

To: all  
cc:  
Subject: More SC Pricer

It keeps getting better! 18 month lead predicted by Gartner!!

Basically says "you need SC pricer if you can't do pricing in an excel worksheet."

----- Forwarded by Joe Liemandt/Trilogy on 11/26/97 09:41 AM -----



November 24, 1997  
**Sales Leadership Strategies (SLS)**  
Research Note  
Products  
R. DeSisto

### **Product Profile: Trilogy's Selling Chain Pricer**

For enterprises challenged with deploying complex pricing to the point of sale, the options are few. Here, we profile one of the more compelling solutions, Trilogy's SC Pricer.

---

**Core Topic**  
Business Applications: Field Sales Automation

**Key Issue**  
Through 2002, which vendors will deliver an integrated field sales solution and emerge as leaders?

**Strategic Planning Assumption**  
Because organizations can receive a high return on investment with pricing configuration, by 2H98, additional TES vendors will expand their sales configuration capabilities to pricing configuration (0.7 probability).

Traditionally, enterprises have deployed sales configurators into the hands of salespeople to shorten sales cycles, decrease order errors and make it easier to sell complex products. However, at the heart of a successful sales configuration system deployment is an organization's ability to manage complex pricing scenarios, such as when pricing involves more-complex strategies such as tiered customer hierarchies, multiple distribution channels, varying product lines, "effectivity" dates, and authorization ranges. As a result, product configurators quickly become difficult and expensive to maintain. Because of these and many more issues, a new sales configuration type has emerged, pricing configuration (see SLS *Research Note* SPA-580-353, Oct. 21, 1997). Pricing configuration helps enterprises that sell configurable or nonconfigurable products to develop, manage and deploy complex pricing to their selling channels. Here, we review Trilogy Development Group's SC Pricer, the first product to provide the majority of features that selling organizations require for pricing configuration.

**Trilogy Development Group**  
Headquarters: Austin, Texas  
Web Location: <http://www.trilogy.com>

**VERSATA EXHIBIT 2015**  
CAP. v. VERSATA



Founded: 1989  
Ownership: private  
Employees: 380 (does not include pcOrder.com)  
Clients/Users: 60 to 80 clients/10,000 to 30,000 users\*

Installed base by industry: 35 percent computer; 35 percent telecommunications; 5 percent automotive; 1 percent retail; and 24 percent other (health care, financial services, oil and gas, and aerospace)

Revenue\*: 1996 - \$40 million; 1997 - \$55 million; 1998 - \$77 million

External Services Providers: Deloitte & Touche, Tech Resource Group and Cambridge Technology Partners

Resellers: GEIS, Symix

Products: SalesBuilder, SC PowerPak, SC Configurator, SC Pricer, SC Catalog, SC Proposal, SC Quote, SC Order, SC Web, SC Commission and SC Explorer

\*Gartner Group estimates

**Product Strategy:** Because many enterprises consider pricing a back-office order fulfillment function, a considerable gap exists between where the pricing is executed and the customer. Trilogy's SC Pricer enables an enterprise to bring pricing closer to the customer by moving price administration and execution to the sales and marketing organization. SC Pricer is a flexible and maintainable pricing configurator that can be deployed to direct sales forces, channel partners, telesales, order entry or directly to customers over the World Wide Web. SC Pricer's two value propositions are: 1) timely and accurate distribution of price changes to the enterprise; and 2) lower cost of ownership for pricing maintenance. Trilogy customers achieve these objectives through SC Pricer's graphical administration environment, pricing impact analysis and flexible pricing modeling paradigm. To support its enterprise deployment strategy, Trilogy has strong integration with major ERP applications such as Oracle Applications and SAP R/3. The strength of the integration is demonstrated by many Trilogy customers turning off the pricing functionality in their ERP systems and deciding to use SC Pricer as the sole pricing repository for their enterprise.

**Consider This Product When:**

The organization has complex pricing and discounting structures and suffers from high customer adjustment claim rates in industries such as:

- o consumer packaged and durable goods, where promotional pricing and customer deductions must be reconciled;
- o healthcare, where pricing will vary by customer contract and bill-backs, and where rebates must be reconciled;
- o retail, where pricing may change frequently and is flexible by market areas; and
- o manufacturing - when manufacturers sell through distribution - channel or trading partners pricing may vary.

In addition, the organization is plagued by expensive pricing maintenance costs, or untimely pricing distribution.

**Consider Alternatives When:**

The organization follows simple pricing procedures with infrequent updates (i.e., biannually) which could be easily modeled and distributed in an office suite application such as Microsoft Excel.

**Strengths:** 1) Deep understanding of the pricing configuration problem; 2) majority of required

pricing configuration features; 3) strong enterprise resource planning (ERP) integration; 4) graphical administration environment; 5) flexible pricing modeling paradigm; 6) 18-month market lead; and 7) experience with key users.

**Challenges:** 1) Distributed international price maintenance - pricing administration environment is currently English only with "no local-language support." 2) Improved system administration tools for pricing distribution - Trilogy provides the transport mechanism to communicate updates but no graphical environment to model the distribution of those updates (e.g., sales territories and distribution channels). 3) Release management coordination with ERP application upgrades - Trilogy will have a heavy burden making sure releases of SC Pricers are compatible with old and new releases of an ERP system (e.g., SAP/R3 3.0, SAP/R3 3.1, SAP/R3 4.0 on various platforms). 4) Lowering cost of implementation - SC Pricer software is expensive, and because it can support an entire enterprise, installation costs can be high. 5) International deployments - Trilogy has North American customers who have European subsidiaries but who have yet to successfully deploy SC Pricer to an Asian- or European-based organization.

#### **Note 1**

##### **Sample of SC Pricer Customers**

Allegiance Healthcare Corp.

Whirlpool Corp.

Bridgestone/Firestone Inc.

Raychem Corp.

BMC Software Inc.

Thomas and Betts Corp.

Norand Corp.

#### **Acronym Key**


**ERP** Enterprise resource planning

**TES** Technology-enabled selling

**Bottom Line:** Trilogy's SC Pricer will enable organizations to provide more-flexible pricing, reduce maintenance expenses, and improve profitability at the point of sale. Therefore, North American Type A (early adopters) enterprises should be evaluating this product now. North American Type B (mainstream) enterprises should begin to explore how pricing configuration can benefit their organization. Multinational enterprises requiring global pricing strategies and European-based selling organizations should evaluate SC Pricer with caution, since most of Trilogy's early customers (see Note 1) have been based in North America and Trilogy's ability to provide full international support (e.g., dual pricing, international roll-ups, European Monetary Unit support, and distributed international price maintenance) is yet to be proven. Because organizations can receive a high return on investment with pricing configuration, by 2H98, additional TES vendors will expand their sales configuration capabilities to pricing configuration (0.7 probability).

SLS: P-912-357

---

 GartnerGroup

Entire contents, Copyright (C) 1997 Gartner Group, Inc. All rights reserved. Reproduction of this publication in any form without prior written permission is forbidden. The information contained herein has been obtained from sources believed to be reliable. Gartner Group disclaims all warranties as to the accuracy, completeness or adequacy of such information. Gartner Group shall have no liability for errors, omissions or inadequacies in the information contained herein or for interpretations thereof. The reader assumes sole responsibility for the selection of these materials to achieve its intended results. The opinions expressed herein are subject to change without notice.

PROD_BEG	CONF_STAMP
VER-E00018461989	HIGHLY CONFIDENTIAL - ATTORNEY'S EYES ONLY