

FUNCTIONAL CONSULTANT GUIDE

Pricing Management in Microsoft Dynamics 365 Supply Chain Management

Configuration, worked examples and troubleshooting

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DYNAMICSTECH · [DYNAMICSGUY.COM](https://dynamicsguy.com)

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Pricing Management in Microsoft Dynamics 365 Supply Chain Management — Configuration, worked examples and troubleshooting. First edition, 2026. Published by DynamicsTech (dynamicsguy.com).

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The examples in this book were recorded in a test environment (USMF). Record IDs, order numbers and results identify the author's test records; an environment with different number sequences will assign different IDs. Pricing configuration should always be validated in your own test environment before being applied to production.

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Pricing Engine Cheat Sheet

How the Pricing Management engine builds a price



Every sales order line travels the same road. A wrong price is a wrong turn at one of these stops — Chapter 10 shows how to find which one.

Eight rules that explain almost every price

1. **Attributes are the questions.** The engine can only price what it can ask: customer region, product brand, order channel.
2. **The trade agreement gives the base.** Everything else layers on top of the base price — nothing rewrites it.
3. **The price tree is the order of play.** Components run in tree order; the same rules in a different order give a different price.
4. **The most specific price wins.** Customer beats group, group beats general, and an in-date, right-tier price beats them all.
5. **Adjustments are signed layers.** Surcharges and markdowns add or subtract without touching the agreement.
6. **A discount is not a price cut.** It shows on the line and reduces the net amount; the unit price stays.
7. **Concurrency settles fights.** Competing rules either compound in tree order or only the best one applies — the component code decides.
8. **Price details is your proof.** When anyone asks why this price, the layers on the sales order line are the answer.

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First edition

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About this guide

This practical guide follows the configuration and testing of Pricing Management in Microsoft Dynamics 365 Supply Chain Management. Its worked examples use a food distributor in USMF, with customer, product, and order attributes that build into a complete pricing setup.

The screenshots document the recorded application environment. Keep the distinction between a demonstrated result, a configuration requirement, and a feature that could not be validated in that environment. The relevant chapters explain the reasons for each limitation.

Preface

Every sales order line needs a price that can be explained. A customer agreement, a regional promotion, a quantity break, and a service surcharge may all apply to the same sale. The consultant must translate those requirements into pricing conditions and then prove how the engine reached the final amount.

In this book, I build that setup step by step. We begin with new customers and products, activate Pricing Management, and create the attributes and component codes that support the rules. We then post prices, add adjustments and discounts, compare competing rules, and trace the results on sales orders. The later chapters extend the examples to supplier prices, promotion funds, claims, rebates, ledger posting, quotations, and returns.

Who this book is for

This book is for functional consultants, solution architects, business analysts, and key users who configure or support sales pricing in Dynamics 365 Supply Chain Management. Familiarity with customers, released products, sales orders, journals, and basic navigation will help you follow the examples.

How to work through the examples

Work through the chapters in order when building the training setup. Later examples depend on attributes, component codes, journals, and test rules created earlier. Use a training environment and follow the recorded enable, disable, and restoration steps so that one test does not unintentionally change the next.

USMF is the legal entity used throughout the main examples, and USD is the working currency. The smart rounding test also uses EUR and GBP. Record IDs and order numbers identify the author's test records; an environment with different number sequences will assign different IDs.

Conventions used

Navigation paths use the > separator. Bold text identifies important actions, fields, or values. Figures are numbered by chapter. Notes, tips, negative tests, and recorded results appear beside the step they explain. Results tables keep the expected and actual values together where those values were recorded.

Read the Price details result as carefully as the rule setup. Several examples show a rule that is present but does not apply because a journal is unposted, a component is outside the price tree, a flag blocks an adjustment, or a date or concurrency setting changes the outcome.

What this book covers

Chapter 1 Introduction feature activation and parameters. Introduces the pricing engine, establishes the training data, enables Unified pricing management, and tests the company parameters and sales order behavior.

Chapter 2 Price attributes and price attribute groups. Builds customer and product attributes, registers their groups, validates header and line price attribute groups, and previews matching records.

Chapter 3 Price component codes combinations and the price tree. Connects attribute groups to price component codes, examines combination rank and the price tree, and posts the first customer price list.

Chapter 4 Sales trade agreement prices quantities and dates. Creates general prices, quantity breaks, and date effective trade agreements, then compares their results on sales order lines.

Chapter 5 Price groups and pricing priorities. Assigns price groups and pricing priorities and tests how changing a group rank changes the selected price.

Chapter 6 Margin price adjustments. Builds percentage and amount adjustments, tests price tree membership, and explains the Allow price adjustment setting on a trade agreement.

Chapter 7 Discounts and coupons. Configures and tests simple, quantity, threshold, mix and match, and free item discounts, along with order limits and coupons.

Chapter 8 Concurrency when pricing rules compete. Compares Exclusive, Best price, Always apply, and Compounded results and tests the compounding of multiple margin component codes.

Chapter 9 Working with pricing on the sales order. Recalculates existing orders, handles manual prices and selected discounts, completes an order, and uses sales order header attributes.

Chapter 10 Troubleshooting and periodic jobs. Uses diagnostic inquiries, the price report, and periodic tasks, and brings together the troubleshooting findings from the worked examples.

Chapter 11 Pre sales pricing funds and discount claims. Calculates a base price from vendor list prices and terms, controls a promotion fund, and processes a supplier funded discount claim.

Chapter 12 Additional pricing tools and rebates. Tests the price simulator, category price rules, auto charges, shipping and tender discounts, and a rebate cycle through customer credit.

Chapter 13 Rounding margins quotations and returns. Tests smart rounding, tiered charges, margin tools, sales line attributes, ledger posting, quotations, returns, and rebate write off.

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Introduction feature activation and parameters

By the end of this chapter, you will be able to prepare the training records, activate Pricing Management, and explain how the key parameters affect a sales order.

A pricing workshop often begins with one question: "How will the system decide which price to charge this customer?" This chapter introduces Pricing Management in Dynamics 365 Supply Chain Management and establishes the training setup used throughout the book.

Pricing is one of the most sensitive parts of the sales process. Eventually every sales order line needs one number - the unit price - and if that number is wrong, the invoice is wrong, the margin is wrong and the customer is on the phone the next morning. In standard D365 we already have **trade agreements** for prices and discounts. They work well for simple cases, but as soon as the business says "this price is only for hypermarkets in the Central region, for this brand, during Ramadan, and on top of it a 5% deal discount", trade agreements start to struggle.

This is where Pricing Management comes into the picture. It gives us a much more flexible framework in which the final price is built from several components, and each component can depend on customer, product and order attributes, dates, quantities and priorities.

In this book I will not just list the menu items. We will build everything from scratch on a clean data set, create real sales orders, look at the calculated price and understand **why** the system selected that price. So, before jumping into configurations, let's first understand the basic idea, and then we will switch the module on in our environment.

The business scenario

To keep the examples realistic, throughout this book we will act as a food distributor. We buy and sell cooking oil, rice and juice, and our customers are hypermarkets, small grocery shops and hotels. Every customer segment expects a different price, which makes it a perfect case for Pricing Management.

All the data used in this book was created fresh in the **USMF** company (currency **USD**); I did not use any Contoso demo customers or items. This way you can create exactly the same records in your own environment and get exactly the same results.

Table 1.1 - Training customers products and starting prices

Record	ID	Description	Base sales price
Item	PM-OIL-5L	Sunflower Cooking Oil 5L - Carton of 4	100.00 USD
Item	PM-RICE-10	Basmati Rice 10kg Bag	50.00 USD
Item	PM-JUICE-1L	Orange Juice 1L - Carton of 12	30.00 USD
Customer group	PM-HYPER	Hypermarkets and supermarkets	-
Customer group	PM-MINI	Minimarkets and groceries	-
Customer group	PM-HORECA	Hotels, restaurants and cafes	-
Customer	PM-C001	Al Madina Hypermarket (PM-HYPER)	-
Customer	PM-C002	Green Valley Hypermarket (PM-HYPER)	-
Customer	PM-C003	Corner Street Grocery (PM-MINI)	-
Customer	PM-C004	Royal Palm Hotel (PM-HORECA)	-

Topics covered

1. What is Pricing Management and why do companies use it?
2. How Pricing Management works - the basic architecture.
3. Preparing our training data (items, customer groups and customers).
4. Sales order price before Pricing Management is enabled.
5. Enabling the Pricing Management feature.
6. Pricing management parameters - every tab explained.
7. What changes on the sales order after enabling Pricing Management.
8. Test: what happens when we switch "Disable pricing management" on?
9. A quick tour of the Pricing management module.
10. Summary and what is coming next.

Pricing Management and its purpose

In simple words, **Pricing Management is a separate module that calculates the price and discounts of a sales order line using a pricing engine**, instead of the classic trade agreement search that we know from Accounts receivable.

In the classic approach, the system looks for a trade agreement that matches the item (or item group) and the customer (or customer price group), picks a price, and that is basically it. The relation is fixed: Item + Customer. If the business wants to price by region, by brand, by sales channel or by order type, we end up creating price groups for every combination and the setup explodes.

Pricing Management solves this in three ways:

1. **Price components:** The final price is not one number. It is built step by step - a base price, then a sales trade agreement price, then margin price adjustments, then discounts and charges. Each step is a separate "component" that we can control separately.
2. **Price attributes:** Instead of only Item and Customer, a pricing rule can look at attributes such as customer region, customer segment, product brand or a field on the sales order header. We will spend the whole of Chapter 2 on this.
3. **Priorities and concurrency:** When more than one rule applies to the same line, Pricing Management has clear rules for which one wins, and whether discounts are combined (compounded) or only the best one is used.

Let's say our normal selling price for sunflower oil is 100 USD. Hypermarkets get a special price of 95, but Al Madina Hypermarket, being our biggest customer, gets 90, and on top of that everybody gets 5% off during a promotion week. With classic trade agreements this quickly becomes a maintenance nightmare. With Pricing Management each of these requirements is a separate, readable rule. We will build exactly this scenario in the coming chapters.

Tip. Pricing Management does not replace the item's base sales price or the trade agreement concept. It re-uses them as building blocks. That is why a consultant who knows trade agreements will feel at home very quickly.

How Pricing Management works the basic architecture

Now the question is, how does Dynamics actually build the final price? The easiest way to understand it is to look at the **Price details** screen of a sales order line, which we will open later in this chapter. It shows the calculation in exactly this order:

Table 1.2 - The steps in the price calculation

Step	What it means
Base price	The starting price of the item. In this chapter it is the item's base sales price; from Chapter 4 we will see sales trade agreement prices here.
Margin price adjustment	An increase or decrease on top of the base price (for example -10% for a customer segment). Covered in Chapter 6.
Unit price	Base price + margin price adjustment. This is the price you see on the sales order line.
Discount amount	Discounts calculated by Pricing Management (simple, quantity, mix and match, threshold...). Covered in Chapter 7.
Sales charges	Auto charges calculated by the pricing engine.
Subtotal / Net amount	What the customer finally pays for the line.

Every step in this chain is represented by a **price component code**. USMF already contains a set of default price component codes. We will configure them properly in Chapter 3, but it is good to see them now so the architecture is not abstract.

Navigation: Pricing management > Setup > Price component codes > Price component codes

Figure 1.1 - Default price component codes that already exist in USMF

You can see seven codes in the list on the left: **Auto charges**, **Base price - Inventory price**, **Deal discount**, **General price adjustment**, **Product based price adjustment**, **Promotional discount** and **Sales trade agreement**. Each one has a **Price component** type (Auto charges, Base price, Sales trade agreement, Margin component or Discounts) and each one can be linked to **price attribute groups**. That is the link between the "components" and the "attributes" that we talked about above.

So the dependency chain of the whole module looks like this, and it is also the order in which this book is arranged:

1. Feature and parameters (this chapter) - nothing works without them.
2. Price attributes and price attribute groups (Chapter 2) - the "conditions".
3. Price component codes (Chapter 3) - they refer to the attribute groups.
4. Base prices and sales trade agreement prices (Chapter 4) - created under a price component code.

5. Price groups and pricing priorities (Chapter 5) - decide which rule reaches which customer and which one wins.
6. Margin price adjustments (Chapter 6) and discounts (Chapter 7) - built on top of the price.
7. Multiple rules and concurrency (Chapter 8), the sales order end to end (Chapter 9) and troubleshooting (Chapter 10).

Preparing our training data

Pricing Management needs something to price, so first we need items and customers. I am sure you all know how to create these, so I will keep this part short and only show the fields that matter for pricing.

Items

Navigation: Product information management > Products > Released products

To create a new item follow the below steps:

1. Click **New**.
2. Enter the **Product number** and **Product name** (for example PM-OIL-5L - Sunflower Cooking Oil 5L - Carton of 4).
3. Select **Item model group** = FIFO, **Item group** = Consume, **Storage dimension group** = SiteWH and **Tracking dimension group** = None.
4. In the **Prices** section enter **Sales price** = 100 and **Inventory price / Purchase price** = 70.
5. Click **OK**.

Standard view 

New released product

Product type  Item	Reservation hierarchy 
Product subtype  Product	Unit sequence group ID 
Product service type Not specified	Buyer group 

IDENTIFICATION Product number PM-OIL-5L Product name Sunflower Cooking Oil 5L - C... Search name SunflowerCookingOil5	UNITS OF MEASURES Inventory unit ea Purchase unit ea Sales unit ea BOM unit ea
COMPANY-SPECIFIC IDENTIFICATION Item number PM-OIL-5L Search name SunflowerCookingOil5 Retail category 	SALES TAXATION Item sales tax group 
CATCH WEIGHT ☒ No	PURCHASE TAXATION Item sales tax group 
ADMINISTRATION Apply template 	VENDOR INFORMATION Vendor  Vendor item number
REFERENCE GROUPS Item model group FIFO Item group Consume Storage dimension group SiteWH Tracking dimension group None	PRICES Purchase price 70.00 Sales price 100.00 Inventory price 70.00

OK Cancel

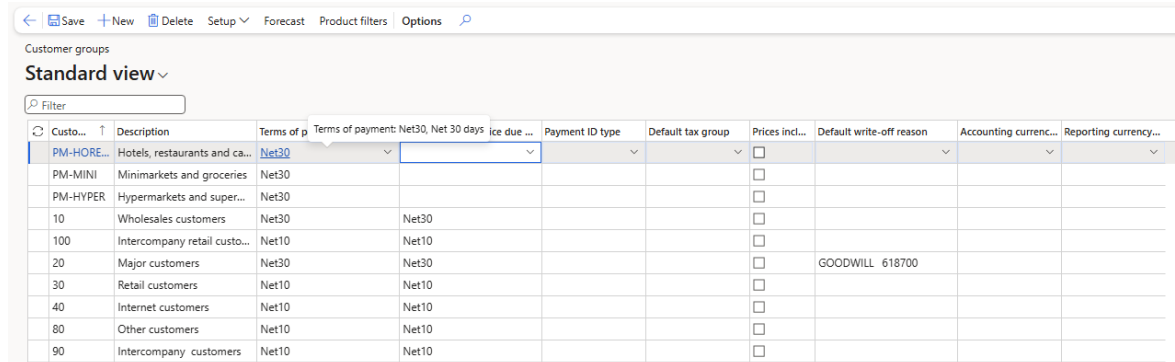
Figure 1.2 - New released product dialog - PM-OIL-5L

The important field for us is the **Sales price**. This is the item's **base sales price**, and as you will see in a moment, when no pricing rule exists, this is the price that reaches the sales order. I also entered a different Inventory price (70) on purpose, so that later we can prove which of the two prices the system is using. The same way I created PM-RICE-10 (sales 50 / inventory 35) and PM-JUICE-1L (sales 30 / inventory 18).

Customer groups

Navigation: Accounts receivable > Setup > Customer groups

Customer groups are not a Pricing Management setup, but in our scenario the customer segment (hypermarket, minimarket, hotel) is one of the main pricing drivers, so it is cleaner to have one group per segment. Click **New**, enter the group code, description and terms of payment, and save.



Cus...	Description	Terms of p...	Terms of payment: Net30, Net 30 days ice due ...	Payment ID type	Default tax group	Prices incl...	Default write-off reason	Accounting currenc...	Reporting currenc...
PM-HORE...	Hotels, restaurants and ca...	Net30				☐			
PM-MINI	Minimarkets and groceries	Net30				☐			
PM-HYPER	Hypermarkets and super...	Net30				☐			
10	Wholesales customers	Net30	Net30			☐			
100	Intercompany retail custo...	Net10	Net10			☐			
20	Major customers	Net30	Net30			☐	GOODWILL 618700		
30	Retail customers	Net10	Net10			☐			
40	Internet customers	Net10	Net10			☐			
80	Other customers	Net10	Net10			☐			
90	Intercompany customers	Net10	Net10			☐			

Figure 1.3 - Three new customer groups: PM-HYPER, PM-MINI and PM-HORECA

Customers

Navigation: Accounts receivable > Customers > All customers

Click **New**, enter the **Customer account**, **Name** and **Customer group**, leave the currency as USD and click **Save**. I created four customers: PM-C001 Al Madina Hypermarket and PM-C002 Green Valley Hypermarket (PM-HYPER), PM-C003 Corner Street Grocery (PM-MINI) and PM-C004 Royal Palm Hotel (PM-HORECA).

Standard view ▾

Create customer

Details PM-HYPER | USD | Net30 | -- | -- | -- | ^

Customer account	Delivery terms
PM-C001	
Type	Mode of delivery
Organization	
Name	Sales tax group
Al Madina Hypermarket	
Customer group	Tax exempt number
PM-HYPER	
Currency	Source code
USD	
Terms of payment	
Net30	

Figure 1.4 - Create customer - PM-C001 Al Madina Hypermarket

Sales order price before Pricing Management

Before we switch anything on, let's take a baseline. This is very important, because later we want to compare "before" and "after" and see exactly what the module changed.

Navigation: Accounts receivable > Orders > All sales orders

I created sales order **001339** for customer **PM-C001**, with one line: item **PM-OIL-5L**, quantity **10**, site **1**, warehouse **11**.

Figure 1.5 - Sales order 001339 created before Pricing Management was enabled

Item number	Product name	Sales category	CW quantity	CW unit	Quantity	Unit	Delivery type	CW deliver...	Adjusted u...	Site	Warehouse	Unit price
001339-001	Sunflower Cooking Oil 5L ...				10.00	ea	Stock		0.00000	1	11	100.00

Figure 1.6 - Close-up of the line: quantity 10, unit price 100.00

As expected, the unit price is **100.00**, which is the item's base sales price, and the line amount is $10 \times 100 = 1,000.00$. The inventory price of 70 was not used. Also note the Action Pane: Sales order, Sell, Manage, Pick and pack, Invoice, Commerce, General, Warehouse... There is **no "Price" tab** here. Remember this, because it will appear later.

Note. When I first tried to save this line the system gave the error "Field 'Site' must be filled in." because our new items have no default order settings. Enter the site and warehouse on the line (or set them in the item's Default order settings) and the line saves normally.

Opening Pricing Management before activation

Out of curiosity, let's try to open the Pricing management parameters before enabling the feature.

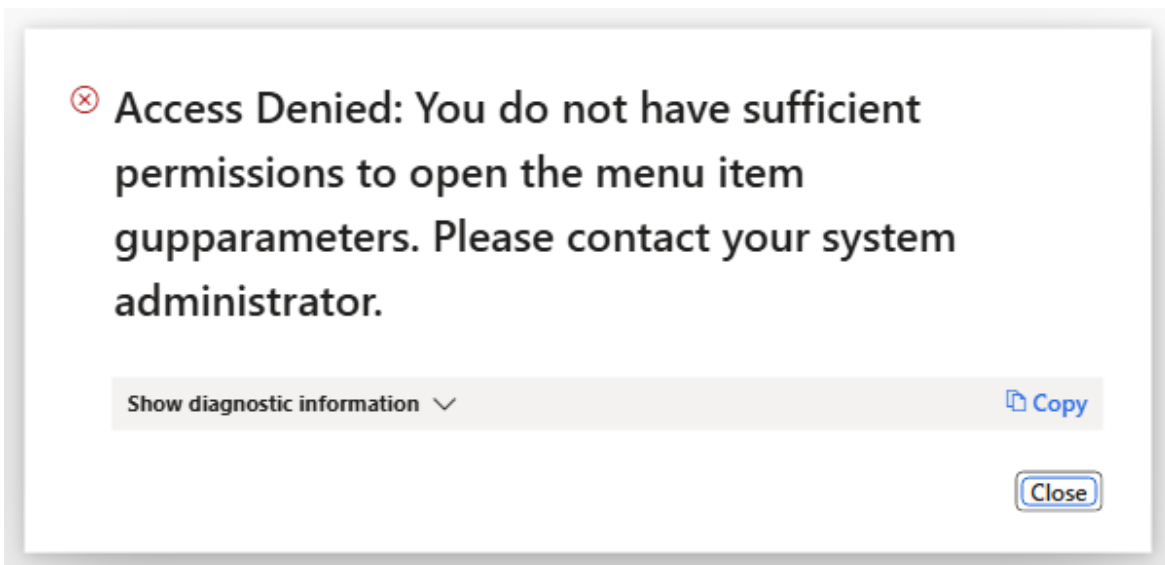


Figure 1.7 - Opening Pricing management parameters while the feature is off

Even with the System administrator role the system says "**Access Denied: You do not have sufficient permissions to open the menu item gupparameters.**" This is not a security problem. The Pricing management menu items are simply not available until the feature is enabled in Feature management. If you ever get this message on a new environment, the first thing to check is the feature, not the user's roles.

Enabling the Pricing Management feature

Pricing Management is delivered as a feature that is **off by default**. So the very first preliminary setup is to switch it on.

Navigation: System administration > Workspaces > Feature management

To enable the feature follow the below steps:

1. Open Feature management and click the **All** tab.
2. In the filter type **Unified pricing management**.
3. Select the row **Unified pricing management** (module: Sales and marketing).
4. Read the description on the right side and click **Enable now**.

Feature management
Do not enable new features automatically

New: 1 | Not enabled: 415 | Scheduled: 1 | [Enable all](#) | [Check for updates](#)

Search:

Name	Status	Enable date	Added	Feature state	Module	Type
Unified pricing management	Not enabled		5/28/2026		Sales and marketing	Feature
Unified pricing management pricing rule performance enhancement	Not enabled		5/28/2026		Sales and marketing	Feature

Unified pricing management

Added 5/28/2026
Sales and marketing

Description

Pricing management module provides a centralized platform for pricing managers to plan, configure, manage, simulate and monitor omnichannel pricing strategies. With this feature enabled, organizations can set up flexible pricing structures using multiple price components such as general base prices, long-term deals, short-term promotions, and retrospective rebates. Pricing rules can be defined based on product, customer, and order attributes. Contextual pricing can be rolled out to different segments based on predefined conditions. Real-time pricing calculation is powered by a unified pricing engine that works consistently across supply chain, retail, and e-commerce business processes.

Comments

[Schedule](#) [Enable now](#)

Figure 1.8 - Unified pricing management - not yet enabled

The description is worth reading once: "Pricing management module provides a centralized platform for pricing managers to plan, configure, manage, simulate and monitor omnichannel pricing strategies... Pricing rules can be defined based on product, customer, and order attributes." In the list you will also see a second feature, **Unified pricing management pricing rule performance enhancement**. It is a performance feature for the pricing rule search; we do not need it to learn the module, so I left it off.

After clicking Enable now, the status turns green and the right pane shows "This was enabled on 9/23/2026".

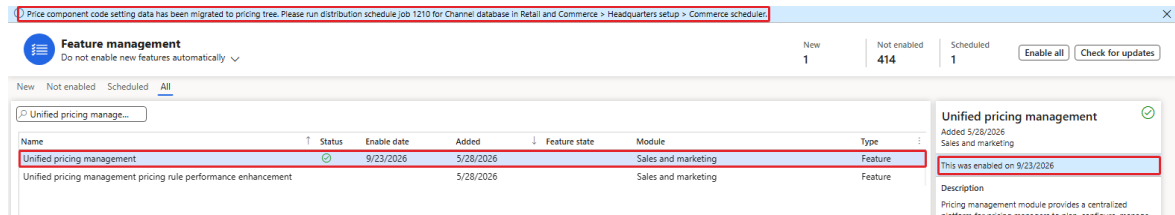


Figure 1.9 - Feature enabled - note the message bar at the top

At the same time the system showed this message: **"Price component code setting data has been migrated to pricing tree. Please run distribution schedule job 1210 for Channel database in Retail and Commerce > Headquarters setup > Commerce scheduler."** The first part tells us that during activation the system copied the price component code settings into the new price tree structure. The second part (job 1210) is only relevant if you also use Commerce channels (POS / e-commerce) that need this data in the channel database. For sales orders in the back office, which is our focus in this book, we did not need to run anything.

Tip. The feature can be disabled again from the same screen (there is a Disable button at the bottom of the right pane), but do not play with it in a live environment once pricing rules are in use. For a controlled "off switch" per company, use the Disable pricing management parameter that we test in the section on testing the company pricing switch.

Pricing management parameters

Now that the feature is on, the module is available and we can open its parameters. Just like the WMS parameters, this form decides the general behaviour of the module for the current company, so it is worth going through each tab once. I will explain the important fields now, and we will test the behaviour-changing ones in detail in the chapters where they matter.

A small trick for finding any page in this module: type the page name in the search box at the top of D365. The result shows the full menu path, which is how I verified all the navigation paths in this document.

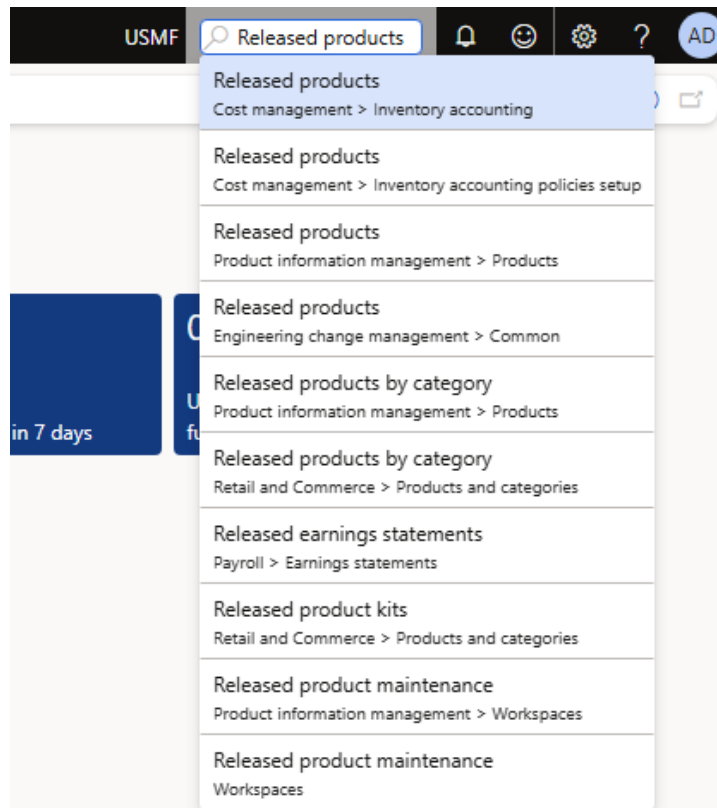


Figure 1.10 - Navigation search shows the menu path: Pricing management > Setup

Navigation: Pricing management > Setup > Pricing management parameters

General tab

A screenshot of the "Pricing management parameters" form, specifically the "General" tab. The form is titled "Set up options for general parameters". It contains several sections with checkboxes and dropdown menus. The "Disable pricing management" checkbox is set to "No". The "Sales orders" section includes "Rate type" (Today), "Skip order completion" (No), "Auto confirmation after completion" (No), and "Skip to open order summary" (No). The "Price details" section includes "Enable price details" (Yes). The "Generic currency and smart rounding" section includes "Enable generic currency" (No), "Generic currency" (USD), "Exchange rate type" (Average), and "Apply smart rounding after currency change" (Yes). The "Multi-thread calculation" section includes "Number of threads" (1).

Figure 1.11 - Pricing management parameters - General

There are some important fields on this tab:

1. **Disable pricing management:** This is the per-company switch. When it is **No** (default), sales orders created in this company use the Pricing Management engine. When it is **Yes**, new sales orders go back to classic pricing. We will prove this with a real test in the section on testing the company pricing switch.
2. **Date type:** Decides which date is used to find valid prices and discounts. The options in the list are **Today**, **Requested ship date**, **Requested receipt date** and **Created date**. The default is Today. In Chapter 4 we test Today against Requested ship date on a real order. This becomes important when we build date-effective prices in Chapter 4.
3. **Skip order completion:** With Pricing Management a sales order has a **Complete** button (you will see it in the section on sales order changes after activation). According to the feature description in this environment, when order completion is skipped users no longer have to click Complete before they can continue, but they should use Recalculate if prices are not up to date, and funds are not supported on such orders. We keep it **No**.
4. **Auto confirmation after completion:** If Yes, the sales order is confirmed automatically after the user clicks Complete.
5. **Skip to open order summary:** The help text says "Don't open order summary dialog after clicking complete button." We keep it No so that we can see the summary.
6. **Enable price details:** When set to **Yes**, a **Price details** button appears on the sales order line, which shows how the price was calculated. I switched it on because we will use this screen in every chapter.
7. **Enable generic currency / Generic currency / Exchange rate type / Apply smart rounding after currency conversion:** Used when you want to maintain prices once in one currency and convert them for orders in other currencies. Our examples are all in USD, so we leave it off.
8. **Number of threads:** Performance setting for multi-thread price calculation. Leave it at 1 unless you have very large orders.

Price attribute tab

The screenshot displays the 'Pricing management parameters' window, specifically the 'Price attribute' tab. The sidebar on the left lists various configuration areas, with 'Price attribute' currently selected. The main content area, titled 'Set up options for price attributes', is divided into several sections. The 'Price attribute and price tree' section includes 'ATTRIBUTE GROUPS' with dropdowns for 'Customer attribute group', 'Sales order attribute group', and 'Sales line attribute group'. It also features a 'PRICE TREE' section with a radio button for 'Enable multiple price trees' (set to 'No') and a 'Price tree attribute' dropdown. The 'Price attribute combination' section includes a 'PRICE COMPONENT' dropdown with 'Maintenance mode' and 'Separate' options. Red boxes highlight the 'Customer attribute group' dropdown, the 'PRICE TREE' section, and the 'Maintenance mode' option.

Figure 1.12 - Pricing management parameters - Price attribute

1. **Customer attribute group:** The price attribute group that holds the customer attributes (for example Region, Segment) used in pricing.

2. **Sales order attribute group / Sales line attribute group:** The attribute groups whose values are taken from the sales order header and sales order line. This is how a field on the order itself can influence the price.
3. **Enable multiple price trees / Price tree attribute:** Advanced option to maintain different price structures for different segments. Off by default.
4. **Maintenance mode:** The default value for new price component codes - **Separate** (header and line attribute groups are ranked separately and the system combines them) or **Combined** (you rank each header + line combination yourself).

All these fields are empty for now because we have not created any attributes yet. This is exactly what we will do in Chapter 2, and then we will come back here and fill them in.

Calculation rule tab

Figure 1.13 - Pricing management parameters - Calculation rule

1. **Base price calculation - Price basis / Price rule:** Defaults are **Vendor list price** and **Vendor price term agreements**. These belong to the **pre-sales** part of the module, where a base price is calculated from vendor list prices and price terms.
2. **Active price calculation - Price basis / Base price type / Price rule:** Defaults are **Trade agreement prices**, **Base price - purchase price** and **Margin component**.
3. **Delay price calculation:** No by default.

Note. The pre-sales calculation (vendor list price, price term agreements, base price versions) is an optional part of the module and is not needed for sales order pricing. Its behaviour was not validated in this chapter; the workflow is covered in Chapter 11.

Prices and discounts tab

This is the most important tab for the behaviour of discounts, so take a moment here.

Standard view

Save Options

Pricing management parameters

General

Price attribute

Calculation rule

Prices and discounts

Posting

Discount claim

Number sequences

Set up the commerce parameters for prices and discounts

Discount concurrency control

Best price and compound concurrency control model

- ☒ Best price and compound within priority, never compound across priorities
- ☐ Best price only within priority, always compound across priorities
- ☐ Best price and compound within priority, best price and compound across priority

Discount compound behavior

- ☒ Compound
- ☐ Compound on the original price

Enable competition between excl...

☒ No

Manual prices and discounts

Manual line discount and system discount

- ☒ Manual line discounts compound on top of system discounts
- ☐ Manual line discounts replace system discounts

Miscellaneous

Keep items on the same sales lin... ☒ Yes

Apply discounts to 'key in price' ... ☐ No

Apply discounts to price overrides. ☐ No

Allow price adjustments to incre... ☐ Yes

Enable price report for retail store ☐ Yes

Distribute discount for least expe... ☐ No

Manually calculate multi-line pric... ☐ No

Retention period in days

Coupons

Trade agreements

Free item

Auto charges

Figure 1.14 - Pricing management parameters - Prices and discounts

1. **Discount concurrency control model:** What happens when more than one discount is valid for the same line. There are three options: **Best price and compound within priority, never compound across priorities** (default); **Best price only within priority, always compound across priorities**; and **Best price and compound within priority, best price and compound across priority**.
2. **Discount compound behavior:** **Compound** (the second discount is calculated on the already discounted price) or **Compound on the original price**.
3. **Manual line discount and system discount:** Whether a discount typed manually by the user is **compounded on top of** the system discounts or **replaces** them.
4. **Miscellaneous toggles:** for example **Allow price adjustments to increase product price** (Yes) and **Apply discounts to price overrides** (No).
5. **Trade agreements FastTab:** contains **Apply existing trade agreements (yes/no)**, whose help text reads "Controls whether existing trade agreements with a relation of Price (Sales) are applied", and **Apply price adjustment to non-attribute sales trade agreement price**.

I am intentionally not explaining the concurrency options in depth here. Words like "compound within priority" only make sense once you have two real discounts fighting for the same line. In Chapter 8 we will create exactly that situation, switch between these options and compare the results.

Posting Discount claim and Number sequences tabs

The screenshot shows the 'Posting' tab selected in the 'Pricing management parameters' window. The left sidebar lists 'General', 'Price attribute', 'Calculation rule', 'Prices and discounts', 'Posting' (selected), 'Discount claim', and 'Number sequences'. The main area is titled 'Set up pricing posting' and contains three sections: 'Sales base price' with a 'Post sales base price' toggle set to 'No' and a 'Sales base price account' dropdown; 'Margin component adjustment' with a 'Post margin component adjustm...' toggle set to 'No' and a 'Margin component price adjust...' dropdown; and 'Periodic discounts' with a 'Post periodic discount' toggle set to 'No' and several other fields including 'Ledger account type' (set to 'Standard'), 'Quantity discount', 'Threshold discount number', 'Post infocode discount' (set to 'No'), 'Discount', 'Mix and match number', 'Free item discount account', and 'Post periodic discount for orders' (set to 'No').

Figure 1.15 - Pricing management parameters - Posting

The **Posting** tab decides whether the separate price components are posted to separate ledger accounts: **Post sales base price** with a **Sales base price account**, **Post margin component adjustments** with a **Margin component price adjustment account**, and **Post periodic discount** for discounts. By default everything is No and we leave it like that for now. Companies switch these on when finance wants to see the components separately in the ledger, for example how much revenue was given away as promotional discount. The posting behaviour was not validated in this chapter.

The **Discount claim** tab holds the journals for vendor discount claims, which are outside our scope for now. The **Number sequences** tab shows the sequences used for discount numbers, margin component adjustments, quantity and threshold discounts, free items and so on. In USMF they were already set up, so there was nothing to do.

The screenshot shows the 'Number sequences' tab selected in the 'Pricing management parameters' window. The left sidebar lists 'General', 'Price attribute', 'Calculation rule', 'Prices and discounts', 'Posting', 'Discount claim', and 'Number sequences' (selected). The main area is titled 'Set up number sequences for pricing management documents' and contains a table with the following data:

Reference	Number sequence ...	Description
Offer number	USMF_ST	Unique key for offer number; allocated when creating new discounts.
Mix and match group	USMF_ST	Unique key for mix and match group; allocated when creating a new mix and match group.
Quantity discount number	USMF_ST	Unique key for quantity discount number; allocated when creating new quantity discount discounts.
Threshold discount number	Reta_116	Threshold discount number
Vendor list price ID	Pric_130	Unique key for vendor price journals. The key is used, when new vendor price journals are created.
Agreement ID	Pric_101	Unique key for vendor price term agreement. The key is used, when new vendor price term agreement is created.
Margin component adjustm...	Pric_205	Unique key for margin component price adjustment. The key is used, when new margin component price adjustment is created.
Discount claims	Pric_14	Unique key for discount claim ID
Free item	Pric_72	Unique key for free item discount. The key is used, when new free item discount is created.

Figure 1.16 - Pricing management parameters - Number sequences

Tip. On a new company, check this tab before you create the first discount or price adjustment. In USMF the references were already filled in; on a fresh legal entity they may be empty.

Sales order changes after activation

Now let's repeat our baseline test. I created a new sales order **001341** for the same customer PM-C001, with the same line: PM-OIL-5L, quantity 10, site 1, warehouse 11.

The screenshot shows the 'Sales order details' for '001341 : Al Madina Hypermarket'. The 'Price' tab is selected in the top navigation bar. Below the header, the 'Sales order lines' table is visible. The first line is highlighted, showing a refresh icon (a circle with a circular arrow) in the first column, which is boxed with a red rectangle. The unit price '100.00' in the 'Unit price' column is also boxed with a red rectangle.

Variant number	Item number	Product name	Sales category	CW quantity	CW unit	Quantity	Unit	Delivery type	CW deliver...	Adjusted u...	Site	Warehouse	Unit price
PM-OIL-5L		Sunflower Cooking Oil 5L ...				10.00	ea	Stock		0.00000	1	11	100.00

Figure 1.17 - Sales order 001341 created after enabling Pricing Management

Variant number	Item number	Product name	Sales category	CW quantity	CW unit	Quantity	Unit	Delivery type	CW deliver...	Adjusted u...	Site	Warehouse	Unit price
PM-OIL-5L		Sunflower Cooking Oil 5L ...				10.00	ea	Stock		0.00000	1	11	100.00

Figure 1.18 - Close-up of the line: the new recalculate column (boxed) and unit price 100.00

The unit price is still **100.00**. That is correct, because we have not created a single pricing rule yet. But look at what changed on the form:

1. A new **Price** tab in the Action Pane, with **Sales order attributes** and **Sales order discounts**.
2. A new **Complete** button next to Delete.
3. A new column with a refresh (recalculate) icon at the start of every sales order line.

These three things tell you immediately that this order is priced by the Pricing Management engine.

Price details

Because we switched on **Enable price details** in the parameters, the line now has a Price details button.

Navigation: Sales order > Sales order lines > Sales order line > View > Price details

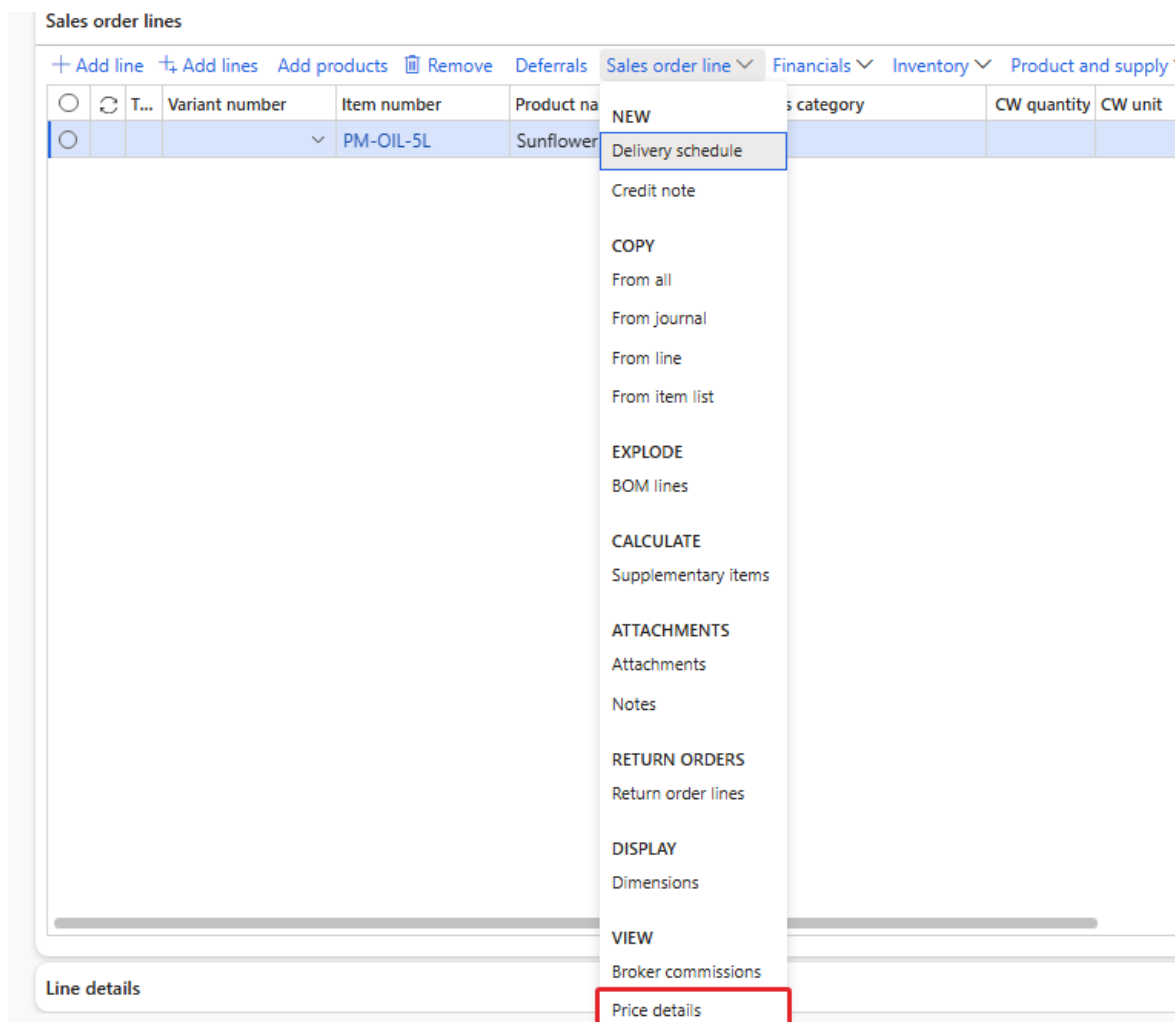


Figure 1.19 - Sales order line menu - Price details

Standard view

?

Price details

Line detail

PRODUCT	PRICE	CALCULATION		DISCOUNT
Item number	Price unit	PER UNIT	NET	
PM-OIL-5L	1.00	BASE PRICE	100.00	0.00
Product name	Currency	MARGIN PRICE ADJUSTMENT	0.00	0.00
Sunflower Cooking Oil 5L - C...	USD	UNIT PRICE	100.00	1,000.00
Quantity		DISCOUNT AMOUNT	0.00	0.00
10.00		SALES CHARGES	0.00	0.00
Unit		SUBTOTAL	100.00	1,000.00
ea		DISCOUNT PERCENTAGE (0.00%)	0.00	0.00
		NET AMOUNT	100.00	1,000.00

Price detail

Net amount Not include in net amount

Base price

Journal number	Price component code	From	To	Unit	Allow unit ...	Price unit	Price per unit	Sales line unit price	Sales line net price	Calculated ...	Allow pr ...
We didn't find anything to show here.											

Margin component

Name	Margin component code	Unit	Calculation type	Value	Sales line unit price adjustment	Sales line price adjustment	Calcula...
We didn't find anything to show here.							

Discount

Calculated	Name	Price component code	Discount value base	Calculation base	Unit	Value	Value base unit discount	Value base sales discount	Calculated ...
We didn't find anything to show here.									

OK

Figure 1.20 - Price details of sales order 001341, line PM-OIL-5L

This screen is going to be our best friend in this book. Let's read it:

1. **Calculation:** Base price 100.00, Margin price adjustment 0.00, Unit price 100.00, Discount amount 0.00, Sales charges 0.00, Net amount per unit 100.00 and 1,000.00 for the line.
2. **Base price grid (Price detail > Net amount):** Empty - "We didn't find anything to show here." There is no trade agreement journal line behind this price.
3. **Margin component and Discount grids:** Also empty.

Base Price = 100.00, Margin price adjustment = 0.00, Discount = 0.00, so Unit price = 100.00 and Net amount = $10 \times 100.00 = 1,000.00$. D365 produced exactly this result.

So with no rules in place, the engine falls back to the item's **base sales price** (100), not the inventory price (70). From Chapter 4 onwards, as soon as we create trade agreement prices, adjustments and discounts, you will see these grids filling up line by line, and this screen will tell us exactly which rule produced which part of the price.

What about sales orders that existed before

Here is something that surprised me during testing. I opened our old baseline order **001339**, created before the feature was enabled. It still has **no Price tab and no Complete button**.

The reason is that the decision "use the Pricing Management engine for this order" is stamped on the order when it is created. Orders created before the feature was enabled stay on classic pricing; only new orders use the new engine. I verified this in the database as well: order 001341 has the unified pricing engine flag set on its retail sales order record, and order 001339 does not have it.

Note. Enabling Pricing Management does not convert open sales orders. If you switch it on in a live company, orders that are already open keep calculating prices the old way. Plan the go-live so that open orders are finished or re-entered.

Testing the company pricing switch

The first parameter on the General tab was **Disable pricing management**. Let's not just trust the label; let's test it.

Configuration ON Disable pricing management set to Yes

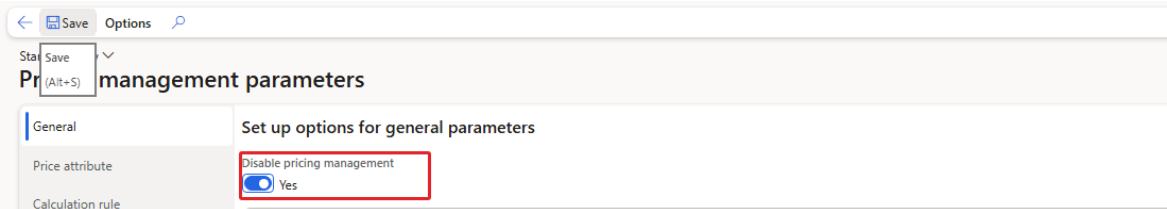


Figure 1.21 - Disable pricing management = Yes

I set the toggle to **Yes** and saved. Then I did two things:

1. Opened the existing order **001341** (created with Pricing Management).
2. Created a brand-new order **001342** for PM-C001 with the same line.

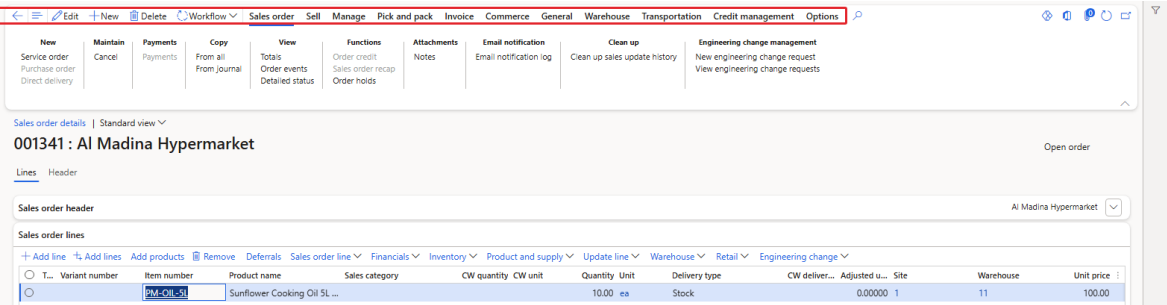


Figure 1.22 - Order 001341 while pricing management is disabled - the Price tab and Complete button are gone

Result. Order 001341: the **Price** tab, the **Complete** button and the recalculate column disappeared. The price stayed 100.00.

New order 001342: also no Price tab, no Complete button. The price was 100.00 from the item's base sales price, exactly like classic pricing.

Configuration OFF again Disable pricing management set to No

I switched the toggle back to **No**. Order 001341 again shows the Price tab and the Complete button. But order **001342**, which was created while pricing management was disabled, did not get the new engine: in the database its unified pricing flag is empty, the same as our old order 001339.

So this option controls **whether new sales orders in this company are priced by Pricing Management**. It hides the Pricing Management functions on existing orders while it is on, and orders created during that time stay on classic pricing even after you switch it back off.

Tip. Disable pricing management is a useful emergency switch per company (for example if one legal entity is not ready to go live), but remember that every order created while it is on will remain a classic-pricing order.

A quick tour of the Pricing management module

Let's finish by walking through the module menu, so that you know where everything lives. All paths below were verified in the environment with the navigation search.

Navigation: Pricing management > Workspaces > Pricing management

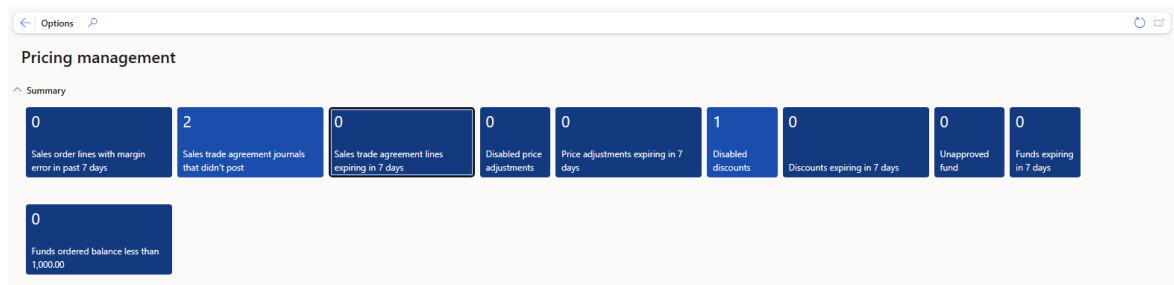


Figure 1.23 - Pricing management workspace

The workspace gives the pricing manager a daily overview: sales order lines with margin errors, trade agreement journals that were not posted, price adjustments and discounts that are disabled or expiring in 7 days, and funds. The counts you see here (for example 2 trade agreement journals not posted and 1 disabled discount) come from the existing Contoso data in USMF, not from our training data.

The menu itself is organised by the life cycle of a price:

1. **Pre-sales pricing:** Vendor price term codes, Vendor price term agreements, Vendor list price, Base price versions. Used to calculate a base price from the purchase side.

2. **During-sales pricing:** The heart of the module - **Price groups** (Pricing priorities, All price groups), **Sales trade agreement price** (Trade agreement journals, Attribute-based price rules and rule groups), **Price adjustments** (Margin component price adjustments), **Discounts** (All discounts, Discounts, Quantity discounts, Mix and match, Threshold discounts, Shipping, Tender, Free item, Coupons), **Charges setup** and the **Price simulator**.
3. **Discount claims and Fund control:** Claiming discounts back from vendors and controlling promotional funds.
4. **Inquiries and reports:** Price attribute group hierarchy view, Price report, Trade agreements, Margin component price adjustments and Discounts inquiries.
5. **Periodic tasks: Recalculate price,** Pricing rule cleanup, Generate pricing rule hash value, Generate pricing rule lookup data, Update valid base price, Price report history cleanup, Process discount claims.
6. **Setup:** Pricing management parameters, Price attribute groups, Vendor list price groups, Price component codes (codes, groups, setup, price trees), Trade agreement prices (journal names, smart rounding) and Posting.

Don't worry if this looks like a lot. We will not use all of it; we will go through the setups in dependency order, and every chapter will end with a real sales order.

Summary

Let's quickly recap what we learned today:

1. Pricing Management calculates sales prices with a pricing engine built from price components, price attributes and priorities.
2. It must first be enabled in **Feature management** (Unified pricing management). Before that, its menu items give "Access Denied" even for an administrator.
3. **Pricing management parameters** control the general behaviour per company. The most important ones for now are Disable pricing management, Date type and Enable price details.
4. A sales order priced by the engine shows a **Price** tab, a **Complete** button and a recalculate column on the lines.
5. With no pricing rules, the engine uses the item's **base sales price** (100 in our example), and Price details shows an empty base price grid.
6. Only orders created after the feature is enabled (and while Disable pricing management = No) are priced by the engine.

In the next chapter we will start with the foundation of every pricing rule: **Price attributes and price attribute groups**. We will give our customers a region and a segment, give our products a brand, and prepare the conditions that our price rules will use.