|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | Basic License  | EnterpriseLicense | Warranties1 year | Support Services1 year | Product Description | Constraint ID/s |
| Trial License (45 days) |  |  |  |  | Trial License not expired  | C1[[1]](#footnote-1) |
|  |  |  |  |  |  |  |
| Early Purchase Discount | X |  |  |  | Early Purchase Discount AND Basic License only | C2, C3 |
|  | X |  |  | Early Purchase Discount AND Enterprise License only | C2, C3 |
| X |  | X |  | Early Purchase Discount AND Basic License AND Warranty | C2, C3, C4 |
|  | X | X |  | Early Purchase Discount AND Enterprise License AND Warranty | C2, C3 |
| X |  |  | X | Early Purchase Discount AND Basic License AND Support Services | C2, C3, C6 |
|  | X |  | X | Early Purchase Discount AND Enterprise License AND Support Services | C2, C3, C4 |
| X |  | X | X | Early Purchase Discount AND Basic License AND Support Services AND Warranties | C2, C3, C4, C6 |
|  | X | X | X | Early Purchase Discount AND Basic License AND Support Services | C2, C3, C4, C6 |
|  |  |  |  |  |  |  |
| Corporate Customer | X |  |  |  | CORPORATE Customer AND Basic License only | C7, C3 |
|  | X |  |  | CORPORATE Customer AND Enterprise License only | C7, C3 |
| X |  | X |  | CORPORATE Customer AND Basic License and 1 year Warranty | C7, C3, C4 |
|  | X | X |  | CORPORATE Customer AND Enterprise License and 1 year Warranty | C7, C3, C4 |
| X |  |  | X | CORPORATE Customer AND Basic License and 1 year support | C7, C3, C6 |
|  | X |  | X | CORPORATE Customer AND Enterprise License and 1 year support | C7, C3, C6 |
| X |  | X | X | CORPORATE Customer AND Basic License and 1 year Warranty and 1 year support | C7, C3, C4, C6 |
|  | X | X | X | CORPORATE Customer AND Enterprise License and 1 year warranty and 1 year support | C7, C3, C4, C6 |
|  |  |  |  |  |  |  |
| Regular Customer | X |  |  |  | Regular Customer AND Basic License only | C8, C3 |
| Regular Customer |  | X |  |  | Regular Customer AND Enterprise License only | C8, C3 |
| Regular Customer | X |  | X |  | Regular Customer AND Basic License and 1 year Warranty | C8, C3, C4 |
| Regular Customer |  | X | X |  | Regular Customer AND Enterprise License and 1 year Warranty | C8, C3, C4 |
| Regular Customer | X |  |  | X | Regular Customer AND Basic License and 1 year support | C8, C3, C6 |
| Regular Customer |  | X |  | X | Regular Customer AND Enterprise License and 1 year support | C8, C3, C6 |
| Regular Customer | X |  | X | X | Regular Customer AND Basic License and 1 year Warranty and 1 year support | C8, C3, C4, C6 |
| Regular Customer |  | X | X | X | Regular Customer AND Enterprise License and 1 year warranty and 1 year support | C8, C3, C4, C6 |

# Constraints

|  |  |
| --- | --- |
| **C1.** | Trial Purchase products are free and have no set price but limited functionality.  |
| **C2.** | For early purchase discount, the price must be:* >$30 but <$50 AND
* Early purchase discount price must be < CORPORATE Customer AND
* Early purchase discount price must be < than Regular Customer
 |
| **C3.** | For basic /enterprise license (single user), the price must be:* >$30 but <$50 AND
* Basic license price must be < Enterprise License AND
* 4\* Basic License Price must be < Enterprise License
 |
| **C4.** | For warranty, (with note, duration of 1 year) the price must be:* Price for warranty must not equal support services.
* Price for warranty must be as low as possible and at the same time ensure that constraint C5 is met.
* Price for warranty must ensure that at least the technical support costs[[2]](#footnote-2) per year are met.
 |
| **C5.** | Set prices so that revenue is >0 and that it is maximized.  |
| **C6.** | For support services, (with note, duration of 1 year) the price must be:* Price for warranty must not equal support services.
* Price for support services must be as low as possible and at the same time ensure that constraint C5 is met.
* Price for warranty must ensure that at least the technical support costs and customer service support costs [[3]](#footnote-3)per year are met.
 |
| **C7** | CORPORATE Customer’s price must be:* >$30 but <$50 AND
* CORPORATE Customer’ price must be > Early purchase discount
* CORPORATE Customer’s price must be < Regular Purchaser
 |
| **C8** | Regular Customer’s price must be:* >$30 but <$50 AND
* Regular Customer price must be > than early purchase discount and CORPORATE customer.
 |

Requirements

* Use Excel solver to provide optimal pricing for each type:
	+ Early Purchaser Basic License
	+ Early Purchaser Enterprise License
	+ CORPORATE Customer Basic License
	+ CORPORATE Customer Enterprise License
	+ Regular Customer Basic License
	+ Regular Customer Enterprise License
	+ 1 year warranty
	+ 1 year customer support

 And at the same time ensuring that all the constraints are met when there is a combination.

* Provide all the combination prices based on the table on page 1. (I can probably do this myself – so feel free to skip this step).
* Then find out what the maximum revenue will be (using the constraint that it is just to maximize revenue).
1. Constraints are on the next page [↑](#footnote-ref-1)
2. Currently, technical support costs is going to be a variable. For now for a year, put it as $125,000/year. [↑](#footnote-ref-2)
3. Currently customer support costs is going to be a variable. For now for a year, put it as $150,000/year. [↑](#footnote-ref-3)