

Contracts for Post Sales Service in Oracle R12

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About the Speaker

- Sabyasachi is a Consultant at Enterprise Solutions business unit of Infosys Technologies Limited
- Sabyasachi has over 3 years of experience in Implementation of Oracle CRM
- Infosys Technologies Limited (NASDAQ: INFY) is a global leader in Consulting and IT services (www.infosys.com)
- Enterprise Solutions (ES) group at Infosys provides Consulting and End-to-End implementation solutions for almost all the ERP packages (<http://www.infosys.com/services/packaged-applications/default.asp>)
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Learning Objectives

- Integration of Oracle Service Contracts with other Oracle Modules for implementation of Warranties and Extended Warranties.
- Differences between a Contract Sales through Order Management and a Contract Sales through Service Contracts.

Presentation Agenda

- **Why Enter into a Contract with a Customer ?**
- Service Contracts – An Introduction
- Warranty
- Extended Warranty
- Customized Service Programs
- Q & A



Customer

- What if the product you are selling me does not work after sometime ?
- And what after 1 year, do I have to run from pillar to post to get a service?
- **More Money right now !!!**



Sales Person

- Sir, your product is covered under Warranty for the next 1 year, we will do all services free of cost
- We recommend you to go for a extended warranty, at a nominal cost of \$100 per year and enjoy the same coverage as during the Warranty period
- No Sir, buy the extended warranty after a year



Age old Wisdom: A Delighted Customer is a company's greatest asset



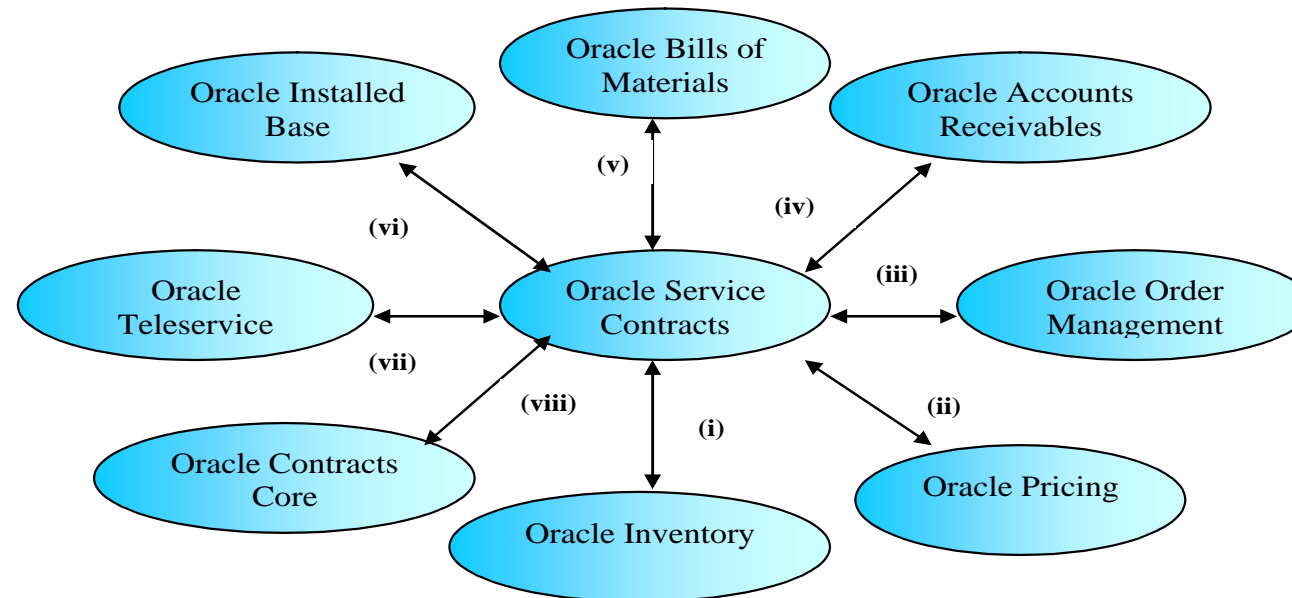
Presentation Agenda

- Why Enter into a Contract with a Customer ?
- **Service Contracts – An Introduction**
- Warranty
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- Q & A

Oracle CRM Offerings

Oracle Customer Relationship Management						
Business Intelligence Areas	Marketing & Sales Intelligence			Service Intelligence		
Business Application Areas	Marketing	Quoting	Telesales	Teleservice	Depot Repair	Mobile Field Service
	Trade Management	Partner Management	Field Sales	Field Service	Contracts Core	iSupport
	Proposals	Incentive Compensation	Sales for Handhelds	Service Contracts	Knowledge Management	eMail Center
CRM Foundation	Task Management	Resource Management	Territory Management		Business Rule Monitor	
	Notes	Calender	1 to 1 Fulfilment		Interaction History	
	Escalation Management	Assignment Engine	Order Capture		HTML Stack	
Oracle Ebusiness Platform						

Key Integrations of Oracle Service Contracts



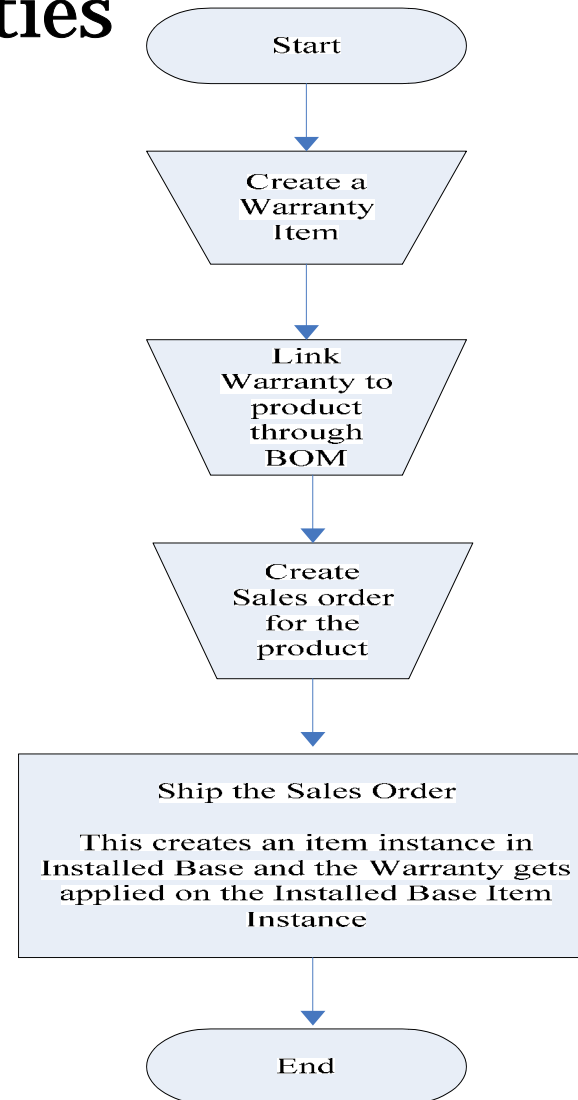
Legends:

- (i) Creation of Service Items
- (ii) Pricing a Service Contract
- (iii) Ordering a Service Contract
- (iv) Invoicing customer for a Service Contract
- (v) Associating Warranty with Product
- (vi) Linking Service Contract with Customer's Item Instance
- (vii) Service Contracts applicable to a Customer
- (viii) Contract Terms and Conditions

Presentation Agenda

- Why Enter into a Contract with a Customer ?
- Service Contracts – An Introduction
- **Warranty**
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- Q & A

Sequence of Activities



Points of Integration

		Actions						
		Creation of Warranty Item	Linking the Warranty Item to the Product on which the Warranty will be applicable	Creation and Shipment of Sales Order	Creation of Warranty			
Oracle Modules	Oracle Inventory	✓					Concurrent Programs	
	Oracle Bills of Material		✓					
	Oracle Order Management			✓				
	Oracle Service Contracts				✓	Service Contracts Order Capture Integration		
	Oracle Installed Base				✓			
	Oracle Teleservice				✓			

Warranty Item in Oracle Inventory - UOM

Organization: V1 Vision Operations
 Item: FSPM1000.
 Description: Service FS-LPTR-1000

Display Attributes: Master Org All

Unit of Measure:
 Primary: Year
 Tracking: Primary
 Pricing: Primary
 Secondary:
 Defaulting:
 Deviation Factor +: 0 %
 Deviation Factor -: 0 %

Conversions:
 Standard
 Item specific
 Both

User Item Type: Service Pgm / Warr.
 Item Status: Active

Service Items have a primary UOM of time

Service Items have User Item Type of Service Program / Warranty

Warranty Item in Oracle Inventory – Service Duration

Lead Times | Work In Process | Order Management | Invoicing | Process Manufacturing | **Service** | Web Option

Service

Service Request: Inactive

Enable Contract Coverage

Enable Defect Tracking

Enable Provisioning

Service Contracts

Contract Item Type: Service

Duration: 1

Duration Period: Year

Template: 100% Coverage

Starting Delay (Days): 0

Warranty Item in Oracle Inventory – Coverage Template

Standard Coverage

Coverage
 Name: 100% Coverage Type: Gold Coverage Importance Level: 1 Effective Dates: 19-SEP-2000 - [Line Details](#)
 Description: 100% Coverage Exception: Suitable as Exception [Notes](#)

Warranty Inheritance: Synchronize Date Installed **Rules**
 Free Upgrade Transfer: Transfer

Preventive Maintenance
 Program Name: Program Description: [Schedule](#)

Business Process	Offset	Duration	Period	Start Date	End Date	Price List	Discount
Customer Support						Corporate	
Depot Repair						Corporate	
Field Service						Corporate	

Coverage Times Reaction Times Resolution Times Resources Billing Types

Time Zone: Pacific Time Default: Apply Default to other Time Zones

Covered Times

Start Time	End Time	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
00:00	23:59	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

[Always Covered](#)

Points of Integration

		Actions						
		Creation of Warranty Item	Linking the Warranty Item to the Product on which the Warranty will be applicable	Creation and Shipment of Sales Order	Creation of Warranty			
Oracle Modules	Oracle Inventory	✓					Concurrent Programs	
	Oracle Bills of Material		✓					
	Oracle Order Management			✓				
	Oracle Service Contracts				✓	Service Contracts Order Capture Integration		
	Oracle Installed Base				✓			
	Oracle Teleservice				✓			

Linkage of Warranty to Product

Bills of Material (M1)

Item: OC58102 Drive Option Class UOM: Ea

Alternate: Revision: A Date: 26-JAN-2008 09:51:54

Display: Future and Current Implemented Only

[Main](#) [Date Effectivity](#) [Unit Effectivity](#) [ECO](#) [Component Details](#) [Material Control](#) [Order Management](#)

Item Seq	Operation Seq	Component	Item Description	UOM	Basis
30	1	FSPM1000			Item

Substitutes Designators Operations Bill Details Revision

Product to which the Warranty will be applicable

Warranty Item Associated to the product through the Bill of Material

Points of Integration

		Actions						
		Creation of Warranty Item	Linking the Warranty Item to the Product on which the Warranty will be applicable	Creation and Shipment of Sales Order	Creation of Warranty			
Oracle Modules	Oracle Inventory	✓					Concurrent Programs	
	Oracle Bills of Material		✓					
	Oracle Order Management			✓				
	Oracle Service Contracts				✓	Service Contracts Order Capture Integration		
	Oracle Installed Base				✓			
	Oracle Teleservice				✓			

Creation of Sales Order for the product

Sales Orders (Vision Operations) - 66034, A. C. Networks

Order Information **Line Items**

Default Order Total 0.00000

Main Pricing Shipping Addresses Returns Services Others

Line	Ordered Item	Qty	Status	UOM	Price	Price	Schedule Ship Date	Line Type	Qty :
1.1	OC58102	1		EA	1000			Standard (Line Invo	

Points of Integration

		Actions						
		Creation of Warranty Item	Linking the Warranty Item to the Product on which the Warranty will be applicable	Creation and Shipment of Sales Order	Creation of Warranty			
Oracle Modules	Oracle Inventory	✓					Concurrent Programs	
	Oracle Bills of Material		✓					
	Oracle Order Management			✓				
	Oracle Service Contracts				✓	Service Contracts Order Capture Integration		
	Oracle Installed Base				✓			
	Oracle Teleservice				✓			

Item Instance in Oracle Installed Base

ORACLE Installed Base Home Profile Sign Out Help

Item Instances

Quick Find [Advanced Search](#) Logged In As **OI**

Item Instance Details

Item Instance: **100005**
 Item: **OC58102**
 Item Description: **Drive Option Class**

General Attributes

Organization Name	Seattle Manufacturing	Instance Name	
Last Version Label	AS_CREATED	Version Label Date	05-JUN-2003 7:17
Revision		New Version Label	<input type="text"/>
System	<input type="text"/> <input type="button" value="Go"/>	External Reference	<input type="text"/>
Item Instance Type	<input type="text"/>	Accounting Classification	Customer Product <input type="button" value="v"/>
Operational Status		Lot Number	: not lot-controlled
Status	CREATED <input type="button" value="Go"/>	Condition	

Contracts Details of all Contracts

Item Instance Details

Warranty Associated to Item Instance – Installed Base

The screenshot shows the Oracle Installed Base interface. The top navigation bar includes 'Home', 'Profile', 'Sign Out', and 'Help'. The main content area is titled 'Contracts' and displays details for Item Instance: 100005, Item: OC58102, and Item Description: Drive Option Class. A red oval highlights a table of warranty coverage data. A text box with a dotted border contains the text 'Warranty coverage for the Item Instance'.

Contract Number	Coverage Name	Coverage Description	Service Name	Service Description	Warranty	Modifier Number	Status	Start Date	End Date	Termination Date
21226	100% Coverage	100% Coverage	FSPM1000	Service FS-LTPR-1000	Y		Active	02-JAN-2008	01-JAN-2009	

Warranty Associated to Item Instance – Create SR

Service Request - Central Time

Log and Notes Profile...

Contact Type: Customer
Customer Type: Organization
Category: COMPUTER.NC
Item: .OC58102
Desc: Drive Option CI
Instance: 100005
Status: Open
Severity: Low

Customer Information:
Name: A. C. Networks
Number: 1143
Account: 1143
Email: operations@a.c.ne

Service Request being created for the same Instance

Subject Workbench Contacts / Addresses Tasks Interactions Related Objects Service History Charges Work Orders

Item: AS54888. Sentinel Standard Desktop TPD
Item Instance: 2037300
Type: FG
Status: CREATED
Covered Site: 3 The Square; Bracknell; ; GB;RB2 5YY

Instance Configuration Instance Detail Register Instance

Contract	Service	Description	Status	Coverage	Warranty	Start Date	End Date		
<input checked="" type="checkbox"/>	21226	FSPM 1000	Service FS-LTPR-1000	Active	100% Coverage	60	<input checked="" type="checkbox"/>	02-JAN-2008	01-JAN-2009
<input type="checkbox"/>	22069			Entered	Gold Coverage	60	<input type="checkbox"/>	24-DEC-2007	31-DEC-2008

Applicable Contracts

Entitled Contracts All Contracts Get Contracts

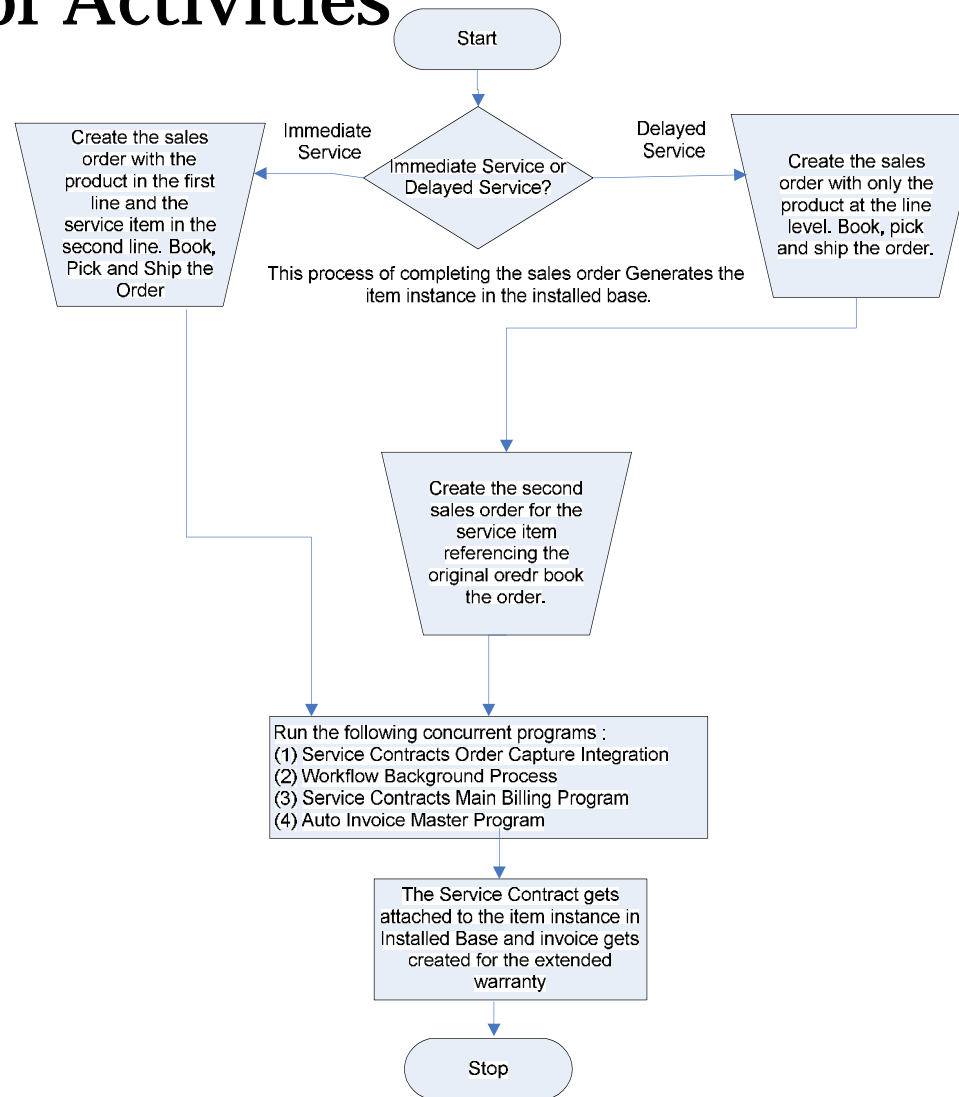
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Extended Warranty :

- i) Immediate Service
- ii) Delayed Service

Sequence of Activities



Points of Integration

	Actions				
	Creation & Pricing of Extended Warranty Item	Creation & Shipment of Sales Order	Creation of Extended Warranty	Creation of Invoice for Extended Warranty	
Oracle Inventory	✓				
Oracle Pricing	✓				
Oracle Order Management		✓			
Oracle Service Contracts			✓		1. Service Contracts Order Capture Integration
Oracle Installed Base			✓		
Oracle Teleservice			✓		
Oracle Accounts Receivables				✓	1. Service Contracts Main Billing 2. Auto-Invoice Master Program

Oracle Modules

Concurrent Programs

Pricing an Extended Warranty

Advanced Pricing - Price Lists

Main Other

Name: 10% off Web Special Mobile Download Active

Description: 10% off Corporate Web Special

Currency: USD Multi-Currency Conversion: Generated Currency Conve Round To: -2

Effective Dates: 01-JAN-2002 -

Freight Terms: Prepay & Add Payment Terms: 30 NET Freight Carriers:

Comments: []

List Lines Secondary Price List Qualifiers

Product Context	Product Attribute	Product Value	Product Description	U
Item	Item Number	F81000	One Year Maintenance - revenue	E
Item	Item Number	F82000	Consulting/Training	E
Item	Item Number	CM31556	Monitor - 19" Flat	E
Item	Item Number	FSPM1100	Service FS-LPTR-1100- No Sche	Y
Item	Item Number	CM28287	Optihall Wireless Mouse	E

Extended Warranty Item in a Price List

Price Breaks Pricing Attributes

Points of Integration

	Actions				
	Creation & Pricing of Extended Warranty Item	Creation & Shipment of Sales Order	Creation of Extended Warranty	Creation of Invoice for Extended Warranty	
Oracle Inventory	✓				
Oracle Pricing	✓				
Oracle Order Management		✓			
Oracle Service Contracts			✓		1. Service Contracts Order Capture Integration
Oracle Installed Base			✓		
Oracle Teleservice			✓		
Oracle Accounts Receivables				✓	1. Service Contracts Main Billing 2. Auto-Invoice Master Program

Oracle Modules

Concurrent Programs

Creation of Sales Order – Immediate Service

Sales Orders (Vision Operations) - 64285, A. C. Networks

Order Information | **Line Items**

Default Order Total 1,118.70

Main | Pricing | Shipping | Addresses | Returns | **Services** | Others

Line	Ordered Item	Service Reference Type	Service Order Type	Service Ref Order Number	Service
1.1	AS54888				
2.1	FSPM1100	Order	Mixed	63860	1

Line Total Line Qty Service Total

Description

Actions | Related Items | Configurator | Availability | Book Order

Service Item (points to Service Reference Type)

Reference Sales Order Number (points to Service Ref Order Number)

Creation of Sales Order – Delayed Service

Sales Orders (Vision Operations) - 64286, A. C. Networks

Order Information | Line Items

Default Order Total 0.00

Main | Pricing | Shipping | Addresses | Returns | **Services** | Others

Line	Ordered Item	Qty	Service Reference Type	Service Order Type	Service Ref Order Number
1.1	FSPM1100	1	Customer Product		

Service Reference Type = Customer Product implies that customer's item instance is being referred to

Sales Orders (Vision Operations) - 64286, A. C. Networks

Order Information | Line Items

Default Order Total 0.00

Main | Pricing | Shipping | Addresses | Returns | **Services** | Others

Line	Ordered Item	on Number	Service Ref Cust Product	Service Ref System Name	Service Coterminal
1.1	FSPM1100		22315		<input type="checkbox"/>

Item Instance installed at the customer's site

Points of Integration

	Actions					
	Creation & Pricing of Extended Warranty Item	Creation & Shipment of Sales Order	Creation of Extended Warranty	Creation of Invoice for Extended Warranty		
Oracle Inventory	✓					
Oracle Pricing	✓					
Oracle Order Management		✓				
Oracle Service Contracts			✓		1. Service Contracts Order Capture Integration	Concurrent Programs
Oracle Installed Base			✓			
Oracle Teleservice			✓			
Oracle Accounts Receivables				✓	1. Service Contracts Main Billing Program 2. Auto-Invoice Master Program	

Oracle Modules

Concurrent Programs

Extended Warranty Associated to Item Instance – Installed Base

ORACLE Installed Base Home Profile Sign Out Help

Item Instances | Transactions | Systems

Quick Find [Advanced Search](#) Logged In As OPI

Contracts

Item Instance: **70148**
 Item: **AS54888**
 Item Description: **Sentinel Standard Desktop**

Extended Warranty coverage for the Item Instance

Contract Number	Coverage Name	Coverage Description	Service Name	Service Description	Warranty	Modifier Number	Status	Start Date	End Date	Termination Date
22069	Extd Coverage	Extd Coverage	FSPM1100	Service FS-LPTR-1100	N		Active	02-JAN-2008	01-JAN-2009	

Extended Warranty Associated to Item Instance – Create SR

Service Request - Central Time

Log and Notes Profile...

Contact Type: Customer
Customer Type: Organization
Category: COMPUTER.NC
Item: AS54888
Desc: Sentinel Stand
Instance: 70148
Type: Customer Call
Status: Open
Severity: Low

Customer Name: A. C. Networks
Number: 1143
Account: 1143
Email: operations@a.c.ne

Item: AS54888
Component: Sentinel Standard Desktop TPD
Item Instance: 2037300
Type: FG
System: 3 The Square; Bracknell; ; GB;RB2 5YY
Order Num:
Sales PO Num:
Status: CREATED

Applicable Contracts

Contract	Service	Description	Status	Coverage	Warranty	Start Date	End Date
<input type="checkbox"/> 21226	FSPM 1000	Service FS-LTPR-1000	Active	100% Coverage	60	02-JAN-2008	01-JAN-2009
<input checked="" type="checkbox"/> 22069	FSPM 1100	Service FS-LTPR-1100	Active	Extd Coverage	60	02-JAN-2008	01-JAN-2009

Entitled Contracts All Contracts Get Contracts

Invoice for the Extended Warranty

		Actions				
		Creation & Pricing of Extended Warranty Item	Creation & Shipment of Sales Order	Creation of Extended Warranty	Creation of Invoice for Extended Warranty	
Oracle Modules	Oracle Inventory	✓				
	Oracle Pricing	✓				
	Oracle Order Management		✓			
	Oracle Service Contracts			✓		1. Service Contracts Order Capture Integration
	Oracle Installed Base			✓		
	Oracle Teleservice			✓		
	Oracle Accounts Receivables				✓	1. Service Contracts Main Billing Program 2. Auto-Invoice Master Program

Concurrent Programs

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Contract through Order management or through Service Contracts ?

Key Questions to Answer :

At what level will the contract apply?

- Always to a specific product that a customer owns / is in the process of buying
- At a broader party, site or customer level also

How will the customer be billed?

- Always through one invoice
- Through a agreed upon billing schedule, with periodic invoices being generated at predefined intervals

If the answer is option (i) for both of the questions, any of the two routes can be followed for creation of a contract.

But if the answer is option (ii) for any of the questions, then it becomes necessary to create a contract through Service Contracts.

Parties Entering into a Contract

Service Contracts Authoring (Vision Operations: USD)

Number	21265	Version	0.3	<input type="checkbox"/> Template	Status	Entered	Negotiation Status	Draft
Order		Start Date	29-JAN-2008		End Date	28-JAN-2009	Subtotal	4,000.00
Known As		Duration	1		Period	Year	Tax	0.00
Description	Test	Category	Service Agreeeme		Total		4,000.00	

Summary | Lines

Parties | Pricing / Billing | Renewals | Administration | Security / Text

Party	Role	Name	Party Number	GSA []
	Customer	A. C. Networks	1143	<input type="checkbox"/>
	Vendor Operating Unit	Vision Operations		<input type="checkbox"/>

Parties entering into the contract

Contract Effectivity – At What level will the contract apply?

The screenshot displays the Oracle Contract Management interface. The main window is titled 'Summary' and has tabs for 'Accounts', 'Effectivities', 'Pricing / Products', 'Tax / Payment Options', 'Counters', and 'Events'. The 'Pricing / Products' tab is active, showing a table of contract lines. The first line is highlighted with a red circle and labeled 'Service Item at the contract line'. Below the table, there are buttons for 'Show All Products', 'Price Break...', 'Price Calculation...', 'Reprice', and 'Billing...'. A 'Covered Level' dialog box is open, showing a list of levels: 'Name', 'Item', 'Party', 'Product', 'Site', 'System', and 'Customer'. The 'Item' level is selected and highlighted with a red circle, labeled 'Effectivity level of the contract'. The dialog also shows a search field and a table with columns for 'Line', 'Level', 'Find %', 'Status', 'Line Ref', 'Start Date', and 'End Date'. The 'Start Date' is '18-DEC-2007' and the 'End Date' is '02-FEB-2009'.

Line	Line Type	Name	Line Ref	Duration	Period	Price UOM	Last Contract Price	Price Curr	Subtotal	Tax	Print Invoice Total
1	Service	FSPM1000		59	Week						<input checked="" type="checkbox"/>

Line	Level	Find %	Status	Line Ref	Start Date	End Date
1	Item		Covered		18-DEC-2007	02-FEB-2009

Billing Schedule – Periodic Invoices at Predefined Intervals

Stream Level

Number of Periods

Seq Num	Start Date	End Date	Duration	Period	Amount	Total Amount	Offset Days	Invoice	Interface
1	29-JAN-2008	28-JAN-2009	3	Month		4,000.00			
						Total	4,000.00		

Contract Duration and Invoicing Periods

Cascade Dates Prorate **Schedule**

Schedule

Seq Num	Level Seq	Invoice Date	Bill From	Bill To	Interface Date	Amount
1	1	29-JAN-2008	29-JAN-2008	28-APR-2008	29-JAN-2008	1,000.00
1	2	29-APR-2008	29-APR-2008	28-JUL-2008	29-APR-2008	1,000.00
1	3	29-JUL-2008	29-JUL-2008	28-OCT-2008	29-JUL-2008	1,000.00
1	4	29-OCT-2008	29-OCT-2008	28-JAN-2009	29-OCT-2008	1,000.00

Periodic Invoice Schedules OK Cancel

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References :

Oracle Service Contracts Implementation Guide
Oracle Service Contracts User Guide
Oracle Installed Base Implementation Guide
Oracle Order Management Implementation Guide

Acknowledgements :

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Q & A

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