

IBM Sterling Pricing Overview

March 2013



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Agenda

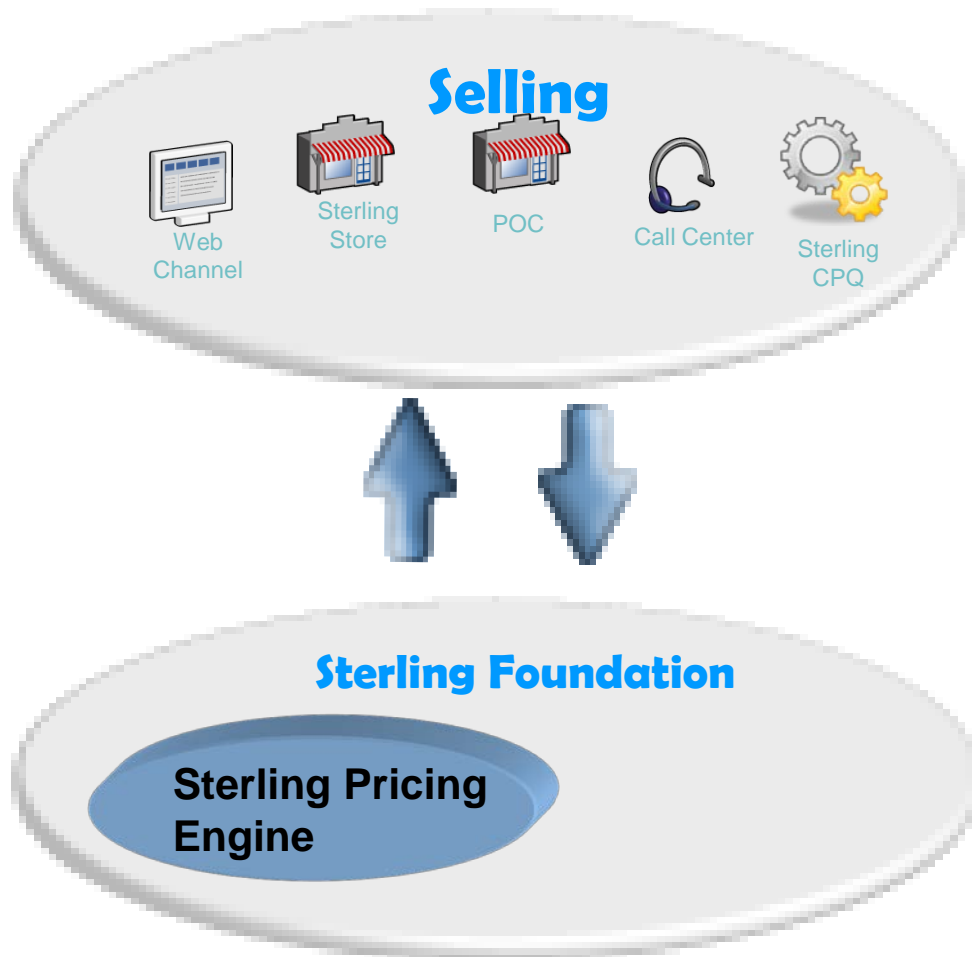
- Introduction / Overview
- Sterling Pricing Key Features
- Sterling Pricing Deployment Options
- Questions



Introduction

- Sterling Pricing Engine is a standalone pricing engine which also comes as an optional component of Sterling Selling and Fulfillment Foundation
- Sterling Pricing Engine has been deployed and functional in all market verticals
- Sterling Pricing Engine contains a flexible underlying rules engine allows for simple extensions to model custom specific pricing rules
- Sterling pricing service consists of 3 Main Components
 - Global/Enterprise Configurations
 - Pricelist Management
 - Pricing Rule Management
 - Coupons Management

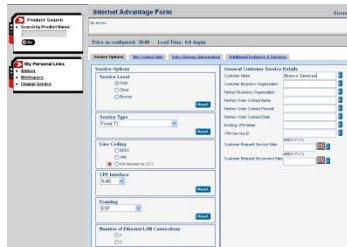
Central Pricing Service



- Sterling Pricing Engine acts as a Central Pricing Service for all Products of the Sterling Selling and Fulfillment Suite
 - Sterling Call Center
 - Sterling Store
 - Sterling Configure Price and Quote
 - IBM/Toshiba POC
 - Any other Channel
- Sterling Business center provides Multi-Enterprise Administration of Pricing and Promotions

Ease of Integration Through Service-Oriented Architecture

- Centralized Pricing Service
- Easily integrates with a variety of applications and data sources
- Sterling Pricing Engine is stateless and API/UE Driven



Pricing for 3rd Party App Such as WEB apps

API/XML



Sterling Store



Call Center



POC



New

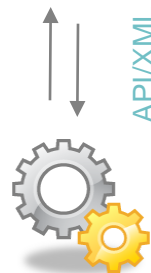
API/XML

API/XML



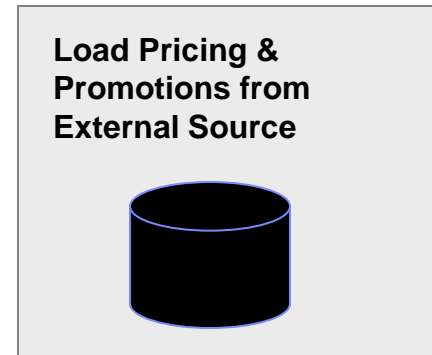
Any WebChannel
e.g. Webspere Commerce

API/XML



Advanced Pricing using
Sterling Product
Configurator

API/XML



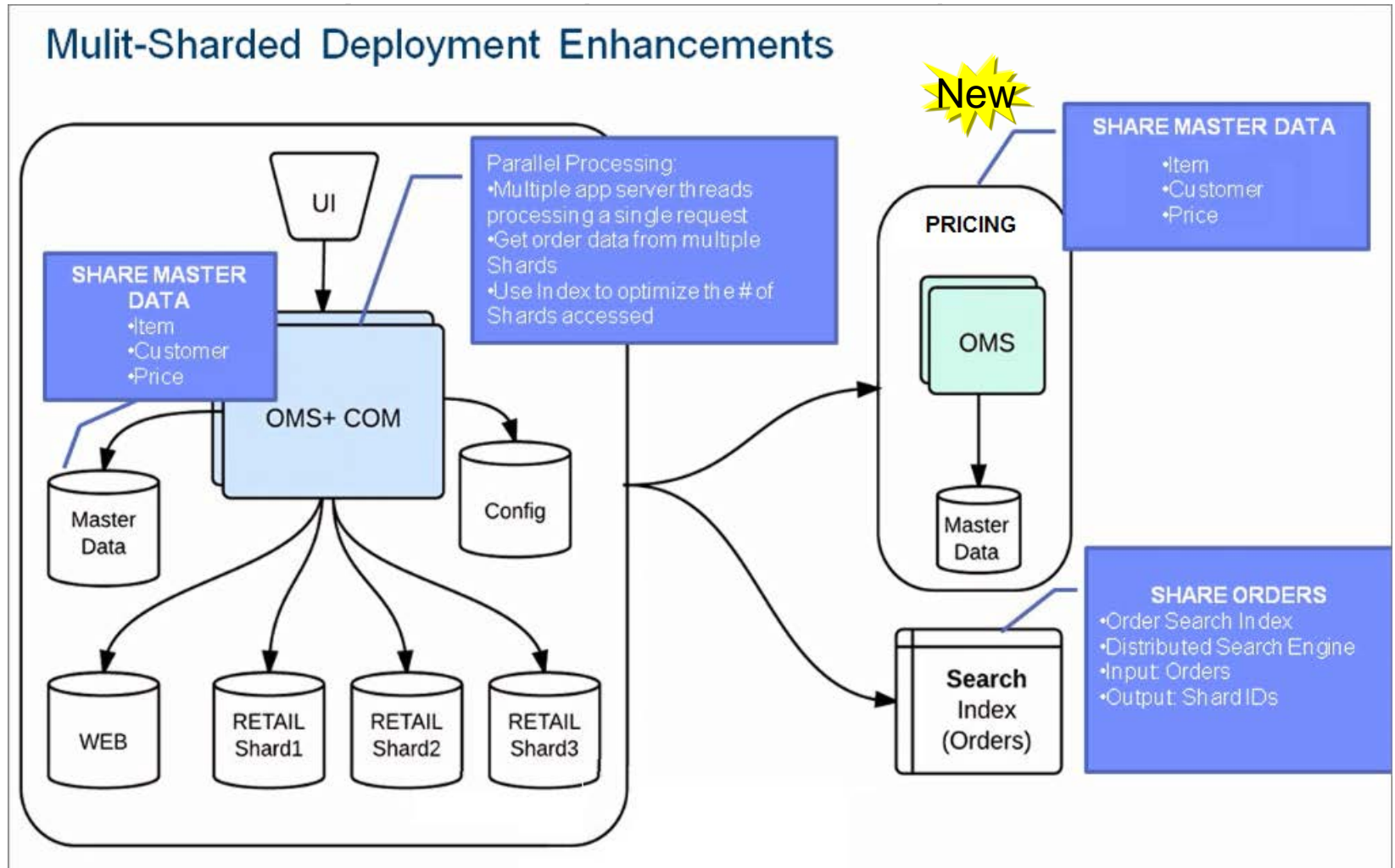
Load Pricing & Promotions from
External Source

Sterling Pricing Engine Deployment Options



1. Sterling Pricing is master: high availability of pricing service for Sterling and non Sterling applications
2. Sterling Pricing receives price and promotion updates from any 3rd party system
3. Sterling Pricing serves as a central gateway for all Sterling applications to a 3rd party pricing application

Multi-Sharding Strategy – Horizontal extensibility



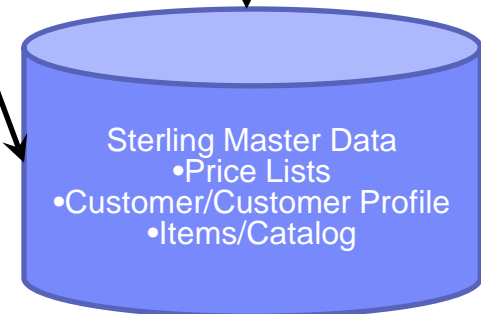
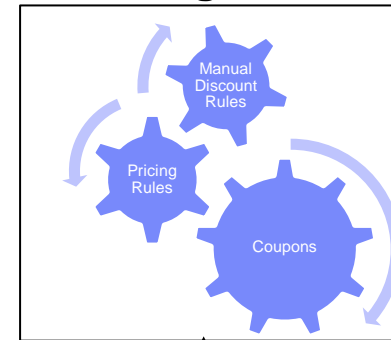
- Sterling Pricing Engine is stateless and can be deployed standalone

POS Deployment

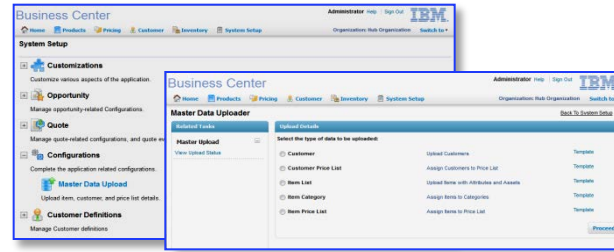
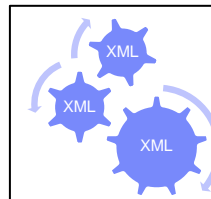
Thin Client
POS



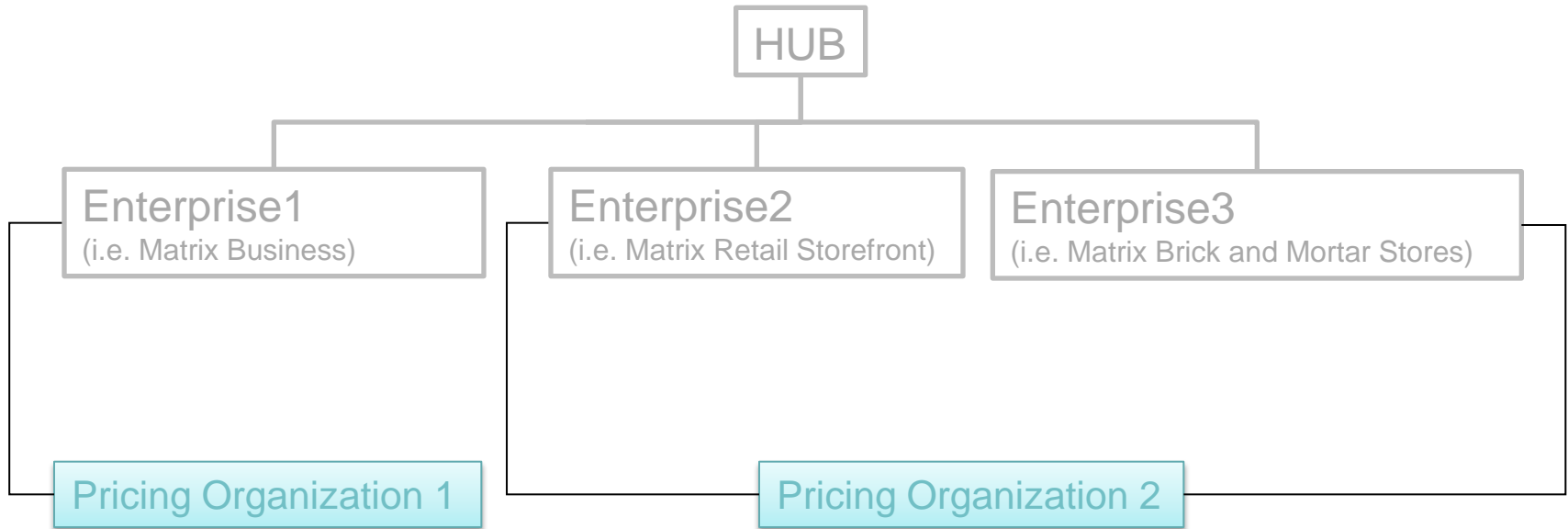
Pricing Execution
Engine



XML
Transform



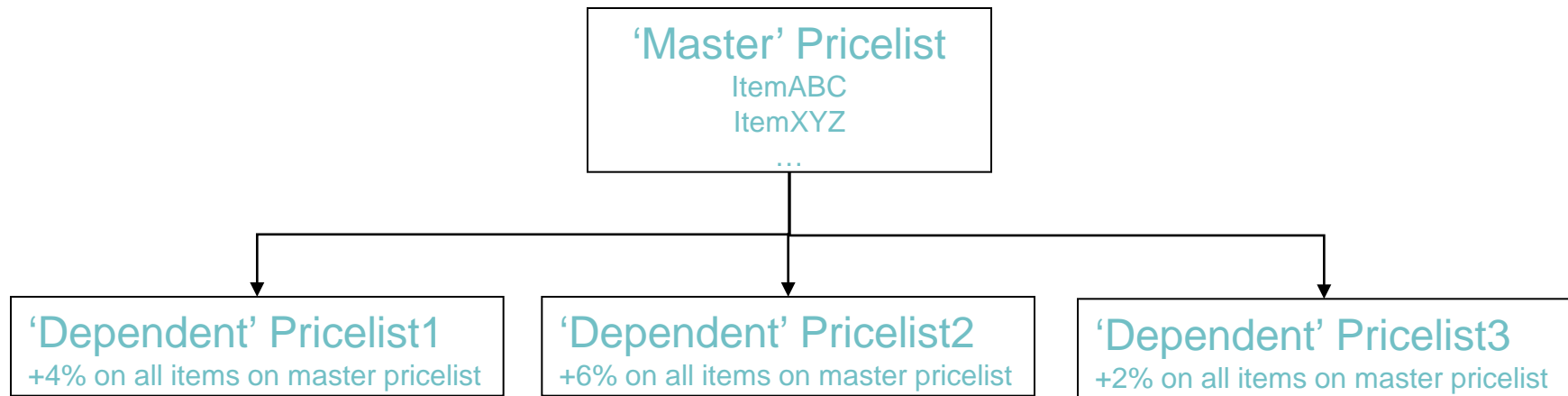
Multi Enterprise Capability



▪ Pricing Organization for Enterprise

- The Pricing Service provides the ability to store and maintain all pricing data at the Pricing Organization.
- An organization can be defined as a Pricing Organization and maintain its own pricing data, or an organization can specify a Pricing Organization of its choice.

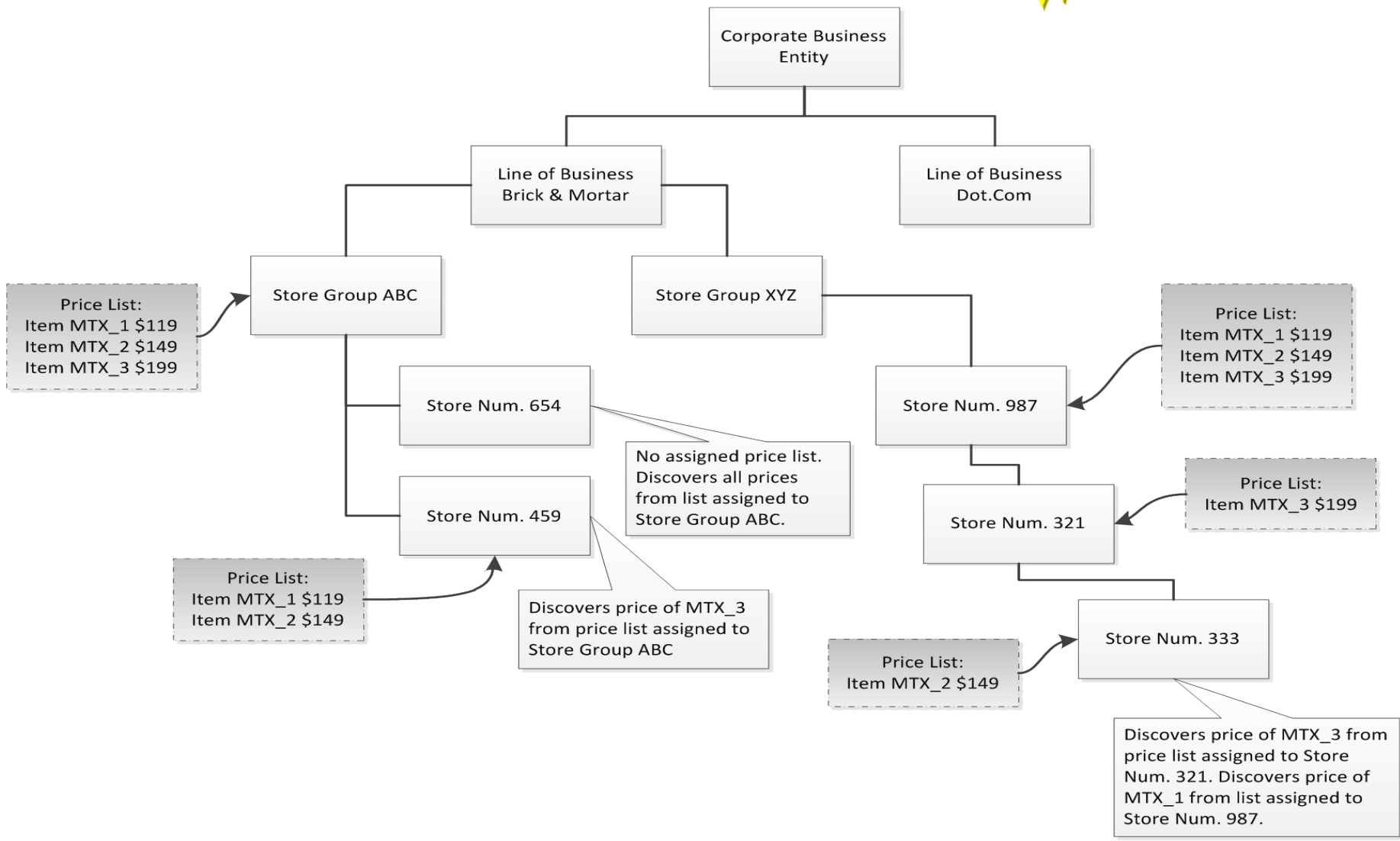
Concept of Master and Dependent Pricelist



- An organization can maintain a master price list from which inherited price list are created to give certain discounts or charges to
 - a specific customer or group of customers.
 - A specific store/seller or group of sellers


Simplifies and reduces maintenance efforts!

Store/Zone/Territory-based Pricing/Promotions



Sterling Pricing Supports critical Pricing Scenarios

■ Pricing Scenarios

- Contract-based pricing
 - Control customer access to products and prices
- Target pricing
 - Set prices according to definable profile variables such as industry, geography, customer-type, etc.
- Cost-plus pricing
 - Uplift a product(s) with an added mark-up in % or absolute terms
- Lowest Price strategy 
 - Pricing engine determines the lowest price if multiple pricelist prices apply in a given situation
- Price qty breaks
 - Influence buying behavior by defining individual quantity breaks per product, product group, or service

■ Multiple Overlapping Pricelists

- Supports multiple prices at the same time.

■ Seller/Store Based Pricing

- Set prices for individual store, set of stores, region or based on any logical grouping of Stores.

- Prices determined with hierarchical precedence of prices assigned directly to stores taking precedence over those assigned at region/attribute over enterprise/chain-wide prices




■ Price strategy Options

- Ability choose customer based price over seller based price or otherwise or compare both and choose best.

- Ability to apply price based on each Store's local time


New

Pricing Rules & Coupons

- Item Quantity tiered
 - Buy 2 or more and get 10% Off, Buy 5 or more and get 20% Off
 - Based on Specific Items/Attributes/Categories or Combination of any/all of these
- Combination (Buy X/ Get Y)
 - Buy a Shirt and get 20% off Pants, Buy 2 Shirts and get 3rd one 50% Off
 - Based on Specific Items/Attributes/Categories or Combination of any/all of these 
- Order Total
 - Spend \$100 and get \$20 Off, Spend \$100 and get 15% Off
 - Additional optional conditions on where to apply the discount 
 - Applicable Sub Total of a group of items 
- Shipping Discounts
 - Percent/Absolute/Flat Fee
- Shipping Surcharges
 - Attribute or Category based

Pricing Rules & Coupons

Additional features New

- Payment Type based Promotions
- Complex conditions like And/Or of multiple categories and attribute groups
- Ability to exclude certain categories/attributes or items from all promotions
- Inclusion Conditions and Exclusion Conditions at individual Pricing Rules
- Unit Price or Combined Price conditions on both Buy and Get side
- Percent/Absolute/PricePoint discounts
- Discount Limits by quantity or Dollar amount
- Ability to apply discount on highest or lowest priced target item(s)
- Customer and Store based assignments similar to pricelists
- Advanced scheduling ability with timeslot of day and each day of the week
- Support for non-instant promotions such as Mail-In-rebates, Store cash rewards

Pricing Rules & Coupons

Additional features



New

- Grace Period for Coupons with ability to override based on configuration
- Ability to Limit Maximum number of coupons per item and order with option to override
- Ability to limit Price override and Price adjustment with option to override
- Manager/Configurable Override options various Coupon scenarios like
 - Coupon quantity not met
 - Coupon Amount Threshold not met
 - Coupon not applicable with other Coupons or promotions
- Ability to optionally allow lines going negative with configurable limit
- Detailed Exclusivity Processing support

Pricing Rules Exclusivity Processing

- Ability to specify exclusivity among promotions at various level such as
 - Can combine multiple rules
 - Cannot combine multiple rules of same Pricing Rule Type for same Item within same Group
 - Cannot combine multiple rules of same Pricing Rule Type for same Order within same Group
 - Cannot combine multiple rules within same Group
 - Cannot combine multiple rules across Groups
- Ability to prioritize Promotions, when multiple similar promotions are applicable
- Default best discount processing
- Allows ability combine promotions in certain scenario, but also prevents combining multiple promotions in certain scenarios

Pricing Rules Exclusivity Group Processing



Vendor Promotions

- 20% Off ABC Electronics
- 15% off
- 30% off XYZ Apparel



Retailer Promotions

- Buy 2 Get 3 Shirt Free
- Buy any Laptop and all accessories 30% Off
- Spend \$100 and get 25% Off the order



Employee Promotions

- Additional 10% Off Electronics
- Additional 15% Off Everything except Electronics

- Create as many groups as required
- Define Level of exclusivity at each promotion level
- Prioritize promotions to take precedence over others

Pricing Rules ExclusivityType Processing



- Globally Exclusive Rule > Combination of all other applicable rules
- One Rule From Group > Combination of all other applicable rules from the same Group
- One Rule for the RuleType > Combination of all other applicable rules of same RuleType
- One Rule of a RuleType for same item > Any other Rule of same RuleType for same item

Dynamic Assignment of Price Lists and Pricing Rules

- Mass Assignment
- Direct Assignment
- Dynamic Assignments

The screenshot displays the 'Primary Information - MasterPiceList2009' configuration page. The 'Description' field contains 'MasterPiceList'. The 'Effective Start Date' is 01/01/2009 00:00:00 and the 'Effective End Date' is 12/31/2010 23:59:59. The price list is currently 'INACTIVE'. Below the main form are tabs for 'Items', 'Assign To Customers', 'Generic Assignments', 'Customer Profile Assignments', and 'Specific Assignments'. The 'Customer Profile Assignments' tab is selected and circled. An arrow points from this tab to a 'Customer Rule' dialog box. The dialog box has a 'Rule Details' section with dropdown menus for 'Vertical', 'Relationship Type', and 'Membership Level', and a search field for 'Region'. An orange callout box at the bottom of the dialog reads 'Dynamic based on profile parameters'. The dialog also has 'Save' and 'Close' buttons.

Seller/Store Assignment of Price Lists and Pricing Rules

- Mass Assignment
- Direct Assignment
- Dynamic Assignments

Primary Information - Buy2Get1Free

Pricing Rule Type: Combination

Pricing Rule ID: Buy2Get1Free

Pricing Rule Description: * Buy2Get1Free

Effective Start Date: * 03/14/2013 12:46:33

Effective End Date: * 03/31/2013 12:46:35

Status: ACTIVE [Deactivate](#) [Delete](#)

[Conditions](#) [Assign To Customers](#) [Assign To Sellers](#) [Properties](#) [Schedule](#)

This pricing rule is not assigned to any seller.

This pricing rule is applicable for all sellers.

This pricing rule is applicable to the following sellers.

[Specific Assignments](#) [Region Based Assignments](#)

[Add](#) [Modify](#) [Remove](#)

Assignment
<input type="checkbox"/>

Seller assignments can be based on any custom attribute of the seller/store

Advanced Dynamic Product Bundle Pricing

Matrix Solutions

Home | [View my account](#) | [View account activity](#) | Welcome, Chuck [Sign out](#)

Search in: All categories for [Advanced Search](#) [Product Advisor](#)

C. Mason's cart [Change cart](#)

All Categories **Computers** Monitors Printers Accessories Handhelds Wireless Limited Time Offers Outlet

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Memory Processor Hard drive Battery

Intel® Processor

Intel® Pentium® DualCore T2300 (1.86 GHz/533MHz FSB/1MB cache) [Included in price]

Intel® Core™ Duo T5750 (2.00 GHz/667MHz FSB/2MB cache) [add \$50.00]

Intel® Core™ Duo T5850 (2.25 GHz/800MHz FSB/2MB cache) [add \$100.00]

Intel® Core™ Duo T8300 (2.40 GHz/667MHz FSB/3MB cache) [add \$250.00]

[Help me decide...](#)

< Memory Hard drive >

InSpirit 17" Widescreen Notebook

Starting price: \$1,499.00
Instant savings: (\$100.00)

Subtotal **\$1,399.00**

My components		
Description	Qty	Price
Intel Core Duo T8300	1	\$1,126.00

My software and accessories

My warranty

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- Sterling Pricing Integrates with Sterling Product Configurator for Advanced Dynamic Bundle Pricing
- Product Configurator Models calculates pricing and offers promotions dynamically based on user selection of options



Lowest Price for Returns



- Configuration to represent x in number of days at Enterprise level
- Considers price lists assigned to “all customers”
 - Ignores customer-specific price lists, which would “harm” everyday/general customer
- Quantity tiers evaluated based on quantity returned
- Ability to suppress Pricing Rules
 - Evaluates all Item based Pricing Rules irrespective of assignments
 - Evaluates all Item based Pricing Rules irrespective of quantity thresholds
 - Evaluates all Item based Pricing Rules irrespective of combination filter
- Ability to override x at transaction level in API input

Miscellaneous Pricing Features...

- Sterling Bundle/Kit Pricing Options
 - Only the parent is included in the order total
 - Only the components is included in the order total
 - Both parent and components is included in the order total
- Manual Adjustments
 - CSR can manually add additional discounts or uplifts to a line or an order (similar to rule discounts).
- Price Locking
 - A line's unit price can be locked to a value when inquiring for an order price.
- Discount Distribution
 - Distribution of header adjustment to lines
 - Distribution of adjustment among lines of same products
- Customer Entitlement based on Pricelists

END