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Welkom

Philips: How to successfully Manage your Pricing Strategy

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B.V.**

PHILIPS Vistex

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innovation + you

Philips Journey with Vistex: How to successfully Manage your Pricing Strategy



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Agenda



- Vistex & Philips introduction
- Digitalized pricing strategy
- Challenges Area's
- Pricing challenges
- Why Vistex
- Project
- Key Learnings
- Summary & Questions



About Vistex



VISTEX IS A GLOBAL PROVIDER OF ENTERPRISE SOLUTIONS & SERVICES

- Established in 1999
- Over 1,500 customers
- Global presence – 22 offices
- 1,700+ employees worldwide
- SAP Solution Extensions Partner



Customers we serve



Now it all adds up®

Vistex/SAP Partnership

SAP Global Software Solution Extension Partner

- Product tested, validated, licenses and supported by SAP
- Embedded in core SAP ERP
- Developed with SAP tools & standards
- Joint strategic design and development
- Solutions on SAP Solution Roadmap
- Partner product treated like SAP product
- Working in lock-step with SAP S/4HANA roll out strategy



Vistex solutions are available for the following SAP solution suites:

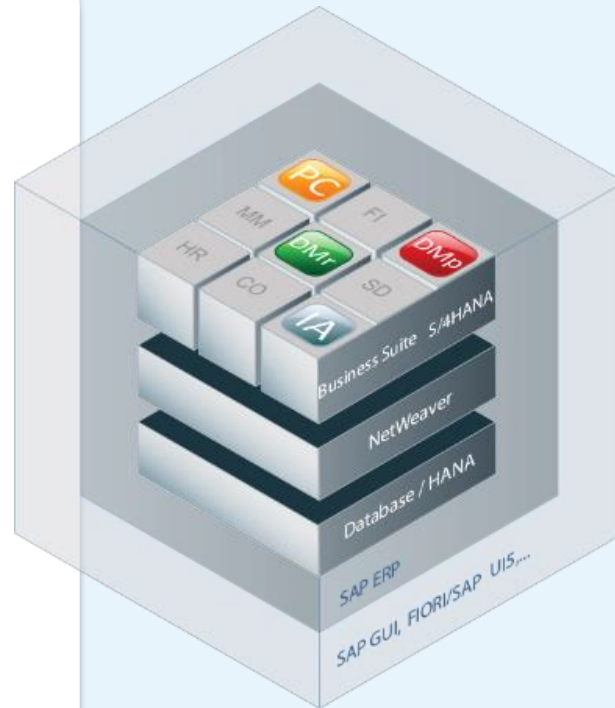
**ECC Suite on
HANA**

S/4HANA on Premise & Cloud



ALL THE VISTEX ADD-ON'S ARE:

- ✓ Certified by SAP
- ✓ Under SAP Maintenance
- ✓ On SAP pricing list
- ✓ Are embedded in SAP
- ✓ Use the same SAP core
- ✓ Use the same SAP infrastructure



PA SAP PROMOTIONS AND AGREEMENTS

- Customer/Vendor Bonuses
- Trade Spend Management
- Paybacks and Chargebacks
- Sales Incentives and Commissions

DMp SAP DATA MAINTENANCE PRICING

- Pricing Management & Simulation
- BOM & Bundle Pricing
- Promotion Campaign Deals

SAP FARM MANAGEMENT AND GROWER MANAGEMENT

- E2E Fields and Harvest Management
- Contracts with Outgrowers
- Pricing Policies based on produced Quality and Outcomes

SAP Investment in Vistex

Press Release August 4th, 2020



SAP® Invests in Vistex, Companies Deepen Strategic Relationship



NEWS PROVIDED BY

[Vistex, Inc](#)

Aug 04, 2020, 08:00ET

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HOFFMAN ESTATES, Ill., Aug. 4, 2020 /PRNewswire/ -- Vistex, Inc. today announced it has received an equity investment from **SAP SE** (NYSE: **SAP**). The move marks a key milestone in the 16-year relationship between the companies and underscores SAP's focus to accelerate innovation with its ecosystem on behalf of its customers.

Philips Company Overview



Philips is one of the oldest Dutch companies (130 years)

With more than 80.000 employees and international representation , Philips has succeeded

In becoming world leader in the health industries supplying hospital equipments as well as

Consumer products world wide

Main Mission of Philips is to improve 2.5 billion people's life around the world



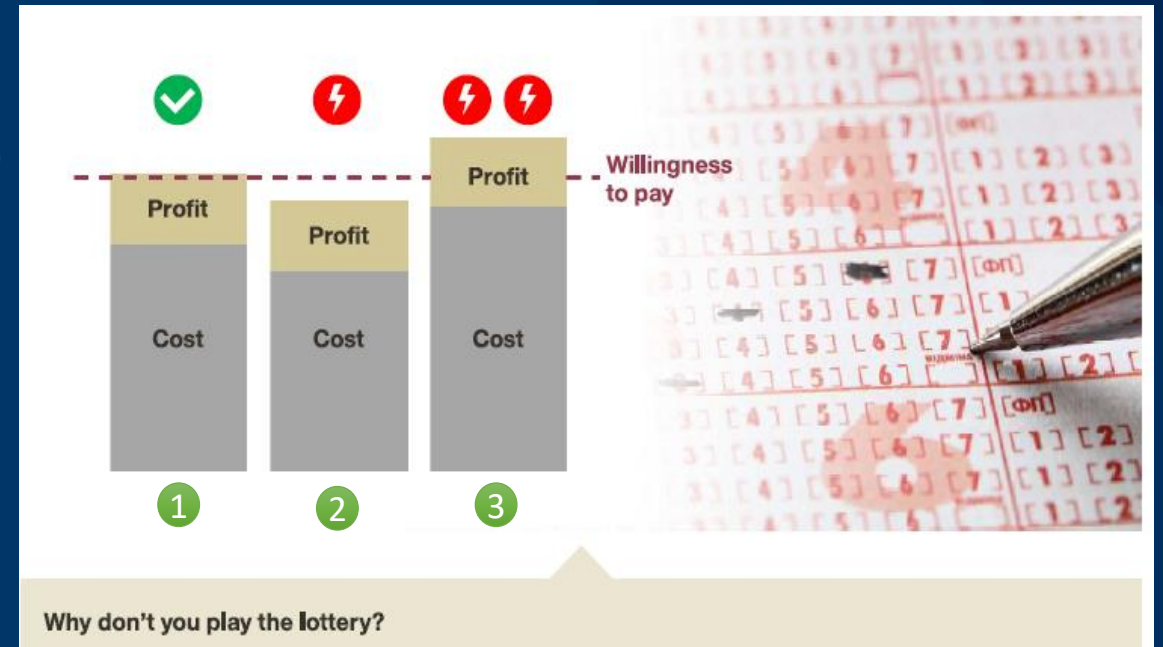
Why Digitalize Pricing Strategy



The Aim is to facilitate a smooth and Effective execution of our commercial policy

Achieve

- Higher Visibility on price setting and execution
- Better governance
- Improved IGM
- High degree of automation (reduce human interference)



Challenges Area's



- **Price Handshake**
 - Price setting (no simulation capability, excel ,local drives)
 - Workflow Process (mail ,share point)
 - Lack of Visibility (approved /Pending price request)
- **Trade Spend**
 - Lack of Central Commitment registration
 - Monitoring accural vs spend (not easy)
- **Promotions**
 - No Central promotion calendar maintenance and distribution
 - Lack of Prom monitoring and effectiveness



Best of Breed Functionality

- Extension to SAP to fill “ deal mgmt.” white spaces
- Comprehensive capabilities



Global Platform

- Scales and performs with SAP capacity
- Aligns with organizational structure created



Lower Cost of Ownership

- Leverage SAP
 - Functionality
 - Master & transactional data
 - IT-Infrastructure
 - Staff and skills

Challenges Area's and How we Improved them with Vistex



- **Price Handshake**

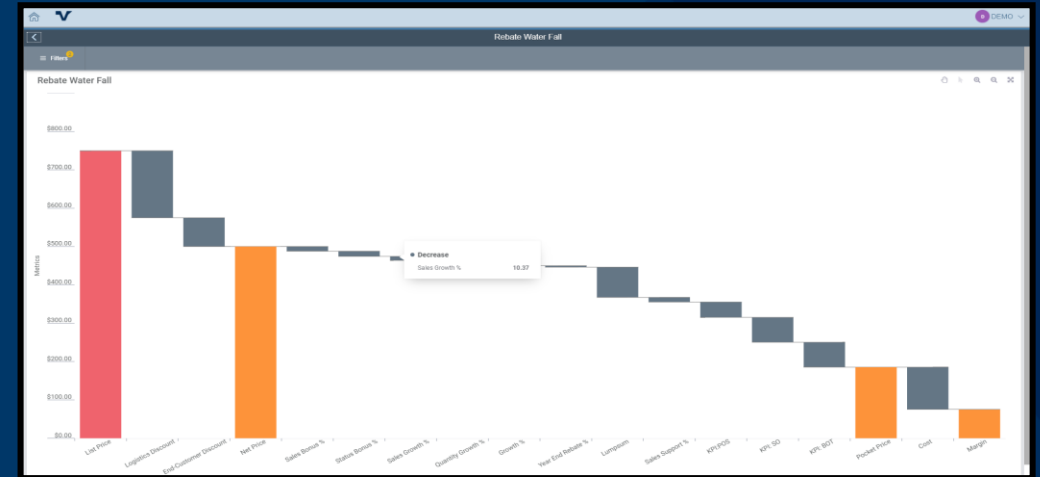
- Price Request + Simulation + with approval flow
- Visibility on (approved /Pending price request)
- Price request Duplication prevention
- Margin control (floor price check)

- **Trade Spend**

- Central Commitment registration per customer activity
- Monitoring accruals vs spend
- Daily accruals

- **Promotions**

- Central promotion calendar in Vistex
- Prom monitoring and effectiveness



1 Global / Regional Promotional Calendar

2 Local Promotional Calendar

3 Account Manager Simulation/Price Request

Price Indicator	Promotion Price	Promotion List Price	Reference Price	USDO%	Reference USDO%	Approval Reason code	Approval code		
6276520/R1	Other Promo PDP	18,00 €	18,00 €	130,00 €	100,000	25,000	---	2	000,03 AP
6287550/R1	Other Promo PDP	18,00 €	18,00 €	130,00 €	100,000	20,000	---	2	000,03 AP
6287550/R1	Other Promo PDP	24,00 €	24,00 €	135,00 €	100,000	22,000	---	2	000,03 AP

Why Vistex



- **Functional**

- Specialises in Pricing and Rebates
- Best Practices in the industry
- International Supplier
- SAP partner
- SAP solution extension

- **Architecture**

- Embedded in SAP (no interfaces needed to SAP)
- Flexible architecture (Embedded , Stand alone..)
- Adaptation to complex IT landscape
- Flows the SAP Road Map (S/4HANA,..)
- Adaptation to ever changing digital world and new technology



Automation



Flexibility



Accuracy & Consistency



Speed



Visibility

Project



- Started in 2018 for in the personal health divison
- MVP Benelux and 8 european Markets (Vistex Rebates)
- 2019 -2020 MVP Pricing (DMP) + rollout
- 2020 TPM for European markets
- 2021 POC for Philips Health Systems

VISTEX
Solution Delivery
Delivery pillar of Vistex

NETWORK OF EXPERTS

- Providing project **implementation** and **support services**
- 500+ consultants worldwide
- Closely linked to **product team**
- ~70 consultants in Europe

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Key Learnings



- Clear and Harmonized commercial Policy
- Spend enough time on requirements
- Consider all Markets during requirement Gathering
- BPO/BPE ownership and dedication
- Use Pilot Markets for Implementation then rollout (MVP first)
- Use Vistex consultants



With Vistex we achieved



Automation



Fully automated price calculation based on predefined calculation logic using real-time SAP data(cost, commercial terms and etc.) and integrating external data(competitor data...) and user friendly mass price maintenance

Flexibility



■ Highly flexible solution allows establishing new program rules when needed to enable new business strategies

Transparency



What if modelling with all relevant price factors before making price decisions, thorough analysis of final cost or margin of proposed prices and various reporting possibility in the same platform

Traceability



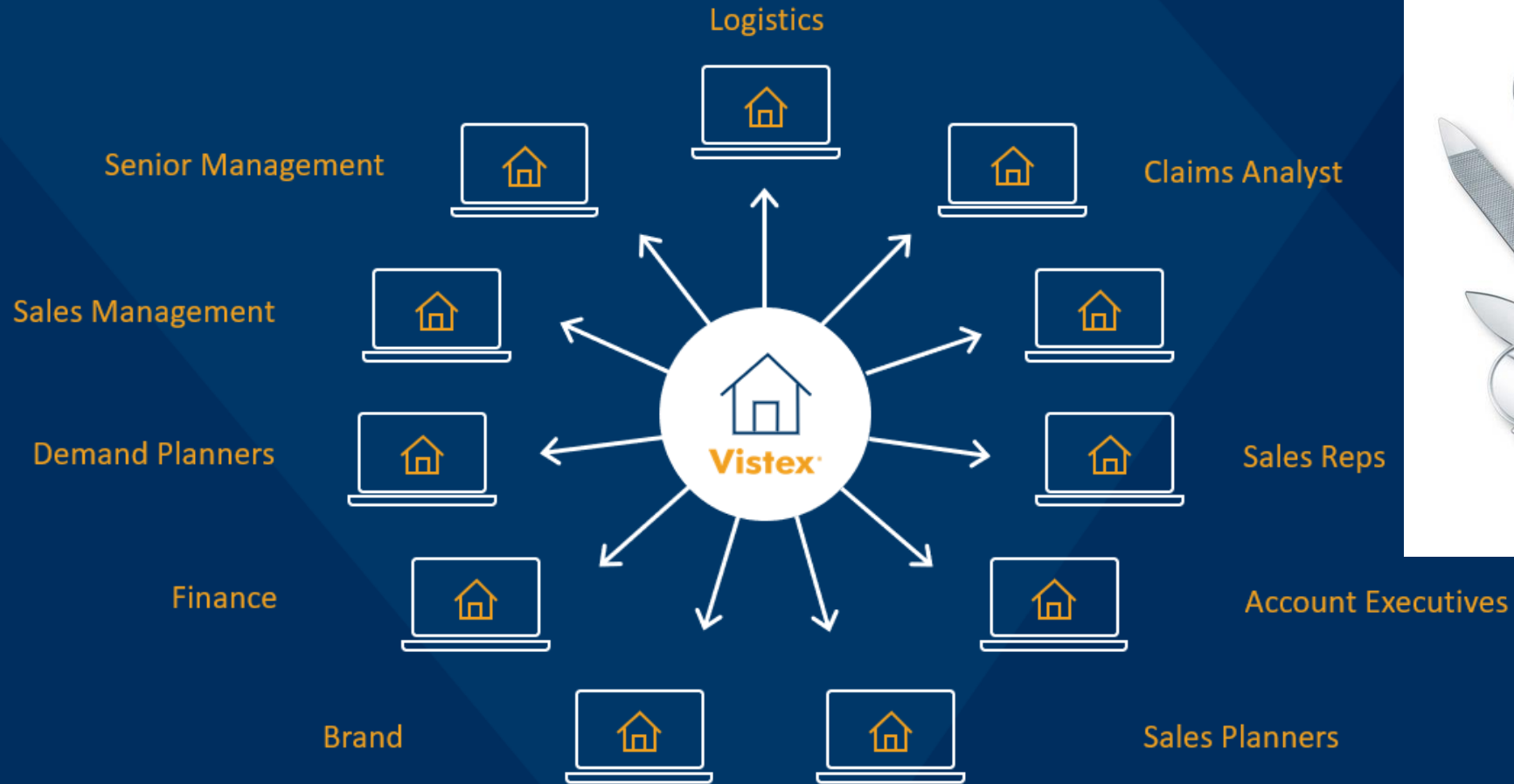
Pricing changes documented and archived using versioning concept

Controlling



Supports pricing guidelines and policies to ensure adherence and business user oriented approval process for 4 eyes principle

360 Degree



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Question & Answers

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Thank You!



VERBINDT. VERSTERKT.

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Bedankt voor je deelname

Bekijk op www.VNSGFocusOnline.nl welke sessies er nog meer zijn!

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