



Contracts

Appendices

Schedule checking

Volume monitoring

Resubmission

Archiving

Spider Contract

The latest-generation contract management



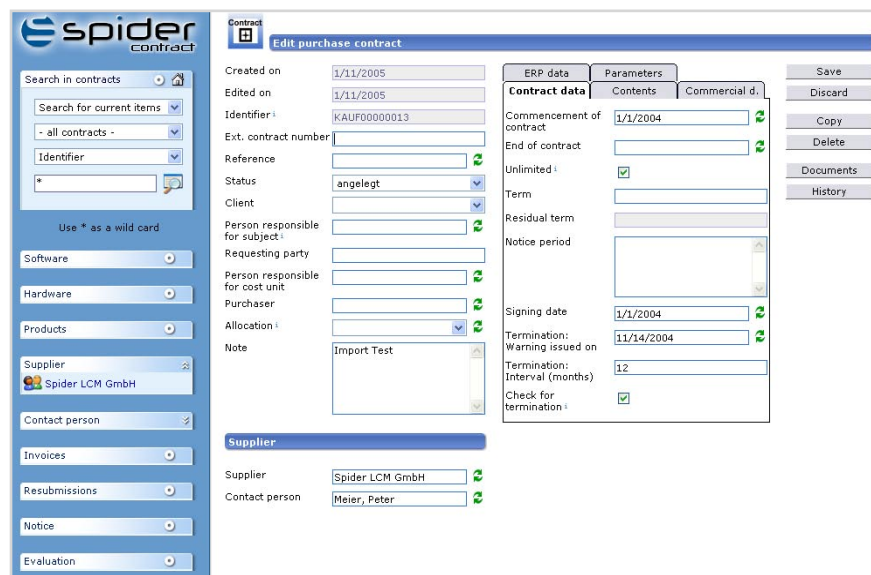
Jaque Brenell, chief legal officer at a mid-size company in the German food industry, has studied in great detail the problems arising from contract management: “Until now, the management of all contracts in the company has been fraught with difficulties. On average, we have eight contracts per employee, all of which may impact our day-to-day work. However, neither the employee in question nor his or her supervisor have fully realized this before!” This unfortunate state of affairs was due to the complex way in which contracts were archived. Data was available to only a select group of people - in paper form. During auditing, it became evident that raw material buyers were not making full use of the scope available under the applicable delivery contracts due to ineffective communications. “As one purchaser did not know precisely what the others had just ordered, quotas were frequently not used to optimum effect, with the result that discount facilities expired.” This prompted the company to improve its contract management system. Specifically, it opted for Spider Contract. Says Jaque Brenell: “The application not only allows us to manage our supply chain contracts but also lets us make additional telecommunications, information technology and other service agreements available on a structured basis.” The roll-out of Spider Contract has resulted in substantial changes. As all contracts are entered in the system on a structured basis, detailed information is now available to the parties concerned

and decision-makers across the entire enterprise via web-based queries. As Jaque Brenell explains: “The problem was that it was not possible to make optimum use of master contracts as users were not aware of the current state of utilization. Booking lists were duplicated, resulting in frequent excess bookings.” With the savings achieved from the optimized use of master contracts, Spider Contract has paid for itself quickly: “Now each decision-maker knows which contracts are relevant for him and how high the outstanding quota is at all times!” At the same time, many departments were having difficulty keeping deadlines: “Because our staff failed to realize that they were entitled to claim a new cell phone by renewing their mobile communications contract, we often missed out on free replacements.” Now, staff automatically receive an e-mail message reminding them that they are eligible to order a new cell phone. In the service area, the number of guarantee claims has risen sharply since the roll-out of the life-cycle management system, which is integrated with contract management. Explains Brenell with a smile on his face: “Of course, this doesn’t mean that fewer devices break down, but we are at least able to keep track of guarantee entitlement. As a result, we were able to claim free repairs under guarantees in about 20% of the cases. The implementation of Spider Contract has proved to be beneficial for his company in every respect. “We were initially skeptical as to whether it is really possible to store all relevant data in such a standard product. Yet, the ability to configure contract types on an individual basis allows us to manage exactly the amount of information which we really require.”

Effective contract management

Individuality the standard

In any company, contracts form the basis of business activities. All responsible staff should be fully aware at all times of core information such as the contract partner, regular payments, units concerned as well as the scope available. Yet, until now, it has been difficult to structure this information as the contracts were archived across the entire enterprise, rendering central digital recording difficult. Frequently, a single department manages and archives all contracts, meaning that the departments affected do not have direct access to them. Spider Contract stores all core data on a central server, making it accessible on an enterprise-wide basis via a web-based user interface. An extensive analysis of hundreds of contracts in various companies revealed that similar data is necessary to effectively manage virtually all contracts. This information is stored in Spider Contract using a best-practice model. A sophisticated configuration model allows any contract type to be defined individually. This combination of standard data and freely definable information guarantees systematic evaluations of all contracts without neglecting the unique elements of individual contracts. Appendices can also be stored for each contract, setting out the details of individual transactions, such



as time records for service contracts or monthly volumes in the case of mobile telephone contracts. Accrued revenue can be recorded via the enclosed invoices and charged cyclically to volume budgets. Data can be transferred automatically via the integrated interface to ERP systems (e.g. SAP). Violations of defined maximums can be detected at an early stage. In fact, the integrated alert system will automatically issue a warning upon a given limit being reached. As well as this, the integrated resubmission reminder system automatically issues e-mail alerts, which can be defined individually for each employee.

Spider Contract comes complete with preconfigured contract types, allowing it to be used straight out of the box. At the same time, these cover a wide range of different possibilities:

- purchase contracts
- maintenance contracts
- mobile communications contracts
- vehicle leasing contracts
- leasing/rental contracts
- service quantity contracts
- service value contracts
- service - consultant contracts
- maintenance value contracts
- rental contracts
- telecommunications contracts

A solution for all customers and applications

Spider Contract has been designed as a universal contract management solution for many sectors. An evaluation of the contracts of many companies has yielded an established best practice model, which is used as a basis for Spider Contract. With its individual configurability and modular structure, Spider Contract is an individual standard: A solution covering all sectors and requirements

IT contracts

Spider Contract manages all of a company's relevant IT contracts, e.g. primarily product, software and service contracts. Aside from the fact that data is stored centrally, one key advantage is the ability to perform consolidated evaluations of all contractual payment obligations in the IT area. This facilitates the budgeting process as it renders payment obligations under existing contracts transparent and allows future contracts to be embedded in temporary contract models to optimum effect.

Customer contracts

In addition to managing delivery contracts, Spider Contract also supports the structured management of customer contracts, enabling structured and consolidated evaluations of contractual relations with individual customers and making customer relationships transparent. Forecasting is simplified as future sales can be mapped on the basis of existing contracts.

IT service level agreements

Spider Contract keeps track of service level agreements via the service level agreement (SLA) and operational level agreement (OLA) contract types. Defined levels are rendered transparent, while a service catalog can be accessed at any time. As well as this, freely definable statuses support the definition process effectively.

What is particularly useful is the ability to map dependencies between service levels and external operational levels. During the monitoring phase, it is possible to determine whether changes or modifications at the service level are covered by the OLAs signed.

According to a study conducted by KPMG, 62% of employees must refer to the contracts of other departments as part of their day-to-day work. However, only 4% of companies have central contract management facilities.

KPMG: Contract Management 2002

Integration with IT tools

Spider Contract is a member of the Spider family. The lifecycle management tool Spider Asset manages a company's entire IT environment by mapping the lifecycles of hardware and software installations. As contracts and service level contracts play a key role here as well, Spider Contract has become an indispensable addition for many companies. Integration of the system optimizes the deployment of resources, rendering services more transparent and allowing direct cost assignment.

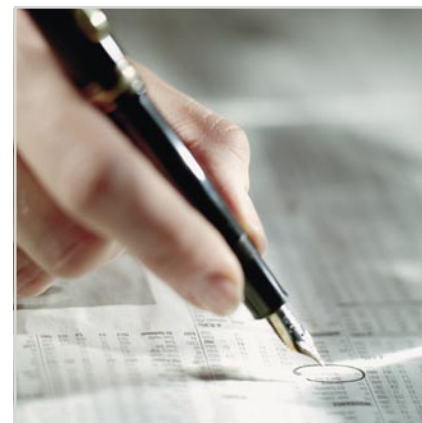
Spider Licence handles the increasingly important task of managing software licences by comparing the installations stored in the software inventory with the available licences, thus ensuring that licence data is continually refreshed. Integration in Spider Contract forms the final link as the related purchase and leasing contracts, master contracts as well as ongoing costs and contract terms can be kept track of.



Integration with SAP

It is important for a contract management tool to accept bookings from business systems automatically as far as possible. This is the only way of ensuring that data under management is always up to date and that evaluations cover the existing situation. The connectors available in Spider Contract link the core system with SAP. Static data is managed by means of cyclical reconciliation of accounts payable, product groups, order number and ledger accounts. However, Spider Contract also makes use of bookings entered

in the accounting system with dynamic data. The orders entered in SAP MM on contracts as well as the invoices booked in FI/CO or SAP MM are evaluated. On request, Spider Contract can also store contract data directly in SAP, something which in special cases may simplify operating processes substantially. Thanks to efficient integration in the ERP system, Spider Contract makes selected ERP data available to those requiring it.



Specifications

Spider
Contract

Technology and functions

Web-based user interface Permits enterprise-wide access to all data and functions Use of browser does away with the need for special software installations Supports HTTPS for secure communications	✓
Can be combined with other Web applications Integration with UHD tool, ordering system etc.	✓
Contracts managed e.g. IT master contracts, guarantee renewals, leasing and rental contracts, service and project contracts	unlimited
Integration in messaging system (SMTP) Permits active integration in work processes. Example: Contract management sends an e-mail reminder to terminate a contract	✓
Number of units managed Only limited by licence; contracts are counted	✓
Static data and booking can be reconciled with ERP system Permanent data exchange via XML interface	✓
Integrated evaluation system Contract partners can be evaluated on a structured basis	✓
Scalability Performance can be improved to meet rising requirements by adding further servers	✓
Microsoft Windows 2003 Server supported Investment security, even greater performance, easy administration	✓
XML importer For automatic data reconciliation and initial data entry	✓
Number of users Any number of employees and their specific roles can be entered	unlimited
Multilingual user interface Further languages can be added	✓
Role-based functions and rights Employees are assigned defined functions and rights in accordance with their duties to facility activities	✓

Reporting

Predefined reports	✓
Early-warning system Including sorting, filtering and export to Excel	✓
Links with Excel For individual reports on a freely definable data base, all Excel features available	✓
XML exporter For the regular provision of complete data	✓

Operation

Frühwarnsystem Automatic check of alert limits	✓
Automatic resubmission reminder E-mail reminders	✓

Security

User management	✓
Automatic logon via active directory	✓
Access to define content restricted according to user group	✓
Depiction of objects definable on a user group basis	✓

Extensibility

Customized user interfaces For dialogs covering special tasks	✓
Customized rules Data checks for generating and storing core objects can be defined in accordance with customer requirements	✓
Additional software modules Further modules, e.g. workflow engines, can be integrated effortlessly	✓
Individual requirements The product framework is open for individual extensions	✓

Spider Contract in practice

Early warning system

Spider Contract regularly checks selected contract types for dates, booked volume and utilization. If defined limits are reached, an alert is issued: The responsible person then receives an e-mail message containing the information required to ensure an immediate response.

Resubmission

Each user can define automatic resubmission reminders for any contract. An e-mail message is then generated on the defined date, ensuring that no deadline is overlooked.

Configuration

It is possible to define almost any contract type for Spider Contract in close consultation with our consultants. Spider Contract always records the central information supplemented with the specific contract data. The extensive structuring ensures that automatic evaluations are possible.

Security

Thanks to integrated user management, user roles can be defined to ensure that each employee is able to view and edit only the information of relevance to him. Even the manner in which detailed data is displayed can be adjusted for individual user groups: By ensuring that the display structure complies with the user's preferences, it is possible to optimize processes and to ensure that data can be viewed at a single glance.

Scoring

The integrated scoring system helps to identify particularly reliable suppliers and partners. In this way, future agreements are based on the experience of all relevant employees rather than being made on a random basis.

Documents

If required, scanned documents can be assigned to a contract. As a result, the original is available without inflating the data repository excessively. An already implemented document management system can be integrated.

Evaluations

The data recorded is available for many different kinds of evaluations, e.g.

- booked volume per supplier and period
- expected cash flow per period and contract type
- contracts with residual terms of less than 3 months per contract type



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