Service and Maintenance Contracts

Accurate Tracking and Management Maximising Revenue and Minimising Costs

Providing peace of mind to your customers is a key part of any workshop or maintenance business. With Embrace Maintenance and Service Contracts you are able to manage your maintenance service offerings, using a complete solution designed to generate revenue through the billing of Maintenance and Service contracts, tracking servicing and spares commitments based on scheduled maintenance plans and track and monitor all associated servicing costs to determine the profitability of the maintenance services offered to your customers.

Maintenance and Service contracts are entered into between two parties where one undertakes to maintain an asset owned by another, typically for a monthly fee. Maintenance contracts manage the fixed fees charged by a supplier for periodic servicing and maintenance support of any type of serviceable item.

Embrace Maintenance and Service contracts are used in the chemical, building, IT and automotive industries.

Designed as an Enterprise solution, customers entire fleet or asset base can be covered across multiple site specific service contracts, with site specific terms and in turn can have specific pricing and servicing requirements. With detailed serial number tracking, and options to track component parts, a customers entire serviceable asset base can be recorded and tracked.

Flexible pricing and comprehensive additional charge functionality allows you to base your pricing on standard user defined pricing matrices or introduce specific customer pricing. Billing can be set to run in advance or in arrears, with options for weekly, monthly, annual and once-off billing. Agreed price escalation terms can be entered onto contracts to ensure latest pricing is automatically applied.

Contracts can be created for a variety of cover options, for example only parts covered, only labour costs covered, only standard services covered. The flexibility of the contract options allows you to tailor make Maintenance Contracts offerings to differentiate your service offerings. Any covered items that require servicing outside of the covered item can be tracked and billed separately, ensuring lost revenue is minimised and cost recoveries controlled.

Internal Service contracts can be set up across internal business units, where one cost centre can recover costs related to providing maintenance services to another cost centre within the organisation. Cost recoveries are automatically processed reducing administration and integrating directly into the Embrace General Ledger system.

Detailed enquiries shows the profitability of each contract, comparing revenue generated against the costs of maintaining the items.

Embrace Customers use Service Contracts for:

- Providing improved customer service with inclusive service offerings
- Monitoring service costs against maintenance contract revenue
- Identifying problematic contracts early
- Improve the performance of the maintenance business units to control service cost recoveries and maximise revenue

Service and Maintenance Contracts

Features	Benefts
Integrat on	Integrated into Service and Maintenance, General Ledger, Debtors, Procurements and Inventory, Embrace provides a single solut on for managing and tracking Maintenance and Service contracts
Flexibility	Allows you to provide tailor made Maintenance contracts to your customer, based on their unique requirements
	Centralised management ensuring control over the ent re contracts process, from quotat on to invoicing and the providing of maintenance services
	Contracts can be generated using a standard pricing matrix or very specif c customer ident f ed requirements. Billing can be in advance or in arrears. Escalat on rules can be included in the contract process .
	Billing frequency and Rate escalat ons management ensuring accurate and t mely billing with linked interest rate and CPI escalat ons
	Mult ple types of maintenance contracts covered e.g. all parts covered, all labour covered, all parts and labour covered, specif c parts only, only cover specif c service types
	Contracts can run for f xed periods or be open ended, can expire based on usage milestones being reached with date control at an individual line level
	Tracking and billing of service charges not covered under Maintenance contracts ensuring full cost recovery
Contract Summary Enquires	Access to all contract informat on, including drill downs to customer billing and maintenance service costs incurred, allows you to manage and improve the performance of the maintenance of erings and meet service cost and revenue object ves
	Provides comprehensive measures to monitor service costs , revenue income, and f nancial performance over t me.
Contract Management	Maintenance contracts can be created for individual Service items or for an ent re f eet of vehicles or machines
	Quotat ons can be created and easily converted into act ve maintenance contracts
	Exist ng contracts can be cloned, new lines can be automat cally spawned and contract items can be merged providing ease of use and ensuring contracts accurately ref ect requirements
Internal Billing	Bill internally across business units to simplify divisional account ng where maintenance revenue is received by one departments prof t centre and servicing costs are incurred in another workshops cost centre.
	Flexible pricing matrices allows internal rates of recovery to be set dif erently to external billable rates
	Direct allocat on of service costs to the relevant maintenance contract revenue

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Service and Maintenance Contracts

PRODUCT

Service and
Maintenance Contracts

RELATED PRODUCTS

Service

General Ledger

Debtors

Overview

Embrace Maintenance and Service Contracts allow you to manage your maintenance service offerings, using a complete solution designed to generate revenue through the billing of Maintenance and Service contracts, entered into between you and your customer, whereby you will undertake maintenance and servicing work for a customers specified equipment, from vehicles to photocopiers, from forklifts to laboratory equipment. The integrated module allows you to tracking servicing and spares commitments based on scheduled maintenance plans and track and monitor all associated servicing costs to determine the profitability of the maintenance services offered to your customers.

Contract Options

Maintenance contracts can be set up to accommodate a wide range of options. Billing frequencies can be selected ranging from daily to monthly to annually and includes once off billing options. Flexible options allow maintenance contracts to be created that cover all parts covered, cover all labour costs, cover all parts and labour costs and options to only cover specified services, where regular servicing is included but abuse or accident damages will be charged for outside of the maintenance cover offered.

Maintenance contracts can be created to cover only a fixed periods or a fixed amount of usage, typical in automotive environments. Where applicable open ended contracts can be created where cover is extended as long as premiums are paid, much like insurance cover. Contracts can include cover for multiple items, each item with it's own set of terms and conditions, providing your customer with a single premium for all of the maintenance cover offered.

Contract Articles

Contract items refer to the specific items of equipment or installation to be maintained in terms of a Maintenance and Service contract. The contract articles can be specifically identified by serial number and can comprise any number of related sub serials or components.

Where full details are not known at the time at contract initiation the contract item is recorded with a To Be Advised indicator. Any number of TBA items can be included on a contract, the details of which will be recorded and service and maintenance work is performed in terms of the Maintenance contract.

If a particular article is swapped out on a service job, the corresponding item is automatically updated on the Maintenance contract and the details of the replacement article automatically recorded as a replacement. The Contract enquiry together with the Service Job enquiry provides a complete audit trail of all work performed and details on any items swapped.

Pricing and Billing

Contracts can be generated using a standard pricing matrices or can make use of specific customer pricing based on their unique requirements. Billing can be run in advance or in arrears and the ability to include agreed escalation rules ensures that future billing is escalated and charged timeously, including escalations on the contract anniversary, at a predefined date or linked to changes in interest or CPI rates.

With integration into Debtors, the system will perform credit checking ensuring that your exposure to the customer is controlled, with options to suspend cover until customer payments have been received. Amounts billed and paid by customer will often require provisions to be created for future expenses and these amounts can be recorded and amortised over the duration of the contract in order to accurately reflect recognised revenue flows in the General Ledger.

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Additional Charges

Any number of additional charges can be added to contracts. These may include once of site inspection fees, monthly admin fees or abuse charges where customers have not operated within the terms of your agreement and penalty charges are incurred. Charges can be levied as percentages of billing amounts or as specific values ensuring all additional revenue streams are managed and costs recovered.

Site or Location specific Contracts

Site specific maintenance contracts can be created, with multiple contracts used to cover a customers entire equipment fleet. As physical articles move from one site to another site, these movements will be updated and reflected in the relevant maintenance contracts for the sites with articles being moved from one contract to another.

In addition to ensuring future billing per site is correct, site specific conditions can be identified that may require amendments to the servicing schedules, particularly in harsh working environments. It is also important to ensure that the service offerings covered are in line with the anticipated usage of equipment, ensuring your future servicing costs are aligned to the revenue being generated.

Detailed management enquiries reflect both the historical movement and the current status of all active contract items.

Maintenance Contract Management

The Contract Management interface allows you easily manage, track and modify all information related to Maintenance and Service contracts, With options to list and group by customer, article class, site location and contract type, contracts can be listed for selected date ranges and accesses accessed by a variety of cross referenced information, including serial and fleet numbers and customer sites and locations.

Analysis of billing history, future planned services and running costs provides insight into the costs related to servicing articles in terms of your agreements with customers, allowing you to identify under recoveries and highlighting possible mismatches in service plans in place and creating opportunities to negotiate more suitable options in the future.

Enquiries and Reports

The Contract Summary enquiry shows profitability per contract, per period, aligning revenue received against costs incurred. In rental environments where internal maintenance is being performed on revenue generating assets, the comprehensive Fleet Dashboard allows you to analyse all of the running costs associated with your fleet, highlighting potential vehicle abuse or heavy handed operation and allows pro-active management intervention when abnormal trends are observed.

Detailed transactional reports include reports for Billing Status, Contract Reviews, Audit trails of changes and Contract Profitability reports. Additional user defined reports can be created using the integrated Embrace Report Writer and all of the reports can be printed, viewed on the screen, exported to Excel or created as PDF documents.

Embrace Service Maintenance and Service Contracts is a flexible fully integrated modular system which provides you with a complete Maintenance Contract management solution designed to maximise revenue and control servicing costs.

RELATED SERVICES

Embrace Support Representatives can assist with designing solutions and implementing additional requirements

Application Support through the ACS Support Centre

Embrace Training

For more information on any of our products or services please visit us on the web at

www.embrace.co.za

or contact your Embrace Account Manager or Sales Representative.

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