

# Netformx Margin Analysis Tool



## Maximize Deal Margins During the Presales Process



### *Automated financial analysis fully and systematically leverages promotions and incentives*

IT solution providers are challenged daily by the complexity of IT technology sales, since Cisco's products, price models, and incentive programs are numerous, constantly changing, and can be complicated. It is difficult for partners to stay current and to optimize their margins without hours of research. But since the business is very commoditized and competition is fierce, even small pricing changes can have big impacts.

Cisco Partners generally analyze their margins through time-consuming spreadsheet manipulation once the Bill of Materials (BOM) has been created. Manual analysis of pricing and discount scenarios takes time and generally results in missed opportunities. With the tremendous competitive pressure to get quotes out quickly, margin and incentive optimization is frequently skipped. And though seldom done, every proposal iteration resulting from customer feedback should have its margins analyzed for the optimum incorporation of discounts and incentives.

## Netformx Margin Analysis Tool puts the bottom line at your fingertips

The powerful Netformx Margin Analysis Tool (MAT) helps Cisco Partners maximize margins and increase profit early in the sales cycle. It provides an innovative, automated way for Partners to determine end-customer pricing and maximize their margins through accurate cost and sell margin analysis of Cisco Commerce Workspace (CCW) estimates. In addition, MAT enables Partners to test "what-if" pricing scenarios.

*"Both the Netformx Partner Incentive Tool and the Margin Analysis Tool bring sophisticated promotion and financial analysis together, so we can quickly make decisions and take actions that benefit the customer as well as our bottom line. The Netformx tools take care of gathering and analyzing all the details about the impact of promotions, incentives, and discounts on a deal's bottom line so we can focus on sales, profitability, and our customers."*

**Tyler Mathis, Manager of Federal Operations  
at Zivaro, Inc.**

# Maximize margin dollars with fully-leveraged promotions & incentives

The Netformx Margin Analysis Tool (MAT) provides an innovative, visual interface for Cisco Partners to see the line-level SKU cost impact of promotions and incentives as well as descriptions of all cost modifiers. It determines the best combination of end-customer pricing actions that would drive the highest margin potential.

MAT features and benefits:

- Simplified margin analysis workflow
- Enhanced “What-if” scenarios based on varying promotion & incentive choices
- Per-SKU & per-line promotion & incentive impacts
- Bulk & per-line price modifications
- Exportable results report

## Integration with Partner Incentive Tool speeds margin analysis

**Netformx Partner Incentive Tool (PIT)** and MAT work hand-in-hand to enable the Partner to quickly optimize cost and margin for every quote iteration. Partners can automatically use PIT promotion and incentive scenarios as cost inputs to the Margin Analysis Tool. By toggling between PIT promotion and incentive analysis and MAT customer pricing activities for the same estimate, the user can immediately see the impact on an opportunity's margin. Together with the **Netformx VIP Calculator** and **Lifecycle Services Tool**, you can perform complete analysis of a deal so that you can position it most competitively and profitably. By working together to automate and speed margin analysis, what used to take a day can be done in a few minutes.

*“No matter how much you think you know about Cisco programs, PIT is likely to identify discounts you may not yet be aware of, programs that have changed, or stacking requirements you missed. Then MAT gives us instant line-item level visibility to where our costs can come in. We can eyeball the actual discount and don't have to dig to see it at the line level. PIT and MAT work hand-in-hand to enable us to quickly optimize cost and margin for every quote iteration. It's easy to see all your options and to get business-wise quotes out to the client as quickly as possible. That's a big competitive advantage during the end-of-year crunch.”*

Jacob Gutierrez, Presidio, Inside Sales Rep

The Margin Analysis Tool home page includes a Summary Review section, Bulk Controls, and Line-level details with price, cost, and margin controls.

## ANALYZING AND ESTIMATE IN THE MARGIN ANALYSIS TOOL

The screenshot displays the Netformx Margin Analysis Tool interface. At the top, it shows the user's name (Hello, Ittai Bareket) and navigation options. The main summary section includes:

- Total Extended Cost:** \$80,804.43
- Total Extended Price:** \$86,556.73
- Total Margin:** \$5,752.30 (6.65%)

Below the summary is a table of products and services with columns for Extended List Price, Cost Discount %, Cost Discount \$, Extended Cost, Price Discount %, Price Discount \$, Extended Price, Margin %, and Margin \$.

Products	Extended List Price	Cost Discount %	Cost Discount \$	Extended Cost	Price Discount %	Price Discount \$	Extended Price	Margin %	Margin \$
Services	\$6,569.00	25.00%	\$1,642.25	\$4,926.75	0.00%	\$0.00	\$6,569.00	25.00%	\$1,642.25
Subscriptions	\$4,300.00	54.00%	\$2,338.20	\$1,961.80	48.89%	\$2,116.59	\$2,233.11	10.00%	\$221.31
<b>Total</b>	<b>\$248,954.44</b>	<b>67.54%</b>	<b>\$168,150.01</b>	<b>\$80,804.43</b>	<b>65.23%</b>	<b>\$163,397.71</b>	<b>\$86,556.73</b>	<b>6.65%</b>	<b>\$5,752.30</b>

The bottom section shows a detailed line-item table with columns for Part Number, Services, Subscriptions, List Price, Qty, Extended List, Cost Discount %, Cost, Extended Cost, Price Discou., Price, Extended Pri., Margin %, and Margin \$.

Part Number	Services	Subscriptions	List Price	Qty	Extended List	Cost Discount %	Cost	Extended Cost	Price Discou.	Price	Extended Pri.	Margin %	Margin \$
128	HX-VSP-EPK-D Factory Installed - VMware vSphere 6.0 ESXi Plus SRMHC 3-CPU		\$14,656.45	1	\$14,656.45	Total 76.00% Base 61.00% HCI Complete - BA-HCID-180728-04470 9.00% MP Base - AMP Base 2.00% QIP/TP - BR-USTH-150725-24762 4.00%	\$3,517.55	\$3,517.55	67.33%	\$4,768.38	\$4,768.38	26.54%	\$1,270.83
114	HX-STD-06 HX Standard w/1x1 8TB SAS, 1x2 800GB SATA, 15x1 8TB SAS		\$30,000.00	1	\$30,000.00	Total 73.00% Base 61.00% HCI Complete - BA-HCID-180728-04470 6.00% MP Base - AMP Base 2.00% QIP/TP - BR-USTH-150725-24762 4.00%	\$8,100.00	\$8,100.00	67.33%	\$9,801.24	\$9,801.24	17.36%	\$1,701.24
10	HX-SP-240M55X-P QIP/HCI/SD Replicate System w/2x145.12x250mm		\$50,360.00	1	\$50,360.00	Total 73.00% Base 61.00% HCI Complete - BA-HCID-180728-04470 6.00% MP Base - AMP Base 2.00% QIP/TP - BR-USTH-150725-24762 4.00%	\$13,597.20	\$13,597.20	67.33%	\$16,453.01	\$16,453.01	17.36%	\$2,855.81
14	UCSC-CMA-M4 Reversible CMA for C240 M4 ball bearing 16141		\$83.00	1	\$83.00	Total 72.00% Base 61.00% HPE Competitive - BR-HPEC-170729-00048 5.00% MP Base - AMP Base 2.00% QIP/TP - BR-DPUH-150725-23444 4.00%	\$23.80	\$23.80	67.33%	\$27.77	\$27.77	14.30%	\$3.97
10	UCSC-C240-M55X UCSC C240 M55 XFF + 2 Year 07668		\$4,615.00	1	\$4,615.00	Total 72.00% Base 61.00%	\$1,292.20	\$1,292.20	67.33%	\$1,507.76	\$1,507.76	14.30%	\$215.56

### Margin analysis summary gives the bottom line

The Summary Review shows the top-line blended analysis of margin dollars and percentages, incorporating costs that have been transferred directly from Netformx Partner Incentive Tool (PIT). Detailed CCW classification analysis is performed for products, services, and subscriptions and roll-ups executed for any price modifier and line-level changes.

### Bulk controls modify prices quickly and accurately

MAT enables bulk/category and per-line price modifications for Partners to set end-customer discount goals, margin floors, mark-up caps, and price targets. Price modifiers can be applied in bulk to products, services, and subscriptions classifications to generate an end-customer price. These include price discounts, margin goals, and cost markups. Any applied values flow to the SKU line-level detail and final calculations and all totals feed up to the Summary Review.

### Line-level details and granular controls enable the user to see as much detail as they desire

Line-level display controls can limit the view to only product, service, or subscription elements, or all details can be exposed. Similarly, per-promotion cost discount details can be summarized or exposed at the line-level. These are linked directly to the user's in-force PIT selections. Line-level overrides from bulk settings can be shown for price discount, price, extended price, margin %, and mark-up %.

### What-if calculations show the impact of different promotions and discounts

A simplified margin analysis workflow allows the Partner to experiment with different pricing conditions to find the optimal sales price given varying cost discounts, promotion, and incentive choices. MAT can be used to determine the OIP discount a competitor might have received so you can price your proposal accordingly, or, decide not to compete.

## The Margin Analysis Tool competitive advantage

The Netformx Margin Analysis Tool enables Cisco Partners to generate profitable and competitive proposals to win end-customer business. Partner margins are optimized by understanding the impact of promotions and incentives options on cost and list pricing.

MAT makes it easy to see all your options and to quickly do "what-if" calculations that optimize costs and margins. So informed business quotes can be provided to the client as quickly as possible. That's a big competitive advantage.

To get started today, talk to your Netformx Account Manager or contact [sales@netformx.com](mailto:sales@netformx.com)

## About Netformx

Netformx enables partners to design and deliver multi-vendor IT solutions quickly and effectively. It helps the Cisco channel increase revenues and create an improved buying experience for their customers. Developed in close collaboration with Cisco, the Netformx application suite streamlines the sales lifecycle for pre-sales, post-sales, and subscription and renewal management. It grows profit margins by optimizing use of Cisco incentives, promotions, discounts, and rebates. Automation and powerful analytics provide business intelligence and actionable insights that enable partners to eliminate manual work, improve efficiency, collaborate, and achieve better business outcomes and customer success. Netformx has 2,000+ customers globally including ALE, AT&T, Bell Canada, BT, Cisco, Dimension Data, Insight, Optus, and Telstra. Our multi-vendor KnowledgeBase™ contains client and vendor products, services, and program compliance data from vendors such as Cisco, ALE, Check Point, Juniper, and Riverbed..

