

Improve contract renewal performance and long-term visibility via analytics KPIs**Primary:**

As a Pricing Manager/Sales Rep, I want to use contract renewal as an opportunity for a long-lasting business improvement. I want to improve contract margin, volume, and mix by considering:

- market and renewals trends
- seasonality
- insight into underperformance

Secondary:

As a Finance leader, I want to have oversight over contact renewals. I want to make sure my team is considering all factors to improve margin, volume, and mix of contracts.

Functional Requirements**Complications:**

- Limited time for negotiations
- Seasonality (e.g., year-end contract renewal rush)
- Limited visibility into market trends and recent outcomes for similar renewal accounts
- Limited visibility into underperformance and recommendation for price improvements

Capability needed:

- Timeline view into when each contract expires; count-rev-vol at risk by month
- Track and alert system for agreement expiration dates
- Draft progress review
- Rank customers and products - high/low performance

Benefit:

- Reduce risk of missing renewal deadline
- Reduce risk of delay in price/margin increase
- Increase margin with contextual support
- Increased alignment between pricing and sales teams

KPI

- Up-to-date margin inputs: no profits lost due to old/incorrect pricing inputs
- Efficiency and error reduction: cost of manual errors, process costs

Calculation

- Up-to-date margin inputs = average monthly cost increase * days pricing out of sync
- Labor savings & error reduction = hrs./mo. contract calculations * analyst rate

Non-Functional Requirements**Prerequisites:**

Contracts need to be set up already within the PFX system.

Automatically updated metrics in the dashboard.

Reporting and Dashboards

1 Dashboard:

1 widget

8 charts

4 tables

Measures, Calculation and Decision-Making Key Performance Indicators

- Revenue Trend YTD
- Margin Trend YTD
- Volume Trend YTD
- Renewal timeline
- Contracts Status
- Expiry date

Solution Design

The dashboard contains following inputs used to filter the data:

- Customer Group picker
- Product Group picker
- Time segment (Start Date and End Date)

Dashboard Settings

Select Dashboard

L.01. Chemicals Contract Renewal Da... ▾

DATA FILTER

Customer(s)

Industry: Consumer & Industrial 🔍

Product(s)

Industry: Chemicals 🔍

Start Date

6/12/2022 📅

End Date

6/11/2023 📅

Apply Settings

Portlet #1 is the widget showing the summary of **total** and Year-to-date trend compared to the same period previous year of

- volume
- revenue
- margin (calculated as $(\text{Revenue} - \text{Cost}) / \text{Cost}$)

from sales transactions to evaluate portfolio health.

Contract Business Summary Total

Revenue Trend YTD: **-75.1%**

Margin Trend YTD: **-73.89%**

Volume Trend YTD: **-77.63%**

Total Revenue: **\$433,309,802.07**

Total Margin: **\$197,289,514.78**

Total Volume: **17,900,800**

Portlet #2 is a table showing more **detailed** summary of my contracts portfolio, aggregated by

- Industry
- Region
- Product group

So just like in the general summary it shows the YTD trending as well as accumulative totals for the year, only grouped.

Contract Business Summary

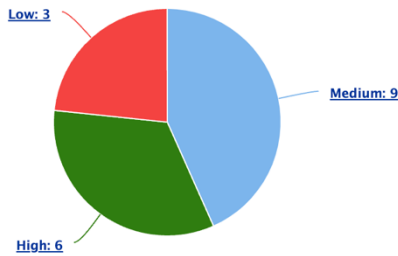
Industry	Region	ProductGroup	Revenue Trend YTD	Margin Trend YTD	Volume Trend YTD	Total Revenue	Total Margin
Consumer & Industrial	AMER	Commodity	▼ -75.91%	▼ -74.78%	▼ -78.31%	258,730,129.26	111,809,565.83
Consumer & Industrial	AMER	Speciality	▼ -73.75%	▼ -73.34%	▼ -75.96%	29,815,527.26	18,374,127.27
Consumer & Industrial	EMEA	Commodity	▼ -73.82%	▼ -72.19%	▼ -77.84%	107,123,996.93	47,335,593.21
Consumer & Industrial	EMEA	Speciality	▼ -75.69%	▼ -75.06%	▼ -77.87%	12,212,138.33	7,609,430.56
Consumer & Industrial	APAC	Commodity	▼ -75.12%	▼ -74.62%	▼ -77.62%	22,553,568.97	10,329,197.27
Consumer & Industrial	APAC	Speciality	▼ -61.47%	▼ -60.11%	▼ -66.89%	2,874,441.33	1,831,600.65

Portlets #2, #3 and #4 are pie charts showing outperformers and underperformers by margin, revenue, and volume, again **taking the data from the sales transactions**.

It shows a general overview:

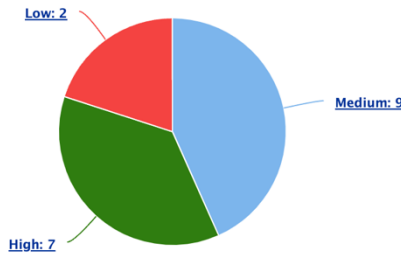
Margin Pie Chart

Customers Performance
Margin



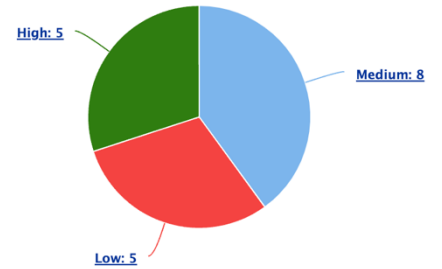
Revenue Pie Chart

Customers Performance
Revenue



Volume Pie Chart

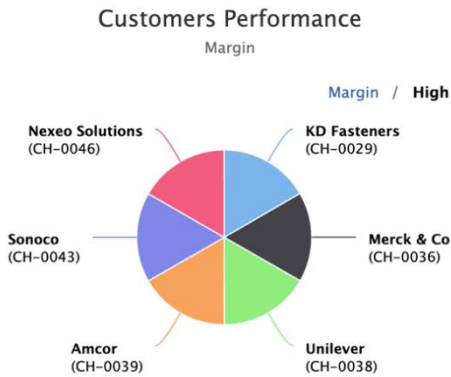
Customers Performance
Volume



Each Low, Medium, High bucket represent 1/3 of the total number of records.

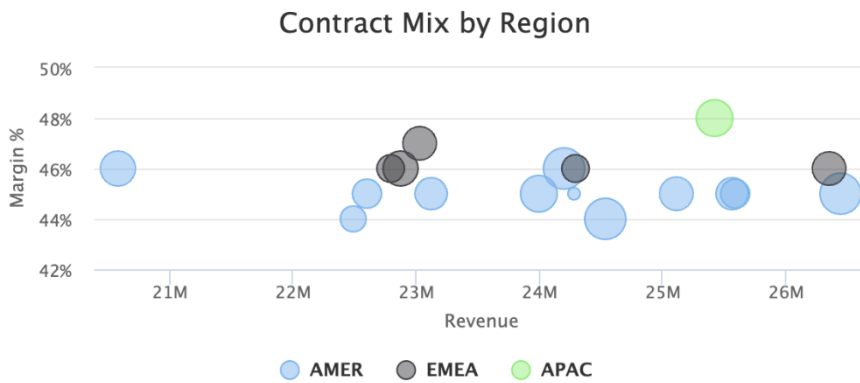
With ability to drill down to customer level:

Margin Pie Chart

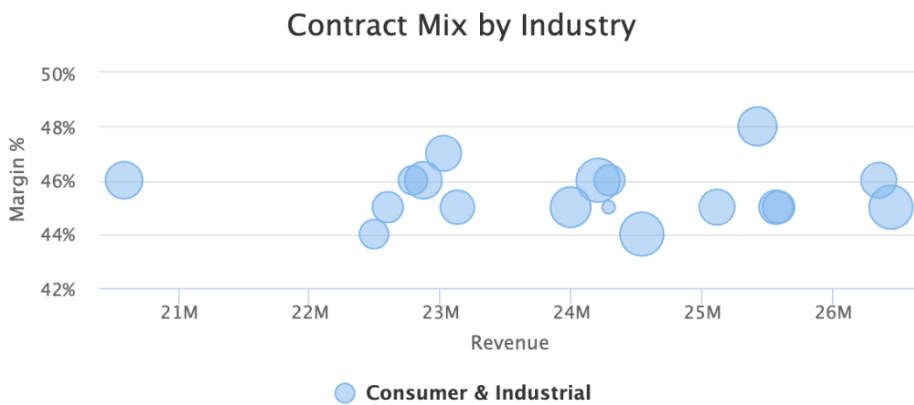


Portlets #5 and #6 are bubble charts showing the mix of business across regions and across customer industry basis, again **taking the data from the sales transactions**.

Region Contract Mix



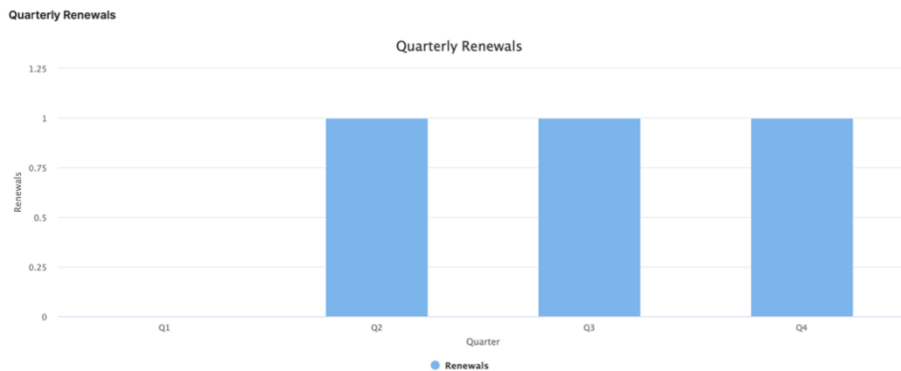
Industry Contract Mix



Portlet #7 and #8 is a bar chart showing the trending renewals to spot upcoming contract renewals by volume but also by margin & revenue to anticipate and start renegotiations at a suitable time. It is taking Volume, Margin and Revenue data **from sales transactions** grouped per month. It also shows the number of contracts (CT) that have an End Date in the given month.



Portlet #9 is a column chart showing renewals by quarter: Similarly, this chart is showing number of contracts having their End Date in the given quarter.



Portlet #10 is a table showing individual contract's performance. To understand contract success, but also to see which contracts expire to anticipate and start renegotiations in good time.

Contract Performance

Contract Id	Customer Name	Customer ...	Region	Industry	Expiration D...	Days To Expire	Volume	Revenue	Margin \$	Margin %
C-277	Berry Global	CH-0041	AMER	Consumer & Industrial	5/31/2022	-375	974,150	22,598,381.06	10,264,096.06	45.42%
C-278	Advanced Cable ...	CH-0032	AMER	Consumer & Industrial	9/1/2022	-282	1,037,275	24,205,511.90	11,033,967.66	45.58%
C-282	ClearCo	CH-0031	AMER	Consumer & Industrial	11/30/2022	-192	944,275	24,286,034.51	10,916,495.94	44.95%
C-280	Innovia Films	CH-0045	EMEA	Consumer & Industrial	11/30/2022	-192	993,150	23,025,937.60	10,741,041.68	46.65%
C-277-v2.1	Berry Global	CH-0041	AMER	Consumer & Industrial	5/31/2023	-10	974,150	22,598,381.06	10,264,096.06	45.42%
C-280-v2.1	Innovia Films	CH-0045	EMEA	Consumer & Industrial	9/30/2023	112	993,150	23,025,937.60	10,741,041.68	46.65%
C-366	ClearCo	CH-0031	AMER	Consumer & Industrial	11/30/2023	173	944,275	24,286,034.51	10,916,495.94	44.95%
C-276	Unilever	CH-0038	EMEA	Consumer & Industrial	7/1/2024	387	993,275	26,349,293.50	12,042,531.00	45.70%

The data is taken **from the sales transactions joined with the contract table (CT)**.

The Contract Id column is a hyperlink, it allows to navigate to the given contract. That allows to see the original analytics at the header and line-item level.

(e.g., raw material history vs material forecasting; profitability; volume history)

← **C-277-v2.1 (CH - DEMO - Berry Package - index only)** ✎ ○ Draft - v2.1 Submit I

Header Items Attachments Workflow Messages

Inputs

Start Date: 6/1/2022 📅 End Date: 5/31/2023 📅

User Group (View Details): User Group (Edit):

Input Parameters

Customer Group: CH-0041 x 🔍

Product(s): 🔍

Description

Normal ⌵ **B** **I** U **S** Arial ⌵ **A**

Portlet #11 and #12 are tables showing the list of approved contracts, and contracts waiting to be approved.


Data is coming from the contracts table (CT) joined with customer master table.

Approved Contracts

Contract Id	Contract Name	Customer Name	Customer Id
C-277	CHEM - Berry Packag...	Berry Global	CH-0041
C-278	CHEM - Cable Ties - I...	Advanced Cable Ties	CH-0032
C-280	CHEM - Innovia Indus...	Innovia Films	CH-0045
C-282	CHEM - Clear Co	ClearCo	CH-0031
C-366	CHEM - Clear Co 2023	ClearCo	CH-0031

5 rows

Contracts To Be Approved

Contract Id	Contract Name	Customer Name	Customer Id
 No data			

Input Data

The dashboard depends on following data:

- Customer master
- Product master
- Transactions, enriched **with Contract ID**

Out-of-scope business functions and features (Can be configured, but not included in the Chemical Industry Catalog)

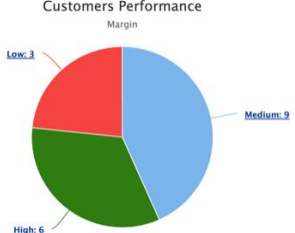
- Any metrics reporting other than the ones explicitly mentioned above
- Any customization
- Additional filters
- User entitlement of the dashboard
- Data Integration

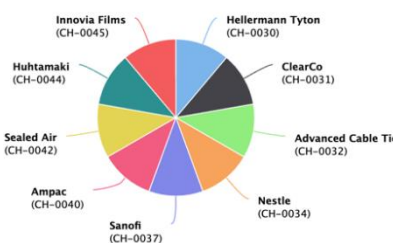
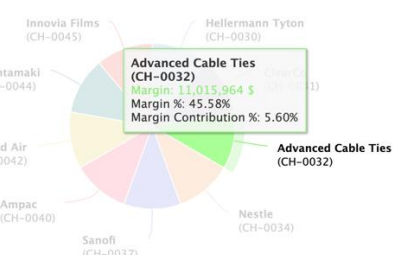

Implementation Level of Effort

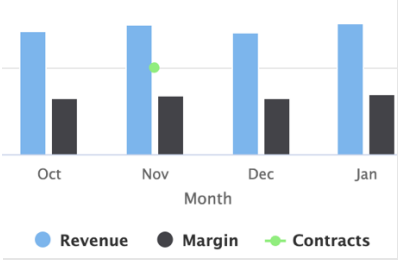
1.5 sprints/1FTE CE

Base Line Projected Annual Impact*

Parameters (Value Case #33)	General Assumptions (sample)	Projected Annual Impact (for sample)
Improve contract renewal performance and long-term visibility via analytics KPIs		
Percent of Portfolio with contract adjustments/renewals (per increase)	10.0%	
Nr of price annual contract adjustments/renewals applied to that portion of portfolio	50	
Average % price adjustment per contract	5.00%	7.00%
Days to execute contract adjustment/renewal	7	1
Margin retained due to faster/better contract change execution		
Labor Hours to update 1 contract	6	2
Number of total contracts annually	1,000	
Labor Savings per year (\$)		
	RUM	1,000M
	Margin%	10%
	BA salary	150k/yr
	Direct	1,644.0k
	Indirect	285.5k

Prescribed User Stories			
Use Story Name	I want to...	so I can ...	Acceptance criteria
Epic: Contract Renewal Dashboard			
Dashboard	to filter the dashboard data by following fields: <ul style="list-style-type: none"> - Customer group - Product group - time segment 	have a clear overview of specific information I am interested in analyzing	Inputs: <ul style="list-style-type: none"> - Customer group - Product group - Start Date - End Date
Contract business summary Total	see a general summary of total and Year-to-date trend of <ul style="list-style-type: none"> - volume - revenue - margin 	evaluate my portfolio health	Widget: <ul style="list-style-type: none"> - Revenue Trend YTD (%) - Margin Trend YTD (%) - Volume Trend YTD (%) - Total Revenue - Total Margin - Total Volume
Contract business summary	I want to see a more detailed summary of my contracts portfolio, aggregated by <ul style="list-style-type: none"> - Industry - Region - Product group <p>Just like in the general summary I want to see YTD trending as well as accumulative totals for the year.</p>	evaluate success of all my contracts quickly	Table of business contracts. Columns: <ul style="list-style-type: none"> - Industry - Region - Product group - Revenue Trend YTD - Margin Trend YTD - Volume Trend YTD - Total Revenue - Total Margin - Total Volume
Customer performance	see my contracts in quartiles by performance: low, medium, high by: <ul style="list-style-type: none"> - volume - revenue - margin <p>I want to be able to drill down on quartiles to see specific contracts within quartiles</p>	have a clear understanding of <ol style="list-style-type: none"> 1. my portfolio overall health 2. individual contract performance to easily identify underperformers and overperformers 	3 pie charts "Customer Performance" <ol style="list-style-type: none"> 1. Margin 2. Revenue 3. Volume <p>Chart divided into quartiles:</p> <ul style="list-style-type: none"> - low – red - medium – blue - high – green  <p>Each quartile is clickable. When clicked, it unfolds into a pie chart, showing all contracts in the quartile.</p>

			<p style="text-align: center;">Customers Performance Margin</p>  <p>When hovering over an individual contract, exact numbers are displayed.</p> <p style="text-align: center;">Customers Performance Margin</p> 
Contract mix by Region	to see an overview of my business portfolio by region	maintain proportions of business per region as I have intended them	<p>Bubble chart X-axis: Revenue (absolute value) Y-axis: Margin (%) Bubbles represent individual contracts. The size of the bubble is related to its comparative size. The color of the bubble indicates the region to which contact belongs. When hovering over a bubble, exact numbers are displayed.</p>  <p>Under the X-axis are Names of regions. When clicked, makes bubble contract bubble of that region disappear from the chart.</p> <p style="text-align: center;">● AMER ● EMEA ● APAC</p>
Contact mix by Industry	to see an overview of my business portfolio by region	maintain proportions of business per industry as I have intended them	<p>Bubble chart X-axis: Revenue (absolute value) Y-axis: Margin (%) Bubbles represent individual contracts. The size of the bubble is related to its comparative size. The color of the bubble indicates industry, to which contact belongs. When hovering over a bubble, exact numbers are displayed.</p> <p>Under the X-axis are Names of regions. When clicked, makes bubble contract bubble of that industry disappears from the chart.</p>
Renewals trending	to see renewals trending over time, considering volume, but also margin and revenue	spot upcoming contract renewals to anticipate and	<p>2 Bar charts: 1. Renewal Timeline by Volume X-axis: TTM</p>

		start renegotiations in suitable time	<p>Left Y-axis: Volume Right Y-axis: Contract Count Bars align to left Y-axis: Volume Dots, connected by line align to right Y-axis: Contracts</p> <p>2. Renewal Timeline by Margin and Revenue X-axis: TTM Left Y-axis: Amount Right Y-axis: Contract Count 2 types of bars: light blue for Revenue, dark for Margin. Bars align to left Y-axis: Amount Dots, connected by line align to right Y-axis: Contracts</p> <p>When user hovers over the bar or a dot, exact amount is displayed.</p> 
Renewals by quarter	see renewals per quarter	know how best to plan my year, resource allocation, etc.	<p>Bar chart. X-axis: Quarter Y-axis: Renewals When hovering over a bar, exact numbers are displayed.</p>
Contract Performance	see individual contract performance. To understand contract success, but also to see how soon contract expires.	anticipate and start renegotiations in suitable time. I need to see all relevant information at a glance, so that I can bring context to the table of negotiations.	<p>Table Columns:</p> <ul style="list-style-type: none"> - Contract Id - Customer Name - Customer Id - Region - Industry - Expiration Date - Days to expire (color coded) - Revenue - Volume - Margin \$ - Margin %
Approved contracts	see a summary of approved contracts	understand which contracts have been approved	<p>Table Columns:</p> <ul style="list-style-type: none"> - Contract Id - Contract Name - Customer Name - Customer Id - Expiration Date - Days to expire (color coded)

Contracts to be approved	contracts waiting to be approved	understand which contracts are not yet approved, so that I can take action	Table Columns: <ul style="list-style-type: none">- Contract Id- Contract Name- Customer Name- Customer Id- Expiration Date- Days to expire (color coded)
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Scope Validation and Project Readiness Workshop – Validation Questions:

Questions		Answers	
Q1	Are the dashboards dimensions reflecting your business? Or do you need additional dimensions/attributes to be displayed in the dashboard?	A1	
Q2	Where is your data stored?	A2	
Q3	How many customers is expected? Assumption is less than 20000.	A3	
Q4	How many contracts do you expect to have displayed with applying filters in the dashboard? The average and max number. Assumption is less than 10000.	A4	
Q5	Are you able to provide contract ID field from PFX in the transaction table? If not, enriching the transactions with contracts will become significant additional effort.	A5	
Q6		A6	
Q7		A7	
Q8		A8	
Q9		A9	
Q10		A10	
Q11		A11	
Q12		A12	
Q13		A13	
Q14		A14	