

# PEOPLESOFT SUPPLIER CONTRACT MANAGEMENT



Oracle's PeopleSoft Enterprise Supplier Contract Management is the application that creates and enforces better supplier contracts. It is a key component of Oracle's PeopleSoft Enterprise Supplier Relationship Management (SRM), the integrated suite that dramatically reduces all supply management costs.

*Standardize contract processes.*

*Reduce time-to-contract.*

*Drive contract compliance.*

## **Create and Enforce Better Supplier Contracts**

Supplier contract management has become even more overwhelming in the face of new business challenges such as globalization, outsourcing, and increased regulatory pressure. Today, most companies record some financial details about their contracts in their purchasing system, but many still store the actual contract document off-line (for example, in a file cabinet), with no connection back to execution and compliance activity. Authoring still remains a manual process lacking sufficient controls. Terms negotiations can be cumbersome and time consuming, and incomplete adoption and lackluster enforcement prevents even the best negotiated contracts from realizing expected savings. With PeopleSoft Supplier Contract Management, procurement and legal professionals can quickly author contracts that comply with corporate standards and enforce compliance to ensure that negotiated savings reach the bottom line. PeopleSoft Supplier Contract Management enables customers to:

- Standardize contract processes.
- Reduce time-to-contract.
- Drive contract compliance.

## **Standardize Contract Processes**

Create high quality supplier contracts faster and reduce risk using enterprise-wide standards, policies that govern their use, and tools to allow flexible administration.

## **Centralized Terms Library Ensures Consistent Contract Standards Across The Entire Organization**

PeopleSoft Supplier Contract Management delivers a centralized clause library that enables buying organizations to create and maintain standard contract terms, clauses, and deliverables. Once created, these contract components can be implemented globally and reused throughout the organization. The result is best practices and standard terms being used consistently throughout the organization.

**Clause Definition**

SetID: SHARE      Clause ID: CL\_SRWARR01

\*Description: General Service Warranty [Associate to Clause Group](#)

Library: GENPUR01      General Procurement Contracts Library

\*Class Name: CLASS01      Standard Procurement Clauses

Approval Type: LOWRISK      Low Risk Clauses

Notes:

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**Clause Attributes Per Effective Date**      Find | View All      First 1 of 1 Last

Effective Date: 01/01/2000      Status: Active       Edited via Word Application      [Where Used](#)

Numbered Clause       Insert Page Break Prior       Protect in Document

Approval Status: Approved       Repeating Object

[Expand Full Text](#)      [Validate Variables](#)      [Add Variables](#)      [Preview Document](#)      [Edit Document](#)

Title: General Service Warranty

Full Text: Supplier warrants that any support services provided shall conform to the level of quality performed by experts regularly rendering this type of service. Supplier warrants for 90 days after accepted completion of a requested Service that its Services are fully satisfactory to the University and will repair, replace or redo at no additional cost to the University any unsatisfactory Services. (Warranty: %%WARRANTY%%)

Reference Text:

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**Dependents**      Customize | Find | View All      First 1 of 1 Last

Sequence	Numbered	Content ID	Description	Content Format
10	<input checked="" type="checkbox"/>			Full

### Clause Library

Define contract clauses for enterprise-wide use.

### Comprehensive Contract Policies Establish Control and Reduce Risk

The need for tighter controls over contract terms is underscored by corporate governance regulations. Companies can be exposed to contractual risk and monetary penalties if negotiated terms vary from corporate standards. Using PeopleSoft Supplier Contract Management, organizations can define policies that mandate the use of specific clauses and require special approval for any deviation. Administrators define standard clause usage, interdependencies between clauses, and approved alternates. Policies can use other data in the ERP system to automatically drive contract language. For example, if the contract contains lines with items marked as hazardous materials in the item master, a rule can be established to automatically include the appropriate hazmat handling language in the contract. This results in the creation of quality documents and the reduced need for expensive legal or administrative intervention during the authoring process.

### Expert-Based Authoring Produces Compliant Contracts

PeopleSoft Supplier Contract Management uses customer created, contract configurators and interactive wizard questions to produce expert-based, authored contracts that are standards compliant. Contract configurators automatically add required clauses based on key contract information, such as item category and payment terms. Contract wizards prompt users with relevant questions. The system uses the question responses to complete contract information and determine which clause language is appropriate. Native Microsoft Word 2003 integration allows for offline redlining and the insertion of standard clauses from the centralized library. Contract documents, regardless of their point of origin (whether from buying organization or supplier) can be uploaded and stored as the contract of record. Security privileges strictly control the level of authoring access.

In addition, PeopleSoft Supplier Contract Management's authoring framework (clause library and wizard-based configurators) can be used outside of the procurement domain to generate generic documents. For example, the system can create and manage non-disclosure agreements (NDAs) or supporting certification documents. Just as in authoring supplier contracts, the same Microsoft Word integration, control, and audit trail capabilities are provided.

#### **Document and Clause Import Tools Facilitate Deployment**

PeopleSoft Supplier Contract Management provides import utilities to accelerate deployment of the solution. Contract managers can load legacy documents into the system resulting in visibility to both old and new contracts. If there already exists a set of standard legal terms, the system can load them into the Supplier Contract Management clause library, avoiding the need to manually re-enter them. These tools reduce the implementation time and accelerate the return on investment.

#### **Reduce Time-to-Contract**

Cut contract cycle times with flexible workflow, parallel negotiation, and formal amendment processing.

#### **Parallel Negotiation of Commercial and Legal Terms Reduces Redlining and Cycle Time**

Contract negotiation often stalls during the redlining that follows negotiation of commercial terms. This introduces substantial business risk and weakens the buying organization leverage as internal demand for the purchase increases. With PeopleSoft Supplier Contract Management, customers can concurrently negotiate detailed legal and commercial terms. Accessing the standard clause library and including default contract terms in sourcing events dramatically reduces post-award negotiation and redlining. Allowing suppliers to bid with full knowledge of both commercial and legal terms keeps the contract process on track and reduces lag time between award and signed agreement.

#### **Flexible Workflow Expedites Approval and Signature**

PeopleSoft Supplier Contract Management's flexible approval workflow rapidly approves contracts containing standard clauses while flagging those with non-standard or modified clauses as exceptions requiring additional approvals. The approval workflow is fully configurable to include all necessary parties (for example, buying professionals, legal, suppliers, etc.). Internally approved contracts are electronically routed to suppliers for their approval. The system archives contracts and supporting documents such as scanned manual signatures in a secured repository and maintains complete approval and signature history.

#### **Streamlined Amendment Process Avoids Time Consuming, Costly Disputes**

Costly disputes about what was agreed to, when, and by who are avoided by a complete audit trail and comprehensive version management. Both buyers and suppliers can easily compare changes between revisions. Both parties can initiate amendments to contract terms online, and both parties can implement or reject amendment requests. All contract modifications including both approved and rejected amendments are retained in the revision history.

Document History				
SetID:	SHARE	Contract ID:	HARDWARE	
Vendor ID:	USA0000010 Midtown Computer Supplies			
Document Action:	<input type="text"/> <a href="#">Return to Document Management</a>			
<a href="#">Customize</a>   <a href="#">Find</a>   <a href="#">View All</a>   <a href="#">First</a>   <a href="#">1-3 of 9</a>   <a href="#">Last</a>				
Action/Version	Comments	Document Details		
Date/Time	Document Action	Last User to Take Action	Version	Details...
05/05/05 10:05AM	Initial Version Created	Calvin Roth	0.00	<a href="#">Details...</a>
05/05/05 10:05AM	Checked Out	Calvin Roth	0.00	
05/05/05 10:10AM	Checked In	Calvin Roth	0.01	
05/05/05 10:13AM	Routed for Collaboration	Calvin Roth	0.01	
05/05/05 10:13AM	Checked Out	Clause Approver	0.01	
05/05/05 10:14AM	Cancelled Check Out	Clause Approver	0.01	
05/05/05 10:14AM	Reviewed by Collaborator	Clause Approver	0.01	
05/05/05 10:14AM	Reviewed by Collaborator	Clause Librarian	0.01	
05/05/05 10:18AM	Finalized Collaboration	Calvin Roth	0.01	<a href="#">Details...</a>

### Document History

Quickly review an audit trail of changes.

### Drive Contract Compliance

Throughout the contract lifecycle, stakeholders can review the contract details and track compliance.

### Central Contract Repository Provides Full Visibility

With Enterprise Supplier Contract Management, contract stakeholders can easily retrieve contracts and related information from a central electronic repository. The digital contract document stored in the central repository is linked to the purchasing transactional record (the PeopleSoft Enterprise Purchasing contract). This allows for powerful searching, including where-used capabilities and the ability to combine PeopleSoft Purchasing contract metadata (for example, contract value > \$50,000) and text strings (for example, “insurance waiver”) in the same search query. The digitized contract is synchronized with execution data from PeopleSoft Purchasing or from third-party purchasing systems using the contract syndication feature. Customers can track agreements, view purchasing transactions, and drill into all relevant supporting documents. Managers can review current spend and real-time key performance indicators to understand the current contract performance. PeopleSoft Supplier Contract Management makes sure customers know how suppliers are performing against their contractual commitments.

### Integrated Contracts Enforce Operational Compliance

Because PeopleSoft Supplier Contract Management is an integrated part of PeopleSoft SRM, contracts are consistently executed through PeopleSoft Purchasing, Payables, and other SRM applications. Requisitions from PeopleSoft Enterprise eProcurement are automatically sourced to existing contractual agreements—enforcing preferred vendor’s prices and terms. Upon the award of events in PeopleSoft Enterprise Strategic Sourcing, negotiated terms automatically populate the resulting contract. Contract performance data is collected from across the PeopleSoft SRM suite and master data (for example, suppliers, items, accounts, etc.) is shared between applications.



Contract Agreement Status Details						
<b>Vendor SetID:</b>	SHARE	<b>Vendor ID:</b>	SCM0000002			
<b>Contract SetID:</b>	SHARE	<b>Contract ID:</b>	000000000000000000000000000030			
<b>Contract Beginning Date:</b>	04/26/2005	<b>Expire Date:</b>	01/01/2006			
<b>Contract Type:</b>	General	<b>All Agreements</b>				

  

Contract Agreement Status Details						
Agreement Level	Agreement Sequence and Code	Verification Step Activity Status change,	Description	Target Date	Assigned To	Status
HEADER	10-AG_LABEL		Product Re-labeling	01/06/2006		Not Set
		10	Product Re-labeling	01/06/2006	Phillips,Jarred	Not Started
HEADER	20-AG_PRICE		No Price Increase	04/01/2005		Not Set
		10	No Price Increase	04/01/2005	Dixon,Margaret	Not Started
HEADER	30-AG_CERTIFICATION		Certification of Material Usage	02/01/2005		Not Set
		10	Certification of Material Usage	02/01/2005	Kenneth Schumacher	Not Started
		20	Certification of Material Usage	02/01/2005	Kenneth Schumacher	Not Started
		30	Certification of Material Usage	03/01/2005	Chris Baker	Not Started
LINE 1	10-AG_RETURNS		Customer Returns	01/01/2006		Not Set
		10	Customer Returns	03/31/2005	Scrooge,Joseph	Not Started

**Contract Agreement Status Details**

Track agreements for each supplier contract.

**Agreement Tracking Monitors Supplier Performance**

Most supplier contracts include specific internal and external deliverables, but these are often lost in the contract details and poorly monitored. PeopleSoft Supplier Contract Management allows customers to define and track these contractual agreements (Service Level Agreements). Legal clauses, verification requirements, responsible parties, and financial implications are associated with an agreement and maintained in the contract. Customers can receive notifications regarding agreement actions and update agreement statuses. Agreements maintain supplier compliance with the contract and ensure savings are realized. The system also can track certain types of agreements automatically, such as on-time performance, by evaluating the contract execution data within PeopleSoft Purchasing and notifying the interested parties when a compliance issue arises.

## Contact Us

For more information, please call +1.800.ORACLE1 to speak to an Oracle representative or visit [oracle.com/applications/peoplesoft/srm/ent](http://oracle.com/applications/peoplesoft/srm/ent).

## Key Features

### Electronic Document Repository

- Track and manage full contract lifecycle
- Conduct enterprise-wide contract searches
- Document & Clause import utilities

### Document Authoring and Lifecycle Management

- Contract clause library
- Collaborative authoring
- Document configurator
- Contract approvals workflow
- Configurator-selection wizard
- Amendment processing
- Contract wizard
- Generic document authoring (NDAs)
- Word to library search/insert clause capability
- Version control and lifecycle status

### Contract Management and Compliance

- Agreement management
- Integrated monitoring notifications
- Automated compliance checking based on receiving data

### Integration

- Native integration with Microsoft Word
- Contract syndication to third-party execution systems
- PeopleSoft Purchasing integration
- PeopleSoft Strategic Sourcing integration
- Request for contract requisition integration

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