

# Optimize margins by transforming your approach to pricing



# There's a smarter, more efficient way to manage pricing

Chances are, you don't know your true margin on products—and for good reason. Most pricing scenarios are complex, policies are not systematized, and decision-makers lack the tools to analyze and fully understand what's driving their margins. It's time to **transform your pricing** with SAP solutions.

Success starts by gaining visibility into the complex pricing scenarios that you offer to customers and channel partners. The pricing option for the SAP Data Maintenance application for ERP by Vistex gives you this visibility and empowers you to effectively manage even the most complex pricing challenges, simply and reliably, for sustained margin improvement.

Designed to run on premise or in your private cloud, it provides centralized support for price administration, deal management, price execution, price analytics, and pricing science. It empowers you to understand the true profitability of your products at their selling price, determine and update prices swiftly and at scale, and push prices to your pricing system. And by automating administration tasks and using formulas to derive optimal prices, it saves your organization time.



## Make pricing policy more intelligent

Digital transformation creates a wealth of data that can be used to make your pricing policy more intelligent. SAP Data Maintenance provides analytical tools to harness these data sources, creating innovative ways of analyzing and executing pricing models.

For example, you can analyze and execute new pricing models (such as subscriptions and usage-based pricing) in a way that aligns pricing policy with corporate strategy.



You can better manage risk and exploit opportunities—for example, by focusing on the likelihood of reaching the next pricing tier and its impact on margin. And you can integrate market intelligence into decisions by, for instance, uncovering patterns and trends indicating potential market conditions well before they fully emerge. The application also helps you:

- Determine price corridors and establish pricing policies
- Systemize pricing policy intelligence
- Optimize volume and margin objectives
- Run formulas and calculations to evaluate the profitability of pricing programs
- Quickly adapt prices to market movements—for example, by analyzing commodity costs or price indexes and determining updated pricing for kits and bundles based on their actual bill-of-materials component costs or prices



## Efficiently manage complex on-order pricing

The pricing option for SAP Data Maintenance for ERP helps you manage complex on-order pricing, from agreement initiation to buy-side and sell-side analytics. It includes user-friendly layouts and intuitive functionality that help you adjust prices without delay, execute mass pricing updates, automate maintenance of pricing and effective dates, and more, reducing hours of manual processes. This saves you time and frees up resources to use the software to:

- Quote with accurate pricing
- Offer customer- and segment-specific pricing
- Manage promotions at the time of an order
- Execute consistent pricing across channels and customer types
- Enable e-commerce and field force solutions with real-time pricing data
- Predict the profitability of promotions
- Control offer stacking, discounting, and usage
- Track the performance of promotions

# Administer and communicate pricing efficiently

To prevent errors while maintaining prices in your order entry or materials management system, you need the visibility to review proposed pricing adjustments, the tools to make informed pricing changes, and an efficient way to enter pricing updates into your system.

Using the comprehensive price administration and workflow tools in SAP Data Maintenance, you can perform mass maintenance of pricing and effective dates, validate pricing according to business-defined price policies, and conduct and track reviews and approvals. The application also makes pricing administration easier with user-defined formulas and logic to help you derive sales prices from other products (from the same or a similar product family), commodity costs, consumer price indexes, or costs of bills-of-materials components. As a result, you can:

- Know the right price to pay for purchases
- Set prices according to policies using in-app tools and automation
- Implement mass price changes automatically
- Set prices of related products using formulas
- Control approvals with automated workflows
- Publish quickly to SAP S/4HANA, websites, and price books
- Communicate discounting guidance to sales teams to win deals without losing margin

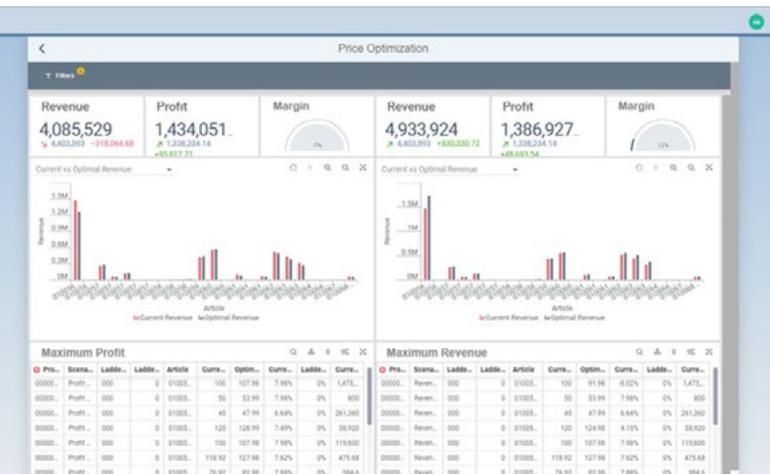


Figure: SAP Data Maintenance for ERP by Vistex, pricing option

# Analyze pricing more thoroughly to understand profitability

To help you understand profitability, SAP Data Maintenance analyzes current and proposed pricing as well as applicable incentives and reimbursements to help you determine the true net margin for each customer. The software enables you to:

- Collect market data on customer demand and price elasticity
- Simulate scenarios to determine optimal prices and plan changes with clear visibility
- Build in incentives and on- and off-invoice adjustments, as well as calculate pocket margin waterfalls
- Analyze gross-to-net and true margin
- Evaluate true margin by product, contract, segment, channel, and overall
- Measure pricing power

Armed with analytical insights into the gross-to-net calculation, component by component, for individual products or for product lines or agreements, you have visibility into margins, incentives, and revenue sharing. As a result, you can properly evaluate and set pricing for individual products, a product line, or even a single customer agreement. At the same time, you can model and manage complex pricing scenarios and incentives offered to customers, distributors, and channel partners so they meet profitability goals.



## Improve and simplify compliance and reporting

Given how much—and how often—prices can change, it's vital that you have a way to ensure pricing decisions align with business-defined price policies and contracts, conduct and track reviews and approvals, and generate accurate price reporting. SAP Data Maintenance offers comprehensive workflow tools that improve and simplify these tasks. Armed with consistent data, audit trails, and powerful reporting capabilities, you can:

- Check that pricing complies with policies
- Provide evidence of on-order pricing adjustments with audit trails
- Avoid omissions or inaccuracies in compliance reports
- Efficiently manage government price reporting, contracts, and rebates
- Improve conformance with government and industry reporting requirements



SAP provides built-in security features and add-on solutions to help you **protect your enterprise.**

# Realize the benefits

Are you ready to transform pricing for your business? With SAP Data Maintenance, you now have a single comprehensive application to centrally manage and implement your corporate pricing strategies with speed and intelligence. Enjoy easier pricing execution and

more-efficient pricing administration. Make better pricing decisions faster with a deeper and more thorough understanding of margins and smarter, more data-driven pricing policies. And give your business the ability to:



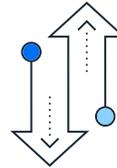
## Protect margins

by analyzing performance, optimizing channels, and simulating pricing changes



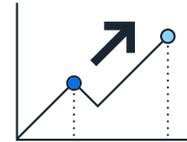
## Accelerate revenue

by updating buy-side costs and sell-side prices and publishing prices quickly



## Reduce risk

by improving the accuracy and reliability of pricing data



## Strengthen compliance

with consistent data and audit trails and more accurate reporting



## Summary

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SAP Data Maintenance for ERP by Vistex, pricing option helps you manage and implement your corporate pricing strategies. Designed to run in on-premise or private cloud environments, it includes functionality for price administration, deal management, price execution, and analytical reporting.

## Objectives

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- Execute on-order pricing
- Systematize and enforce compliance with company pricing policies
- Analyze pricing to understand margins and how to improve them
- Make pricing administration faster and more efficient
- Adapt pricing faster in response to changing market conditions

## Solution

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- Intelligent, automated price administration tools
- Deal visibility and pricing management
- Pricing determination and execution
- Price analytics to understand true margins and net-gross profitability
- Tools to optimize pricing actions and adapt to market conditions

## Benefits

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- Easier pricing execution
- More-efficient pricing administration
- Deeper and more thorough understanding of margins
- Smarter, more data-driven pricing policies
- Improved compliance and reporting

## Learn more

For more information, visit us [online](#).