

Demo - SERP - Contracts Module

Preparation

1. Import provided Demo Data
2. Login with:
Standard ID: sample@hansaworld.com; Password: Sample99
Make sure Reporting Periods and Fiscal Years are updated.

Script

With this demonstration video, we want to introduce Standard ERP's Contracts module and its main functionalities.

As there are many businesses that are invoicing their customers on regular basis, The Contracts module enables the automation of this process.

There can be many examples of such businesses - starting from different subscriptions and simple rental, ending with regular sales of goods.

ACTION: Login with: sample@hansaworld.com and password: Sample99

Let's imagine that our company has just signed a new agreement with a customer to provide monthly insurance for a fixed monthly fee.

ACTION: Switch to module: Contracts >> registers: Contracts >> Create menu >> New Contract

To automate the invoicing process, we will create a simple contract, that will enable the system to automatically issue invoices every month for the customer.

We will specify in the contract Customer details.
And enter in the contract as well the subject of the contract an item: "Insurance"

**ACTION: Customer field >> paste special: Contract "001"
In matrix >>paste special: Item code 20207, enter Qty 1**

For the system to understand Invoicing rules, it is required to define additional information.
We will enter the Contract Start Date.

If the agreement is to be signed for a specific period (for example a year), we enter the Agreement End Date. In this example, we will assume, that the agreement is ongoing and has an Open End Date.

As you can see the agreement has its default values entered, for example, that invoicing will be done once a month and that invoices will be issued 30 days prior to the period.

When the agreement is signed, it should be marked as Accepted and OK'ed

ACTION: Enter Start Date: First day of the next month. Tick "Accepted", tick "OK", save the record

After a sales call, our customer has signed another agreement with us for another department, so 2 separate insurances policies are needed.

Let's copy the existing agreement using it as our template and make the required adjustments for the new department.

**ACTION: Create Menu >> Duplicate. Enter one more row in the item matrix with the same item
Item: 20207 and Qty 1**

As in this case we are offering a 10% volume discount to the customer.

ACTION: Enter for both matrix rows 10 % discount. Mark the new agreement as OKed, (it is already "Accepeted") and save the record

Now let's imagine that we have reached our monthly invoicing day and would want to invoice the customer. Let's run the following routine.

ACTION: Routines >> Maintenance >> Create Contract Invoices

Customer Invoicing in some businesses can be executed daily, weekly, monthly, or even annually, depending on the agreed credit terms.

Let's issue invoices for our new agreement for the next invoicing period, by entering our agreement class, and the date to which we are issuing invoices.

ACTION: In Maintenance specification window add Class: M, To: Same as start date of Contract.

Now we can check what was the result.

**ACTION: Switch module to Sales Ledger >> registers: Invoices
Or use shortcut on Personal Desktop: "Register: Invoices"**

We can see that 2 new invoices have appeared in our Invoices register. Let's open and check them.

ACTION: Open the 2nd last Invoice in the Browse window

We can see that this is the invoice for the first agreement we have entered.

ACTION: Close the Invoice, open the latest Invoice in the Browse window

And the invoice for the other agreement was created as well, with the required discounts applied. Now, that we have checked those invoices and they are ready to be sent to the customer, let's OK them.

ACTION: In Invoices Browse window >> mark both invoices by clicking on one, press shift key and click once also on the other.
Then use the Operations menu >>OK

Now, let's e-mail them to our customer.

We could use the 'Create Emails from Invoices' maintenance function, to automatically email all our generated invoices if there were more, but in this case, we will email only two of them.

We will consolidate both of them in a single email.

ACTION: Sales Ledger module >> Routines >> Maintenances >> Create Emails from Invoices
Period: Enter a period which covers the contract. Customer: 001
Tick checkbox "Send emails automatically"
Tick checkbox "Consolidate all invoices for a customer in one email"
Click Run. (Ignore possible 'enabler' messages)
Then open the Email that has been created shortly.

Now the invoices are sent to our customer.

Let's check what has happened with our Contracts.

ACTION: Switch module to Contracts >> Registers: Contracts >> open the Contract you just invoiced.

We can see that the system has automatically updated our Contract by adding the Last Invoice Date: (say the date).

This will ensure that we won't issue invoices for the same period in double, even if we would run the maintenance function to create invoices again for the same period.

ACTION: Close the Contract and Contracts browse window, return to the Navigation Centre

This was a simple example of HansaWorld's Contracts module functionality.

Contracts module can handle more complex processes, such as stocked item regular deliveries and sales order creation, regular service maintenances with service orders, and others.

We will take a look at these functionalities now.

Let's check what Contract Classes allow us to do additionally.

ACTION: In Contracts module >> open Settings: Contract Classes

The system allows adding a Tag and Object to every contract header automatically, when a particular Contract Class is used, and this can be seen in the resulting Nominal Ledger Transaction.

The Reminders column allows us to define if the customer receives default reminders for overdue invoices against his Contract invoices.

After another sales call, we are negotiating with the customer about a new contract, but he wants us to send him a financial quote first.

We can do that by preparing a Contracts Quotation.

ACTION: In Contracts module >> registers: Contract Quotations >> Create menu >> New Contract Quotation

We will specify the Customer, Class, and the expected start date of the Contract
Normally we would also add a date till which the offer is valid. In this case, we will use the same date as the Contract start date.

ACTION: Customer - enter 001, Class - enter M, Date - enter First day of the month after next month.
Valid Until - enter the same date as the Contract start date.

If our customer wants a Contract for a specific length, let's say, every 2nd week, lasting 6 times, we can define that.

ACTION: Change radio button to "Days". Enter Length: 14, Enter Times: 6

Now let's add items, the customer will want to order from us.

We will assume that the customer will want every 2nd week 10 kg of T-bone steaks delivered to him.

ACTION: Enter Item code - 70214, Qty - 10. Save the record

The system allows us to print the quotation using our Document Form, and provide it to customer for decision making.

Contract Quotations are fully integrated with Standard ERP's CRM module, allowing us to create reminders to follow up on the Contract Quote.

When the customer accepts the quotation, we will create a new Contract from it.

We will define the actual dates and information about the contract.

ACTION: Click Create >> Contract, enter Start Date – Same date as Start date from Quotation

In this case, as we will have to handle also delivery of the items, we will specify that instead of Invoices we will be creating Sales Orders from the Contract.

ACTION: Pay. Terms flip >> Create radio-button >> set to "Orders"

Let's assume that we have agreed with the customer that on the 2nd delivery, we will deliver once only 4 crepes to him.

We can use a special row type: "Invoice Once" for that purpose, and add the date after which we will do that. We will invoice the customer on the day of the delivery, so we will change the Invoice Before Period to 0.

ACTION: Invoice >> Before Period >> Days - enter 0.
In the matrix add 2nd row: Item Code - 70218, Qty - 4,
Flip G in the matrix, Change Row Type of the 2nd row to 'Invoice Once', in Invoice After -
column enter the 14th of the month of the Start month of the contract. Enter Object FOOD.
Mark the Contract and Accepted and OKed. Save the Contract

Now let's create Orders for this agreement, till the end of [the start month] and see what happens. We will create forward schedule Orders.

ACTION: Close the Contract, Contract Quotation and Contracts Quotations Browse window
Routines >> Maintenance: Create Contract Invoices
Enter To – [Last day of the start month] and Run

We can see that System has created 3 orders for the customer.

ACTION: Switch module to Sales Orders >> registers: Orders or use shortcut on Personal
Desktop. Open the 3rd Order from top of the Browse window

The first order is created for 10 kg T-Bone Steaks on 01st day of the month. This is what we would need to deliver to the customer, using usual delivery procedures.

The next order is created for the 15th of the month, including also 4 crepes.

The last order is created at the end of the month, again only for 10 kg T-bone steaks.

ACTION: Open the 2nd Order, close and then open the top most Order, close

In addition, the Contracts module allows us to create Contracts directly from invoices. There can be different business scenarios for that.

We will use one where we have sold a car to a customer, and need to invoice him afterward periodically for the insurance policy.

ACTION: Switch module to Sales Ledger >> registers: Invoices >> Open invoice 10000041

With this invoice, we have sold to the customer Volkswagen 1100 in Blue color. The item has its Contract Item defined in the Item card.

ACTION: Open item card for item: 20209 >> Recipe flip and show field "Contract Item"

We can see that in the field Contract Item we have item 20207 - Insurance.

ACTION: Close Item record and return to the Invoice.

By simply using the Create menu and Contracts option from it, we can see that the system has automatically created a Contract for insurance, where we would need to specify the Start Date and can automatically start invoicing the customer.

ACTION: Create menu >> Contract

As demonstrated the Contracts module supports many business processes, and provides for periodic automated invoice issuing.

This can become extremely valuable for regular maintenance planning, together with the Service Orders module and Service Agreements.

For more information, please contact your local HansaWorld representative.