Exercise 4-5: Create Pricing Components

In the Shared Catalog, pricing is componentized to make it more efficient. Depending on where you create your prices, pricing components can be created automatically if no existing components are relevant, or you may need to create the components manually.

Pricing features heavily in the Industries CPQ Developer Certification, with 17% of the questions. Therefore, it's important you have a good understanding of the components involved, and their implementation. Here's a short summary.

Pricing Elements and Pricing Variables

When you price a product, you create a price list entry in the required price list. Price list entries consist of pricing elements and pricing variables. Pricing variables establish the type of price involved, and the information that's required, such as:

- Is it a one-time or recurring charge?
- What's the frequency?
- Is it a standard charge or a penalty fee?
- Is it a price or a cost to the company?
- Is it an override or adjustment? - and if it's an adjustment, is it an amount or a percentage?

Most of the pricing variables you'll encounter in Industries CPQ are already pre-built for you, but if you'd like to know how to create and implement your own custom variables, try the usage pricing exercise in the **Advanced Pricing** module of this course.

Pricing elements reference the pricing variables to determine the type of information required, then store the values, such as the amount of the charge and the display name. There are pricing elements for adjustments and overrides in addition to charges. The basic types of pricing elements are:

- Charges: To assign a base price
- Adjustments: To adjust a base price
- Overrides: To override a base price

Pricing elements are generally created automatically when you create a new price list entry.

Time Plans and Time Policies for Subscriptions/Recurring Prices

Products such as data plans, internet services, and other ongoing subscription products need a recurring price. You may also need to associate a time plan and a time policy to the price.

The **time plan** is the length of time for pricing to apply to a product. For example, a 2-year subscription to cellular service has a 24-month time plan.
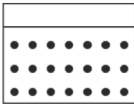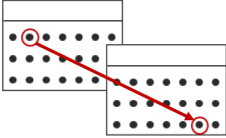
Settings for a time plan include:

- Total duration of the time
- The units of measure for the duration: Day, Week, Month, Year

A **time policy** indicates when the price starts, and stops being applied. When you create a time policy, you have these setting options:

Setting	Options
Start Policy	- Purchase Date: Typically, the date on which the customer submits payment and signs the agreement - Cycle Start Date: Date on which the customer's next billing cycle begins - First Day of Month: First day of month - Activation Start: Date on which the customer activates the service or device
End Policy	- End of Plan Duration: The last day of the plan's duration - Cycle End Date: The last day of the billing cycle - Set by Order Management - Last Day of Month: The last day of the month
Type	- Start Proratable (on/off) - End Proratable (on/off)
Start Time Delayed	- Start Time Delayed (on/off) - Delay Offset: Amount, supporting positive and negative numbers - Delay Offset Unit of Measure: Day, Week, Month, or Year

Here are some examples:

Time Plans	Time Policies
Time Plan: Duration Weeks? Months?	Time Policy: Start/End Prorated? Start time delayed?
Example: Annual time plan	Starts first day of month Ends on cycle end date
Example: 3-year time plan	Starts on purchase date Ends at end of plan's duration Start is proratable

Scenario

The salespeople and CSRs are happy with their new ability to automatically adjust pricing in the cart, but they would like a quick and easy way to limit the length of time an ongoing recurring price adjustment is applied.

Ada asks you to implement a 4 year time plan to limit the adjustment time, and a time policy where the adjustment starts on the activation date and finishes at the end of the plan (i.e. 4 years).

While you're doing that, Ada explores the time plans and time policies available in the shared catalog, and is happy to learn that any required time plans and time policies are automatically created when a new price list entry is created in the Pricing Designer.

Goals

- Explain the purpose of pricing variables and pricing elements in relation to price list entries, then show how they are created
- Differentiate between a time plan and a time policy and explain why they're created
- Implement a time policy
- Create a time plan

Tasks

1. Create a four year time plan
2. Specify the start and end time for subscription charges and adjustments
3. Assign a duration and start/end time to a product's price

Time: 20 mins

Task 1: Create a four year time plan

The salespeople and CSRs are happy with their new ability to automatically adjust pricing in the cart, but they would like a quick and easy way to limit the length of time an ongoing recurring price adjustment is applied. Ada asks you to implement a 4 year time plan to limit the adjustment duration.

Instructions

1. Navigate to the **Vlocity Pricing Designer.** If you don't already have it open, use the **App Launcher** to locate and launch it.

2. From the Vlocity Pricing Designer navigation menu, select **Time Plans** and select the **Vlocity EPC Time Plan List** view.

3. Notice there is currently no time plan available for a 4 year plan. Click **New** in the List View header to create a new time plan.

4. Configure the new time plan using the information shown below.

Field	Value	Notes
Name	`TP-4Y`	Best practice is to indicate the duration of the plan in the name.
Description	`4 year plan`	
Total Duration	`4`	
Total Duration UoM	**Year**	
Active	✔	Must be selected for the time plan to be shown as a choice in the time plan list.
Effective Start Date	**[Today's date]**	Must have a date of today or in the past.

5. Click **Save** to save your changes.

Task 2: Specify the start and end time for subscriptions

Now that you have the time plan sorted, the next task is to specify that the adjustments should start on the activation date, and finish at the end of the plan. This is achieved with a time policy.

Instructions

1. Navigate to the **Vlocity Pricing Designer.** If you don't already have it open, use the **App Launcher** to locate and launch it.

2. From the Vlocity Pricing Designer navigation menu, select **Time Policies** and select the **Vlocity EPC Time Policy List** view.

3. Notice there is currently no time policy available for which starts on the activation date and finishes at the end of the plan. Click **New** in the List View header to create a new time policy.

4. Configure the new time policy using the information shown below.

Field	Value	Notes
Name	`TPOL-ACTSTART-ENDPLAN`	Best practice is to indicate in the name when the policy begins.
Description	`Activation to end of plan`	It's helpful to describe the start and end of policy.
Start Time Policy	**Activation Start**	
End Time Policy	**End of Plan Duration**	
Active	✔	Must be selected for the time plan to be shown as a choice in the time plan list.
Effective Start Date	**[Today's date]**	Must have a date of today or in the past.

5. Click **Save** to save your changes.

6. Test your new time plan and time policy in the order cart.
   a. If you don't already have **Industries CPQ** open, use the **App Launcher** to locate and launch **Industries CPQ**.
   b. From the Industries CPQ navigation menu, select **Orders**.
   c. In the Orders list view, click **New**.
   d. Complete the order record details with the following information:

Field	Value
Order Name	`Carole White - Test Plans and Policies`
Account Name	**White, Carole**
Order Start Date	**[Today]**
Price List	**B2C Price List**

   e. Click **Save** to save your order and move to the **Cart** workspace of the order.
   f. Click **+ Add Products** to open the **Catalog Preview** in the Cart workspace.
   g. Locate the **5G Data Plan** and add it to the Cart. Notice the recurring charge is $89.99.
   h. From the **5G Data Plan** line item action menu, select **Adjust Price** to open the **5G Data Plan Pricing** dialog.
   i. At the top of the dialog, select **Recurring** to view the recurring charges and adjustments.
   j. Reduce the price by 20%. In the **Adjust Pricing** section, complete the following details:

Field	Value
Adjust By	**Percentage**
Discount or Upcharge	**Discount(-)**
Amount	`20`

k. Now limit the adjustment so it only applies for the next 4 years, starting when the plan is activated. Click **Limit Adjustment Time** and enter these details:

Field	Value	Notes
Duration	**TP-4Y**	This is the time plan you created in the previous task
Policy	**TPOL-ACTSTART-ENDPLAN**	This is the time policy you created earlier in this task

l. Click **+ Add** to add your adjustment with the associated time limits.

Task 3: Assign a duration and start/end time to a product's price

Ada is keen to see what happens if no time plan or time policy is found that's relevant for a new subscription price list entry. She decides to apply a new subscription-type price to the **No Limits Data Plan** product, starting today.

This product includes one free month. The $54.99 monthly charge should start one month after the date of purchase and should continue for 11 further months, until the end of the plan, after which the subscription ends.

Instructions

1. Locate and open the **No Limits Data Plan** product price list entries in the B2C Price List.

   a. Navigate to **Vlocity Pricing Designer**. If you don't already have it open, use the **App Launcher** to locate and launch it.
   b. From the Vlocity Pricing Designer navigation menu, select **PriceList** to open the list of available price lists.
   c. From the **All** list view, open the **B2C Price List.**
   d. Use the search bar at the top of the **CHARGES** workspace to locate any existing price list entries for the product **No Limits Data Plan**.

2. There's already a price list entry for this plan, so end date it so you can create a new price list entry to suit Ada's requirements.
   a. Click the existing **No Limits Data Plan** price list entry to view the details.
   b. In the **EDIT CHARGE** pane, put today's date in the **Effective Date To Date**.
   c. Scroll to the very bottom of the **EDIT CHARGE** pane and click **Done** to save your changes.

3. Add the new price list entry for the No Limits Data Plan.

   a. At the top of the **CHARGES** workspace, click **New Charge**.

b. Configure the new charge as follows:

Field	Value
Product	**No Limits Data Plan**
Display Name	$54.99
Effective Date From	**[Today]**
Effective Date To	**[leave blank]**
Is Virtual Price	**[unchecked]**
Charge Type	**Recurring**
Amount	54.99
Currency	**USD**
Recurring Frequency	**Monthly**

c. Click **Add Timing** and add these details:

Field	Value
Duration	11
Duration UOM	**Month**
Starting on	**Purchase Date**
Until	**End of Plan Duration**

d. Click **Add Delay** and add these details:

Field	Value
Delay	1
Delay UOM	**Month**

e. Click **Done** to save your changes.

4. Review the pricing components created automatically by this task.

   a. In the **B2C Price List**, notice there is now a new price list entry for the **No Limits Data Plan**, starting today. This new price list entry will be applied to any quotes or orders created for consumers from now on.

   b. From the Vlocity Pricing Designer navigation menu, select **Time Plans** and, in the **Time Plans** list view, switch to the **Vlocity EPC Time Plan List** view. Notice a new **Month_11** time plan has been created.

   c. Select the **Month_11** time plan to view it, and you'll see it contains the details of the 11-month time plan you assigned to your price list entry. Edit the time plan to add an **Effective Start Date** of **today** then click **Save** to save your changes.

   d. From the Vlocity Pricing Designer navigation menu, select **Time Policies** and, in the **Time Policies** list view, switch to the **Vlocity EPC Time Policy List** view. Notice a new **Purchase Date_End of Plan Duration_Month_1** time policy has been created, with a 1 month delay offset.

   e. Select the **Purchase Date_End of Plan Duration_Month_1** time policy to view it, and you'll see it contains the details of when the charges should start and end that you assigned to your price list entry. Expand the Additional Fields section to see details of the delayed start to the charging. Edit the time policy to add an **Effective Start Date** of **today** then click **Save** to save your changes.

Yay! All done!