

Contract and Compliance Management

Increase Contract Margins while Achieving Better Controls

For most High Tech companies, managing contracts is one of the core challenges of their Revenue Management activities. The contracting process is complicated by a lack of reliable data, analysis tools, and approval management. There are few, if any, controls around pricing discounts or assurances that pricing guidelines are adhered to, leading to unnecessary price concessions. Discounting is often based on volume estimates that are never realized, resulting in revenue leakage on contracts. Delays in responding to frequent RFPs from CEM and OEM customers lead to lost opportunities. A lack of contract controls may also result in Sarbanes-Oxley compliance issues.

Model N Contract and Compliance Management

Model N Contract and Compliance Management helps High Tech sales and finance departments increase contract value and margin by reducing invoice and order pricing errors, improving controls over price concessions, and enhancing customer compliance tracking. Unlike point solutions, Contract and Compliance Management is completely integrated with pricing, quoting, and incentives processes to provide consistent control over margin throughout the revenue life cycle. This control improves Sarbanes-Oxley compliance, enables faster audits, and reduces margin siphoning from contract manufacturers that only purchase against the most favorable contracts, regardless of end customer.

Key Components of Contract and Compliance Management

Contract Life Cycle Management offers contract administrators greater flexibility and control in managing complex contracts throughout their life cycle, starting with creation, analysis, approval routing, and customer negotiations, then continuing with implementation, amendment, and expiration/termination.

RFQ Import and Cleansing streamlines the RFQ bid process by providing users with an easy-to-use import utility to load customer RFQs onto a contract without file formatting changes. Users can quickly cleanse data by applying error corrections in batch and remembering data corrections for future imports.

Contract Approval Routing reduces exceptions to pricing guidelines by ensuring that contract pricing receives proper approvals prior to being made available on quotes and orders. Approval routes conditionally include the proper approving managers and maintain an historical record of pricing exceptions.

Contract Analysis provides the analysis tools to improve margin and increase deal value. Users can review relevant quarterly sales history for each contract part and its related parts; comparable customers' sales history (comparable customers defined on contract); and related quotes, opportunities, and registrations.

With Model N Contract and Compliance Management you can:

- *Enforce pricing strategies on contracts*
- *Reduce contract bid response time*
- *Increase margins*
- *Gain visibility into contract performance*
- *Create audit trail for Sarbanes-Oxley compliance*

Contract Compliance provides greater visibility and proactive control over contract performance. It assesses compliance continuously and sends out-of-compliance alerts in advance of contract expiration.

Proactive Notifications offers a set of configurable notification tools to provide the ability to actively manage contract changes, expirations/renewals, and out-of-compliance customers. Compliance notifications consider a configurable tolerance threshold.

Model N Contract and Compliance Management at a Glance



Import and Cleanse RFQs

Manage the RFQ import and data cleansing process. Allow for different file formats to be defined by customer and for errors to be corrected in batch.



Route Contract Approvals

Reduce exceptions to pricing guidelines by ensuring that contract pricing receives proper approvals prior to being made available on quotes and orders.



Define Dynamic Approval Routes

Use an integrated approval management system to dynamically determine appropriate approval levels based on contract parameters and pricing guidelines.



Track Contract Compliance

Provide visibility into customer contract performance, comparing actual purchases to estimated volumes defined on contract. Present rolled up results at contract, customer, and Corp ID as well as all catalog hierarchy levels.



Receive Proactive Alerts

Incorporate a variety of notification tools throughout the contracting and compliance life cycle. Interested users may opt to be notified of contract and compliance changes.

About Model N

Model N is the leader in revenue management solutions. Driving mission-critical business processes such as configure, price and quote (CPQ), contract and rebate management, business intelligence, and regulatory compliance. Model N solutions transform the revenue lifecycle from a series of disjointed operations into a strategic end-to-end process. With deep industry expertise, Model N supports the complex business needs of the world's leading brands in pharmaceutical, medical device, high tech, manufacturing and semiconductors across more than 120 countries, including Pfizer, AstraZeneca, Sanofi, Gilead, Abbott, Stryker, AMD, Micron, Seagate, STMicroelectronics, NXP, Sesotech, and Southern States. For more information, visit www.modeln.com. Model N® is the registered trademark of Model N, Inc. Any other company names mentioned are the property of their respective owners and are mentioned for identification purposes only.

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