ORACLE SERVICE CONTRACTS

KEY FEATURES

- Service Contracts Administrator Workbench
- Workflow-driven contract negotiation
- Online Acceptance Portal for customer review of published contracts
- PCI compliant security and encryption for credit cards
- Partial period billing and revenue recognition
- Flexible approval rules with Oracle Approvals Management

KEY BENEFITS

- Standardize contract processes to comply with corporate policies, security standards and revenue recognition guidelines
- Implement and automate best practice policies to maximize service revenue
- Streamline contract negotiation and administration to reduce complexity and costs

Oracle Service Contracts provides a complete contract authoring and execution solution to manage warranties and extended warranties, usage and subscription based services, as well as complex service agreements.

Standardize Contract Processes

Define Standard Service Offerings and Contract Templates

Contract administrators can setup standard service offerings and author service contracts in Oracle Service Contracts. Complex contracts can be quickly created using predefined contract templates, coverage rules, and clauses from a library of standard terms and conditions. Contracts launch pad allows contract administrators to view, modify, renew and terminate contracts from a single workbench. Oracle Service Contracts helps standardize global service offerings while providing the flexibility to author complex contracts tailored for unique customer needs.

Drive Contract Compliance with Contract Validation and Approval Rules

Oracle Service Contracts carefully screens authored contracts to ensure they meet business validation rules. Certain rules, such as overlapping coverage dates for the same product, may result in a warning to the user, while other rules, such as ensuring that sales credits add up to 100%, are enforced before a contract is routed for approval. Pre-defined validation rules can be easily extended to include rules that are unique to a customer's business. Contracts that pass these quality assurance checks are routed for management approval based on rules defined in Oracle® Approvals Management. Workflow based notifications make it easy to track the progress of a contract up the approval chain.

Sell Multiple Types of Service

Warranties, Extended Warranties and Service Agreements

Most factory or office equipment, vehicles, or appliance purchases include an initial warranty with the price of the item, while extended warranties and service agreements represent an important up-sell opportunity for service providers. Warranties can be automatically created upon the sale of goods or services in Oracle Order Management, while extended warranties and service agreements can be authored directly in Oracle Service Contracts. Coverage start date for warranties can be synchronized with the installation date of the covered equipment. Service agreements can be authored to cover specific serial numbers or all instances of an inventory item; all products owned by a customer or installed at a site; as well as all items included with a system.

Usage Based Services

Certain industries, such as medical devices or office automation equipment, price services based on equipment usage. Oracle Service Contracts allows service providers to price service contracts based on actual or estimated counter readings, as well as negotiated values. For example, services to maintain an office printer may be priced based on the number of pages printed. Oracle Service Contracts integrates with Oracle Install Base to access equipment counter readings for service billing. If counter readings are not available for a billing period, Oracle Service Contracts can estimate readings based on pre-defined calculation methods, or apply a minimum threshold quantity for that billing cycle.

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Tangible and Intangible Subscriptions

Oracle Service Contracts supports subscription agreements with flexible fulfillment schedules. These agreements may include tangible items, such as research articles delivered periodically; or intangible items, such as a membership to view content on a website. For tangible subscriptions, a delivery schedule can be created at the time of authoring the contract. The delivery schedule drives the release of subscription items via Oracle Order Management.

Accurately Price and Bill Service

Apply Discounts, Surcharges and Volume Price Breaks

Oracle Service Contracts integrates with Oracle Advanced Pricing to determine the contractual prices to be applied to a service. Services can be fixed price, or priced as a percentage of the value of covered goods. Price modifiers, resulting in a surcharge or discount, can be applied to service prices based on pre-defined conditions. Volume price breaks can be defined for usage lines and pro-rated for partial periods. These price breaks can be locked to a contract, so changes to the price list do not impact active contracts. Pricing information is passed to Oracle Accounts Receivable to be displayed on the customer's invoice. The contract's true value, including any adjustments applied, can be viewed directly from the contract.

Accurately Bill Service

Accurate invoices ensure increased customer satisfaction and higher retention. Oracle Service Contracts supports complex billing scenarios; for example, a customer may choose to be billed monthly for the first two months, and then proceed on a quarterly schedule, or they may choose to be billed an equal amount each month for the duration of the contract. Billing schedules can be previewed to verify accuracy prior to being interfaced to Oracle Accounts Receivables. Estimated taxes are calculated and displayed on the contract to allow service providers to offer a more accurate invoice total to customers.

Service providers often provide summarized invoices to their customers. However, many customers require billing details to resolve inquiries. Using Oracle Receivables, customers can view additional Oracle Service Contracts billing information as a complement to the printed invoice.

Provide Timely Entitlement Verification

Field Service, Depot Repair, and Cell Center Support

Coverage offerings can be defined in Oracle Service Contracts to determine the entitlements available to a customer at the time of placing a service request. Coverage definition includes days and times of coverage in multiple time zones, reaction and resolution time, coverage breaks, preferred or excluded resources, and labor rates and discounts for each business process. Standard coverage definitions can be updated, with the option to apply the new coverage terms to existing service contracts.

Customers may place a service request for covered goods via a call center, field service or depot repair facility. Oracle E-Business Suite is integrated with Oracle Service Contracts to accurately determine service entitlements at the time a customer places a service request, and apply contractually entitled coverages while creating service charges. These end-to-end capabilities facilitate the proactive management of contractual obligations and provide timely, responsive customer service.

Preventive Maintenance

Preventive maintenance programs are critical to minimize unplanned breakdown of equipment and to ensure compliance with terms of use of a warranty. A preventive maintenance program, consisting of activities associated with a date or date range, can be defined on the coverage template. Service requests are automatically generated in Oracle Service to dispatch service engineers for preventive maintenance activities.

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Maximize Service Revenue

Manage Contract Opportunities in the Administrator Workbench

Oracle Service Contracts provides a configurable workbench for contract administrators to manage new and renewal contracts under negotiation. Contract administrators can view notifications, identify contracts that require customer follow-up and quickly drill into contract details to provide answers to customer inquiries. Simple and advanced search capabilities provide a rich set of query attributes. Search results may be displayed as contracts, service line or covered levels. Contract administrators can view, edit or create new contracts directly from the workbench. Bins can be personalized to improve productivity, for example, by limiting to contracts that are currently in the draft status or are pending approval.
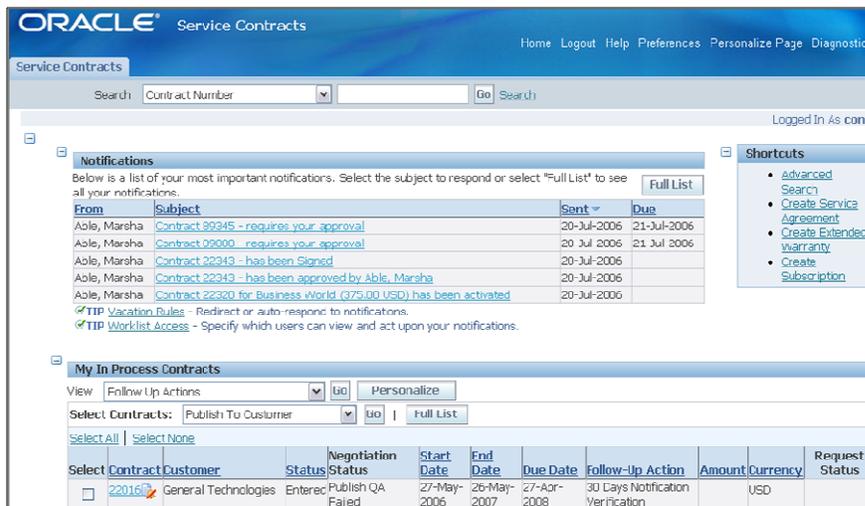
Figure 1. Service Contract Administrator Workbench

Automate Renewals for Recurring Revenue Opportunities

Renewal of service contracts represents a high margin, recurring revenue opportunity for service providers. Renewal of large volumes of lower value contracts can be highly automated to reduce administrative costs, while higher value contracts may require special attention from sales people.

Oracle Service Contracts allows contract administrators to setup price changes, payment options and accounting rules that can be applied at the time of renewal. Renewal quotes and reminder notifications are generated automatically at user-defined intervals prior to contract expiration. Sales representatives are notified of upcoming expirations, so that they can proactively start the negotiation process. In addition, quotes and reminder notifications can be delivered directly to customers. For electronic renewals, customers provide payment information and accept their quote online, simplifying the contract administration process.

Minimize Service Revenue Leakage

Oracle Service Contracts provides up-to-date information on current bookings and renewals performance. Managers can easily compare actual bookings with forecast for a given period; track renewal rates and average age of past due renewal; determine the uplift or reduction in contract value at the time of renewal and take corrective actions to minimize service revenue leakage.

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Streamline Contract Administration

Preview Contracts Impacted by Changes in Install Base

Updates to products in Oracle Install Base are reflected in service contracts that cover those items to ensure synchronization between Install Base and Service Contracts. For example, terminating a product may result in the termination of service that covers the product. Oracle Service Contracts provides a preview of contracts impacted by changes made to products in Oracle Install Base to prevent unexpected service credits or changes in contract coverage.

Automatically Generate Credit for Service Terminations

For services that are terminated prematurely, Oracle Service Contracts calculates the credit due to the customer based on credit options defined for that contract. Customers may be refunded in full or the credit amount may be pro-rated based on the termination date of the service. For usage contracts, the credit amount may also be prorated based on counter readings. Contract administrators can manually override the calculated credit, or suppress it completely, prior to interfacing with Oracle Accounts Receivables for processing. Termination amount is displayed on the contract and used to determine the true value of the contract at any given time.

Return and Replace Covered Goods

When customers return goods with a Return Materials Authorization (RMA), services covering those goods are automatically terminated. This may result in a full, partial or no credit to the customer. If a replacement item is offered for returned goods, the full or remaining warranty can also be inherited by the replacement.

Oracle E-Business Suite – The Complete Solution

Oracle E-Business Suite enables companies to efficiently manage customer processes, manufacture products, ship orders, collect payments, and more – all from applications that are built on a unified information architecture. This information architecture provides a single definition of your customers, suppliers, employees, products – all aspects of your business. Whether you implement one module or the entire Suite, Oracle E-Business Suite enables you to share unified information across the enterprise so you can make smarter decisions with better information.

Contact Us

For more information about Oracle Service Contracts, visit oracle.com or call +1.800.ORACLE1 to speak to an Oracle representative.

Oracle is committed to developing practices and products that help protect the environment

Hardware and Software, Engineered to Work Together

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