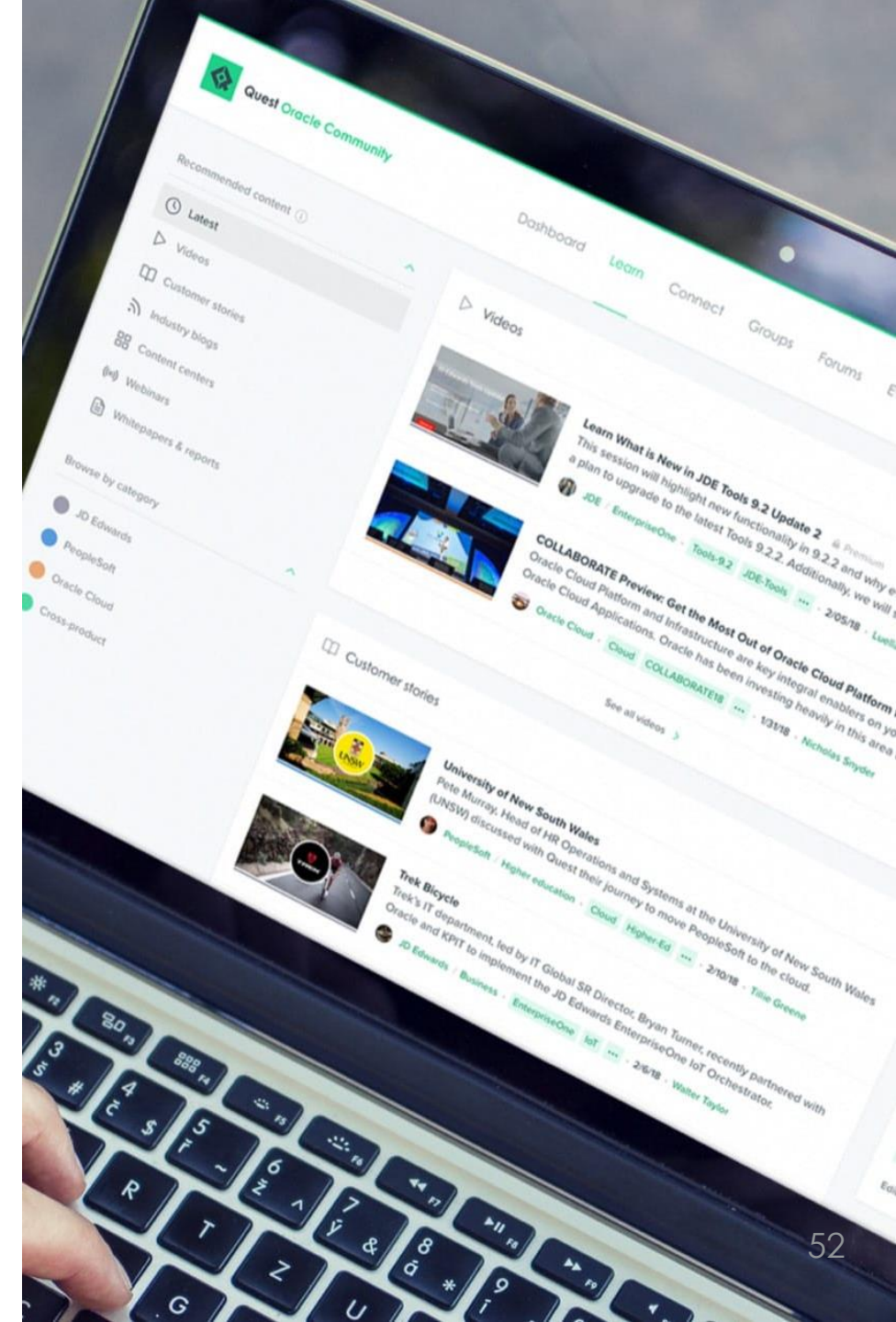
JD Edwards

INFOCUS

DIVE DEEP

Contact me:

craig.davied@us.gt.com

dwight.moore@us.gt.com

Session ID:

102050

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Community

Appendix

Summary

- The JDE EnterpriseOne System uses 2 types of pricing:
  1. **Base pricing** – base price is entered for each item in the F4106 and can be setup at the item master, branch, lot &/or location level
  2. **Advanced pricing** - advanced pricing is a means by which to adjust base price <u>with</u> the use of the advanced pricing programs

- Please keep in mind base pricing and advanced pricing can be used together

- A lot can be accomplished by using base pricing, but it does have some limitations…
  - With advanced pricing we define more complex price groups incorporating the use of category codes
  - Base pricing uses the standard DMAAI's, where as advancing pricing incorporates two AAI's specific to advanced pricing adjustments and advanced pricing accruals
  - With advanced pricing we have price history, accrued adjustments and pricing formulas…not the case with base pricing

AAIs

- Pricing constants – are located on the form exit from branch plant constants

Specifies the sales discount account for entries that the Sales Update program (R42800) creates.

Specifies accrued accounts for offset entries.

How it Fits Together…

<u>Pricing Setup</u>

1. Advanced Pricing Constants – P41001
2. DMAAIs – P40950
3. Item Master – P4101
4. Customer Master – P03013
5. Base Price – P4106
6. Hierarchy – P40073
7. Groups – P4092
8. Definition – P4071
9. Details – P4072
10. Schedule – P4070

Adjustment Details

- Adjustment Details define parameters for determining the price.

Now that our adjustment has been defined we need to add adjustment details to define the price