ServiceLedger 2009

Getting Started Guides

Getting Started with the

Agreement Manager

This guide will document how to use the ServiceLedger Agreement Manager for tracking and managing your service agreements and contracts.

Introduction:

The Service Agreement Module allows you to track the service agreements or service contracts of your customers. Service agreements will handle the invoicing portion of your service agreements as well as tracking the costs associated with the service agreement so that you can determine at any time the profitability of any service agreement.

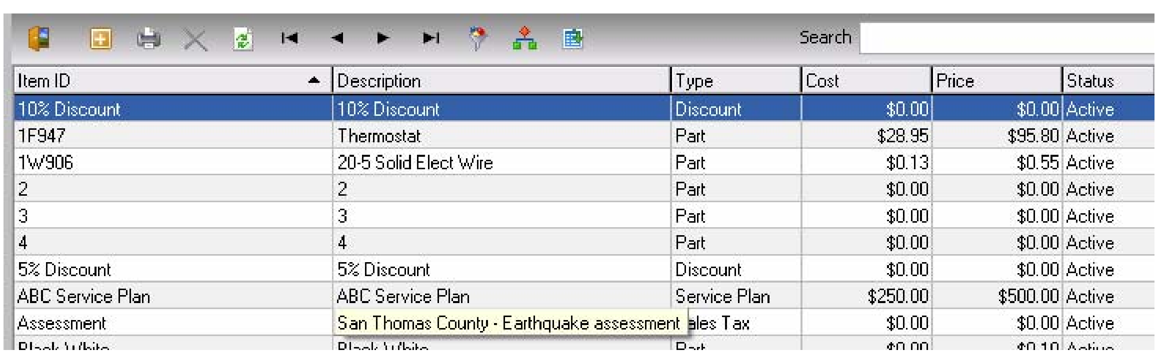
Service agreements are recommended if you have any type of service agreement, contract, warranty or other plan that you invoice your customers for and they expect something in return including parts, materials, equipment, labor, etc. You have the ability to define full coverage agreements that covers all possible costs to your customers, or limited coverage agreements that covers only certain items. Additionally, you can create agreements that have a maximum cost cap or maximum unit used.

To better understand service agreements, you should understand some of the terminology related to service agreements in ServiceLedger.

- Agreement Item – these are items that are in your Item List that you will use for invoicing purposes.
- Agreement Plan – these are the plans that define the coverage of any particular type of agreement and are defined in advance so you can easily copy the plan to any new customer agreement with its pre-defined coverage.
- Agreement – these are the actual customer agreements that define their agreement charges and coverage.

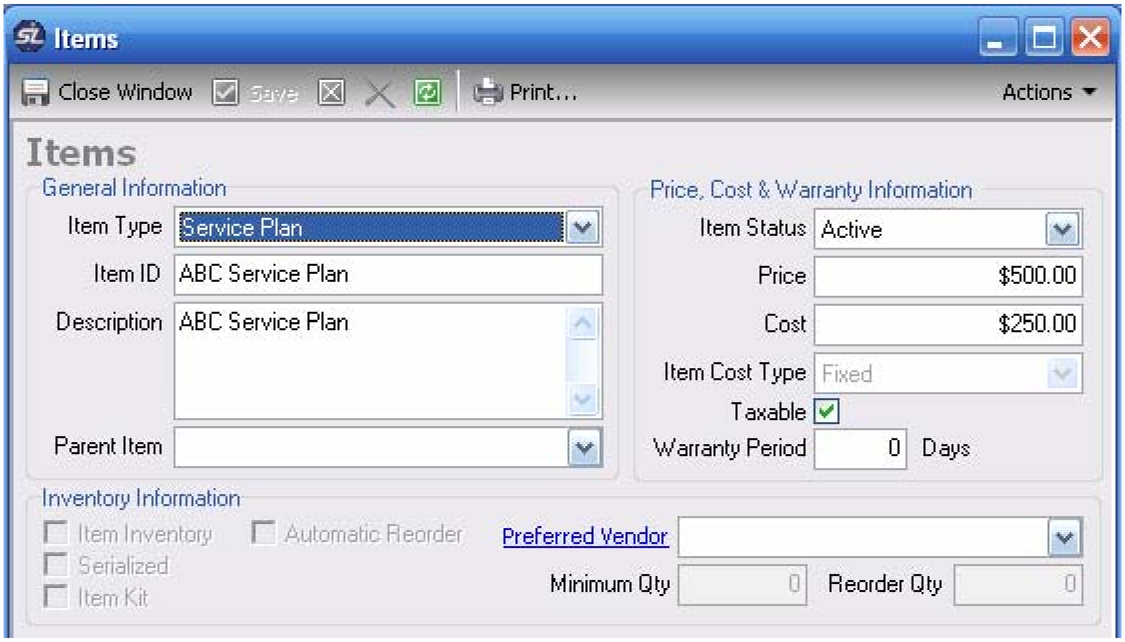
Creating Agreement Items

From a revenue perspective, you must create the agreement items that will be used when invoicing your customers for any agreement. Agreement items are invoice items that will appear on an agreement and will include an **Item ID**, **Item Description** and **Item Price**. To add agreement items, you must click on **Inventory | Items** to open the **Item List**. The **Item List** will display all items available for invoicing including labor, parts, equipment, agreement items, etc.



Item ID	Description	Type	Cost	Price	Status
10% Discount	10% Discount	Discount	$0.00	$0.00	Active
1F947	Thermostat	Part	$28.95	$95.80	Active
1W906	20-5 Solid Elect Wire	Part	$0.13	$0.55	Active
2	2	Part	$0.00	$0.00	Active
3	3	Part	$0.00	$0.00	Active
4	4	Part	$0.00	$0.00	Active
5% Discount	5% Discount	Discount	$0.00	$0.00	Active
ABC Service Plan	ABC Service Plan	Service Plan	$250.00	$500.00	Active
Assessment	San Thomas County - Earthquake assessment	ales Tax	$0.00	$0.00	Active

Click on the **Add New Record** button to add a new service agreement item.



1. Select the **Item Type** to **Service Plan** for agreement items. You cannot use any other item type for agreement items.
2. Enter the **Item ID** or identifier for the item.
3. Enter a **Description** for the item.
4. Enter a **Price** for the item.
5. Enter a **Cost** for the item. You can add a cost, but it will have no bearing on the agreement cost as that is determined by the actual cost charged to the agreement by the customer.
6. If the item is taxable, click on the **Taxable** checkbox.
7. Click the **Save & Close** button to save the agreement item.

It is recommended that you enter all of the agreement items first before you proceed to the next step.

Creating Agreement Plans

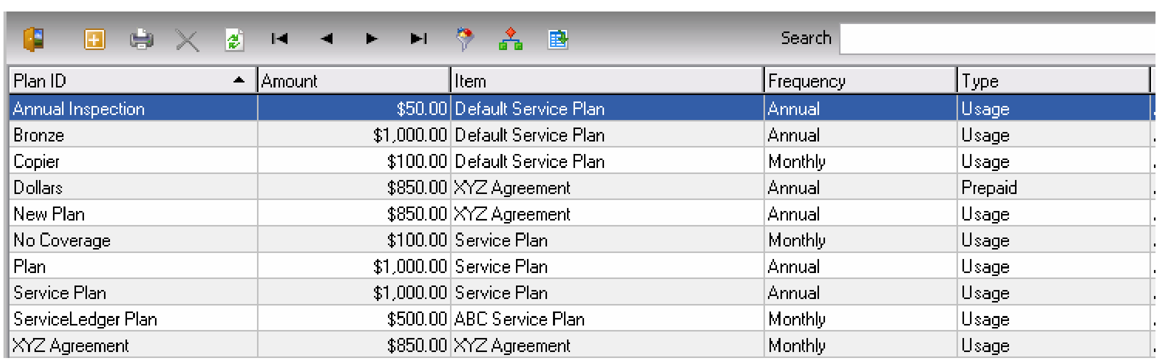
Agreement plans allow you to specify the coverage of a specific type of agreement. For example, you may have multiple agreement plans based upon usage with each plan providing more than the previous plan. By creating an agreement plan, you can cap the usage for each type of plan to ensure that you do not give away any "free" usage like labor. If you need to limit the coverage on any agreement, then you will need to create agreement plans first.

Agreement Plans are basically templates that allow you to use them over and over on customer agreements. The purpose of setting up the plan is to create the template of coverage and then use the plan on a customer agreement to speed up data entry.

Some examples of agreement plans include:

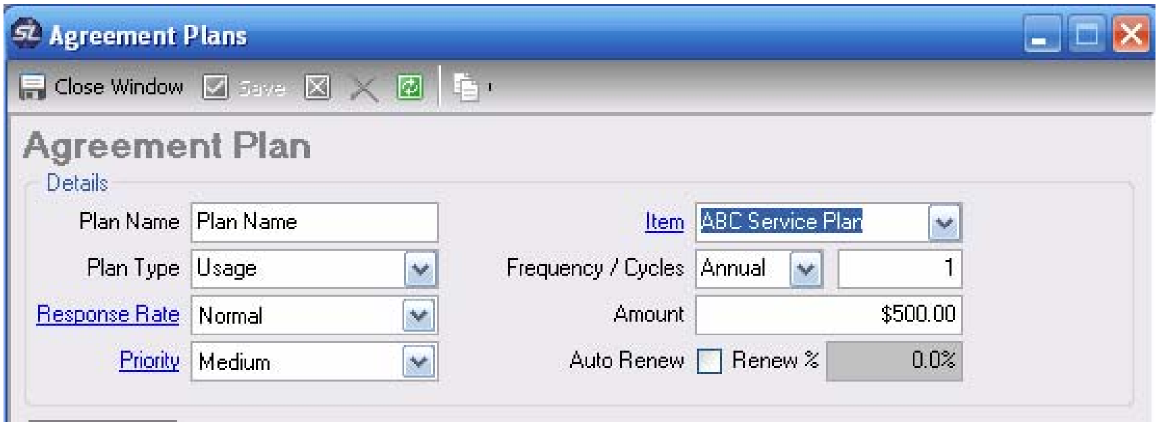
- You need to limit the number of hours to a specified amount and any hours over need to be invoiced at a defined rate.
- You need to limit all labor, parts, equipment and materials to a specified amount and need to invoice for any overage.
- You need to limit a preventive maintenance to a specified number of visits and any additional visits need to be invoiced at a defined rate.
- You need to limit an inspection agreement to a specified number of inspections and any additional inspections need to be invoiced at a defined rate.
- You need to limit the number of service calls to a specified number of service calls and any additional service calls need to be invoiced at a defined rate.
- You need to limit the type of labor, equipment or parts covered by the agreement where some items are covered and other items are not covered.

To add agreement plans, you need to click on **Agreements | Agreement Admin | View Plans** to open the **Agreement Plan List**. The **Agreement Plan List** displays all active agreement plans you currently have.



Plan ID	Amount	Item	Frequency	Type
Annual Inspection	$50.00	Default Service Plan	Annual	Usage
Bronze	$1,000.00	Default Service Plan	Annual	Usage
Copier	$100.00	Default Service Plan	Monthly	Usage
Dollars	$850.00	XYZ Agreement	Annual	Prepaid
New Plan	$850.00	XYZ Agreement	Annual	Usage
No Coverage	$100.00	Service Plan	Monthly	Usage
Plan	$1,000.00	Service Plan	Annual	Usage
Service Plan	$1,000.00	Service Plan	Annual	Usage
ServiceLedger Plan	$500.00	ABC Service Plan	Monthly	Usage
XYZ Agreement	$850.00	XYZ Agreement	Monthly	Usage

Click on the **Add New Record** button to add a new agreement plan.



1. Enter a **Plan Name** that will identify the agreement plan.
2. Select the **Plan Type**; i.e. **Usage** if you are limiting based upon a number of units or **Prepaid** if you are limiting based upon specified dollars.
3. Select a **Response Rate** for the agreement that will specify the expected response rate for the customer. HINT: You can add additional response rates by clicking on the blue **Response Rate** link.
4. Select a **Priority Level** for the agreement that will specify the priority level for all work orders linked to the agreement. HINT: You can add additional priority levels by clicking on the blue **Priority** link.
5. Select the **Item** to invoice to the customer. The **Item** and **Item Description** will display on all invoices to the customer for the agreement. You can only use **Agreement Items** for your service plans and/or service agreements. HINT: If you have not created the **Agreement Item**, you can create it on-the-fly by clicking on the blue **Item** link.
6. Select the **Frequency** of invoicing on the agreement. NOTE: Individual agreements for customers can have a different invoicing frequency than the agreement plan.
7. If the agreement should automatically renew, check the **Auto Renew** checkbox. This will automatically renew the agreement at expiration.
8. If you want the agreement to increase at renewal, you can enter a percentage increase in the **Renew %** field.
9. Click on the **Save** button to save the agreement plan.

Adding Coverage to an Agreement Plan

Coverage is the most important component of an agreement plan. By adding coverage, you are limiting the agreement plan to what is and is not covered. You have flexibility in designing agreement plans that covers specific Item Types or a specific Item. For example, you can create an agreement plan that covers all labor, or you can identify specific labor items that are covered and any other labor items will not be covered.

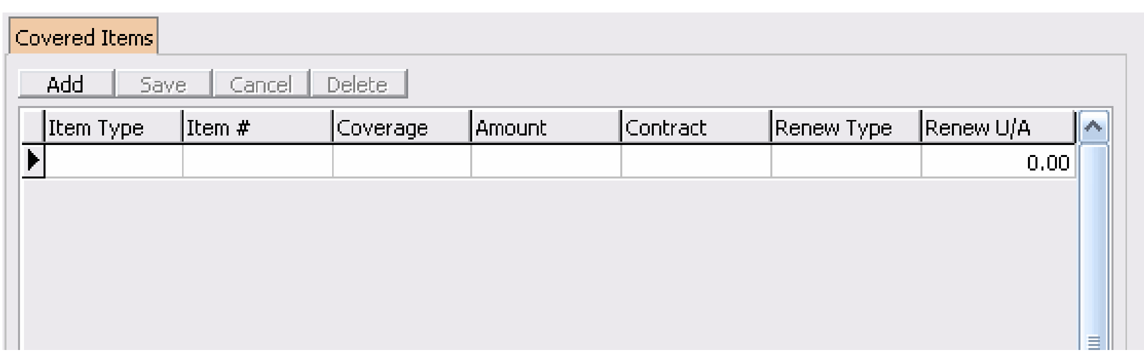
1. **Item Type Coverage** – This type of coverage is specific to a type of item; i.e. Labor, Parts or Equipment. When selecting any item type, you can telling the agreement to cover any items with that type.

2. **Item Coverage** – This type of coverage is limiting the items covered under any item type. This option allows you to specifically select the items that are covered and any other items related to the item type will not be covered. For example, if you select Labor as your Item Type, then select Regular Labor for your Item, then only Regular Labor is covered by the agreement and any other labor items will not be covered. When adding covered items to an agreement plan, you can do it by item class like labor, equipment or part or by specific item under an item class. For example, if you only want to cover a specific labor item like **Regular Labor**, you would select **Labor** as the **Item Type** and **Regular Labor** as the **Item** and then enter the maximum unit or amount usage based upon the type of agreement plan.

1. **No Coverage –** This type of coverage is when you do not select any item types or items on the agreement and the agreement will not cover any invoice charges. In most cases, this is only useful if you are creating the agreement for invoicing purposes only and not concerned with any coverage.

2. **Prepaid Coverage –** If you have selected the agreement plan to be a Prepaid Plan, then you will need to identify the amount of coverage and it will be deducted until the agreement is exhausted.

Click on the **Add** button from any existing agreement plan on the **Covered Items** tab to add coverage to the plan.

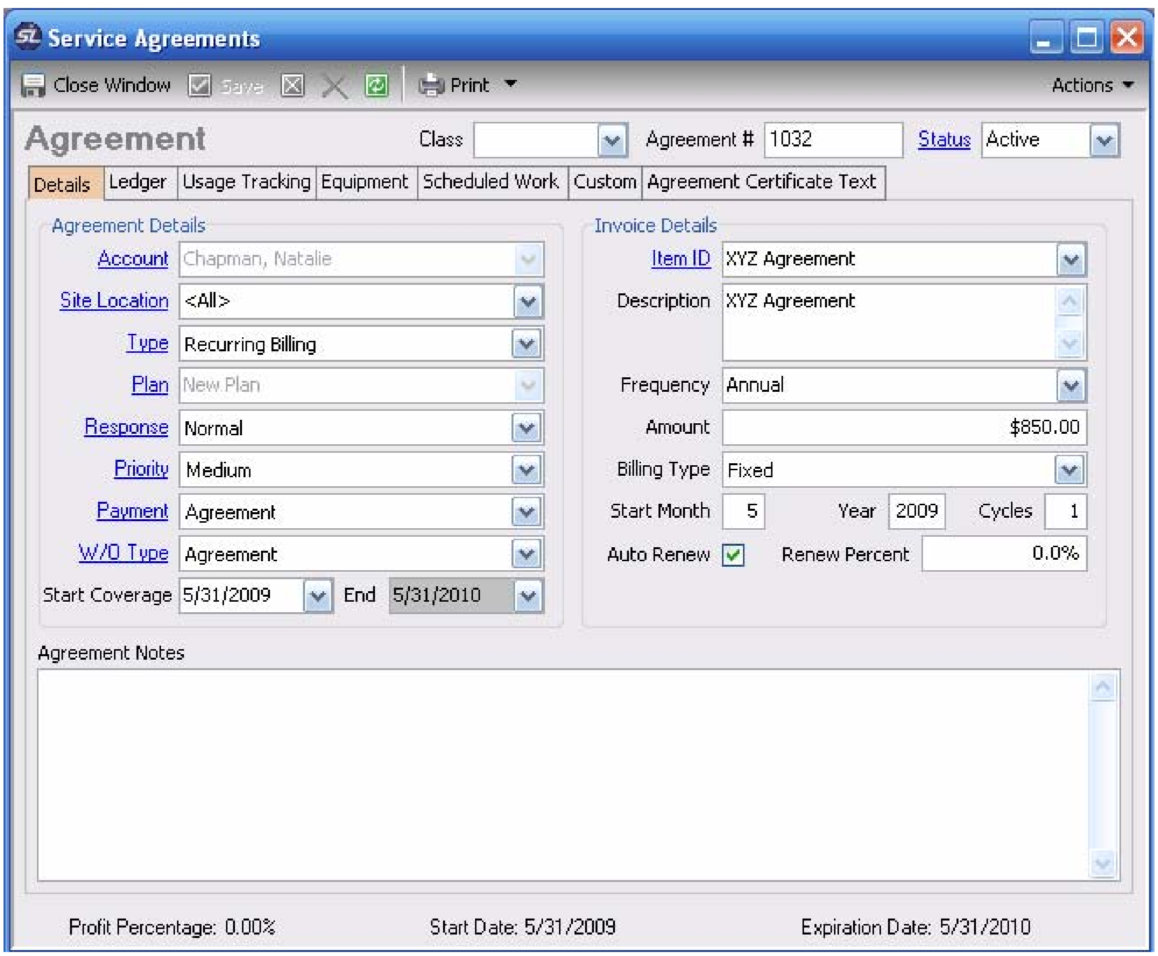


1. Select the **Item Type**.
2. Select the **Item** if you want to specify a specific item that IS covered.
3. Select the **Coverage** option – **Unit** specifies unit balance and **Amount** specifies prepaid balance.

4. Enter the **Amount** in either **Units** or **Amount** depending upon the **Coverage** option selected.
5. Enter the **Contract** value, usually the portion of the agreement plan that this line item of the contract is for.
6. Enter a **Renew Type**: **Reset** will reset any balance upon renewal. **Rollover** will rollover any balance upon renewal.
7. **Renew U/A** is the amount to reset on renewal and is usually the same as the **Amount** column, however can be different if you want the renewal of the agreement to have more or less coverage.
8. Click the **Save** button to save the covered item.
9. Repeat the process until all item types and/or items have been specified.

Creating Agreements:

Now that you have your agreement items and agreement plans created, you can now create customer agreements. Click on **Agreements | Add New Agreement** from the **Navigator** to add a new customer agreement.



1. Select the **Account** for the agreement.

2. Select the **Location** for the agreement, if the agreement only covers a specific account location, otherwise leave as **All**.
3. Enter the **Agreement Type** – used mostly for reporting purposes.
4. Enter the **Agreement Plan.** The **Agreement Plan** selected will auto-populate most of the rest of the data entry for you based upon the information in the agreement plan.
5. Enter the **Start Coverage** date.
6. Verify that the **Frequency** and **Amount** is what you want for this specific customer agreement. Note: Regardless of the **Frequency** and/or **Amount** specified in the agreement plan, you can edit it from the customer agreement.
7. Select the **Billing Type** – always **Fixed**. **Equipment Calculated** agreements are calculated differently and information is below to determine if you want to use this feature.
8. **Start Month** is the month you want to start the invoicing of the agreement.
9. **Year** is the year you want to start the invoicing of the agreement.
10. **Cycles** is the number of times the invoice will be cycled before it is expired. For example, if you have a monthly agreement with 12 cycles, then it will recycle twelve times before the agreement is expired.
11. Select the **Auto-Renew** option if you want the agreement to automatically renew upon expiration.
12. Enter a **Renew %** if you want to increase the value of the contract automatically upon expiration.
13. Click the **Save** button to save the customer agreement.

Tracking Agreement Notes:

You can track any miscellaneous agreement notes on the Notes memo box. ServiceLedger does not do anything with these notes and you can enter anything you like in this memo field.

Viewing Ledger Information:

If you click on the **Ledger** tab of the customer agreement, you get a running ledger of activity on the agreement. The ledger will track all invoices and costs absorbed by the agreement to help you determine if the agreement is profitable or not.

Viewing Usage Tracking:

If you click on the Usage Tracking tab of the customer agreement, you can get a quick glimpse of the usage available on any specific agreement.

Viewing Equipment:

If you click on the **Equipment** tab of the customer agreement, you can get a quick glimpse of all equipment covered by the agreement. Note: This feature is primarily used when you are creating **Equipment Calculated** Agreements. See below for more information on this special kind of agreement.

Tracking Agreement Certificate Text:

If you click on **Agreement Certificate Text** you can copy text into the agreement to be printed on the **Customer Agreement Certificate**, if applicable. You must create a Text Template by clicking on **Administration | Text Template** and creating the text template for the agreement. The **Text Template Type** must be **Agreement**.

You can print the **Agreement Certificate** by clicking on **Print** drop-down arrow and selecting **Agreement Certificate**.

Tracking Agreement Status:

Agreement Status is an important tracking tool of a customer agreement. This field lets you know if the agreement is **Active** or **Inactive**, if the coverage has been **Depleted** or if the agreement is **Expired**.

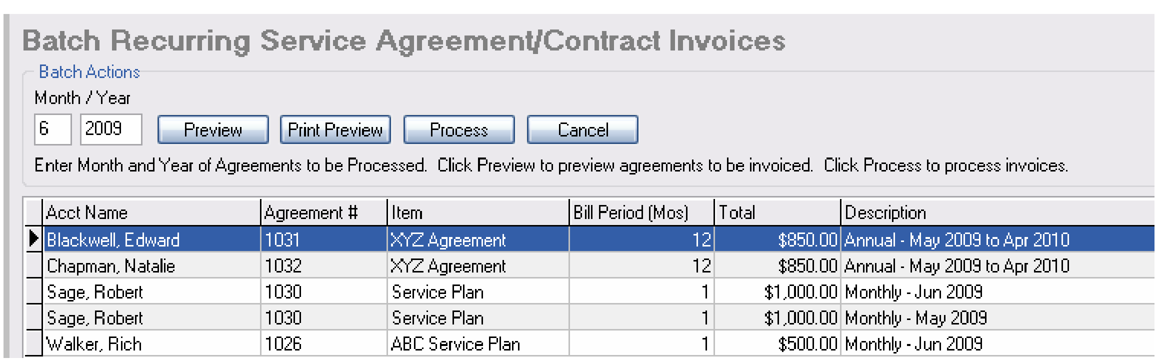
If an agreement is **Active**, then you can charge anything covered by the agreement against the agreement. If **Inactive**, then you are unable to charge anything against the agreement.

Depleted means the agreement if fully depleted and nothing can be charged against the agreement.

Expired means the agreement is expired and nothing can be charged against the agreement.

Creating Agreement Invoices:

Click on **Batching | Batch Recurring Agreement** Invoices to create invoices for any specific period.

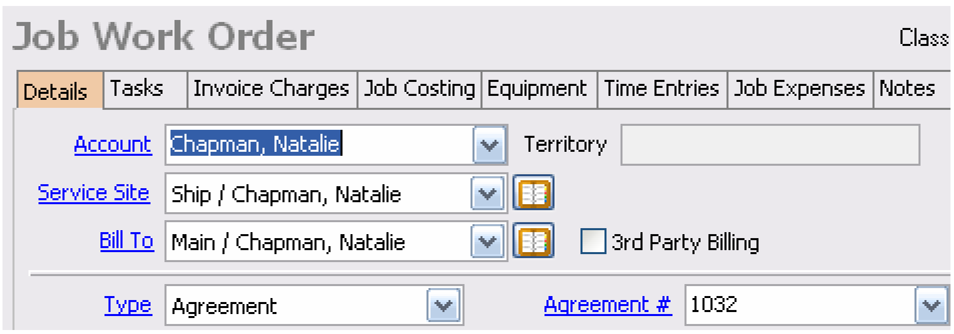


Acct Name	Agreement #	Item	Bill Period (Mos)	Total	Description
Blackwell, Edward	1031	XYZ Agreement	12	$850.00	Annual - May 2009 to Apr 2010
Chapman, Natalie	1032	XYZ Agreement	12	$850.00	Annual - May 2009 to Apr 2010
Sage, Robert	1030	Service Plan	1	$1,000.00	Monthly - Jun 2009
Sage, Robert	1030	Service Plan	1	$1,000.00	Monthly - May 2009
Walker, Rich	1026	ABC Service Plan	1	$500.00	Monthly - Jun 2009

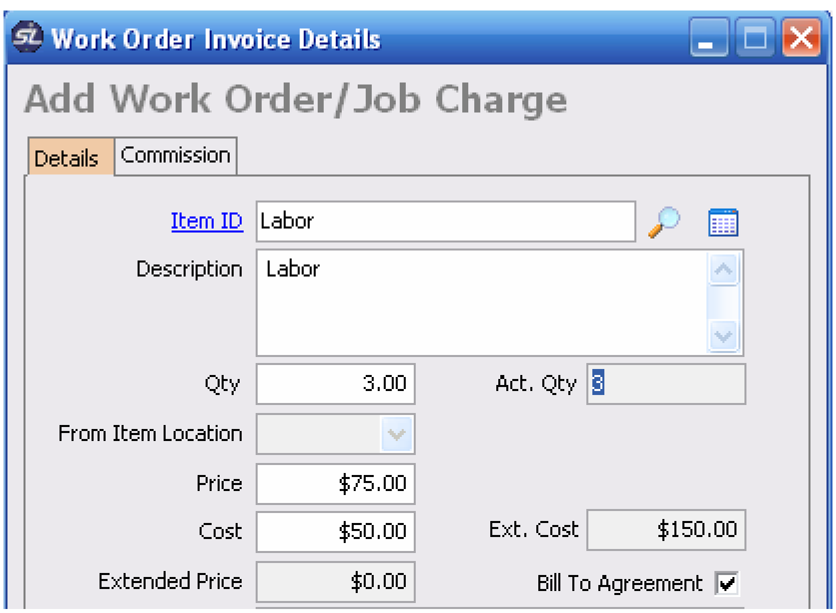
1. Enter the **Month** you want to invoice for.
2. Enter the **Year** you want to invoice for.
3. Click **Preview** to preview all agreements to be invoiced.
4. Click **Process** to process invoices.

Charging Items against an Agreement:

Once you have created a customer agreement, all you need to do is specify on the work order the Agreement to charge all covered items against. ServiceLedger will determine what is covered and what is not covered, as well as calculate any excess coverage above and beyond the coverage.



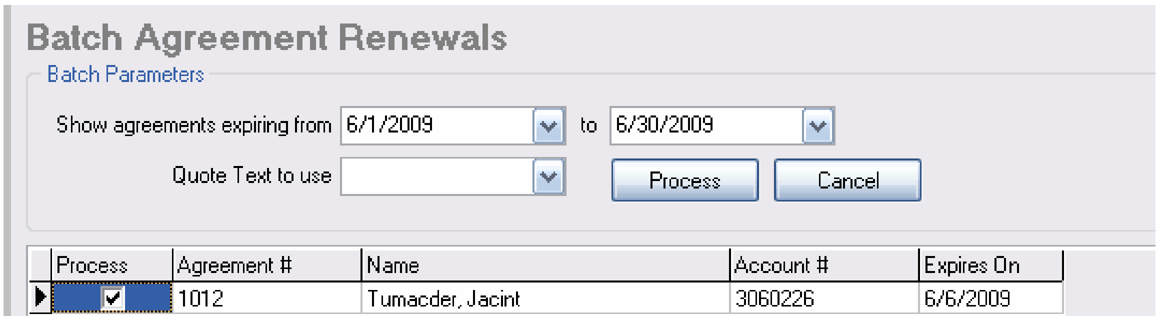
When adding items to be covered, the agreement will track the **Qty** and **Price**, however the **Extended Price** will be set to 0, unless the agreement is exhausted at which time the **Extended Price** will calculate the excess that the customer will pay.



Processing Agreement Renewals

ServiceLedger can automatically process agreement renewals as quotes for you to send out to your customers upon expiration of the agreement. This feature allows you to easily manage your agreement renewals and quickly get renewal notices off to your customers before the agreement is expired.

Click on **Agreements | Process Renewals** to process agreement renewals.

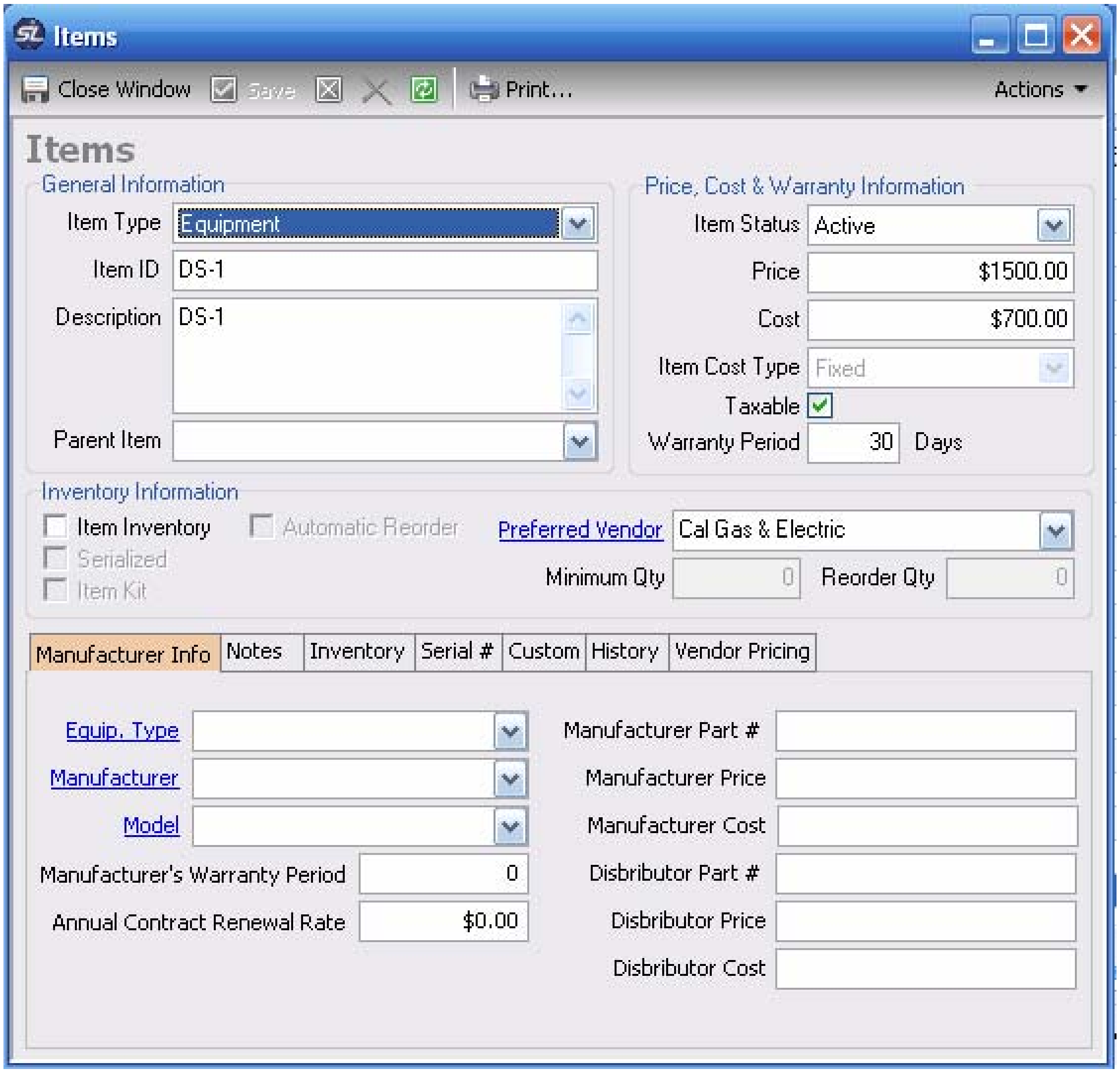


1. Select the **Start** and **End Date** period for processing renewals.
2. Select the **Quote Text** to be printed on the quote.
3. Click on the **Process** button to process the renewals and create quotes.

Equipment Calculated Agreements:

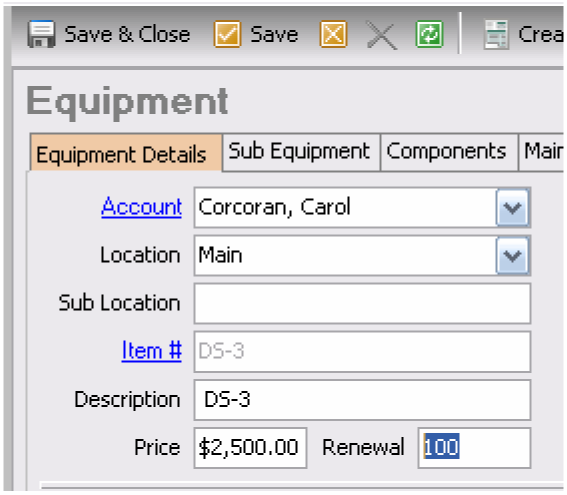
This is a small feature used only by a small percentage of customers, however useful in situations where you are renewing warranty agreements. The purpose of this function is to allow you to have the equipment covered by the agreement determine the agreement invoice amount. In cases with multiple equipment, the agreement invoice amount will calculate based upon the equipment serviced by the agreement.

You must first define the **Equipment Items** in ServiceLedger.



1. If you are going to be using the **Equipment Calculated** feature, you need to enter the **Annual Contract Renewal Rate** under the **Manufacturer Info** tab. This is the amount of the annual renewal to cover the equipment.
2. Save the **Equipment Item**.

On the customer equipment record, you have the opportunity to edit the customer equipment renewal rate.



On the customer agreement, you must specify the Billing Type as Equipment Calculated and enter all equipment covered by the agreement. At this time, the Agreement Amount will auto-calculate based upon the equipment covered.