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| **Confidential**  **Revenue Recognition – Conflict handling from manual change and Worklist for Contracts with Conflicts**  **Changed on 14.01.2013** |

| **Users who have change authorization in the Working Version** | |
| --- | --- |
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| \*A list of all users and their roles can be found in the Appendix | |

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# Software Requirements, Use Cases,

## Business Context and Scope

## Business Context

In revenue accounting engine, we define 3 types of conflict:

* **Conflict on Manual changed Attributes:**

Attribute on the Operation document is changed again

* **Conflict on Manual changed Attributes:**

A time-based POB of which the spreading changed manually has a new allocated amount

* **Conflict on Revenue Schedule:**

## Scope of this SRS

* Store manual POB change on attributes/price allocation/manual spreading
* Flag to indicate different manual change POB
* Conflicts on POB attributes
  + Determine conflicts
  + Resolve conflicts
* Conflicts on manual price allocation
  + Determine conflicts
  + Resolve conflicts
* Conflicts on manual spreading
  + Determine conflicts
  + Resolve Conflicts

## Out of Scope

* Conflicts on manual changed POB structure

If the POB structure is changed manually, and later POB is updated by a new order RAI update, the previous manually changed POB structure will be overwritten.

## Use case

**Use case 1:**

**Manual change on POB attributes**

Revenue Accountant adjust the attribute of a POB manually in Revenue Accounting. For example, adjust the start date and end date of a POB or standalone selling price of a certain performance obligation

Later the attribute (like SSP) is changed from the operation document either by a new value, and the new value is different from the manual changed value on POB, this will cause a conflict on this attribute

**Use case 2:**

**Manual change on Spreading**

Revenue Accountant manually adjusts the spreading of a time-based POB based on the allocated amount of the POB, later due to price change or manual adjustment on allocation, the allocated amount is changed. This causes a conflict on the manual spreading value between the allocation and manual spreading.

**Use case 3**

**Manual change on Price Allocation**

Revenue Accountant manually adjusts the price allocation of a Revenue Contract. Later the transaction price of the contractual price is changed, the system will flush the manual price allocation performed before away.

## Software Specification

## REQ-001: RAR shall indicators on contract and indicate different manual changes on a Revenue Contract

When POB is manually changed, RAR shall set an indicator on Contract and POB to indicator what

In Revenue Accounting, when manual changes are performed, following flag be set.

* **Indicators on Contract: (FARR\_D\_CONTRACT)**
  + Flag **“Price was allocated manually on the Contract**” on contract: it is true when manual price allocation is performed on Contract.
  + Flag “**Manually changed**” on contract: it is true when any manual change (on attributes/price allocation/spreading) is set.

* **Flags on POB: (FARR\_D\_POB)**
  + Flag “**Spreading Manually Changed**”: it is set when the spreading of the POB is manually set.
  + Flag **“Manually Changed**”: it is set when the attribute of the POB is manually changed.

In summary, here is a list of what manual change are perform and which flag are marked.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Manual action | Manually changed on Contract | Manual changed on POB | Price was allocated manually on Contract | Spreading manually changed on POB |
| Change attributes | X | X |  |  |
| Change price allocation | X |  | X |  |
| Change spreading | X |  |  | X |

[Open]: Do we need to add consistency check?

[TODO]: update with technical name

## REQ-002: RAR shall persist manual change information in Revenue Accounting when the contract is manually changed.

Since Revenue Accounting 1.1, manual change information shall be stored in the FARR\_D\_MANL\_CHNG table

**Change on POB attribute:**

* Name of the attribute
* Original value before manual change
* Current value after manual change
* Update mode of the POB attributes

**Change on price allocation**

* Previous allocated amount
* Previous transaction price

**Change on manual spreading**

* Previous total allocated amount of the POB
* Manual spread value of each period is kept in manual change table

## REQ-003: RAR shall determine whether conflict of POB attributes happens when POB is updated from RAI

Below are the conditions to determine whether a conflict on POB attributes exists

1. RAR receives an update RAI to update the POB.h
2. The POB is marked as manually changed
3. The value of the attribute from RAI is different from the original value from the value in FARR\_D\_MANL\_CHNG table, which means the value from RAI is changed.
4. The value of the attribute from RAI is different from current value of POB

If all the conditions above are met for this attributes, conflict on this attribute exists.

And if any attribute on this POB has conflict, the POB has conflict on POB attributes

POB is updated

Updates from RAI

Attribute from RAI <> Previous attributes?

Update FARR\_D\_MANL\_CHNG ORI\_VALUE

Update FARR\_D\_MANL\_CHAGE

Yes

No: manual change

Has conflict already

Yes, conflict

No conflict

No

POB’s manually changed =X

Yes

Yes

No

Attribute from RAI <> POB attributes

No

Yes

Attribute exists in FARR\_D\_MANL\_CHNG

Yes

Yes

No

No

Update mode

## REQ-004: RAR shall determine whether conflict of price allocation happens when the transaction price is changed.

The following conditions are used to determine whether a price allocation conflict happens

* Contract has indicator ‘Manually price allocated’ as X.
* The original transaction price of ANY POB which are not ‘Excluded from allocation’ within the contract is changed.

If the conditions above are met, the contract shall be marked as ‘Price Allocation Conflict’

Revenue Contract is updated by ARL

Is Revenue Contract marked as ‘Manual Price Allocation’

a

Any POB that not excluded from price allocation has a change on transaction price

Yes

No

No

No

Yes, price allocation conflict exists

## REQ-005: RAR shall determine whether conflict of revenue schedule happens when the allocated amount is changed.

The following conditions shall be used to determine whether conflict on revenue schedule exists

* The revenue schedule is manually changed first in Revenue Accounting Engine
* The allocated price of POB is changed so that the total amount of manual spreading is not equal to the allocated price.
* The contract is marked as ‘Spreading conflict’
* If later the allocated price is changed again to match the total amount of manual spreading, the conflict on spreading will be removed.

## Store flag of conflict

When different conflict happens, the revenue accounting engine shall set the relevant flag to indicate different flag on conflict

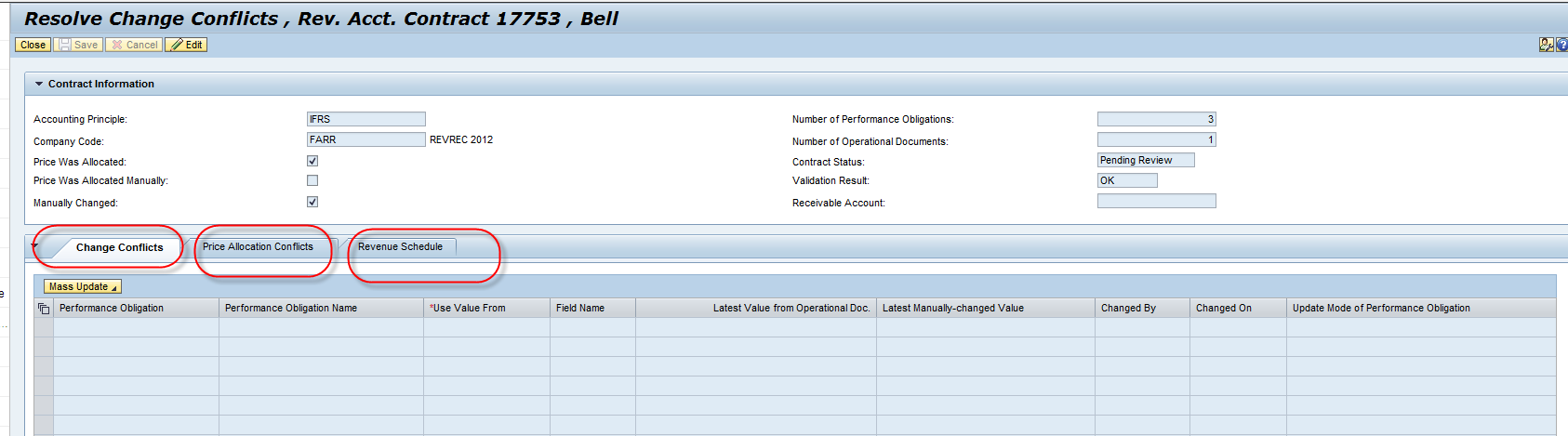
|  |  |
| --- | --- |
| Conflict type | Flag |
| Attributes conflict | POB: Attribute Conflict |
| Spreading conflict | POB: Spreading Conflict |
| Price allocation conflict | Contract: Contract conflict |

## Correct/Review Conflict in a worklist:

## Correct using worklist:

When conflict happens on Revenue Contract, it shall be put into a worklist: “Contracts with Conflicts”.

When the contract is opened from the Worklist “Contracts with Conflicts”, it shall be able to display different conflicts in separate tab



* **Tab: Attributes conflict**

Within this tab, it shall display all conflicts of POB attributes

In edit mode, the user can the end user shall be able to decide whether to take the latest value from operation document or keep the last changed manual value.

. The end user can also decide the update mode when there is a conflict on the screen.

* **Tab “Price allocation Conflict”:**

When conflict on price allocation happens, the tab “price allocation’ will display the current system allocation result, and the allocation result of last manual change.

In edit mode, the end user shall be able to do a manual price allocation in the UI.

* **Tab “Revenue Schedule Conflict”:**

When conflict on Revenue Schedule happens, the tab ‘Revenue Schedule Conflict’ shall list all POBs that have conflict on spreading. The list will display the old allocated amount and new allocated amount.

The end user shall be able to click the pushbutton Revenue Schedule and adjust the Spreading again.

If the user want to adjust spreading, he/she must exit ‘edit’ mode.

**Edit/Save the conflict.**

* As described above, Price allocation conflict and attribute conflict shall be resolved and edited in conflict worklist.
* When ‘Save’ button is clicked, the Revenue Accounting Engine will check if the input in tab ‘Attributes Conflict’ and ‘Price allocation conflict’ is valid.
* After ‘Save’, Revenue Accounting Engine shall detect if there are conflict on spreading because the allocated amount on POB might be changed. If yes, the contract is still in the status of conflict. If not, the contract is removed from conflict worklist.

## Correct Conflict on Spreading directly:

The conflict spreading can also be correctly directly with the following approach:

1. Correct the price allocation so that the total manual spreading matches again.
2. Correct manual spreading to check price allocation.

## Setting update mode for POB attributes when manual change happens

## Setting update mode for POB attributes on POB level

If the POB attribute is manually changed, the end user shall have the possibility to decide an “Update mode” to handle how the conflict of the attribute. And this is based on attribute level of the POB.

There are 3 ‘Update mode’ option:

* **Always check conflict:**

This is the default option when attribute is changed manually for the first time. With this update mode, if attribute on operation document is updated and derives a different value, this attribute will be listed in the conflict list.

* **Always keep manually changed value:**

With this update mode, the manual value on this attribute will always be kept even when a new different value is derived from operation document. And this attribute will not be listed in the conflict any more.

An attribute with this option can be changed to ‘Always check conflict’ from UI of POB detail.

* **Always update from operation document:**

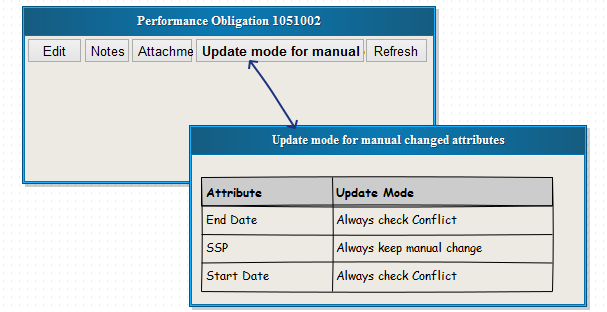
With this update mode, the attribute will use the value derived from operation document and always be updated automatically from operation document will not be listed in the conflict any more. And this attribute will not be considered as manually changed any more.

If attribute is changed manually again, it will get update mode ‘Always check conflict’ again by default.

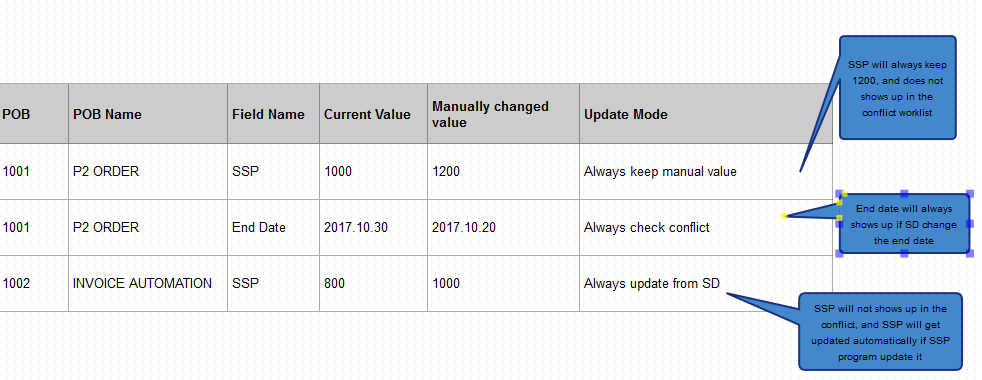
For example, the UI mockup below shows that Revenue Accountant has changed SSP to 1200.00 and End Date to 10.20.2007 for POB 1001 and SSP to 1000 for POB 1002. And with different update mode, each attribute can have different behavior.

**Setting update mode from UI**

Use can set the ‘Update Mode’ on the POB detail screen



The user can also set the update mode in the conflict worklist directly.



## Setting default value for POB update mode via customizing

The end user shall have the possibility to set the default update mode for POB update mode in customizing Revenue Accounting -> Revenue Accounting Contracts -> Configure Automatic Overriding for Conflict Resolution (Customizing table FARR\_C\_CONFLI\_EX).

In the customizing, the attributes of POB can be configured to get a default value of the update mode:

* Always update value from operation document
* Always keep manual changed value

If the attribute of POB is not configured in this customizing, it will by default get an update mode of ‘Always check conflict’.

## Logic of determination conflict on POB attributes handling

The logic of determine conflict on POB attributes are as follows:

1. When an attribute is changed manually, the original value and current manual change value shall be stored in FARR\_D\_MANL\_CHNG.
2. When ARL sends a different value of the POB attributes than the original value, the Revenue Accounting Engine will judge whether the conflict on POB attribute will happen and the original value stored in FARR\_D\_MANL\_CHNG will be updated.
3. The conflict and attributes will be updated as follows:

* If the update mode is set to ‘Always update value from operation document’, the attribute value will be updated with the Original value and the entry in FARR\_D\_MANL\_CHNG will be removed.

There is no conflict on this attribute.

* If the update mode is set to ‘Always keep last manual change value’, the original value in FARR\_D\_MANL\_CHNG table is updated

There is no Conflict on this attribute

* If the update mode is set to ‘Always to conflict’, the original value in FARR\_D\_MANL\_CHNG table is updated

There shall be a Conflict on this attribute.

## Logic of determination of conflict on Price allocation

The following rules applies to determine whether it needs to put the contract into the worklist when manual price allocation happens

* The price allocation is manually allocated first in Revenue Accounting Engine
* Operation document changes the price and ARL send an update to Revenue Accounting Engine
* As the price is changed, revenue accounting engine will detect a conflict on price allocation
* The contract is marked as ‘Price allocation conflict’

## Logic of determination of conflict on POB spreading