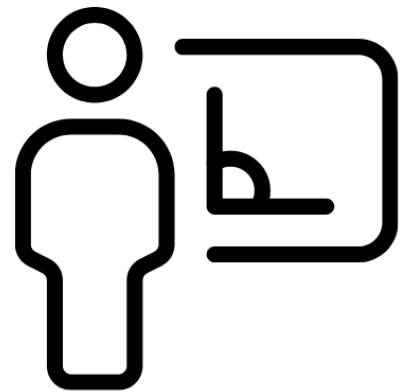


Instructors Guide



On the following pages is a sample module from our Instructor Guide. It provides the instructor with a copy of the material and a Lesson Plans box.

The key benefit for the trainer is the Lesson Plan box. It provides a standardized set of tools to assist the instructor for each lesson. The Lesson Plan box gives an estimated time to complete the lesson, any materials that are needed for the lesson, recommended activities, and additional points to assist in delivering the lessons such as Stories to Share and Delivery Tips.



Thoroughly read all your contracts. I mean thoroughly.

Bret Michaels

Module Two: Defining Contract Management



Every business relationship relies on contracts. Contracts are made with vendors, employees, customers, partnerships, etc. These agreements must be managed carefully, which is where contract management comes into the picture. In order to effectively implement contract management, however, it is necessary to understand what it entails.

What is Contract Management?



Contract management is not just contract administration. Rather than simply drawing up the contracts, the manager works to ensure that the entire process runs smoothly. The contract manager is involved in, not just the planning and development, but also the execution of the contract and beyond to the point of renewal. Typical contract management activities include:

- Contract creation
- Negotiation
- Assessment
- Relationship management
- Contract amendment
- Audits
- Renewal

Over the course of this instruction, you will develop a better understanding of these roles.

Estimated Time	7 minutes
Topic Objective	Review the definition of contract management.
Topic Summary	What is Contract Management? Discuss the different aspects of contract management.
Materials Required	Flipchart/board, marker
Planning Checklist	None
Recommended Activity	Discuss the characteristics of contract management. Consider the different activities that apply to contract management. Write some of their answers on the board/flipchart.
Stories to Share	Share any personal, relevant stories.
Delivery Tips	Encourage everyone to participate.
Review Questions	What is not contract management?

Contract Types



All contracts are legal documents that establish the right and responsibilities of the parties involved. Contracts can be created for almost any situation, and will ideally involve legal. There are four basic contract types, and they are chosen based on the factors and data available. While the list is not exhaustive, it is a good starting point. These common contracts are:

- **Fixed Price Contracts:** The price of the item or service is usually fixed and will not change, which benefits the buyer. Variations of this contract include firm fixed price, fixed price with adjustment, fixed price with incentive, fixed price with downward price protection, and fixed price with redetermination.
- **Cost Reimbursement Contracts:** These contracts benefit the seller. The buyer agrees to pay a price, fee, or partial fee. Common types of these contracts include cost-sharing and cost without fee.
- **Letter Contracts:** These contracts allow the suppliers or vendors to take action before the details of the agreement are finalized. The buyer is at risk if liability limits are not clear.

- **Partially Defined Contracts:** Created when one or more aspects, such as goods, services, and deliveries, are not known ahead of time. These include value contracts, quantity contracts, and time and material contracts.

Estimated Time	8 minutes
Topic Objective	Review the types of contracts.
Topic Summary	Contract Types Discuss the different characteristics of independent agent marketing.
Materials Required	Flipchart/board, marker
Planning Checklist	Bring in examples of each type of contract, and pass them out to the class.
Recommended Activity	Consider the pros and cons of each type of contract, and list them on the flipchart/board.
Stories to Share	Share any personal, relevant stories.
Delivery Tips	Encourage everyone to participate.
Review Questions	What are the four common contracts?

Contract Elements



Every contract is unique, but there are three basic elements most contracts need to be considered legal and binding. These elements are the offer, acceptance, and consideration.

- **Offer:** The offer is the promise of goods or services in exchange for agreed upon rates or exchanges. An offer is different than a negotiation because an offer is binding once accepted.
- **Acceptance:** The offer is accepted based on words or actions required by the individual making the offer. A counter offer occurs when the offer is not accepted, but new conditions are proposed.
- **Consideration:** This happens when the exchange is made based on the accepted offer. Payment is an example of consideration.

These definitions are not all-encompassing, and there are exceptions to every rule. The legal department should always be consulted when creating a new contract. Still, these elements are useful starting points for all contracts.

Estimated Time	8 minutes
Topic Objective	Review the basic contract elements.
Topic Summary	Contract Elements Discuss the basic contract elements.
Materials Required	Worksheet 1: Offers
Planning Checklist	None
Recommended Activity	Complete the worksheet individually. Share your answers with the rest of the class.
Stories to Share	Share any personal, relevant stories.
Delivery Tips	Encourage everyone to participate.
Review Questions	What are the three basic contract elements?

Risks of Poor Contract Management



Poor contract management is not just weak negotiation; it can occur at any step of the contract cycle. It also costs business relationships, delays projects, causes litigation, and damages the bottom line. Common problems identified by the International Association for Contract & Commercial Management include:

- Over commitment
- Contracts lack full scope
- Agreement disputes
- Pricing arguments
- Subcontractor issues

Effective contract management will address the contract process from its creation through the renewal or end. Preparation and ongoing management of contract relationships are essential to the success of any business.

Estimated Time	7 minutes
Topic Objective	Review the effects of poor contract management.
Topic Summary	Risks of Poor Management Discuss the effects of poor contract management.
Materials Required	Flipchart/board, marker
Planning Checklist	None
Recommended Activity	Discuss poor contract management experiences as a group. List some situations on the flipchart/board and consider actions that could prevent them as a group.
Stories to Share	Share any personal, relevant stories.
Delivery Tips	Encourage everyone to participate.
Review Questions	What organization monitors contracts?

Practical Illustration



Cameron is looking for vendors for his retail space, and Daniel seems to be a good fit with his company. Daniel met with Cameron, and they discussed the ideas. Daniel informed Cameron that he wanted 900 square feet of space and signs a contract. Cameron, however, only provided 750 square feet of space in the building. The contract is not clearly worded, and Daniel demands an increase in area. Cameron already promised the space to someone else, but he is not sure what his options are. He considers releasing Daniel from the contract to prevent any problems.

Estimated Time	6 minutes
Topic Objective	Outline the Defining Contract Management Practical Illustration.
Topic Summary	Practical Illustration Discuss the characteristics of contract management.
Materials Required	None
Planning Checklist	None

Recommended Activity	Discuss the outcome of the Practical Illustration. What could Cameron have done differently?
Stories to Share	Share any personal, relevant stories.
Delivery Tips	Encourage everyone to participate.
Review Questions	What type of space does Cameron have?

Module Two: Review Questions

1.) What is Not involved in contract management?

- a) Advertising
- b) Negotiation
- c) Relationship management
- d) Assessment

Contract management involves the entire contract process, which includes contract creation negotiation, assessment, relationship management, contract amendment, audits, renewal. A contract manager does not directly oversee advertising.

2.) At what point in the contract cycle does contract management stop?

- a) Assessment
- b) End
- c) Audit
- d) Negotiation

Contract management oversees the entire contract cycle. The end of the contract relationship is when contract management ends. If the contract is renewed, the process begins again.

3.) What is a cost sharing contract?

- a) Fixed price
- b) Cost reimbursement
- c) Letter
- d) Partially defined

Cost sharing contracts are cost reimbursement contracts. In these contracts, the buyer agrees to pay a price, free, or partial fee, and they typically benefit the seller.

4.) What type of contract is used when there are unknown elements?

- a) Fixed price
- b) Cost reimbursement
- c) Letter
- d) Partially defined

Partially defined contracts are used when there are unknown elements. Examples of these contracts include value contracts, quantity contracts, and time and material contracts.

5.) What is true, once an offer is accepted?

- a) There are 30 days to change it
- b) The negotiations begin
- c) **Cannot be changed**
- d) Counter offer

Offers may be changed by the offeror before they are accepted. An offer is binding, however, once it is accepted.

6.) What is an example of a consideration?

- a) **Payment**
- b) Negotiation
- c) Counter offer
- d) Communication

When the exchange is made based on an offer that has been accepted, it is a consideration. Payment for goods and services is an example of consideration.

7.) Besides preparation, what will prevent poor contract management?

- a) Subcontracting
- b) **Ongoing management**
- c) Over commitment
- d) Nothing

Effective contract management will address the contract process from its creation through the renewal or end. Preparation and ongoing management of contract relationships are essential to the success of any business.

8.) What is NOT associated with poor contract management?

- a) Over commitment
- b) **Communication**
- c) Pricing arguments
- d) Subcontractor problems

Proper communication will benefit contract management. Common issues with contract management are Over commitment, Contracts lack full scope, Agreement disputes, Pricing arguments, and Subcontractor issues.

9.) Every business relationship relies on _____.

- a) Friendship
- b) Money
- c) Contracts
- d) None of the above

Every business relationship relies on contracts.

10.) Which of the following are included in contract management?

- a) Creation
- b) Negotiation
- c) Amendment
- d) All of the above

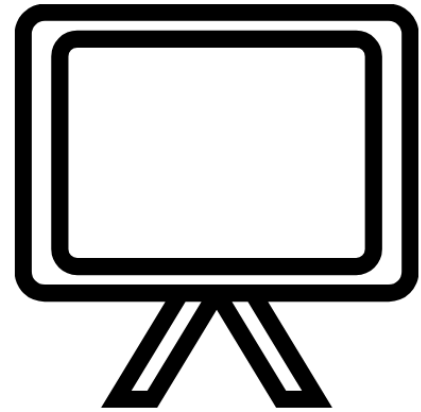
Typical contract management activities include - Contract creation, Negotiation, Assessment, Relationship management, Contract amendment, Audits, Renewal

PowerPoint Slides



Below you will find the PowerPoint sample. The slides are based on and created from the Instructor Guide.

PowerPoint slides are a great tool to use during the facilitation of the material; they help to focus on the important points of information presented during the training.





“

Thoroughly read all your contracts. I mean thoroughly.

Bret Michaels

MODULE TWO

Defining Contract Management

Every business relationship relies on contracts. Contracts are made with vendors, employees, customers, partnerships.



What is Contract Management?

- Negotiation
- Assessment
- Relationship management

Contract Types

- Fixed price
- Cost Reimbursement
- Partially defined





Contract Elements

Offer

Acceptance

Consideration

Risks of Poor Contract Management

- Agreement disputes
- Pricing arguments
- Subcontractor issues



Practical Illustration



- What is Contract Management?
- Contract Types
- Contract Elements
- Risks of Poor Contract Management

Module Two: Review Questions

1. What is Not involved in contract management?

A. Advertising

B. Negotiation

C. Relationship management

D. Assessment

Quick Reference Sheets



Below is an example of our Quick Reference Sheets. They are used to provide the participants with a quick way to reference the material after the course has been completed. They can be customized by the trainer to provide the material deemed the most important. They are a way the participants can look back and reference the material at a later date. They are also very useful as a take-away from the workshop when branded. When a participant leaves with a Quick Reference Sheet it provides a great way to promote future business.



Contract Management Quick Reference Sheet



Contract Types

All contracts are legal documents that establish the right and responsibilities of the parties involved. Contracts can be created for almost any situation, and will ideally involve legal issues/requirements. There are four basic contract types, and they are chosen based on the factors and data available.



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Contract creation



Negotiation



Assessment



Relationship management



Contract amendment



Audits



Renewal



Over the course of this instruction, you will develop a better understanding of these roles.

Risks of Poor Contract Management

Poor contract management is not just weak negotiation; it can occur at any step of the contract cycle. It also costs business relationships, delays projects, causes litigation, and damages the bottom line. Common problems identified by the International Association for Contract & Commercial Management include:

- Over commitment
- Contracts lacking full scope
- Agreement disputes
- Pricing arguments
- Subcontractor issues



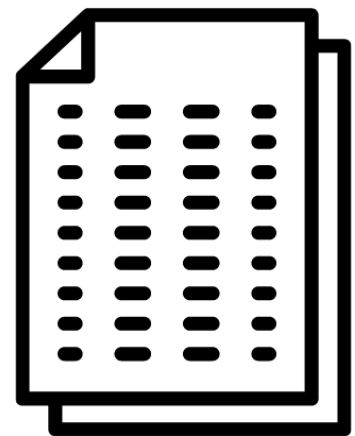
Handouts



Each course is provided with a wide range of worksheets.

Worksheets help check your participants' understanding. If a lesson calls for a worksheet, it will be listed in the Lesson Plan box under Materials Required. All worksheets are customizable and can be found in the Appendix of the Instructor Guide and the Training Manual.

As a trainer, icebreakers give your participants the opportunity to get to know each other better or simply begin the training session on a positive note. Icebreakers promote collaboration, increase engagement, and make your training more light-hearted and fun. Below is an example from the Icebreakers folder.



Sample Worksheet 1

Offers

Use the spaces below to quickly write a brief offer. It does not have to relate to work and can be about anything.

After the class discussion, refine your offer below.

Icebreaker: Related Topic

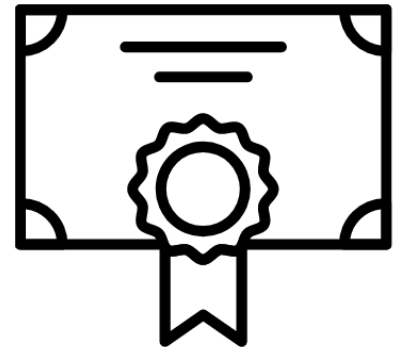
Include a short activity here that is related to the topic of the workshop. You can use the one below if you like.

1. Ask the participants at each table answer the following:
 - a. Why are they here?
 - b. What is their level of experience with contract management?
 - c. What they hope to get from this class?
 - d. What was their most memorable vacation or trip?
2. Have someone be designated a scribe and have them jot down the answers to question C above.
3. On a separate piece of paper, have the scribe write down the most interesting or exotic vacation or trip from only one table member.
4. Have the scribe hand the note with the answers to question C to you.
5. Have the scribe stand and introduce the table to the class.
6. Then have the scribe share the most interesting vacation or trip from their group.
7. Have the class guess the person that had the most interesting or exotic trip or vacation.
8. Go around to each table until all have given you their answers to question C and shared their most interesting trip or vacation.
9. Debrief by sharing all the answers to question C with the class.
10. Thank participants for sharing.

Certificate of Completion



Every course comes with a Certificate of Completion where the participants can be recognized for completing the course. It provides a record of their attendance and to be recognized for their participation in the workshop.



CERTIFICATE OF COMPLETION

[Name]

*Has mastered the course
Contract Management*

Awarded this _____ day of _____, 20____

Presenter Name and Title
