Sales Contract Management

The Sales Contract Management ES Bundle provides a wide variety of enterprise services that bring more flexibility, innovation and added value into this central sales process.

Sales Contracts Management is both a core scenario and a core process in CRM SFA. A Sales Contract is an outline agreement that contains special conditions negotiated between the vendor and a customer, for example, price, target value or target quantity. A sales contract is valid for a specified period. A customer submits a sales order to release products from the amount agreed in the contract. Types of sales contract include value contracts and quantity contracts.

The bundle provides enterprise services for the enhancement of SAP CRM Sales Contract Management, e.g. for composite applications as well as for the collaboration with customers and partners. With the offered services it is possible to leverage 3rd party systems which enhance SAP CRM Sales Contract Management (for example for contract authoring, for negotiating terms and conditions of the contract with collaboration tools, for generating reports and analysis or for prize margin optimization).

Audience

The Sales Contract Management ES bundle allows companies and partners to use the full functionality of the CRM Contract Management and to use alternative UI’s, composites or 3rd party tools that meet their needs or that address specific industry requirements. Thus the Sales Contract Management bundle really enlarges the functionality and opens up a wide range of possibilities to bring added value into the contract management process. Tailored user interfaces and enhanced business processes bring additional power and flexibility.

The Bundle allows to apply 3rd party systems for example for generating sophisticated contracts, for analyzing contract data or for executing a price optimization.

It can be used for providing contract data for the collaboration with customers and partners. Data can be moved transparently from one system to another.

For details on Service Operations, Business Objects and Process Components, please check the ES Workplace.

How to Use This ES Bundle

This bundle consists of various contract based services to cover the following use cases:

- Adopt the contract clause and template library management capabilities of a 3rd party tool to create sophisticated sales contracts with the help of wizards and predefined templates and clauses
- Transfer contract data to 3rd party tools with enhanced contract authoring capabilities
- Negotiate terms and conditions of the contract by utilizing the internal and external collaboration capabilities of 3rd party systems
- Enhance/extract the contract functionality to include charge back and rebate management by using 3rd party systems
- Track release orders by integrating CRM Sales Contracts with external sales orders
- Analyze contract data (e.g. contract performance analysis, contract strategy & profitability analysis, claim analytics) with 3rd party analytics tools
- Archive contract data
- Execute price margin optimization with the use of 3rd party tools (e.g. "Vendavo")

Use Case 1: Extended Contract Authoring

A contract might be a simple document, but in many cases contracts are very lengthy and if printed, can amount to hundreds of pages with many clauses, business terms and conditions. For creating those complex contracts the sales employee wants to use to use a tool which provides a clause library and allows the employee to create sales contracts from predefined templates and clauses.

The sales representative starts a 3rd Party contract authoring tool by pressing a button from the CRM contract. The service “Read Sales Contract” is invoked and contract data is transferred to the 3rd party tool. Based on the information coming from the CRM contract the 3rd Party
tool determines the right clauses and templates that should be used to create the contract document. Once the complex contract document is generated the data is transferred to the CRM contract with the service "Update Sales Contract". The contract document is saved as an attachment to the CRM sales contract.

The following table summarizes these steps and the associated enterprise services:

<table>
<thead>
<tr>
<th>Step</th>
<th>Enterprise Service Invoked</th>
</tr>
</thead>
<tbody>
<tr>
<td>Step 1: The sales representative creates a contract in the CRM System</td>
<td>none</td>
</tr>
<tr>
<td>Step 2: The sales representative starts a 3rd Party contract authoring tool by pressing a button from the CRM contract. The &quot;Read Sales Contract&quot; service is invoked and the contract data is transferred to the authoring tool</td>
<td>Read Sales Contract</td>
</tr>
<tr>
<td>Step 3: Once the complex contract document is generated the data is transferred to the CRM Contract with the update sales contract service. The contract document is saved as an attachment to CRM contract</td>
<td>Update Sales Contract</td>
</tr>
</tbody>
</table>

**Use Case 2: Price and Margin Management**

The sales representative talks to customer about specific needs around products, volumes and service levels and creates initial contract with selected products. To address the needs of the customer he wants to use multiple deal scenarios (each with different deal terms, profit margin or deal index). He wants to create multiple proposals and compare them with each other. For doing that the company works with a 3rd party tool. The sales representative creates a contract in the SAP CRM system. Within the CRM contract a price and margin management application can be launched by pressing a button. This invokes the "sales contract read service" as well as the "read sales price specification" BO. Additionally cost information from the SAP ECC system can be accessed. On this data basis the sales representative simulates and works out different pricing models. Finally he decides to use a certain proposal. The pricing data of this proposal is send back to the SAP CRM contract.

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<td>Step 1: The sales representative creates a contract in the SAP CRM system</td>
<td>None</td>
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| Step 2: Within the CRM contract a price margin optimization application can be launched by pressing a button. This invokes the service "Read sales contract" as well as the BO "Read Sales Price Specification" from Bundle [Interactive Selling](https://support.sap.com/interactive-selling). Additionally cost information from the SAP ECC system can be accessed | Read sales contract  
Read sales price specification |
| Step 3: The sales representative simulates and works out different pricing models | None                                |
| Step 4: The pricing data of the final proposal is send back to the SAP CRM contract | Update Sales Contract               |

**Future Directions**

Incremental changes are based on customer feedback

**Enterprise Services Community Engagement**

- View activity for this ES bundle on the [ES Community](https://community.sap.com)

**System Requirements**

- [SAP ERP 6.0](https://www.sap.com/erp.html)
- [SAP enhancement package 4 for SAP ERP 6.0](https://www.sap.com/erp.html)
SDN and SAP Links

- SOA Homepage on SDN