

P16. Contract Management

Presentation

Contract management in SFDC is a way for Salesrep and their manager to track the commitments taken with the customer. Legal process is not included in SFDC and remains in ContractTech.

- A **contract** covers any formal commitment that is formalized in a legal agreement and signed by both parties. Typical wording used across Syensqo for contracts include: sales / purchasing / supply / sourcing agreement, award letters, business allocation.

Training Materials

- [YouGrow e-learning](#)
- [Contract Management Database Training - Core](#)
- [Contract Fundamentals and Syensqo Guidelines](#)
- [Contract Management Playbook](#)
- [Negotiation Readiness Process Playbook](#)

Types of Contracts

There are 2 record types of Contracts:

- Sales of goods / Distribution Agreement
- NDA/JDA/MTA

Entering or updating a contract in the database only takes ten minutes

1

Open the database in SFDC and go to My Contracts

2

For the contract, fill in all required fields*

3

Now go to Contract Products

4

For each product, fill in all required fields*

5

Validate and Save

- It is important to ensure data accuracy when entering a new contract or updating an existing one
- You will not be able to save the contract if all the mandatory fields are not complete
- Make sure to update the EAR (Estimated Annual Revenue) of the multi year contracts
- Track the recently expired contract and adjust with the correct status accordingly
- ALL contracts (sales and distribution agreements) need to be entered in the database

Any questions? Please follow the self learning video and training deck that will show you how to update an existing contract or create a new one:
[Core - Self learning video](#) [Core training Deck](#)
[J-care - Self learning video](#) [J-care training Deck](#)

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*Mandatory fields in Salesforce are with a red asterisk

Process and Governance

There are 4 key element of the contract management cycle

Lifecycle management

- Contract creation
- Contract renewal - Reviewing of contracts expiring within the next time period
- Flexible contracts - Actively following monthly price/ICM changes, relevant market indices, linking with contract information of (only) flexible contracts

(Re)negotiation and contract preparation

Preparing all relevant data, starting the (re)negotiation process with the customer, drafting the contract and getting final approval

Database maintenance

Adding all relevant contract data incl. final, signed contract to the client folder and filling in the standard contract information

Guidelines & steering

Ensuring contract compliance with mandatory guidelines, steering overall process ownership, aligning sales team focus on contracting priorities

A stronger contract management process is structured around the 4 phases of the contract mgt lifecycle

1

Lifecycle management

2

Dual preparation & (re)negotiation

3

Contract database maintenance

4

Guidelines & steering

Group level	Setting guidelines, common tools standards, ensuring compliance and reporting			
GBU Pricing manager/Process owner	Steer lifecycle management by consolidating inputs, monitor triggers and states of contracts	Consolidate info to set price ambition, provide negotiation mandate to KAMs	Ensure quality of the contract database maintenance, supported by GBU analyst	Steer tailoring of contracting guidelines and ensure they are kept up to date and shared
Negotiation support (experts)*	Identify opportunities based on market information	Set the course for implementation of the price increase and challenge (KAM)	Support pricing manager / process owner to ensure quality of database	Share negotiation best-practices with sales team
Contracting / pricing analyst (intermediate)	Build overview of potential triggers impacting GBU accounts	Conduct and share supporting analyses (e.g. contractual terms, pricing power)	Support pricing manager / process owner to ensure quality of database	Define general terms and conditions
Legal	Challenge and monitor compliance with the GBU (contracting) guidelines	Sign off on pricing recommendations and approve deviations from guidelines	Escalate to sales team when database is not complete	Review progress on results, provide mandate to AMs to negotiate, tailor guidelines
VP/MD	Monitor performance, define focus areas for negotiations and align contracting & account plan	Drive negotiation preparations and process in line with guidelines, supported by nego experts (both formal/informal)	Update contract database and maintain for their accounts	Share best practices in sales team check-ins
(KAM) Sales team	Develop KAM, act on all relevant triggers, drive renewal with support and challenge from VP and Pricing mg / process owner			

New only

* short term, centralised as a pool of cross-functional experts at core level, supported on too by an informal (impact) pool (advisors) across GBU's

Process Overview

Contract is the final part of the sales cycle, tracking the commitments taken with the customer.

Managing contract inside Salesforce can move our deals forward by:

- Making available all information to the SalesReps and their managers (details of volume, price, expiration date, etc.) at any time.
- Managing the complete approval process in SFDC
- Setting an automatic reminder before the expiration date.

The process follows these statuses:

- Draft
- Pending Approval
- Approved
- Rejected
- Signed



Contract Management in the CRM aims at:

- Capturing key contract elements that are important for the Sales and marketing teams in their interactions with the Account (especially on long term contracts, for the new KAM taking over from KAM who had negotiated the contract)
- Managing the Approval process with automatic triggers to pre-defined approvers (based on contract complexity / value qualifiers)

It is not aiming at describing all contractual elements constituting the contract and it is not aiming at storing the contract itself, these two parts being the responsibility of the Legal family with their complete Contract database managed in the "ContractTech"