



Managing Changing eCommerce Contract Pricing, Products and Periods





When organizations turn to the web to offer their suppliers and/or joint venture partners direct access to services and business processes to reduce costs and speed up processing, a virtual organization emerges.

This virtual organization will likely be conducting business over the web-based on negotiated and executed contracts that may span different countries or economic zones, subject to diverse export control laws.

The complexity of the web-based commerce will depend upon the number of suppliers/partners utilizing the service and their specific circumstances in terms of location(s), catalog of products and services involved, pricing period and pricing zone fluctuations, global pricing or absolute pricing and/or other variables.

For those virtual organizations that involve as many as 250 suppliers/partners or more, covering multiple products or dynamic pricing structures, the planned efficiencies through traditional contract management automation are likely to be short-changed and may find the amount of order to cash commerce that can actually be conducted over the web with a large set of variables, limited.

Let's explore some of the ecommerce contract creation and management challenges that can emerge for virtual organizations with dynamic terms and conditions requiring the sequencing of different contracts.

Dynamic eCommerce Contract Challenges

Significant time and business resources often go in to the process of negotiating a contract with the intent that all these decisions and agreements will govern the future business.

Practically, executing on that intent becomes increasingly difficult as variables are introduced that must be applied and tracked to different terms and conditions depending upon the circumstances.

Without a single view into the customer contract, ecommerce automation efforts are hindered and contract managers must try and coordinate key information offline that is being stored in multiple IT systems and in paper hardcopies causing the following challenges to emerge.



Responsiveness and Adaptability

When contracts cover multiple products, multiple pricing lists or regionalized terms and conditions based on locations, traditional contract management systems designed for ecommerce sites typically require each contract to be entered and managed as a separate file. It may even require that the contents of each contract be entered and tracked as a separate contract template for each responsible department such as manufacturing, procurement, finance and legal.

This slows the initial contract setup process and makes it cumbersome to update contracts in the system as they change.

If it becomes necessary to then apply a discount term to all the contracts, or a set of contracts for select customers for a specific duration, manual updates become unwieldy.

It is also likely to create confusion as to what pricing list or other terms and conditions are valid during any given period or to be applied for various regions.

Security and Scalability

When contracts are being created and managed by contract teams dispersed across different regions, it is important to have role-based access to ensure all pertinent parties have access to only the information they need when they need it to keep business moving as intended, realize the efficiencies of automation and protect proprietary information.

Role-based access becomes critical when virtual organizations are operating across country and economic zones due to contract export laws that regulate access to sensitive information from a national security perspective and may actually put enterprises in legal jeopardy if they do not have the proper controls in place.



Reliability and Traceability

Organizations must be able to provide evidence for contract legal and regulatory compliance of their business transactions.

For contracts with dynamic terms and conditions, this can mean the ability to prove that you were using the right price-list in effect for the period or economic zone or any other contract terms and conditions that change over the life of the contract due to changing circumstances.

Your contract management system must be able to expire invalid contract terms and assign new ones as appropriate.

It also may need to handle global discounts and absolute pricing that supersedes individual contract pricing.

Effectively Managing Changing Contract Conditions

Virtual Organizations with dynamic contract conditions need a solution that enables a single customer to be associated with multiple contracts to provide a single system of record.

MindTree's Contract Pricing Framework, built on IBM WebSphere Commerce, is designed to solve time-consuming business-to-business (B2B) ecommerce challenges presented by implementing and managing multiple contracts and price lists for a single customer.



The Contract Pricing Framework solution enables:

- A single customer contract to be associated to multiple contract templates spanning from manufacturing, procurement and logistics to finance and legal, etc.
- Contract templates to be easily duplicated and edited to save time in entering new contracts.
- Flexible pricing for B2B customers using multiple price lists, global discounts and absolute price
- Instantaneous electronic secured role-based access to contract information by all authorized personnel, which ensures that only the right people have access to information
- A single, accurate, standardized repository for all contract terms across the enterprise
- Contract performance tracking, reporting and auditing for best practice compliance, performance management, penalty avoidance, risk exposure analysis and contract renewal

MindTree's Contract Pricing Framework solution can dramatically reduce the implementation cycle and "time to value" by up to 4-6 months. This time savings results in reducing the full-time equivalent effort required to develop and deploy a contract pricing solution by 10-12 months.

For more information on how to better manage dynamic ecommerce contracts, contact:

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IBM brings a wealth of experience, leading solutions and platforms to drive smarter commerce for business. The company maximizes clients' investments by offering solutions in a modular approach to address key challenges today and into the future, with a full spectrum of strategy and implementation services, superior technical support and comprehensive educational offerings to ensure success.

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