SAP Solution Brief
SAP for Utilities

SAP Pricing and Costing for Utilities

TAILOR-MADE QUOTATIONS IN AN INSTANT

SAP® PRICING AND COSTING FOR UTILITIES

Energy wholesale prices? Inconsistent. Consumption levels of consumers? Highly variable. Creating an individual quotation? Correspondingly complex – so far. The SAP® Pricing and Costing for Utilities application enables you to offer tailor-made products and prices in an instant.

The liberalization of the energy market has intensified, and so has the competition among energy providers. Now is a crucial time to acquire new customers and serve them as efficiently as possible. Offering tailor-made quotations is the first step. It requires balancing current market prices, your consumers' needs, and your target margin. To determine an individual price, however, you usually need data from multiple applications or business areas. The result? Lengthy processing times. While your staff is working up the quotation, your customers may have found an alternative. On top of this, maintaining a variety of IT systems and interfaces can lead to considerable costs.

The SAP® Pricing and Costing for Utilities application enables you to quickly draw up contract conditions, create quotations, and use your sales workforce more efficiently. Developed in close collaboration with energy companies who are SAP customers, SAP Pricing and Costing for Utilities supports an end-to-end process flow from procurement to billing.

A Consistent Database

The application enables you to determine price and margin using a single user interface, thereby eliminating complicated procedures. It is integrated with the utility quotation function of the SAP Customer Relationship Management and Billing for Utilities package. Your advantages are:

- A consistent database
- Faster synchronization of master data
- Integrated software
- Fewer interfaces for less maintenance effort
- Reduced IT costs of your software landscape

The new pricing solution provides direct access to customer information in the SAP Customer Relationship Management (SAP CRM) application and to time-series data in the SAP for Utilities solution portfolio. It determines procurement prices using functionality of the energy portfolio management solution from the SAP Custom Development organization. As a result, your account manager can monitor and control the entire pricing process using a single user interface, without having to open multiple applications or gather data from multiple tables.

More Customer Centric

SAP Pricing and Costing for Utilities is based on and integrated with the SAP Customer Relationship Management and Billing for Utilities package, which takes the place of classic client files and collects all information about your business partners in one central location. Account managers can access information such as contact details, customer profiles, meter readings, consumption data, price lists, invoices, and data from contract accounting and advance payments. Data is always up-to-date and can be accessed anywhere Internet access is available. The user-friendly interface enables your account managers to access all the sales-relevant data they require with a mouse click. SAP Customer Relationship Management and Billing for Utilities is directly integrated with the billing functionality of the SAP for Utilities solution portfolio and complies with all legal requirements of the liberalized energy market.

Support End-to-End Processes from Procurement to Sales

For your sales workforce, calculating new quotations could not be simpler. Master data is entered in SAP CRM as before, where the quotation is created. The load profile is uploaded to the SAP Energy Data Management application, compared with data from the energy portfolio management solution from SAP Custom Development, and prices are allocated. Using this basis, the calculation tool determines the current energy price, grid charges, taxes, and duties. The price is then determined based on your target margin and transferred to the quotation in SAP CRM.

The entire process is performed within a single, uniform user interface. This reduces the number of costly system interfaces and eliminates error-prone manual data transfer. The user interface of SAP CRM enables your account managers to access instantly the time-series consumption data of your commercial and industrial customers as well as the consumption data of your residential customers.

Superior Usability

IT solutions provide their full potential only if they can be used readily, without hours of user training. SAP Pricing and Costing for Utilities integrates tightly with SAP CRM and requires no expert knowledge or additional instruction. Your employees can switch directly from quotation to calculation. With just a click of the mouse, they can view the entire calculation and pricing procedure in detail. For example, they can see the point of delivery and consumption forecast on which the quotation price is based. When sending the quotation to the customer, all contractual data for invoicing is transferred to the billing software automatically. The data is activated as soon as the contract has been signed.

Pricing procedures can be defined and assigned for each product. You simply define which costing items are fixed and which are variable in order to provide your account managers with consistent figures. At the same time, you are laying the foundations for successful sales management.

When creating a pricing procedure, you can:

- Use current energy-trading data
- Determine average prices
- Model pricing guidelines for specific countries
- Cover applicable cogeneration legislation, ecotax, and franchise fees
- Apply discounts and volume-based pricing scales
- Determine full-cost and direct-cost prices (the proportion of grid usage charges)

Every price version – as well as multiple offers – can be created, stored, and archived efficiently. Country-specific adjustments can be modeled quickly to reflect, for example, differing grid-usage charges across a region.

Advantages for Key-Account Business

The integrated pricing and costing solution is geared to expedite the complex key-account business. Assume that you are an energy provider for a large supermarket chain. Until now, assembling a package of products and prices quickly and reliably was a difficult task. Your account managers can now view the consumption details and billing data of each individual branch. The quotation you send matches the customer's needs and situation precisely – and it's in the customer's hands within just a few hours.

SAP Pricing and Costing for Utilities enables you to determine price and margin using a single user interface, thereby eliminating complicated procedures.

A Winning Team

The prerequisite for using SAP Pricing and Costing for Utilities is SAP CRM 7.0. Its full set of features is available when used in combination with:

- The SAP for Utilities solution portfolio

– the enterprise resource planning (ERP) solution specific to the utilities industry, which includes support for points of delivery, tariff classification, billing, and change of supplier
- SAP Energy Data Management – software for measuring and determining the energy demands of your customers, which lets you determine profiles, time-series data, and forecasts of future consumption
- The custom solution for energy portfolio management from SAP – the solution that enables optimized energy procurement from structuring energy portfolios and creating, monitoring, and closing open items to booking, evaluating, and balancing energy procurement and sales

In addition, third-party products can be integrated into SAP Pricing and Costing for Utilities.

Key Reasons to Choose SAP Pricing and Costing for Utilities

Customers expect first-class service from their energy providers. Any company able to deliver a reliable, tailor-made quotation quickly will have already won over many consumers. It is crucial that providers monitor energy market prices and their own target margins continually – which is precisely what SAP Pricing and Costing for Utilities is designed to achieve.

Key reasons why opting for an integrated pricing and costing solution makes sense:
- Your customers receive tailor-made quotations quickly.
- Complete software support for the end-to-end process enables your sales team to work more efficiently.
- Integration with SAP CRM simplifies calculations.
- Even the most complex contracts can be modeled flexibly.
- Your sales force can determine the expected margin at the click of the mouse.
- Costs can be calculated on an individual basis.
- You can quickly analyze and compare alternative quotations.
- You can identify target groups for new offers from within your customer base.

IT solutions provide their full potential only if they can be used readily, without hours of user training. SAP Pricing and Costing for Utilities integrates tightly with SAP CRM and requires no expert knowledge.

- You work more efficiently thanks to high data quality and a uniform database.
- Your IT maintenance effort is reduced.

Find Out More

Now is the time to offer your customers rapid, tailor-made quotations. Do not hesitate to contact our consultants with any questions. For more information, visit us online at www.sap.com/industries/utilities.

About SAP

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Summary

The SAP® Pricing and Costing for Utilities application enables you to create quotations for new and existing customers in an instant. The solution balances current energy prices, your consumers' individual needs, and your target margin. Integrated with the SAP Customer Relationship Management application, the software uses data from other applications and supports your end-to-end process flow from procurement to sales.

Business Challenges

- Convince your customers from day one with first-class service despite the intensity of the competition
- Profit from an integrated pricing and costing solution that automatically takes current market prices and duties into account
- Turn your sales force into the most efficient operation it can be

Key Features

- **Accurate quotation creation** – Create quotations based on current, real data
- **Country-specific enhancements** – Adjust your solution to adhere to individual country requirements
- **Efficient price determination** – Include taxes and duties automatically, determine discounts and volume-based pricing scales, and calculate full-cost and direct-cost prices
- **Individual price determination** – Create individual pricing formats

Business Benefits

- **Higher customer acquisition** through reliable and rapid quotations
- **Lower IT costs** through fewer interfaces
- **Greater efficiency** through rapid master-data synchronization
- **Higher quality quotations** through use of uniform, consistent data

For More Information

Contact your SAP representative or visit us at www.sap.com/industries/utilities.

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