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Oracle PeopleSoft Supplier Contract Management

Oracle's PeopleSoft Supplier Contract Management creates, maintains, monitors, and enforces Supplier contracts. It is a key component of Oracle PeopleSoft's Supplier Relationship Management (SRM) system, the integrated Procurement suite that dramatically reduces supply management costs.

Create and Enforce Better Supplier Contracts

Managing Supplier contracts 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 offline, such as in filing cabinets, with no connection to execution and compliance activity. Authoring remains a manual process lacking efficient controls. Term negotiations can be cumbersome and time-consuming, and incomplete adoption and lackluster enforcement prevent even the best-negotiated contracts from realizing expected savings. When using 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, and 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 that best practices and standard terms are used consistently, throughout the enterprise.

User-Defined Fields

Key Features

- Electronic document repository
- Document authoring and life cycle management
- Document and clause import utilities
- Contract clause library
- Contract compliance and management
- Supplier document collaboration via Interaction Hub
- Digital signatures
- Track and manage full contract lifecycle
- Document configurator
- Configurator selection wizard
- Executive summary document with Contract highlights
- Version control and lifecycle status
- Automated compliance checking
- Integrated monitoring notifications
- Native integration with Microsoft Word
- Contract syndication to third-party systems
- Analyze Contract Effectiveness

Key Benefits

- Standardize the contract process
- Reduce time-to-contract
- Drive contract compliance

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Supplier Contract Management delivers a series of user-defined fields that are searchable within document management and search capabilities. These metadata values can be prompted, stored, used for workflow processing, and used as search criteria by administrators on main pages. For each document type, specific user-defined fields can be selected from the overall setup. User-defined fields provide added flexibility and can be configured to meet the unique requirements of individual organizations and their document types.

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. When 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 alternatives. Policies can use other data in the ERP system to drive contract language. For example, if a 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 creating quality documents and reduces the need for expensive legal or administrative intervention during the authoring process.

Expert-Based Authoring Produces Compliant Contracts

PeopleSoft Supplier Contract Management uses a customer-created contract configurator and interactive wizard questions to produce expert-based authored contracts that are compliant with standards. The contract configurator automatically adds required clauses based on key contract information such as item category and payment terms. Contact wizards prompt users with relevant questions. The system uses the responses to the questions to complete contract information and determine which clause language is appropriate. Native Microsoft Word integration allows you to redline text offline, and insert standard clauses from the centralized library. Contract documents, regardless of their point of origin (whether from a buying organization or a Supplier) can be uploaded and stored as the contract of record. Security privileges strictly control the level of access when authoring. In addition, PeopleSoft Supplier Contract Management's authoring framework, such as the 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 for 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 the deployment of the solution. Contract administrators can load legacy documents into the system, resulting in visibility to both old and new contracts. If a set of standard legal terms exist, the system can load them into the Supplier Contract Management clause library, which avoids the need to re-enter them

Related Products

The following PeopleSoft products leverage Oracle PeopleSoft Supplier Contract Management:

- eProcurement
- Strategic Sourcing
- Purchasing

Related Services

The following services support Oracle PeopleSoft Supplier Contract Management:

- Update Subscription Services
- Product Support Services
- Professional Services

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manually. These tools reduce 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 process that follows the negotiation of commercial terms. This introduces substantial business risk and weakens the buying organization's 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 the lag time between the award and the signed agreement.

Flexible Workflow Expedites Approval and Digital Signature Capture

PeopleSoft Supplier Contract Management's flexible approval workflow rapidly approves contracts tha contain standard clauses. It also flaggs contracts with non-standard or modified clauses as exceptions, requiring additional approvals. The approval workflow is fully configurable to include all necessary parties, such as buying professionals, legal departments, Suppliers, and more. Documents are internally routed for approval and digital signature. Contracts that are approved Internally are electronically routed to Suppliers for their approval and digital signature. This is performed using PDF or Word signature capabilities. The system archives contracts and supporting documents in a secured repository, and maintains complete approval and signature history.

Streamlined Amendment Process Prevents Time Consuming, Costly Disputes

Costly disputes about what was agreed to, when it was agreed, and who agreed to it are prevented by a complete and comprehensive audit trail and version management. Buyers and Suppliers can

- Compare changes between revisions.
- Collaborate on amendments to contract terms online.
- Implement or reject amendment requests.

All contract modifications, including both approved and rejected amendments, are retained in the revision history.

RFX Document Authoring

Customers need to manage the entire Supplier contract lifecycle effectively to reduce spending on goods and services by enforcing contract pricing with

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embedded terms and conditions. Organizations use Supplier Contract Management to create and enforce better Supplier contracts. Suppliers need to see the contract, purchase order, and event terms and conditions at the beginning of the sourcing discussion. PeopleSoft Supplier Contracts is tightly integrated with three key sources of information: purchase orders, procurement contracts, and strategic sourcing events. This provides an automatic method to convert event clauses and attached documents used when negotiating a contract at the time of award. Organizations can author RFX contract documents that support full lifecycle tracking, collaboration, and approvals. Document import, document copy, and supply-side access are supported via the Interaction Hub.

Drive Contract Compliance – Central Contract Repository Provides Full Visibility

Supplier Contract Management allows stakeholders to 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; also know as the Procurement Contract in PeopleSoft Purchasing. This allows powerful search capabilities, including where-used capabilities, and the ability to combine PeopleSoft Purchasing contract metadata and text strings in the same query. The digitized contract is synchronized with transactional data from PeopleSoft Purchasing or third-party purchasing systems, using the contract syndication feature. Organizations can track agreements, view purchasing transactions, and drill into all relevant supporting documents. Managers can review current spending and real-time key performance indicators to understand the current contract performance. PeopleSoft Supplier Contract Management makes sure organizations 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 Supplier Relationship Management (SRM), contracts are consistently executed through PeopleSoft Purchasing, Payables, and other SRM applications. Requisitions from PeopleSoft eProcurement are automatically sourced to existing contractual agreements, which enforces preferred Supplier prices and terms. When awarding events in PeopleSoft Strategic Sourcing, negotiated terms automatically populate the resulting contract. Contract performance data is collected from the PeopleSoft SRM suite, and master data is shared between applications.
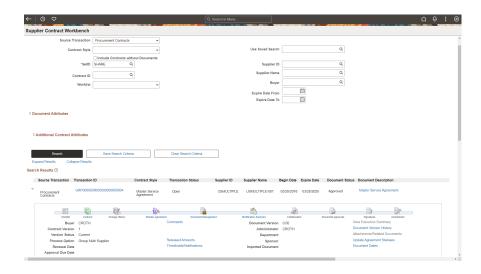
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Figure 1. Visual depiction of a contract's progress through an organization, including Supplier and Procurement contract visibility.

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 organizations to define and track these contractual agreements; Service Level Agreements(SLAs). Legal clauses, verification requirements, responsible parties, and financial implications are associated with an agreement and maintained in the contract. Suppliers receive notifications regarding agreement actions and can regulate agreement deliverables using the Interaction Hub. The contract specialist directly monitors the status of all agreements and deliverables. Agreement compliance such as on-time performance is automatically monitored by evaluating the contract execution data within PeopleSoft Purchasing, and notifying the interested parties when compliance issue arise. The Supplier receives electronic notifications of non-compliance with URL links to the Supplier portal. The Supplier can then review analytic graphs and drill down into detail related to the SLA activity.

Supplier Collaboration

Supplier collaboration provides access to the contract lifecycle to Suppliers and other external parties using the Comprehensive Supplier Portal. External users can review and enter comments regarding a document, or they can edit documents and amendments if permission has been granted in the PeopleSoft Contract Management system. Supplier Contract Management's online functionality offers Supplier collaboration for authored contracts using native Microsoft Word supporting these actions:

• Download

• Import

• Redline

• Simplified Digital Signatures

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- Notifications

- Update Service Level Agreement Metrics

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