



Next time you watch Superbowl, Think Advanced Pricing!

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About Speaker: Glenn

- Glenn is Senior Director of Programming at Mediacom. In this role, Glenn is responsible for managing and negotiating contracts and pricing agreements with various service providers (“programmers” as they are called in cable business).
- Glenn served as process owner and subject matter expert for this engagement.



About Speaker: Abhishek

- Abhishek is a partner with Ideametrics.
- He is specialist in cable, and utility industries. He has advised various clients on design of their capex, procurement, and asset management processes.
- Abhishek served as solution designer and project manager for this project.



Business Process Overview

- Programmers are owed royalty payment based on complex pricing arrangements
 - Variables include
 - » Subscribers Count
 - » Carriage Channel
 - » Carriage Tier (Ltd Basic, Digital Plus, etc.)
 - » Penetration
 - » Zone / region assignment (typically sports channels)
 - » and others ...



Business Process Overview

- Largest component of service cost
- Multiple sources of data
 - Billing System – CSG
 - Channel Lineups – DAC
 - Tier Structure
 - Market Zones
- Currently no industry standard tools available to support business process



Business Process Overview

- Complex high volume data crunching required every month
- For Mediacom, over a millions lines of source data must be processed to generated approximately forty five thousand payment lines – one payment line per market per channel



Options considered

- Oracle Incentive Compensation
 - Cox Uses This
- Custom Calculation Engine
- Oracle Purchasing with Advance Pricing



Project Approach and Overview

- Eliminated custom option in the first few weeks of project
- Conducted proof of concept using OIC and Adv. Pricing option with three sample contracts that represented low, medium, and high complexity

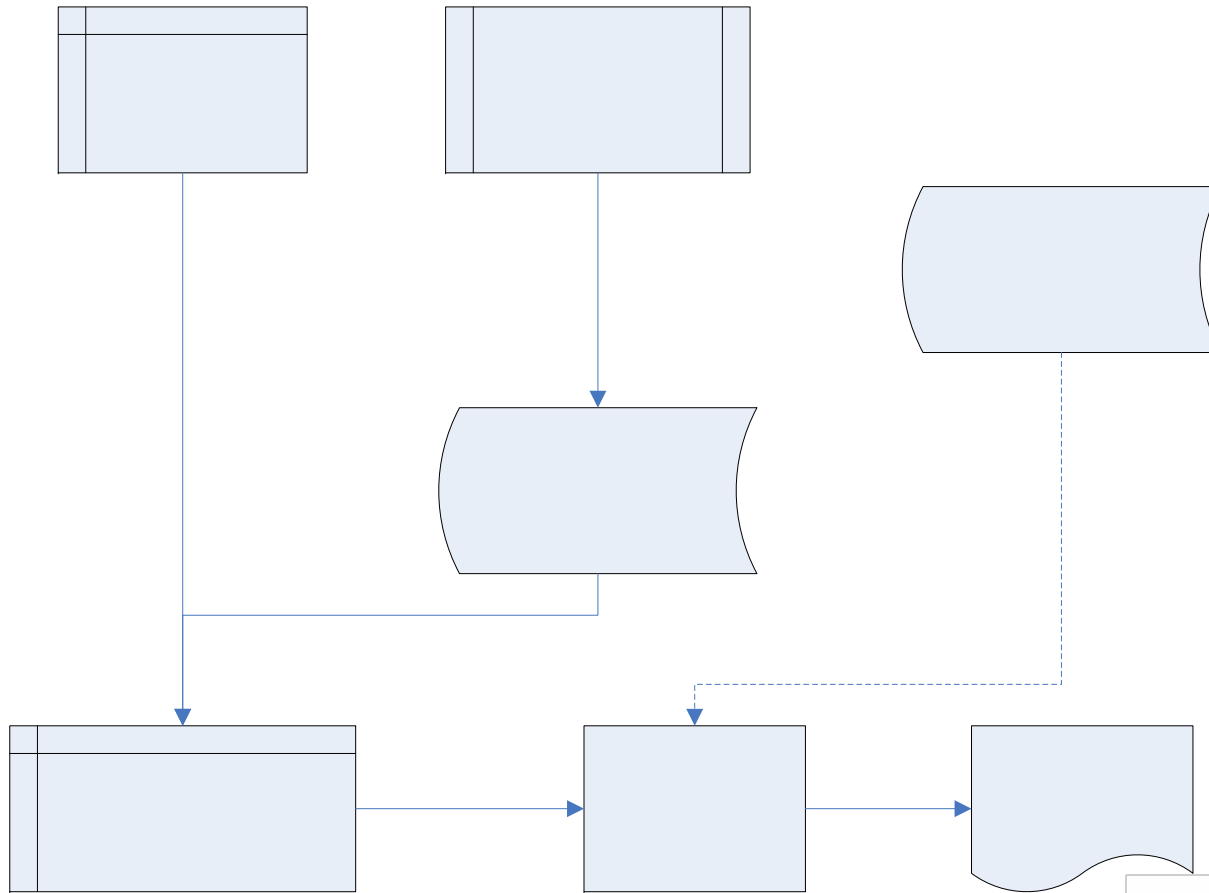


Project Approach and Overview

- Decided to go with in Adv Pricing option in spite of additional license purchases involved
 - Key Decisive Factors
 - » Simplicity of contract setup as compared to OIC approach – Existing in-house staff setup ALL contracts with minimal consulting oversight



High Level Process Flow



What Worked

- Simple and painless setup for QP – PO Integration
 - Must be on EBS 11.5.10
- Ease of price list setup
- Custom pricing attribute



Setup Steps – PO/QP Integration

- Profile Options

- “QP: Licensed for Product” – set at application level to “Purchasing” (document states that this should be set at site level)
- “QP: Pricing Transaction Entity” – set at application level to “Procurement” (undocumented)
- “QP: Unit Price Precision Type” – optional setup in case extended precision (2 vs. 5 decimal places) required

- Must have a contract PO for vendor

- For interfaced requisitions, must setup ASL and Sourcing rules



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Tips and Tricks

- Start with simple price list
 - Make sure price is not defaulting from item master
 - Make sure “QP: Custom Sourced” profile option is set to “No” if you are getting ORA-06508 in debug logs
- Price Breaks
 - Volume ranges are stored as VARCHAR2. Make sure the high number is max 11 char
 - Thoroughly test “unit/block” and “point/range” combination for volume discount pricing



Tips and Tricks

- **User Defined Pricing Attribute**
 - Make sure “Attribute Mapping Used in Setup” and “Status” are both checked.
 - Attribute must be used in at least one price list for it to be sourced. Run “Build Attribute Mapping Rules” after adding it to a price list.
- **Formula**
 - Run “Build Formula Package” after creating and assigning formula to a price list



Debugging

- Set “QP: Debug” profile options to “Request Viewer On”
- Navigate to “Purchasing Superuser > Advanced Pricing > Pricing Engine Request Viewer” to view debug output or look in “QP.QP_DEBUG_TEXT” table
- Run “Purge Pricing Engine Requests” before and after your debug to avoid confusion



Helpful Metalink Notes

- 357657.1 FAQ: Using Advanced Pricing in Purchase Orders and Requisitions
- 553399.1 FNDPOMSV: How to Set Profile Options for Use With Advanced Pricing Including Rounding Profiles
- 293793.1 What Are the Profile Options Required for Advanced Pricing in Oracle Purchasing 11.5.10?



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What did it take?

- Elapsed Time – Approx 9 months
- Internal Resource Hours – Approx 800
 - Subject Matter Expertise
 - All contract setup – even during design stage
 - » Consultants trained internal staff on different flavors of contracts
 - » Internal staff interpreted and defined contracts in system
 - Outbound interface from CSG and DAC
 - Testing
 - Discoverer Reporting



What did it take?

- Consulting Hours – Approx 2200
 - Overall System Design and Setup
 - » Oracle Purchasing
 - » Oracle Advanced Pricing
 - » Discoverer Business Area
 - Inbound Interface to Oracle
 - Training
 - Issue Resolution
 - Testing Support

• Finally, Lots of Yelling and threats of physical violence!



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Did it make any difference?

- Yes!!
- Less manual calculations, process time is faster and more efficient.
- A/P process time is faster due to less manual entry.
- Checks and balances by Oracle and all of team to ensure payments are correct.



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What did not work?

- Almost non-existent documentation of Advance Pricing – Procurement integration
- Limitation of global data structure
 - Unlike order management, procurement integration does not allow pricing calculation based on DFF or other user enterable variable. This, not only, limits the ability to setup complex price list, but also, results in users having to go thru' a tedious process to setup various lookups to test price list setup and perform what-if scenario during price negotiation.
- Limitation of PDOI with regard to contract reference
 - Effectively this means there are no pricing calls on interfaced Purchase Orders.
 - Interestingly, if you setup ASL and sourcing rules properly, requisition import can perform pricing calls during import. So the workaround is to import as approved requisition and setup auto-create workflow to create standard PO based on interface reqs.



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Enhancement Request

- Address ER/BUG 3569097 as #1 priority
- Provide ability to query the applicable attributes without having to enable debug
- Approval process for price list changes



Questions & Comments

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