



Spider Contract
Facts for decision makers

White Paper

- **Contract Management**
- **IT Asset Management**
- **IT Licence Management**



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Management Summary

If you need to know at any time which contractual obligations exist for each object in any branch of the company, what intervention options you have, what payment amounts are to be transferred and when these are to occur, you need to take a look at Spider Contract.

Information for Management

Commercial enterprise is often based on agreements that are set in contracts. Precise knowledge of current details and the resultant options for intervention, cash flows, risks and opportunities are indispensable for management.

In fact, knowledge about contracts is often not as transparent as would be necessary for a business management. The result: Negotiated and documented opportunities are insufficiently exploited, or in-house obligations are not known to all parties.

Various statutory requirements such as KonTraG or details of annual reports as specified in the HGB (Handelsgesetzbuch - German Commercial Code) can be fulfilled using rules-based contract management. Obligations under the Sarbanes-Oxley Act in US stock exchange listed companies, or requirements for communication with banks from Basel II often also lead to a detailed analysis of contractual issues.

Many departments besides management are involved with contracts. The legal department often has control over the actual contracts in their original form, while Personnel, Purchasing, Production, Controlling and Finance, R&D, Auditing and Infrastructure (IT, Energy and Communication) require access to selected data in the contracts.

A centralized, IT-based administration of contract details makes this information available. The immediate effect of this, besides the improved state of information in all departments, is comprehensive, up to date reporting as well as improved documentation. Furthermore, risk management is improved and the capacity of contracts optimized.

The use of contract management is worthwhile for all enterprises dealing with a number of agreements on a daily basis and wishing to improve their transparency, availability and structure. Improved availability of detailed information can yield significant savings. This alone can justify the introduction of a system of this nature.

Assigning Contracts to Objects

A branch office is relocating, a large server is to be dismantled, a ship changes ownership, or a company is to be sold off. The same challenges need to be mastered in each case. Which contracts are affected? Spider Contract solves the problem by assigning contracts to objects. This central assignment allows you to find the contract with a few clicks. A practical example: A branch office is to be closed. Various contracts are connected to the object „Branch“: A leasing contract, sub-lessee contracts with other companies as well as several insurance policies and ser-

vice contracts with regional service providers. An attachment to a framework contract with a country-wide building cleaning services company must also be terminated. A dedicated line is no longer required. Spider Contract organizes all this by administering connections between contracts and objects. Other objects associated with contracts could for example be large computers (leasing, licenses, maintenance for hardware and software) or projects.

Why Contract Management?

By using IT-based contract management, all agreements relating to operations are retained centrally in a structured and evaluable manner, and are made available to the departments. Current contracts can be monitored better, payment streams better controlled and new agreements built on fact-based knowledge.

Two Paths, One Solution

Contract management provides two different paths: Document-centered and detail-based contract management.

All contracts that are read in and tagged in their original form as text documents or digital copies (scanned), make up archives that are particularly interesting for lawyers. By contrast, the detail-based procedure extracts the central information relevant to operations, according to the type of contract, and consolidates it in a structured manner. This allows routine processes to be handled completely, without having to access the „small

print“, which can often be misleading for non-lawyers. Because the detailed data to be recorded in this type of contract management is not only oriented to the type of contract but also to the customer requirements, these programs in particular must be extremely customizable.

Spider Contract is a freely configurable, detail-based contract management system that can directly access scanned contracts or contracts according to context.

Spider Contract Four The Fourth Generation of Contract Management

Spider Contract Four contract management was created based on a large number of experiences from numerous European companies. The resultant best practise model has been augmented by a broad degree of adaptability. Every enterprise is different, has individual procedures and its own style of contracts. But the basic requirements of contract management are similar.

Overview of Advantages

By implementing Spider Contract you will achieve:

- A lifecycle management system for contracts
- Coordinated recording, administration and alignment of agreements
- Instantly improved, current source of information for all those involved
- Central reporting with up to date figures
 - Costs
 - Inflow and outflow of funds
 - Contingent capacity
 - Statistical details such as average capacity, total volumes per unit of time per partner
- Shorter access times through effective search algorithms and direct availability at the workstation
- Reduced in paperwork: Copies often no longer need to be kept in each department
- Traceable risk management through defined classification systems
- Top security by means of effective access protection as well as securing the right to view and change contracts and related details. Each target group sees only those contracts with the details relevant for that group.
- Transporting of contract files can be reduced. This saves costs and minimizes the risk of loss.
- Balance sheet and audit security through defined processes and documented history.

Administered Contracts

Spider Contract administers data of any type of contract. Every type can be individually tailored. A few examples follow. (The list can be extended as required).

Type of contract (Selection)

Purchase

Leasing

Licenses

Framework contracts

Blanket agreements

Leasing contracts

Consultancy contracts

Trade contracts

Service contracts (tradesmen)

Employment contracts

Apprentice contracts

Training contracts

Details

Unit affected, once-off or installment payment

Unit affected, run time, extent, notice periods

Unit affected, run time, extent, notice periods

This type of agreement affects a group of contracts, and limits their validity or volumes.

These agreements affect many other contracts with one or more partners. Contingents, contract penalties and notice periods apply globally under some circumstances and must be observed in the detailed agreements.

Extent, rights, conditions, sales achieved, ...

The total volume must be monitored and interim accounts must be booked.

Extent, rights, conditions, sales achieved, ...

This often includes working notes and interim accounts.

Affected person, run time and notice periods, salaries

Affected person, run time, assessments, employment options,

Employee data, training costs, run time, training dates, course dates

Type of contract (Selection)

Insurance contracts
 Financing agreements
 Partnership agreements

Sureties

Patents / licenses

Details

These contracts often contain extremely individual information, e.g. limited liability

Partnership agreements often contain individual reference numbers and information.

This contract type must be controlled extremely carefully. Regular resubmission is recommended

Irrespective of whether external rights are used or whether in-house rights are passed on, these contract types must be managed very accurately.

Additional Objects

Every contract can be even better administered by means of attachable objects:

Attachment
 Resubmission

Working notes, invoices, devices affected, employees, departments ...

Automatically generated email regarding the contract and note as to which action is required. Used in notice periods, new options for negotiation, warranty expiry, amongst others.

Rating

A rating documents the experiences from a contract, a supplier, or a customer. This information is used for new negotiations.

Documents

Documents can be attached to any contract. The original contract and other documents are thereby available as a scanned or PDF document.

Every contract has a contract partner. Besides usual data such as name, address, and communication data, contact partners are stored here. Ratings that document the experiences with this partner can be added for internal communication. If the ERP system (e.g. SAP) contains data about your contract partners, this data can be synchronized directly from here.

Administered Details

On request, Spider Contract records almost all details about every contract, every system, and every partner. All information is structured, and can as such be retained in an evaluable manner. For every contract type, you can specify what data is to be recorded in which manner. The configurations are not dependant on one another, so that complex special cases can also easily be represented. All data can be evaluated in individual reports. The contract customer determines what data is to be stored, and how it is to be stored. The following details are often included here:

Contracts

Contracts are defined separately according to contract type. Every type has its own group of characteristics, typical representation, and references to other objects. In addition, every contract type has its own system of rules that also controls processes where necessary. Contracts, and even different types of contracts, can be linked to one another to indicate dependencies and to simplify common processing. This is particularly useful in framework contracts and master contracts.

Attachments

Extend information about the contracts, suppliers and customers. Attachments can be defined as required and assigned to a higher level object. They include working notes, accounts and interim calculations. Attachments are recorded in a structured manner and, together with the higher level contract, can be evaluated in order to determine possible capacity issues.

Documents

Attached documents are files that can be attached to an object as required. In this manner, the exact wording of an agreement is always available. Comments from departments, product information or even mail traffic can be optimally assigned to individual contracts.

Suppliers

This term is used to describe contract partners supplying goods or services to an enterprise. Besides core data such as name, address, and bank account details, as many contact persons as required are available, together with their function and communication data.

Customers

Customers are the recipients of goods and services. Their particulars are similar to those of suppliers.

Evaluations

The evaluation system, which is integrated and structured where necessary, helps in recording and evaluating agreements, suppliers and customers.

Resubmissions

Every user can define resubmissions for every contract, to ensure that no deadlines are missed. The system sends an email in freely definable format in good time, containing a reference to the affected object. The affected contract can be called up and processed directly from the email. Because this reminder is sent via the in-house mail system, the reminders are also available if the affected person is not currently using Spider Contract.

Reporting

Analyses and overviews of the entire database, of selected contract types or risk classes, payment streams or deadlines due soon are as easy to produce as are compact summaries such as number of contracts and planned volumes per supplier, etc. Reports can even be sent via email - an automatic service.

- Risk report
- Contracts expiring soon, affected units
- Contracts that can be renegotiated
- Purchase balance by supplier and group of products
- Average purchases per type of item
- Capacity coefficient for framework contracts
- Average rating for suppliers
- Contracts according to those responsible for contracts

Some reports contain a drill down, so that a reference can be made directly from the summary to the detail data. This is particularly practical for analyzing exceptions.

Commercial Details

Contracts generally lead to payments. A distinction is made between once-off, regular and irregular transactions. A detailed recording of plannable, future payment streams and proper documentation of amounts paid and owed are as important for effective business management as reporting according to Basel II for example.

Control and planning of incoming payments is part of commercial data, as is the consideration of outgoing payments.

Spider Contract records the amounts contained in a framework agreement, in an individual agreement, as well as interim settlements effected. Capacities are automatically calculated on the screen, so that the person concerned can evaluate a specific contract in seconds.

In international traffic, conversion of foreign currency is important. Spider stores the amount and the currency agreed, and independently converts the value into the target currency. Meaningful reporting only becomes possible through this uniformity.

Cost centers and their charges are aligned with the ERP system. As a result, the list of currently available cost centers as well as their exact designation are always available. But charges can also be taken over directly from the ERP system or booked in this system.

Easy Integration of SAP Data

Many customers use SAP as their ERP system. Spider offers a SAP connector based on standard Microsoft and SAP technologies especially for these customers. This allows SAP data, e.g. cost center data, invoice data, and supplier data to be adopted from SAP via a simple configuration and integrated into contract management. Transferring of information from Spider Contract to SAP is also supported. This means that Spider Contract can easily be linked into a SAP environment and consequently be used to its full potential.

Spider supports SAP MM as well as SAP FI/CO. Contracts or orders can therefore be created in SAP MM, supporting the contract management process.

Using Contracts Effectively

Many contracts contain clauses that can only be used to the benefit of the company if they are known to the person responsible or the decision-maker:

- Discounts, if a certain volume is exceeded for example
- Adaptation clauses
- Consolidation options, by consolidating multiple old contracts for example
- Warranty regulations, including those modified from framework contracts
- Response times from service contracts (SLAs), in the case of IT equipment for example
- Upgrade options from previous contracts, in the case of software licenses for example

Spider Contract Four makes this data available at every authorized workstation. Perfect support for negotiations, for the service help desk, and for management.

Managing Risks Professionally

A good idea: Managing contract risks. A structured contract management solution is indispensable for this. Key points in risk management:

- Avoiding unwanted contract extensions -> automatic alarm system
- Avoiding unwanted contract terminations -> automatic alarm system
- Avoiding overpayment -> transparent controlling / reports
- Avoiding unauthorized / unqualified actions -> authorization system
- Avoiding unplanned liquidity requirements -> special report
- Avoiding faulty decisions -> processes control actions / teamwork
- Structured handling of contracts that require registration -> parameters + processes
- General risk evaluation of contracts -> risk classes defined
- Risk status description of active contracts -> risk status defined
- Individual risk description -> free-from text entries describe the situation
- Assignment of contracts to objects -> possible as an option
- Avoiding unmanaged contracts

Security and Individuality

The scope of functions and SCREEN display is defined on the screen for every user group. Every user receives the data they need REQUIRED. No more and no less. The type of display, the grouping of individual data and input options are specified individually for each user group. Individuality does need to come at a high price. For further information on display flexibility, please consult the documentation using the keyword „Administration“. Role-based security design allocates each user to one or more groups. Rights and layouts have been defined for these groups. Only Purchasing can set up purchase contracts; the service department can only view the most important technical data without being able to modify the price or procurement data.

The role design reduces administrative effort significantly, as multiple users can be uniformly configured. Replacement staff can be activated in minutes and then deactivated again. Because multiple roles can be assigned to an employee, power users with extensive duties combining multiple roles can easily be configured.

Install Once - Use 100 Times

All Spider products can be used at any available PC in the company without specific installation. The rich, HTML-based interface means that training effort is reduced. Ergonomic, adaptable interfaces ensure that acceptance levels are extremely high.

The server components require only a single server on a Windows operating system. All Spider products can be scaled virtually as required by adding more servers.

The slim protocol ensures that the load on the network is minimal. Even workstations with lower bandwidth connectivity are served rapidly - only data required for the screen display is sent. As is the case for Internet connection, a dial-up connection is sufficient to be able to work securely and productively where necessary.

Administration

Besides technical support for servers running the software, the job of the administrator is to configure individual objects and authorizations to be administered.

Details as to what data is to be stored, and how it is to be stored is determined during the introduction phase. Wizards are available to assist you in defining these objects. Default configurations exist for all objects, so that the administrator can rely on the experiences of others and reduce his/her task considerably.

Configuration

The display of every form can be individually tailored to the authorizations set up for individual authorization roles. A simple interface supports configuration activities.

Modifications and extensions to the configuration can be created during normal operation. When a form is next called up by a user, the modified screen will be displayed.

Search options and details of search results, and the detailed display of information are also configurable in principle. Arrangement of the fields in a form can be done in up to six tabs to allow for clear and functional grouping. Besides the core data, it is possible to display only data belonging to one function group, if required (e.g. warranty information or procurement data). The screen is used optimally.

The following options are available for form configuration:

Read-only display

- Text box for free-from text input
- Selection field
- Combination field with free-from text input
- Special search fields for supporting the selection of a defined value such as cost center, status, or authorization
- Yes/no fields
- Functions
- Buttons
- Set up, save, delete
- Reference to other forms such as assistants or detailed information.
- Opening of popups
- Reference to other HTML-based applications
- Reference to other forms

Reporting: Administration

For reports, the administrator defines both the basic and extended reports. All stored information can be combined and displayed.

The following are available:

- Lists
- Filtered views, including a reference to detail and processing forms for fast checking of modifications to data
- User-defined reports, also with freely defined search criteria that can have multiple layers. References to detail and processing forms are possible.

Alternatively, reporting tools already installed can be used to ensure a uniform display of all company reports. But table calculations such as those in Microsoft Excel© can also be easily integrated without causing security problems or resulting in unauthorized data access. Only data that is accessible by a user can be loaded into Excel.

The following well-known reporting tools are supported, amongst others:

- Microsoft Reporting Services
- Crystal Reports
- Microsoft Excel
- Microsoft Access

Extensions

Spider Contract is fully integrated into the Spider product family. For more extensive requirements, a tried and tested IT asset management system, a software license administration system, and a workflow engine are available for process control. A number of tools from other suppliers can also be connected.

Spider Asset

The Spider Asset IT asset management system is an ITIL-conforming configuration database that can administer all workstations, servers, communications systems, etc. In addition to technical and organizational data, Spider Asset administers process and organization data.

Spider Asset collaborates with Spider Contract. Contracts pertaining to hardware, software, workstations or employees are immediately linked. Details required for fast processing are consequently immediately available: SLAs, purchase and leasing contracts as well as warranty information and commercial residual values are provided. The authorization system ensures that information does not fall into the wrong hands.

Microsoft Share Point Portal Services

This tool enhances collaboration within a team. Particularly in conjunction with Spider Contract, the load is taken off creating, versioning, authorizing, releasing and archiving contracts.

Spider Purchase

Product catalogs, queries, orders and associated procedures, as well as authorization procedures comprise Spider Purchase. An ideal extension to Spider Asset, or on its own as an individual module.

Spider Licence

This product provides an overview of acquired and used software licenses. In this manner, a company can fulfill its obligation to exclusively use licensed software.

A scanner is used to determine which software is used, and on which computers. The „Software Identification Service“ module determines which product is used on these computers by means of the data collected. Even bundles that are sold in widely varying licensing models are differentiated and recorded separately.

Over and under-licensing can be immediately detected by reconciliation with license information already recorded. Upgrade and downsize options are reliably displayed.

A workstation affected by a licensing breach is identified in conjunction with Spider Asset. Spider Contract in turn administers detailed data associated with a license.

Spider Service Desk

This product supports the service help desk. From the creation of tickets (queries), to process conforming handling, to evaluation of services performed - this product offers the complete solution. In addition, a knowledge database for resolving known tasks is provided. Direct linking to Spider Asset and Spider Contract makes detailed knowledge about workstations affected by a ticket, as well as the associated Service Level Agreements, and warranty and leasing contracts available.

Your Challenge - Our Solution

Spider products were created for the European market. The experiences from countless customer situations are integrated in this development. Every enterprise has a different structure, different requirements, and a different culture. We have still managed to create a product family that is so flexible by default that it can solve even unusual problems at our customers.

Together, for your success.

Experienced consultants will implement your requirements and ideas. Structured processes and knowledge are prerequisites for a successful project. Our reference customers will gladly make themselves available to you by agreement. A brief selection of our customers:

Alte Leipziger Lebensversicherung AG
Atlas Elektronik GmbH
Axel Springer AG
BACARDI GmbH
Bahlsen GmbH & Co KG
Bausparkasse Schwäbisch Hall AG
BERU AG
DAD Deutscher Autodienst GmbH
The Swiss Parliament
Ethicon GmbH, a Johnson + Johnson Company
Linde AG
Olympus Europe
Rheinmetall Defence Electronics GmbH
RWE AG
Sharp Electronics GmbH
STILL AG
STILL Skandinavia
Stora Enso Deutschland GmbH
Tchibo Frisch-Röst-Kaffee GmbH
Vodafone D2 GmbH
VVB Bausparkasse München AG (HVB)
gedas AG – Member of T-Systems

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