



# The Great Contract-Process Divide

April 2, 2009

InTune Business Advisors LLC

# Objectives

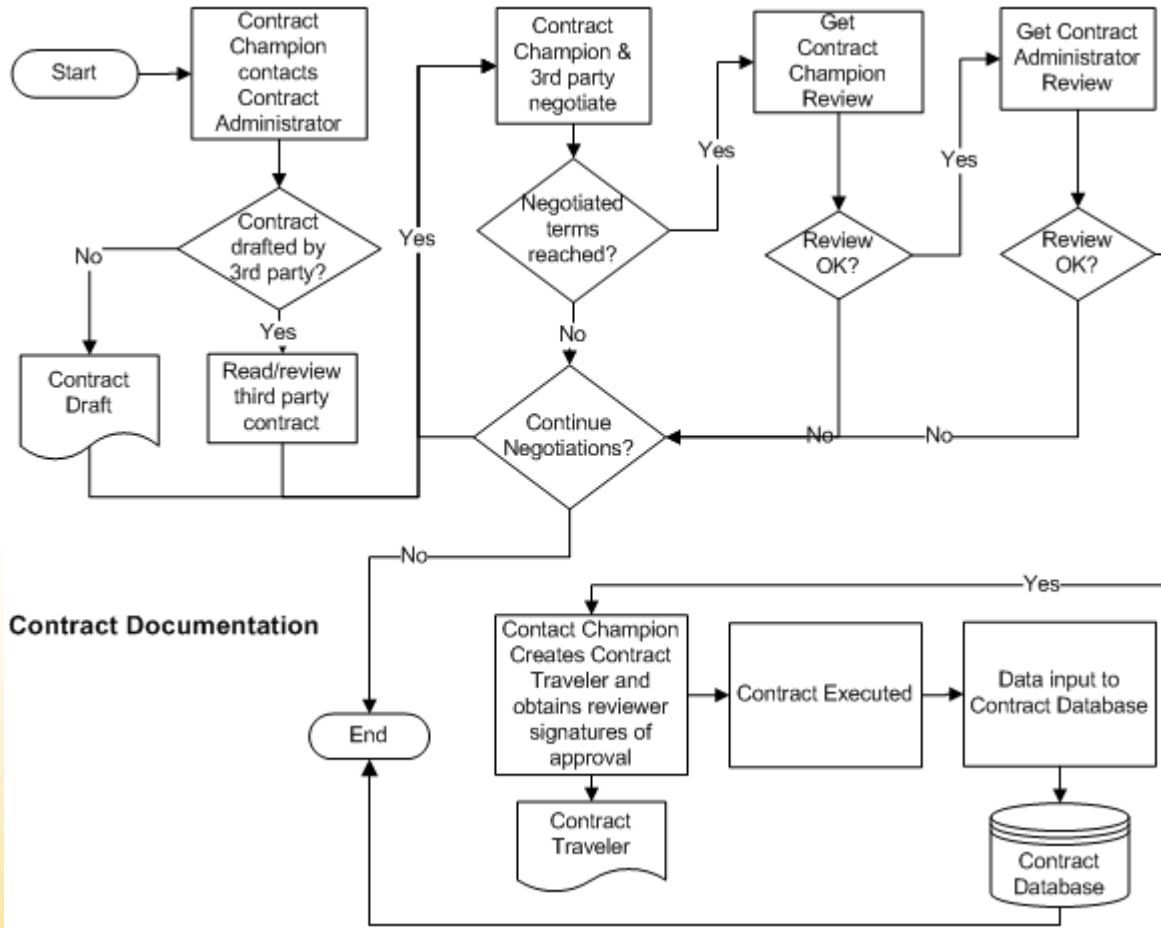
- Learn about the advantages of focusing on processes
- Discuss effective tools for shrinking the contract – process gap
- Learn about the benefits of actively engaging process owners

# About InTune Business Advisors



# The Current Contracting Process

## Contract Negotiation



Cross-functional review?

Legal/ Compliance review?

Are contract terms visible to process owners?

# Avoid Contract – Operational Surprises



Field  
Sales



Customer  
Service



Logistics



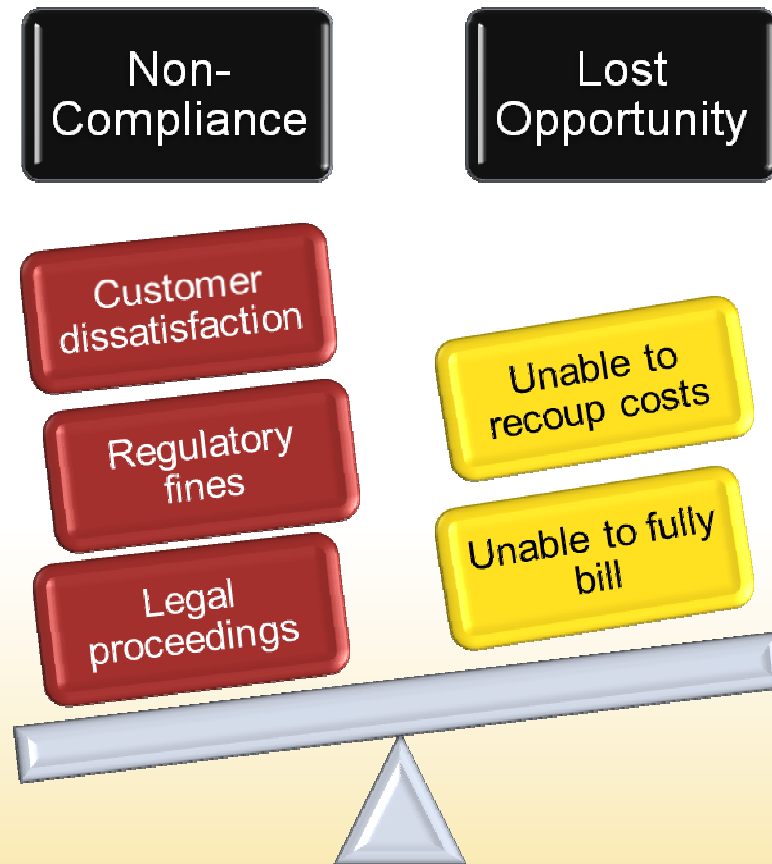
Production

It's just one  
minor change...

MINOR  
change??! Are  
you kidding  
me?? Do you  
know how many  
areas this is  
going to affect?



# Risk at Both Ends of the Spectrum

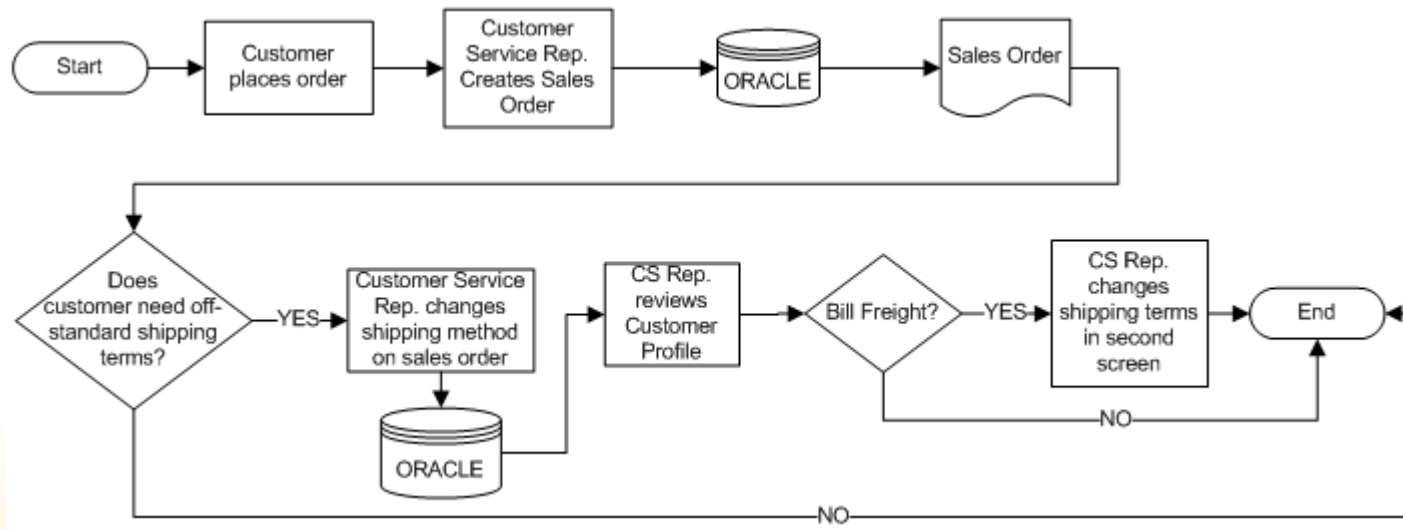


## Treat process owners as customers

- Understand the underlying processes
- Involve other process owners and stakeholders, not just the contract champion
- Meet periodically to catch up on trends and changes
- Challenge your own *contracting* process

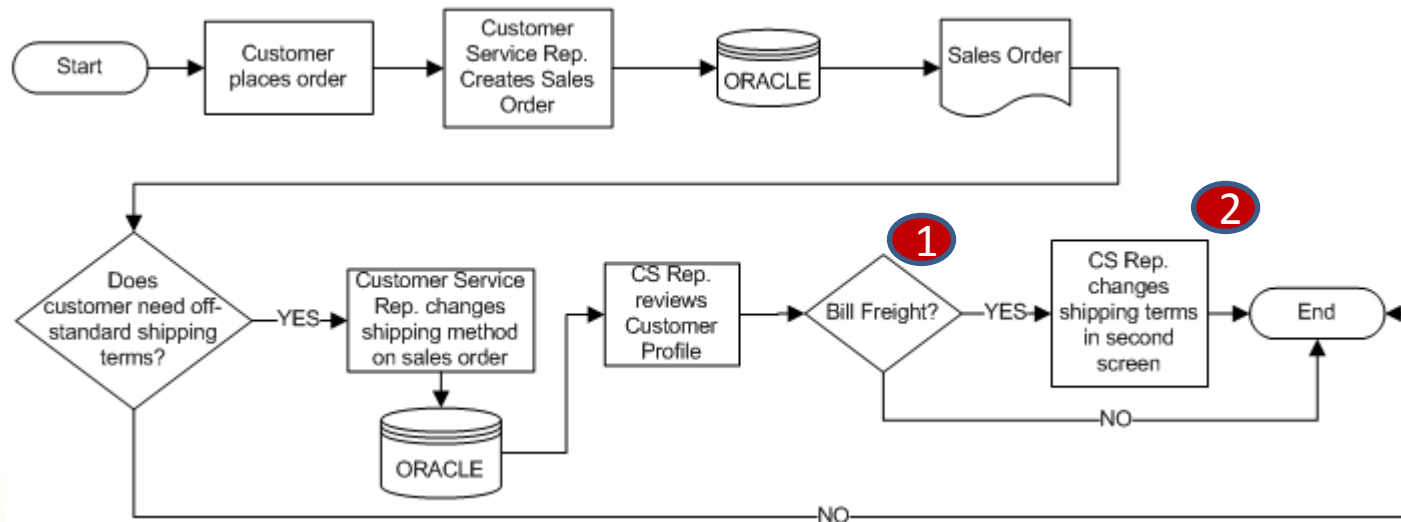
# Understand the Underlying Process

## Example: Freight Billing on Customer Orders



- Ask process owners to describe what they do
- A simple, high-level flowchart is extremely valuable

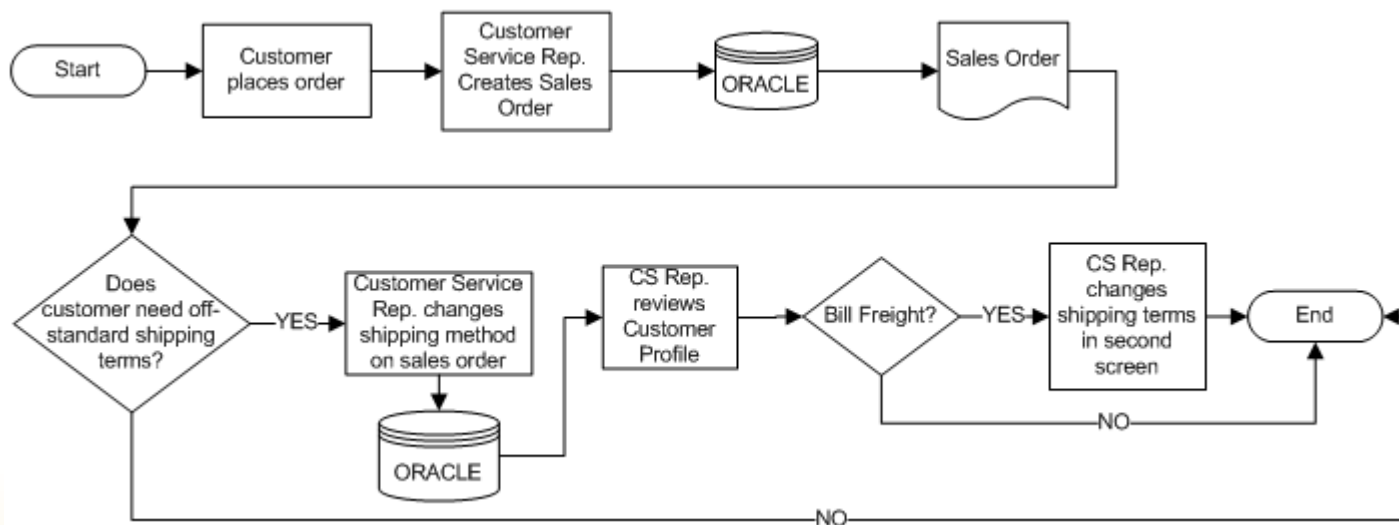
## Talk to Customer Service, not Just Sales



### ➤ Ask Questions

1. Can we bill at different levels, e.g. carrier cost *without* any handling fees? Some customers are now demanding this.
2. Most of our contracts are silent with respect to expedited shipments. Are we capturing these billing opportunities?

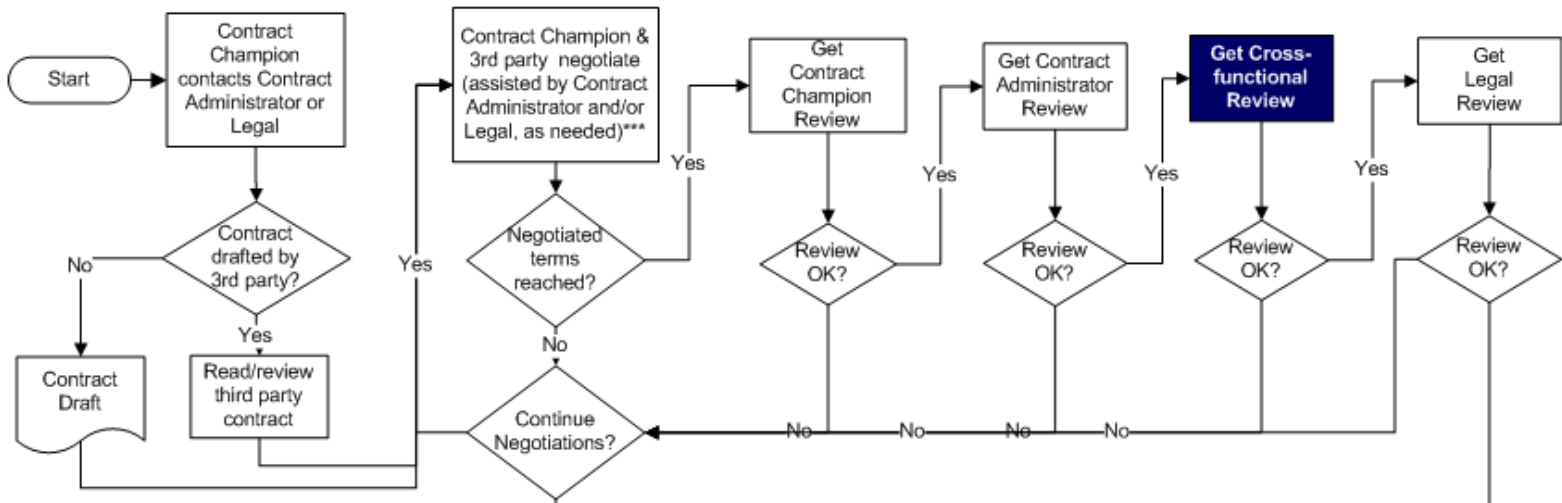
## Communication is a two-way street



- Any developments in contract terms? What's getting the most focus?
- Any significant changes to the process?

# The Improved Contracting Process

## Contract Negotiation



## Contract Documentation and Communication

