Atlantic case assignment

Assignment Atlantic computers, a leading player in the high-end server market, has detected a marketplace opportunity in the basic server segment. They have developed a new server, the Tronn, to meet the needs of this segment. In addition they have created a software tool, called the " performance Enhancing Server Accelerator" or PESA, that allows the Tronn platform up to four times faster than its standard speed. The central question in the case revolves around how to price the Tronn and PESA.

Although cost-plus, competition based and status quo pricing are the most prevalent means utilized by firms to establish prices for their offerings, there approaches may prevent firms from fully realizing the benefits that are due to them. Jowers is waiting for your suggestions on i) What price should Jowers charge DayTraderJournal. com for the Atlantic Bundle (i. e. Tronn servers+PESA software tool)? ii) The top-line revenue implications form each of the four alternative pricing strategies.

Approximately how much money over the next three years will be " left on the table" if firms were to give away the software tool for free (i. e. status quo pricing) versus utilizing one of the other pricing approaches? iii) How is Matzer likely to react to your reccomendation? iv) How is Cadena's sales force likely to react to your recommendation? v) What can Jowers recommend to get Cadena? s hardware-oriented sales force to understand and sell the value of the PESA software effectively? vi) How are customers in your target market likely to react to your recomemended price strategy?

What response can be provided to overcome any objections? vii) How is Ontario Zink's senior management team likely to react to the Atlanti To

address these questions you are expected to (1) to carefully read the case – " Atlantic Computer: A Bundle of Pricing Options". (2) to undertake an economic analysis of the pricing options available to Jowers (3) to define the organizational and competitive impact of the pricing options Please note that: 1) cost plus pricing= Cost per unit *(1+margin) Please submit the Powerpoint and Excel files by 9 p. m. Tuesday 15th of November. Enjoy Elisa Montaguti