FD - P16. Contract Management

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NEW / Next release

R-2314 / Change about massa risus, vestibulum in nunc vitae, sagittis dignissim est.

1. Functional Process

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:

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 "Contrathèque".

Definition & use cases

Definition

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 Contract'Tech.
There are 4 record types of Contracts:

- Sales of goods/service
- NDA/JDA/MTA
- Distribution agreement
- Consignment stocks agreement

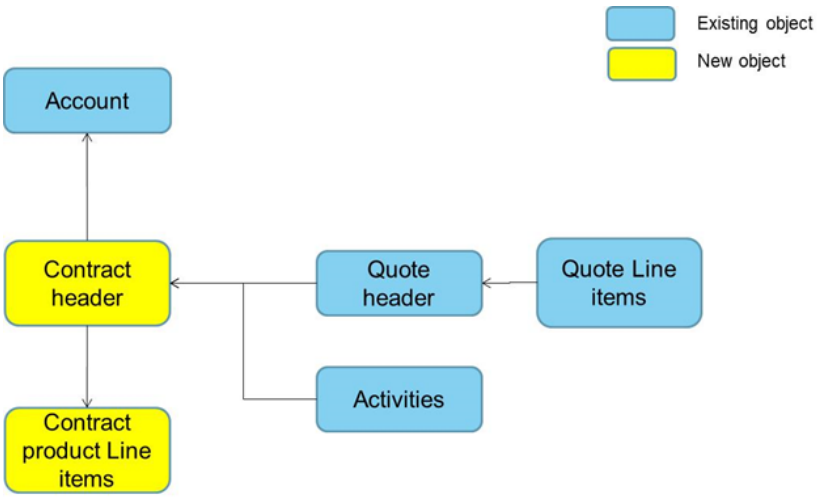
Use cases

- Create a contract from an accepted quote or directly from an account
- Add a product or modify an actual product
- Enter Product details (price, volume, etc.)
- As submitter, submit the contract for approval to the approver if the approval is necessary
- As approver: accept, reject or reassign the request for approval of the Contract.
- Manage versioning with cloning
- Manage visibility
- Set Contract Renewal Alert

Flow

2. Data Model & security

Data model



We do not use the standard object "contract" because its visibility is liked to the account visibility. In the core CRM, accounts are shared across GBUs, that means that contracts could also be seen by every users. So we create a custom object Contract:

1. **Contract header** is centralizing the information of the contract:
    a. Sold to account Or Non Buying Customer account (ex: Michelin Siège Social in which the contacts /e signing parties are located)
    b. Start Date
    c. End Date
    d. Contact who signed the contract for the customer
    e. Solvay contact who signed the contract
    f. etc.
2. **Contract line item** store the specific information for each product
    a. Product
    b. Volume
    c. Price
    d. etc.

Related Objects

- ***Open Activities***: allow to log activities (task, event).
- ***Visit Reports***: allow to link visit report to a contract.
- ***Activity history***: display all activities.
- ***Approval history***: track all step of approval.
- ***Contract History***: track field updates.
- ***Files***: allow to attach document to the contract.

Contract security model

Who can create?	Any sales user can create a contract
Who can see?	The visibility a user has on a contract depends of the value of the field “Visibility”: • “Shared”: any sales rep can see the contract and all the contract line items details • “GBU restricted”: only the sales rep sharing the same GBU as the GBU defined on the product page can have visibility on the contr act and all the contract line items details • “Confidential”: only opportunity owner and his managers can see the contract and all the contract line items details The visibility is then editable by the sales user having edit rights on the opportunity.
Who can update?	Only opportunity owner can update the contract. Users above the ones having edit rights (i.e. Managers, GBU presidents) in the role hierarchy will inherit the visibility/edit rights.
Who can delete?	Only System Administrators can delete a contract

Note that specific visibility & accesses settings are managed with the standard button "Share".

3. Contract custom buttons & features

"Clone" button

This button is standard. It copies all the data of the source record.

"Sharing" button

This button is standard, it allows to manually share the record with specific users.

"Submit for approval" button

This button is standard, it triggers the approval process.

4. Contract approval processes

Some GBUs have implemented one or several approval processes for contract management. All users involved in the approval processes are displayed in the section "Approval Users" on the layouts. In the approval, some users need to validate and others are just informed by email.

- The duration is calculated with the fields Duration of commitment in months.

- The value is based on the field “Annual value”.
- The commercial managers are organized by region.
- The zone general managers are organized by region too.
- The PLM depends on the product, it's manage with email mapping rules.
- The region will be the account region.

The approval process depends on the contract type:

Sales of good

Aroma approval matrix

Duration	Cumulated Commitment	Sales Representative /Key Account Manager (for KA)	Zone Commercial Manager	Zone General Manager (GBU)	WW Business Market Director	PLM	WW Legal	WW Finance	WW Marketing Strategy	GBU President
Spot offers / Annual sales agreements (ex Key Accounts)* Contract lengh is equal or below one year	< 1000 k€/year	C	V							
	1000 k€ < total value < 3000 k€		C	V	I	I	I	I		
	> 3000 k€/year		C	V	I	V	I	I	I	I
Multi-annual Commercial Contracts (ex Key Accounts)*	total value < 3000 k€		C	V	I	I	I			
	>= 3000 k€		C	C	V	I	I	I	I	I
Key Accounts* 15 key accounts if the checbox key account is checked	Multi-annual contract	C	I	I	V	I	I	I	I	I
	Annual Contract	C	I	I	I	V	I	I	I	I

Legend : C : Creation
I : Informed
V : Validated

5. Price Lists management

Price list are managed using the standard related list Files:

1. The user upload his document with Files
2. The user share his document with a chatter group which contains all people who need to access the price list.

Using chatter group allow to send a notification each time a price list is loaded AND we make sure chatter group members cannot see the contract itself.
Using Files also allows to manage versioning easily.

6. Specific rules & automation

Contract generated from a quote

When a contract is created from a quote some fields are pre-filled with the information of the quote:

- Visibility quote visibility
- GBU quote GBU
- BU quote BU
- Account Name Quote account
- Incoterm quote incoterm
- Currency quote currency

Quote line items are also created with the information of opportunity products:

- Product quote line item product
- Volume from quote line item volume from
- Volume to quote line item volume to
- Unit of Measure quote Unit of Measure
- Price quote Price per UoM
- Location quote line item location
- Incoterm quote line item incoterm
- Currency quote line item currency

Note that to generate a contract from a quote, the quote's status must be "accepted".

Field History Related List

Fields tracked are:

- Account Name
- Contract Type
- Contract start date
- Effective Date
- GBU
- Object of the amendment
- Signed by (Customer)
- Signed date (Customer)
- Status
- User Product Line Manager
- User WW Business Market Director
- User WW Finance
- User WW Legal
- User WW Marketing Strategy
- User Zone Commercial Manager
- User Zone General Manager

Reminder

Users can set a reminder using the field "Renegotiation Reminder". They choose a number of days, and x days before the "Contract End Date", a task will be automatically created and assigned to the contract owner.

7. History

6. Lightning

Components

Contract Team:

The component replace the related list. It displays contract team members and allow to manage the team (add, edit remove members).

Last modifications :

User	Last Update
Julien Andreoli-ext	3070 days ago
BRAHIM, Walid	
KANJA-ext, Zakaria	
Miguel Cruz	1417 days ago
NWANGWU, Daniel	

- The status managed are: