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# CoSaCS

## Warranty Technical Document

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# REVISION HISTORY

NOTE: The revision history cycle begins once changes or enhancements are requested after the initial version of the Technical Document has been completed.

| Date | Version | Description | Author |
|---|---|---|---|
| 15/01/2021 | 1.0 | Initial | Kirti Vaishnavi M |
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# 1 WARRANTY MODULE OVERVIEW

Warranty Management deals with the creation of Warranty Codes and associating or linking them with Product Categories, Departments, or Classes. Regional Warranty Team and their counterpart CoSaCS team create Warranty Codes and link them to respective Categories.

Electricals and Furniture Department products require Warranties. The Warranty Product Code is a unique 6–7-character **"**Alpha-Numeric Code". There are three major types of Warranty:

1. **Free Warranty:**
   This is also known as the Manufacturer Warranty. The "Cost" is set as zero, as it is governed by the Manufacturer. Typically, one year is the Warranty Cover Term.
2. **Extended Warranty:**
   Extended Warranty is sold as an addon to Free Warranty. The Warranty Cover Term is normally the next three to four years. The customer must pay an additional cost for the Extended Warranty.
3. **Instant Replacement:**
   Instant Replacement is provided for few small Domestic Appliances used by Local Manufacturer. The Warranty Cover Term is short, mostly from 6 months to 12 months.

Below steps involved in Warranty Management:

- Warranty Code Creation
- Add Prices to Warranty Code
- Warranty/Product Link
- Warranty Promotion

**GLOSSARY**

**Definitions**

**Banding**: Warranties are created and grouped by a "Reference Code". Each Warranty will have a unique "Band Range". Stock items will be associated with a Warranty "Reference Code" and will be assigned the Warranty into which the "Price" of the item fits. See the example below:

| Warranties code | Reference | Band Range |
|---|---|---|
| 101093 | 01 | 0 – 500 |
| 102093 | 01 | 500.01 - 1000 |
| 103093 | 01 | 1000.01 - 999999 |

- Item 101076 has warranty reference code = '01' (can be located in "stockitem.refcode").
- The value of this item is $700.
- Therefore, the Warranty associated will be '102093'.

**Warrantable Items:** Warrantable Items are represented in CoSaCS with value '1' in the "stockitem.warrantable" column.

**Supashield (Extended Warranty):** The standard Extended Warranty of three-year or five-year Warranty Cover offered for Electrical and Furniture products.

**Warranties on Credit:** When the customer has cash only for the Item and not the Warranty provided for the Item, Warranty can be sold on Credit. To buy the Warranty on Credit, the customer is not required to go through the Credit Sanctioning process. Instead, a certain number of days is provided to the customer to pay off the Warranty. The wait time is configurable from country to country and is set using Country Maintenance.

**Warranty Renewals:** Customers can renew “About to Expire” or “Recently Expired” Warranties using the Warranty Renewal Scheme.

**Warranty Return Codes:** These codes are used during Repossessions or Cancelations. This unique Return Code helps the system distinguish the Expired vs Unexpired Portion of the Warranty when the item is Repossessed or Canceled. Customers are not expected to pay for Unexpired Portions of the Warranty.

**Repossession:** When an Item, sold with Warranty, is Repossessed the Warranty is automatically Repossessed at a ‘Zero’ value. The customer is Refunded the Unexpired Portion of the Warranty.

**Identical Replacement**: When the item being Replaced is identical to the original item. This process is quick as the “Delivery” and “Collection Notes” are generated immediately after Goods Return is completed. No need to Revise the account. Both Collection and Delivery can be processed at the same time.

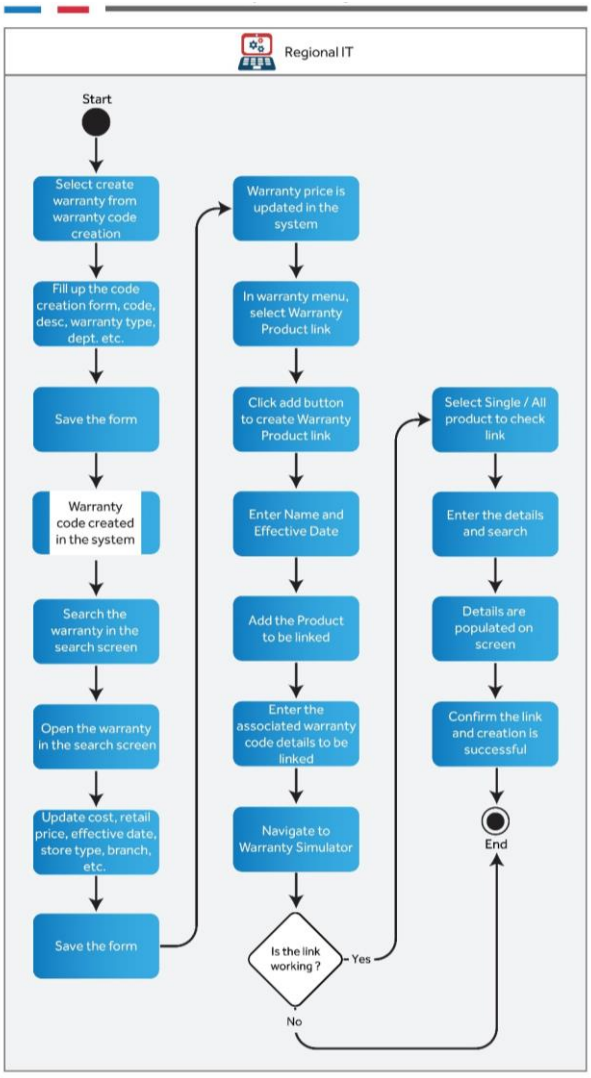
**Exchange**: When the item being Replaced is different from the original item. A Revision is required permitting the user to add the ‘New Item’ to the Agreement.

**CRE**: This is a Customer Recovery Transaction for Warranties sold with items in the “Electrical” product group. During Repossessions, the Customer’s Account is Credited the value of the Unexpired Portion of the Warranty via a CRE Transaction. During Cancelations, the customer is expected to pay the expired portion of the Warranty after one month. A CRE will increase the “Outstanding Balance” of the Account.

**CRF:** It is similar to CRE however, deals with the “Furniture” product group.

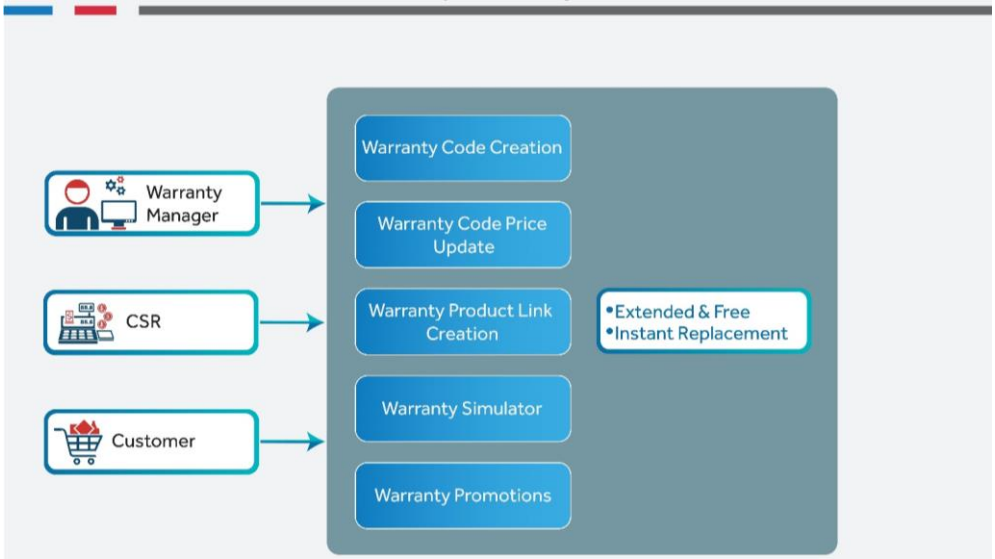
## 1.1 Process flow

The below diagram depicts the steps involved in Warranty Management:



## 1.2 Use Case

The below use case illustrates the users and processes involved in Warranty Management:



## 1.3 Warranty Code creation- Extended and Free

The warranty team creates Warranty Codes in CoSaCS Web Application. Below are the steps followed to create Warranty Codes:

**Steps for Extended Warranty Creation:**

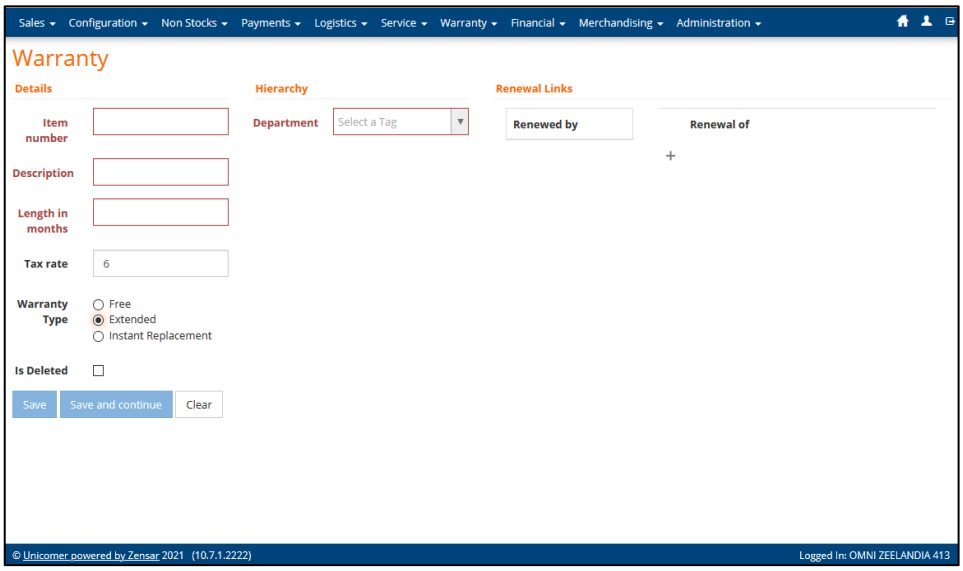



Figure 1: Create Extended Warranty screen

- Enter the "Item Number" as per the standard naming conventions for Electricals and Furnitures.
- Enter the "Descriptions" as per Business Requirements.
- "Length in Months" could vary based on 'Item Number's' last digit used as a term.

Note**:** Three or Four years (36 months or 48 months) is normally used for an Extended Warranty.

- "Tax Rate" field varies from country to country and it auto-populates depending on the System Configuration. Example: Jamaica has 16.5% as a Tax Rate set in System Configuration.

- Select “Warranty Type” as ‘Extended Warranty’.
- Select “Department” from the drop-down options available.
- Click on “Save and Continue” to create the new Warranty Code.

**Steps for Free Warranty creation:**

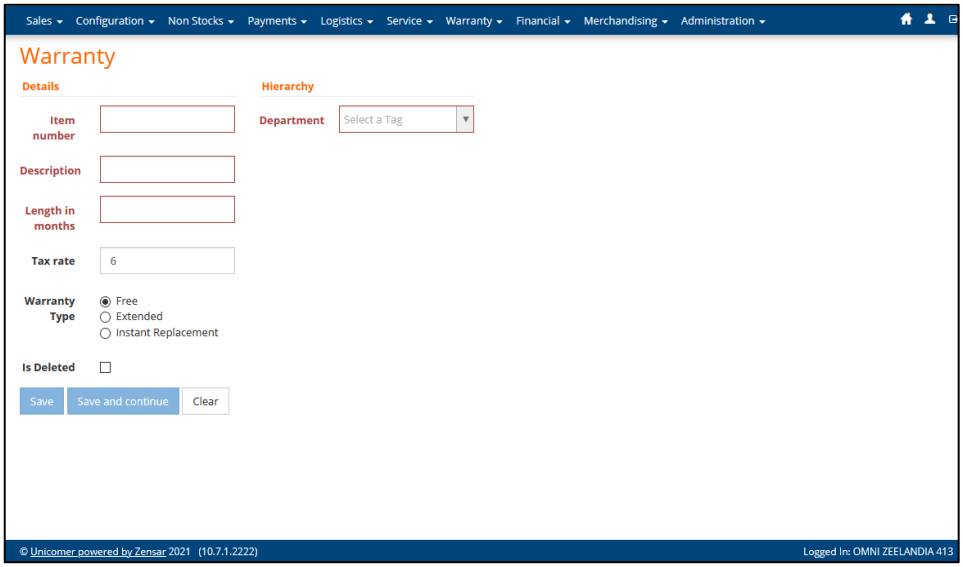



Figure 2: Create Free Warranty screen

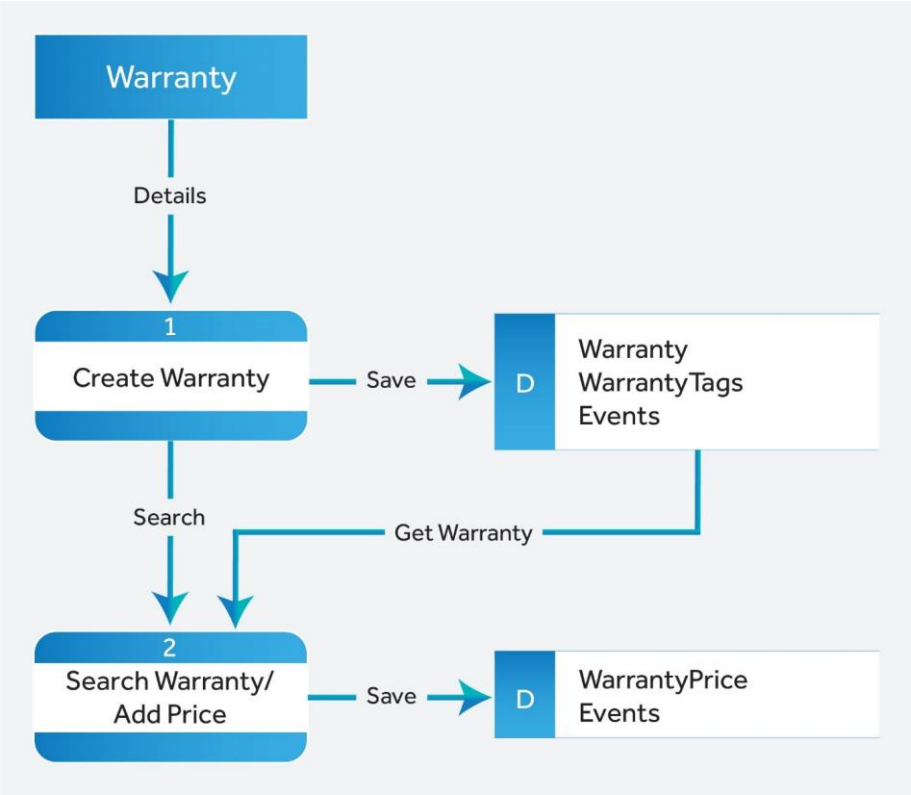
- As per BUSINESS RULE, for every new Extended Warranty code, a Free Warranty should be created. Free Warranty Code creation process is the same as mentioned earlier.
- Add **“M”** at the end of the Extended Warranty Code to make this code Free Warranty Code.
- In the “Description” field, append “Free” to the same “Extended Warranty Description”.
- “Is Deleted” checkbox is a flag that denotes, to sell the Warranty or not as per selection.

### 1.3.1 Business Rules:

- Six - Seven digit “Item Code” prefix to follow as per “Department”; For Electricals use ‘19’ as first two digits. The third digit is a “Product Category” of that Department, the fourth and fifth could be any sequential variable, the sixth digit is “Term Covered” on Extended Warranty.
- Six - Seven digit “Item Code” prefix to follow as per “Department”; For Furniture use ‘XW’ as first two-digit, next four digits could be any sequential variable, the seventh digit is “Term Covered” on Extended Warranty.
- Three years or four years can be generally used for Extended Warranty Cover Term.
- For Free Warranty, user needs to add the alphabet **“M”** at the end of the Warranty Code which denotes Manufacturer Warranty.
- For every new Extended Warranty Code, a Free Warranty Code must be created in the system by using the same Warranty Code suffixed with “M” as it represents Manufacturer Warranty.

### 1.3.2 Data Flow Diagram

The below Data Flow Diagram describes the data flow while creating Warranties:



## 1.4 Warranty Code Price update - Extended and Free

The next important step after creating Warranty Codes is to set up the “Cost”, “Retail Price” and “Effective Date” (date from when the Warranty Code should be activated for sale). The Warranty team can set up these details using the **“**Search Warranty**”** screen.

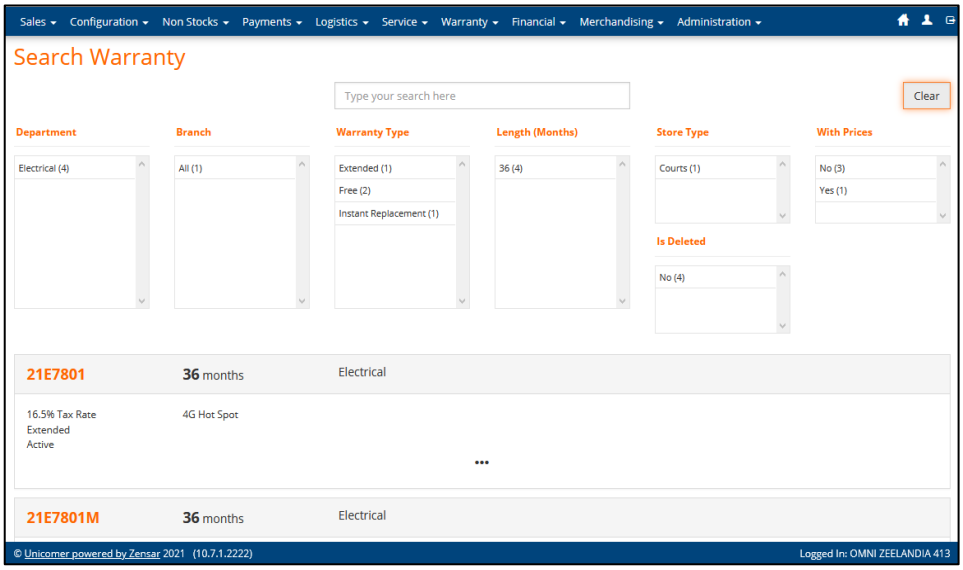



Figure 3: Search Warranty screen

Below are the steps required to update Warranty Prices:

**Steps for Extended Warranty:**

- First search for the Warranty using either the filters provided in the **“**Search Warranty**”** screen or enter the Warranty Code directly in the text field.
- Based on the Search, the desired Warranty Code is displayed with basic details.

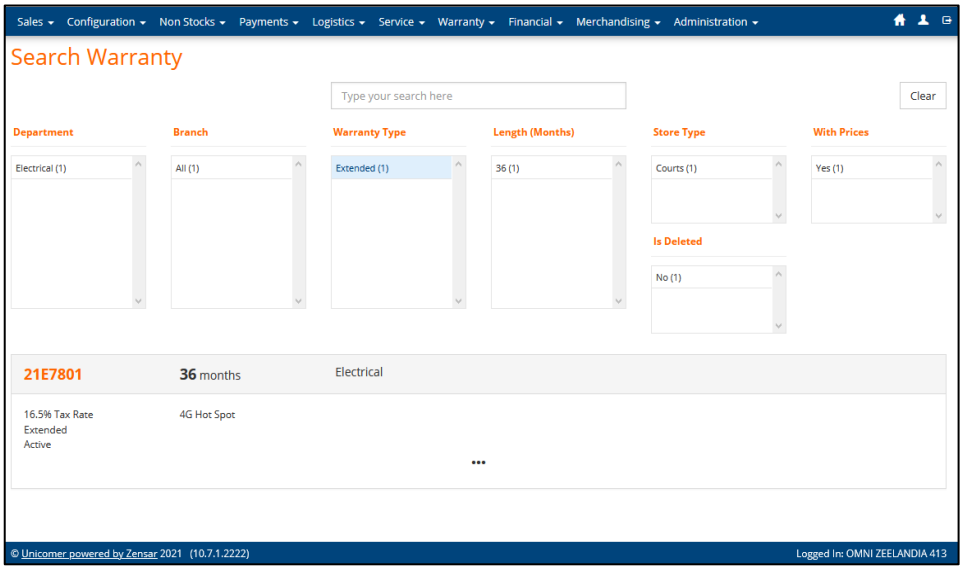



Figure 4: Search Extended Warranty

- Click the Warranty Code or the **"**three dots**"** and select the "+" (plus) sign to enter details for "Store Type", "Branch", "Cost Price", "Retail Price", "Effective date".

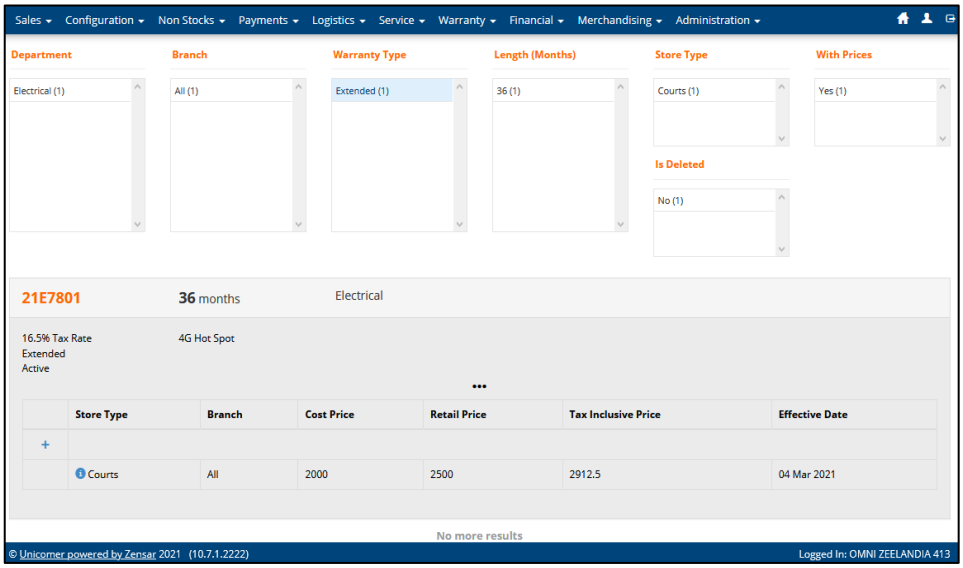



Figure 5: Extended Warranty details

- If the user has selected the default value **"**All Store**"** for "Branch"**,** then there is no need to select any Branch. The default value can be used as 'All Store Locations'.
- The "Cost Price" is always considered to be 70% of the "Retail Price". Accordingly, "Cost" and "Retail Price" need to be updated in these fields.
- The "Tax Inclusive Prices" field gets automatically populated based on the "Tax Rate" set in the System Configuration.
- The "Effective Date" needs to be selected based on the date from which the Warranty should be Active.
- Click on the **"**Save**"** button to update the Price in the system.

**Steps for Free Warranty:**

- Based on the filter selection, the desired Free Warranty Code is displayed on the screen with basic details.
- The user should follow the same steps used for Extended Warranty Price set up.

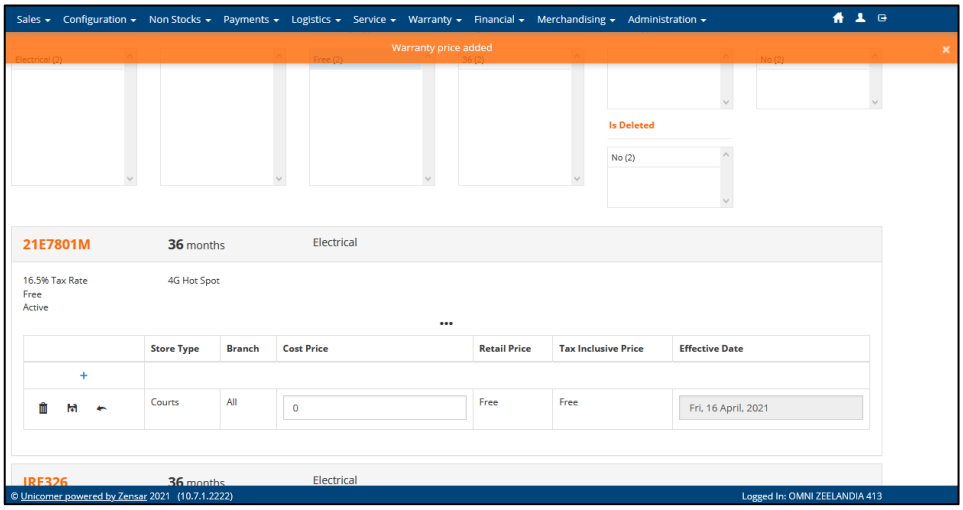



Figure 6: Free Warranty details updated

- The "Cost Price" for Free Warranty needs to be entered as **'Zero'** as it is a Free Warranty provided by the Manufacturer.
- "Retail Price" and "Tax Inclusive Price" values automatically appear as **'Free'.**

### 1.4.1 Business Rules:

- If the Business wants to Activate the Warranty from a specific date, the user needs to create Warranty Codes and update the "Cost" and "Retail Price" along "Effective Date". Otherwise, after the End of Day process, it will not get updated. Then the user will not be able to use the Warranty.
- For every Extended Warranty and Free Warranty created, the user needs to update the Prices, else it will not be available for Sale.
- After Warranties are Activated in the system, the user cannot edit the changes in Prices until after the next End of Day update.
- The Warranty must not be flagged as 'Deleted' on the Create Warranty page.

## 1.5 Warranty Code creation - Instant Replacement

Instant Replacement Warranty (IRW) is coverage offered on Small Domestics Appliances like “Electric Irons”, “Blenders”, “Toasters” etc. This Warranty Cover Term will differ from country to country and may vary between 6 to 12 months. In this section, the following will be detailed:

- Selling an Instant Replacement Warranty.
- Assessing the returned item.
- Searching for the item on the system.
- Instant Replacement Return and Replacement procedure.

**Selling an Instant Replacement Warranty:**

Instant Replacement can be processed on Cash, Ready Finance, and Cash & Go Accounts, not for Hire Purchase. If sold by Credit, the “Cost of the Sale” must be greater than the “Minimum Price” for which an Account can be sold on Credit Terms (set by a system parameter).

- Add an item associated with an IRW and proceed with Sale.
- The Instant Replacement Warranty screen will pop-up.
- Purchase the Warranty if required, take the Payment, and Print the “Receipt/Agreement Documents” as per norms.
- The “Receipt” will have the IRW information.

**Assessment of the Returned Product:**

- During the Instant Replacement Return process, the item is Assessed while the customer is still In-Store.
- A quick assessment is done, by turning it on or inspecting the item to find any obvious defects.
- If the item is working in “Good Condition”, then the Customer will take it home and the Sales team will not replace it.
- If a defect is identified, then the item must go through the Instant Replacement process.

**Instant Replacement Process:**

Once the item has been checked In-Store and found to be defective, it may be Redeemed, provided an Instant Replacement Account is present. Depending on whether the purchase was made via Cash & Go or Cash/Credit Account there are two Replacement processes. They are outlined below:

1. Cash & Go Process:

- Navigate to the "Search Cash & Go" screen, and search for the Purchase.
- Now, right-click on the line item and select "Instant Replacement".
- Fill out the necessary details and click the "Save" icon.
- Now the Instant Replacement screen will get loaded.
- Add the 'New Item' (same as 'Old Item') details in the "Product Code" field.
- The correct Complimentary Warranties will be displayed along with the 'New Item'.
- If the Replacement happens during the "Free Warranty Period", the original "Paid Warranty" will be linked to the 'New Item'.
- 'Additional Payment' or 'Refund' may be required.
- Print the receipt to complete the Replacement process.

2. Cash/Credit Process:

- Navigate to the "Goods Replacement" screen, and search for the 'Account'.
- Mark the Collection as "Instant Replacement" and click the '+' icon.
- Upon clicking the "Save" icon, a pop-up will appear.
- Fill in the necessary details in the pop-up and click the "Save" icon.
- In the subsequent "Instant Replacement" screen, add the 'New Item' (same as 'Old Item') details in the "Product Code" field.
- The correct Complimentary Warranties will be displayed along with the 'New Item'.
- If the Replacement happens during the "Free Warranty Period", the original "Paid Warranty" will be linked to the 'New Item'.

- The “Agreement Total” will differ according to the ‘Value’ of the “Replacement Item”. “Additional Payment” or “Refund” may be required.
- Save the “Account” to complete the Replacement process.
- Initiate the standard Delivery Authorized and Delivery Processes.
- If Replacement takes place for an RF Account and the ‘New Item’ caused the “Spend Limit” to exceed, then the Credit Department might get involved similar to a normal RF sale.

**Code Creation:**

IRW Code creation process is similar to Extended and Free Warranties except for few small changes which are:

- Enter “Description” for Instant Replacements as ‘Instant Rep-SDA’ (Small Domestics Appliances).
- “Length in months” could vary from 6 to 12 months based on Country and Item.
- Select “Warranty Type” as ‘Instant Replacement”.

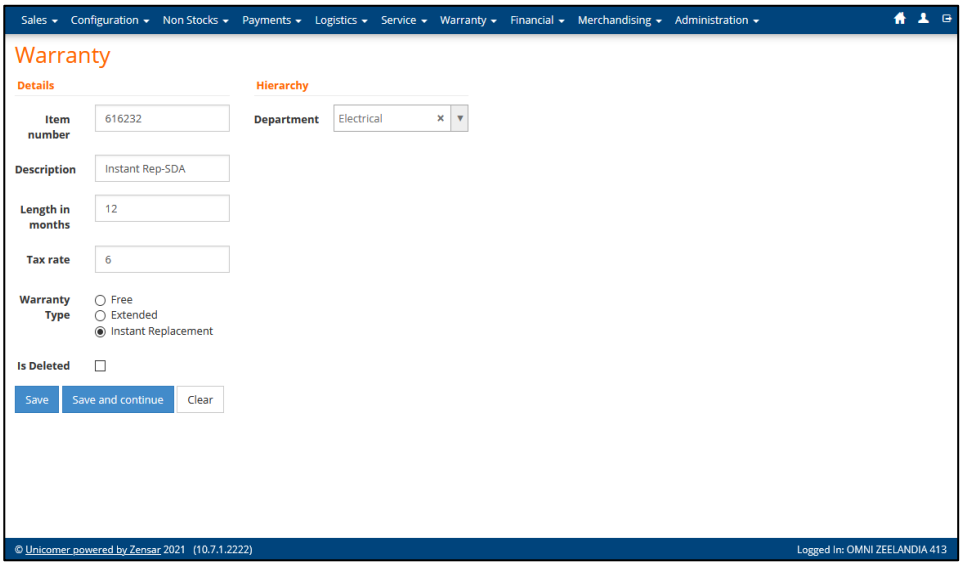


Figure 7: Create new Instant Replacement Warranty

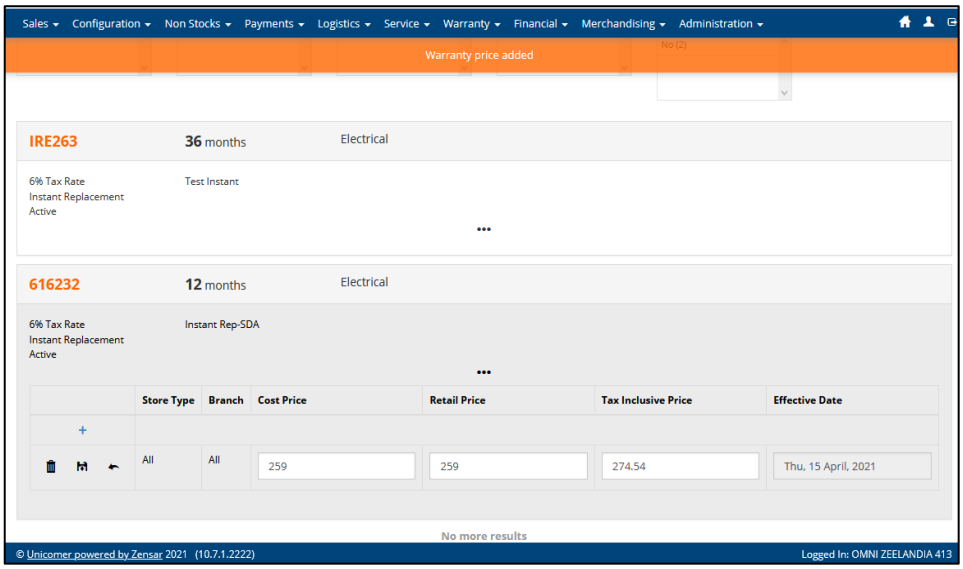



Figure 8: Add Price details to new Instant Replacement Warranty

### 1.5.1 Business Rules:

- Instant Replacement Warranties are set for “Small Domestic Appliances” only.
- Term coverage (Length in duration) will vary from 6 to 12 months and depends on the Country.

## 1.6 Warranty Product Link creation – Instant and Free

To sell "Warranties" along with "Products", they need to be linked with the respective "Product". Bands could be created for various categories like "Fridges", "Televisions", "Furniture" etc. The Warranty Team creates different "Warranty Codes" for each "Price Band". The "Products" are then categorized based on their respective "Price Band".

**Steps to create Warranty Product Links:**

- Navigate to the "Warranty/Product Link" page from the "Warranty" menu.

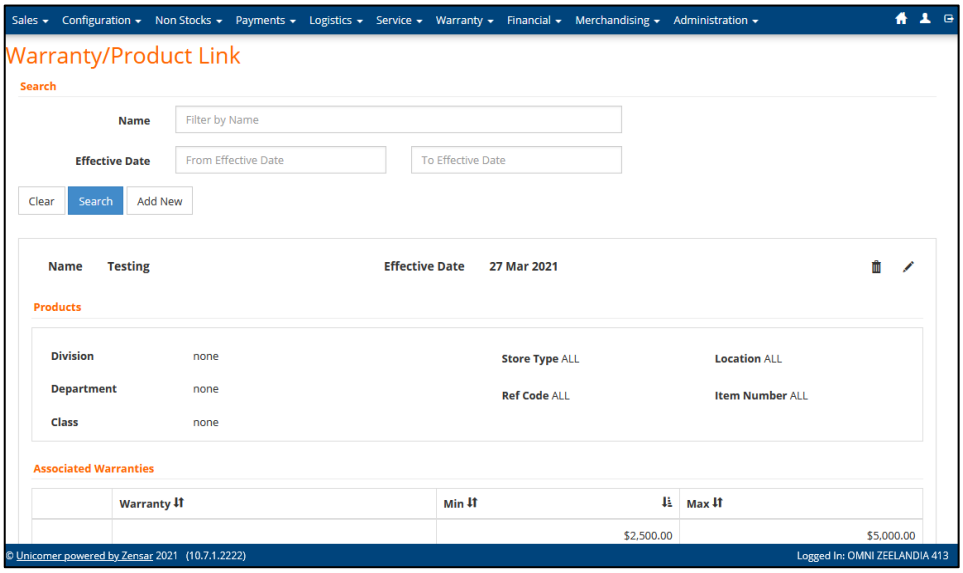



Figure 9: Warranty Product Link screen

- Here, the newly created "Warranty Product Link" will be displayed on top.
- The user can search for "Warranty Product Link" by entering either the "Name" or "Effective Date".
- To create a new "Warranty Product Link", click the **"**Add New" button.
- In the subsequent form, enter the "Name". Example: 'New Fridges'.

- Enter the “Effective Date” from which the ‘Link’ would be Activated.

  Note**:** The “Name” is used to identify the “Link” in searches, and the “Effective Date” helps determine when Warranties will become available for Sale on Products.

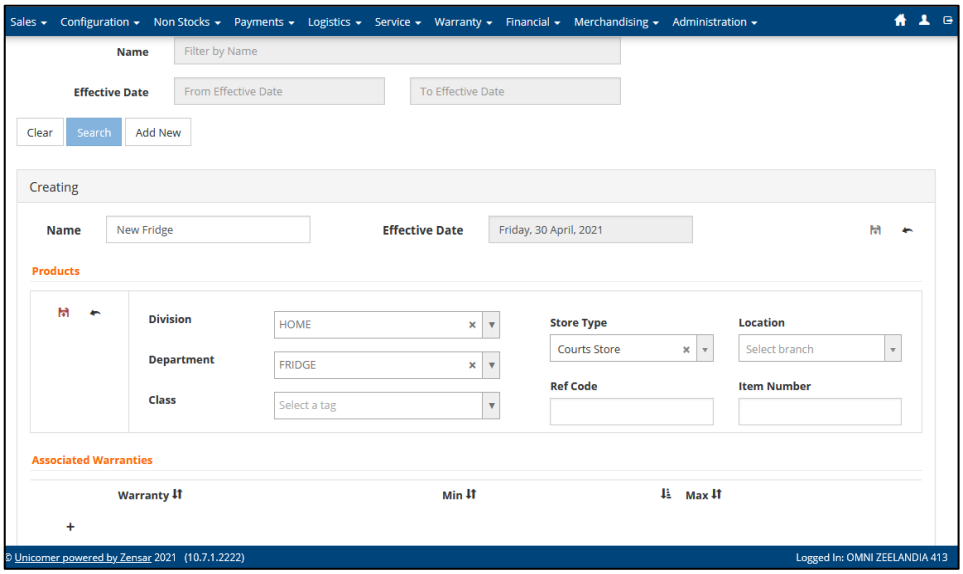



Figure 10: Create new Warranty Product Link

**Product Addition:**

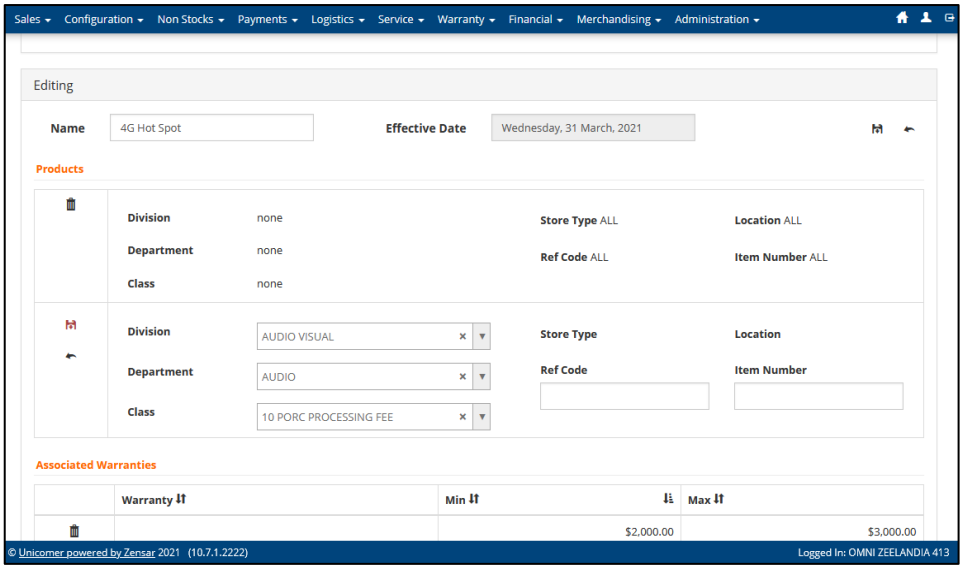



Figure 11: Add new Product to Warranty Product Link

- Users add products under the “Products” section by clicking on “**+**” and selecting “Division”, “Department”, “Class”, “Store Type”, “Stock Branch”, and “Item Number”.
- Depending on the “Product” and “Price Band”, the user must decide on which “Class” to enter the details.

  Note: There could be different “Products” from different “Classes”, so the user should select the “Class” carefully.
- No need to select any “Store Type” or “Branch” if the Link is intended for all Courts Stores.
- Click the **“Save”** button.

**Associated Warranties Addition:**

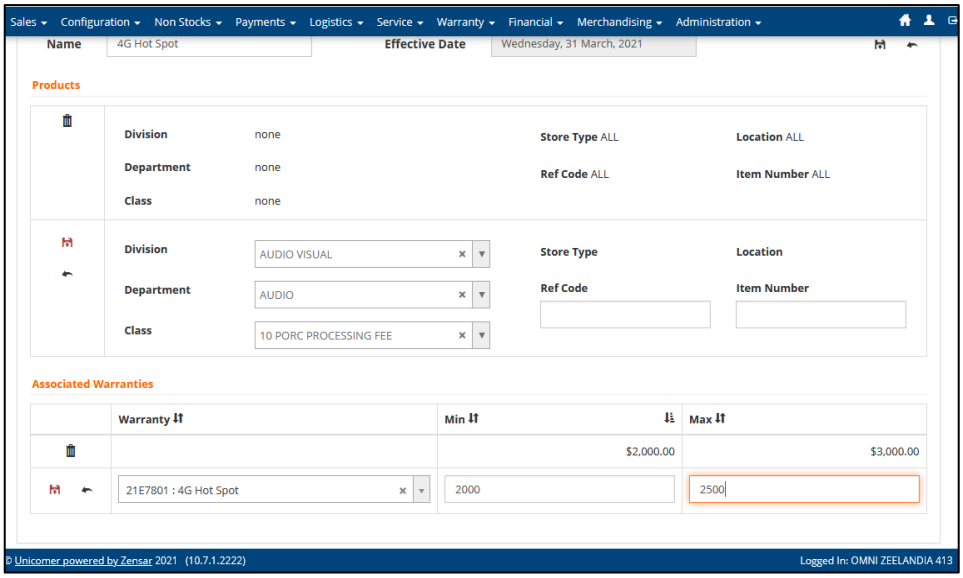



Figure 12: Adding Associated Warranties

- After adding a set of the “Products” that need to be Linked with Associated Warranties, the user should add already created “Warranty Codes” in the “Associated Warranties” section.
- Click the “**+**” sign, to add a “Warranty Codes” in the “Warranty” field. Enter and search the already created Warranty Code.
- Enter the “Minimum Price” according to the ‘Product Band’ needed to create this Warranty.
- Enter the “Maximum Price” for the Warranty Code.
- Enter the ‘Free Warranty Codes’ in the same field with “Minimum” and “Maximum Price”.
- Add the “Associated Warranties” and the “Product Categories” for the Band.
- Click the **“**Save**”** button.
- After saving the “Warranty Product Link”, the user should be able to see all Sales and Transactions on the selected “Products” after End of Day.

### 1.6.1 Business Rules:

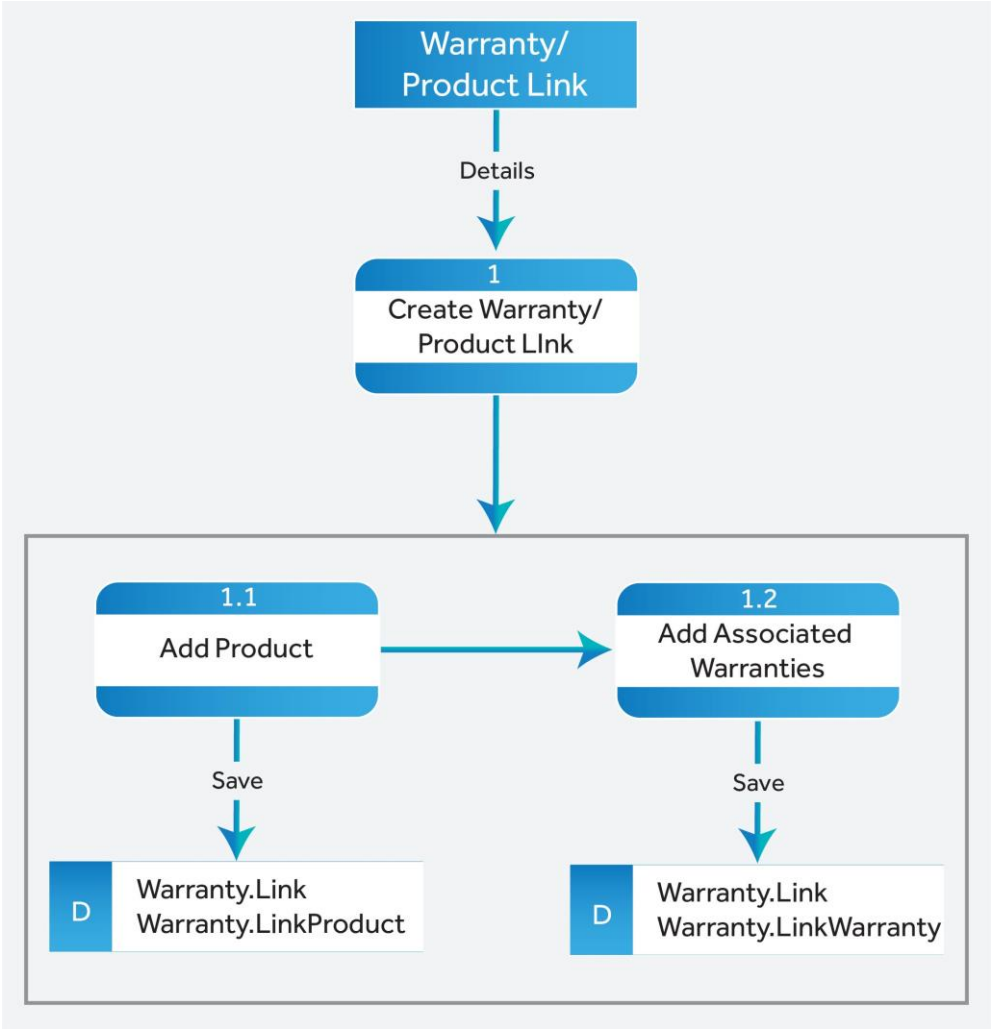
- In Warranty Product Link, both Extended Warranty, and Free Warranty, should be added for Sales.
- If the user has created any Band with only Products and not any Associated Warranties, they will not be able to save the Link.
- The Warranty team does not allow any changes on “Active” Warranty Products as the changes will reflect only the day after End of Day processes.
- The Warranty must be linked to the Product on the Warranty Product Link page and match the “Price Band” set up.
- The Warranty must not be flagged as “Deleted” on the Create Warranty page.
- The Warranty must have a “Price” (as at the specified Date, if selected) set up on the Search Warranties page.

**Exceptional Scenario:**

- If the user wants to make any changes to “Warranty Codes” or “Warranty Product Links” on an Active Warranty Product Link, they cannot expect the changes to be reflected on the same day. Users must wait until the “End of Day” process has been executed. The updated changes will reflect the next day.

### 1.6.2 Data Flow Diagram

The below Data Flow Diagram describes the data flow for Warranty Product Link:



## 1.7 Warranty Simulator

The Warranty Simulator captures all the Products that contain the Warranty. It displays information about the Warranties available for Sale on Products. Users can search by “Single Product” or “All products”. Below are the steps followed to search Warranties in Warranty Simulator:

**Single Product Search:**

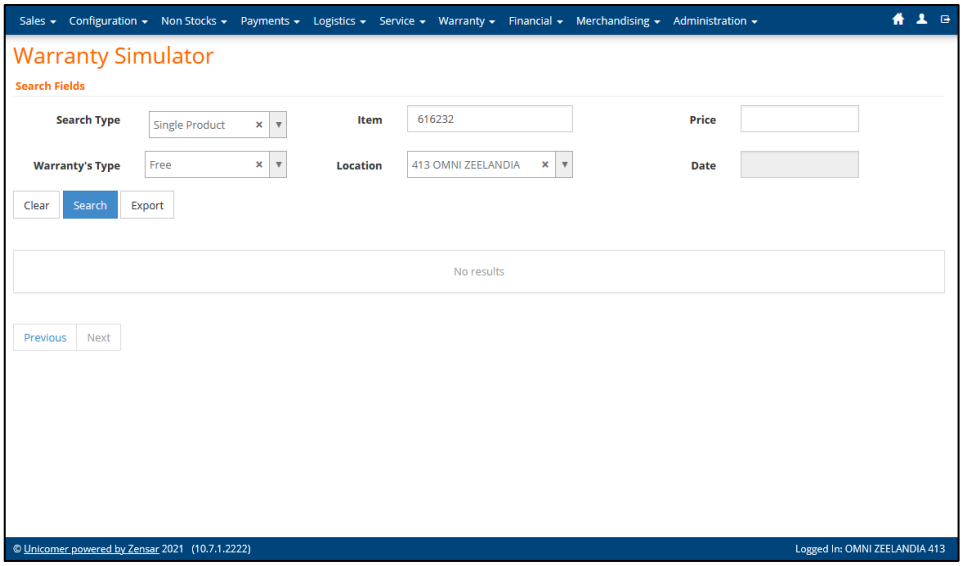



Figure 13: Single Product Search screen

- For a “Single Product” search, enter the specific ‘Item Code’.
- Enter “Warranty’s Type”.
- For “Location”, select any Branch/Store that has the selected Product.
- Click on “Search”. Now the Simulator will display the Warranty details of the selected Product, if present.
- In the Product Detail screen, the following information is displayed: “Product Code”, “Price”, “Link”, “Warranty”, “Warranty Length”, “Warranty Price”, “Tax”, “Is Free”, “Promotion Link”, “Promotion Price”, and “Promotion Match Type”.

Note**:** If the Warranty Details are not displayed on the "Search" screen, it means that the product was not updated with Warranty Links created earlier. The user should check this.

**All Product Search:**

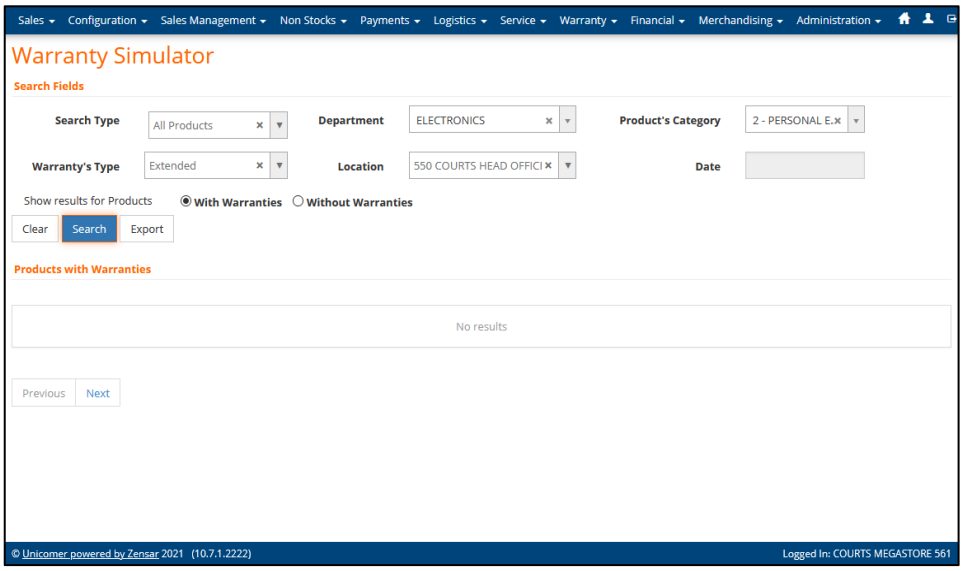



Figure 14: All Product Search

- For the "All Products" search, enter the "Department" and "Product's Category" from the drop-down option.
- Enter "Warranty's Type".
- For "Location", select any Branch/Store that has the selected Product.
- Select the "Show Result for Product" as either 'with Warranty' or 'without warranty'.

  Note: **"**Show Result for Products Without Warranties**"** will display the list of Product Categories without Warranties.
- Click on "Search". Now the simulator will display the Warranty details for selected "Departments" and "Product Categories".

- In the Details screen, the following are displayed: “Product Code”, “Description”, “Price”, “Link”, “Warranty”, “Warranty Length”, “Warranty Price”, “Tax”, “Is Free”, “Promotion Link”, “Promotion Price”, and “Promotion Match Type”.

  Note**:** If the Warranty Details are not displayed on the “Search” screen, it means that the product was not updated with Warranty Links created earlier. The user should check this.
- The User can Export the list of results in CSV format and analyze Warranties updated on CoSaCS.

### 1.7.1 Business Rules:

- 90% of major Electrical Appliances and Furniture carry Extended Warranty.
- If a user uses the “Effective Date” field it would help, as the “Warranty Product Links”, “Prices” and “Promotions” all have “Effective Date” which point when they take effect.

**Exceptional Scenario:**

- **Products that do not match:** While checking the Warranties for “Linked Products” or “Product Categories”, one can export the list of “Non-Warranty” products that should have Warranty Linked. Then check the same in the Simulator again as a “Single Product”. After rechecking, the Warranty Team can check with the Commercial/Purchasing team and reconfirm the “Product Status” as ‘Warrantable’ product.

## 1.8 Warranty Promotions

Warranty Promotions are set for a Product Category to boost its sales. The Business can run a Warranty Promotion for an “Occasion” or “Weekend” or “Some Period”.

**Steps to Create New Promotions:**

- Enter the ‘Warranty Code’ in the “Name” field.
- Select “Store Type” as ‘Courts’ or ‘Non-Courts’ from the drop-down.
- Select the “Store/Branch” in which the Business wants to run a Warranty Promotion.
- Select the “Effective From” and “To” date to denote the Active Period of Warranty Promotion.
- Click “**+**” to add the “Product” and “Promotion”, “Stores”, “Effective From” and “To” Date, “Promotion Price” etc.
- Select the “Promotion Price” as ‘Percentage -%’ or ‘Set Price’.
- Save the details.

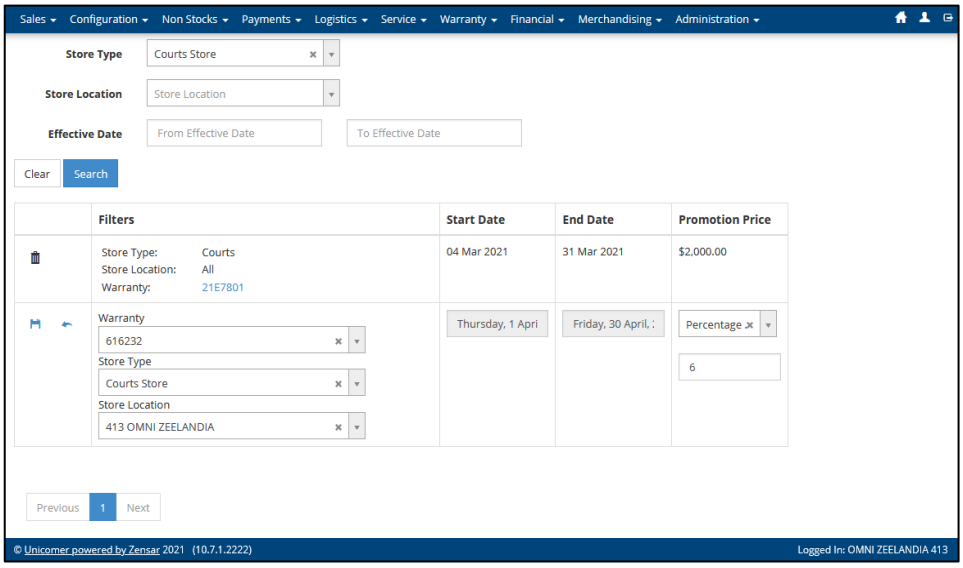



Figure 15: Add new Warranty Promotion

**Search Promotions:**

- By default, the Warranty Promotions page shows all “Warranty Promotions” that have been created so far.
- Users can Search “Warranty Promotions” using the following criteria:
    - Enter ‘Item Number’ in the “Name” field.
    - “Store Type” denotes promotions that have been created for ‘Courts’ or ‘Non-Courts’ stores.
    - “Store Location” refers to specific ‘Branches’ or ‘Stores’.
    - “Effective From” and “To” Date represent the ‘Active Period’ for the Warranty.

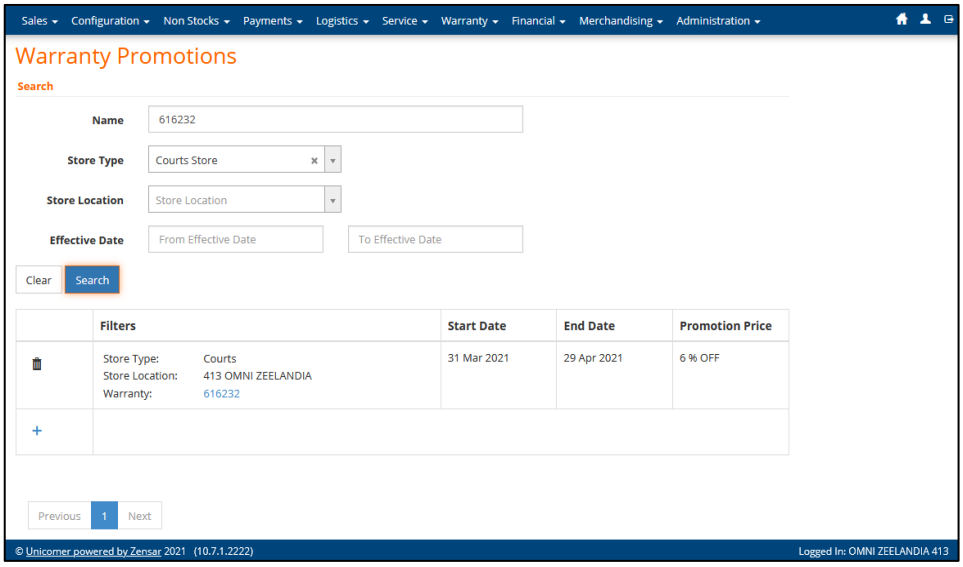


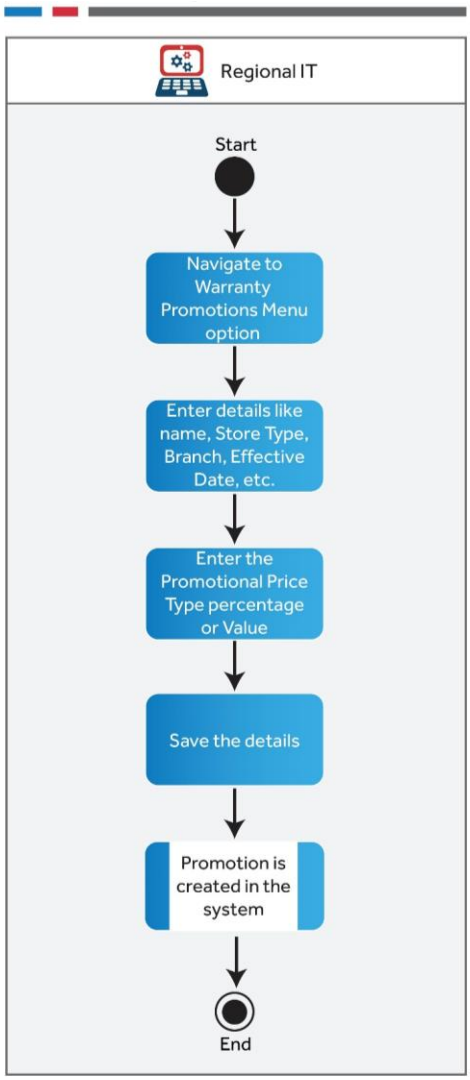

Figure 16: Search Warranty Promotion

### 1.8.1 Business Rules:

- Users can Delete Warranty Promotions but not Edit them.

### 1.8.2 Process flow

The below diagram depicts the steps involved in Warranty Promotions:



### 1.8.3 Data Flow Diagram

The below Data Flow Diagram describes the data flow during Warranty Promotions:

## 1.9 Warranty Hierarchy

The Warranty Hierarchy page permits users to set up a Classification System to helps search for related groups of Warranties.

**Levels and tags:**

"Levels" groups Warranties into "Logical Groupings". Here, each Warranty has a "Tag" at that Level. Example: the image below shows a hypothetical setup with three "Levels": "Department", "Category" and "Brand".

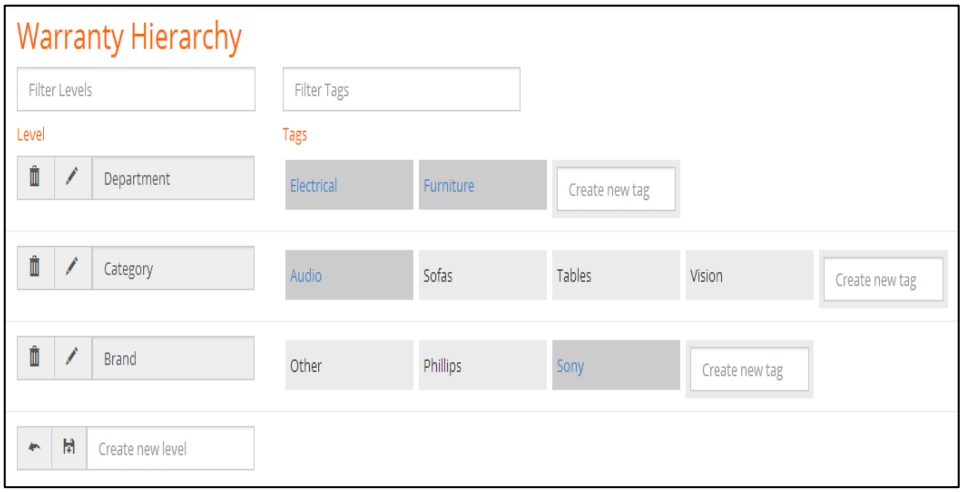



Figure 17 Warranty Hierarchy screen

**Features**:

- Each "Level" can have several "Tags". For example, a warranty can either be tagged as either 'Electrical' or 'Furniture' at the "Department Level".
- "Tags" that match one or more Warranties are shown in dark gray with blue text (Example: 'Sony').
- Hover on top of the "Tag" to see how many Warranties have that "Tag".

- “Levels” and “Tags” need not necessarily match their Product Hierarchy. Any value can be entered. Warranties are tagged on the “Create Warranty” page.
- Note: **DO NOT delete or rename** the Department level! It is used to classify “Return Percentages” on the Warranty Return Percentage page.

**Moving warranties between tags:**

When a user Deletes a “Tag”, all matching Warranties will no longer have that “Tag” for that “Level”, which is not ideal. Hence, the user must first Move Warranties from one “Tag” to another before they delete it. To do this, hover over a “Tag” and select “Move”. Example: Below image shows the moving of the Electrical tag:

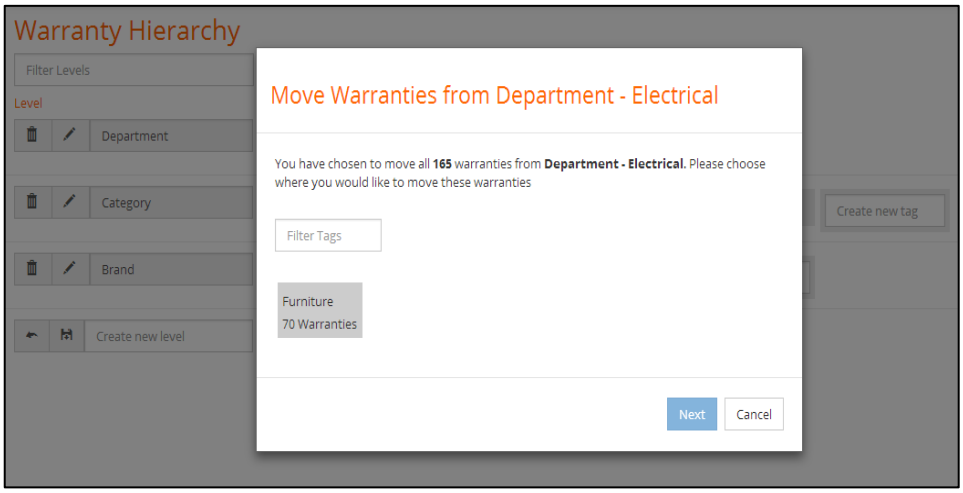
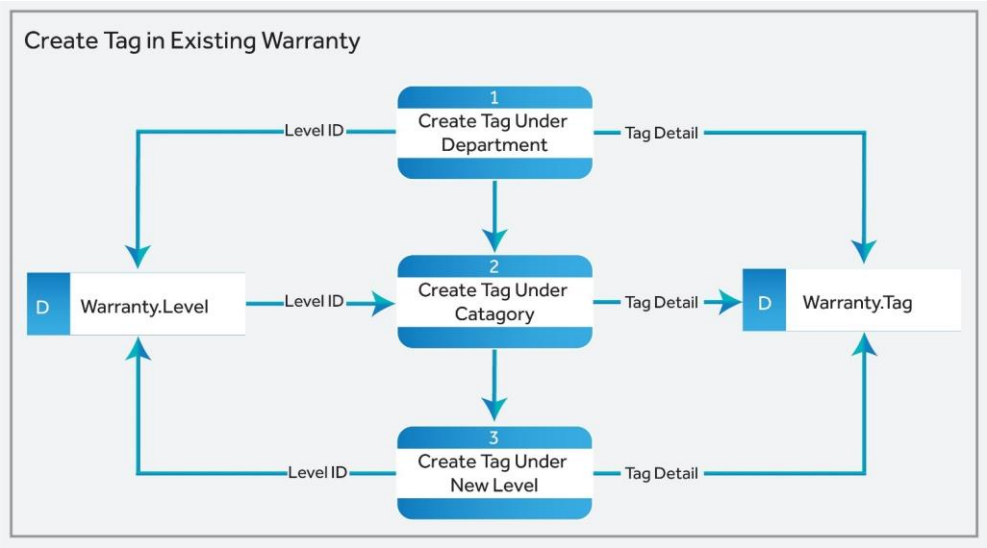



Figure 18 Move Warranty screen

When the user clicks on the gray “Furniture” Tag all Warranties that were previously tagged as “Electrical” at the Department Level will now be tagged as “Furniture”.

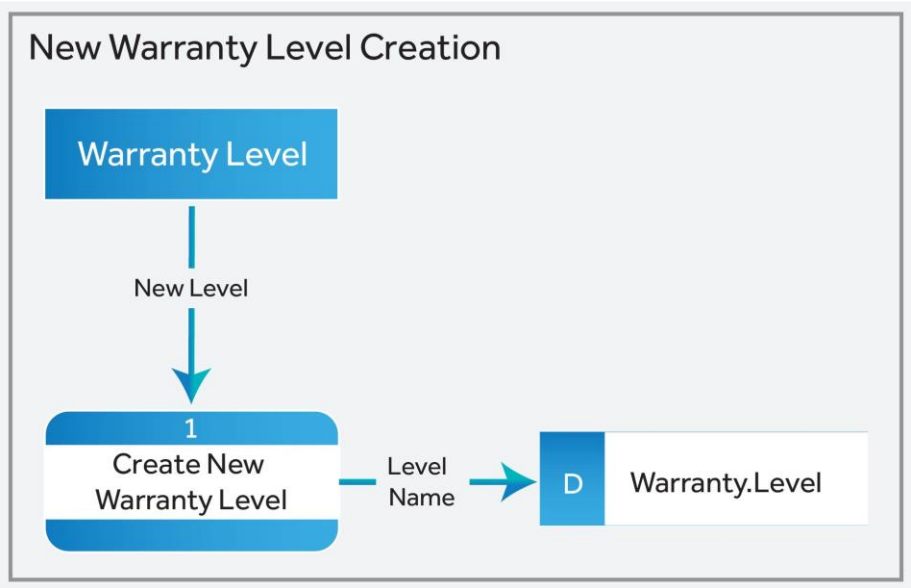
### 1.9.1 Data Flow Diagram – Create a tag in the existing Warranty

The below Data Flow Diagram describes the data flow in Warranty Hierarchy:



### 1.9.2 Data Flow Diagram – New Warranty Level creation

The below Data Flow Diagram describes the data flow during new Warranty Level creation:



## 1.10 Country Parameters

The below table describes the Warranty sub-form in Country Maintenance System Configuration.

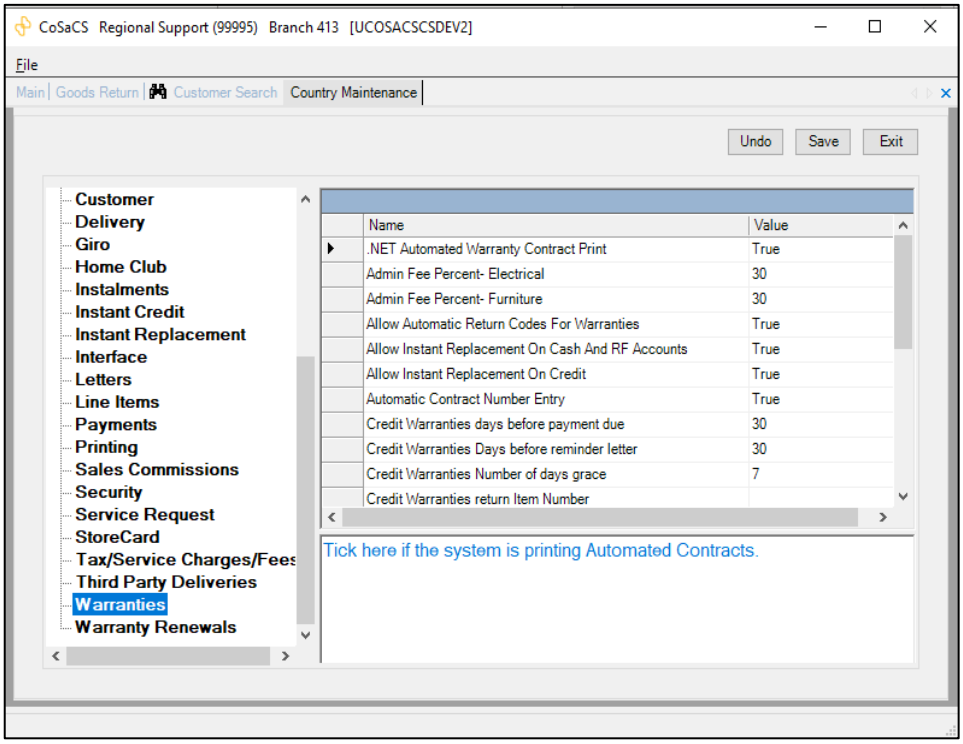



Figure 19: Warranties sub-form in Country Maintenance

| Name | Description |
|---|---|
| .NET Automated Warranty Contract Print | Tick here if the system is printing Automated Contracts. |
| Automatic Contract Number Entry | Uncheck this box if the user has to enter the Warranty Number Manually otherwise the system will generate a contract number |
| Credit Warranties Days before reminder | The system will send out a reminder letter to the customer to pay for his warranty on credit this many days after the purchase |

| | |
|---|---|
| letter | |
| Credit Warranties Number of days grace | If the customer hasn't paid for his warranty on credit in the allotted days, he will this many days grace until the warranty is terminated by the system |
| Credit Warranties return Item Number | When the system automatically returns a warranty because the customer has failed to pay then this is the return item number which will be sent to FACT2000 |
| Number of Warranty Contract copies | Number of copies of the warranty |
| Warranty Contract Style sheet | Type in the name of which style sheet to use for warranties. It will either be using Pre-printed format or Plain paper format |
| Credit Warranties days before the payment due | Minimum days before payment becomes due on credit warranties |
| Warranty after delivery days | Maximum number of days after delivery that a warranty may be added |
| Number of Warranty Contract Credit copies | Number of credit copies of the warranty contract |
| Number of Warranty Contract HO copies | Number of head office copies of the warranty contract |
| Allow Automatic Return Codes For Warranties | This parameter allows return codes to be automatically generated for warranties being collected. |
| Customer Details for Cash & Go Warranty | Allows entry of customer details on a Cash & Go account with a warranty |
| Allow Instant Replacement On Credit | Determines whether warranties can be purchased on credit for instant replacement items. |
| Warranty Validity Months | The number of months that a warranty will remain valid on a replacement or exchanged product. This means that the new item added to the account will be linked to the original warranty. |

| | |
|---|---|
| Warranty Cancelation Days | This is the period in days from delivery that a warranty can be canceled in isolation to a product. |
| Allow Instant Replacement On Cash And RF Accounts | When ticked this will allow instant replacement warranties to be sold against Cash and Ready Finance accounts. |
| Number of Second Effort Solicitation Prompts | The number of times a customer is prompted to purchase an extended warranty on an item |
| Target Warranty Hit Rate % | Target hit rate percentage used for warranty Reports |
| Admin Fee Percent-Electrical | Admin Fee Percentage for Electrical items for Warranty Reporting |
| Admin Fee Percent-Furniture | Admin Fee Percentage for Furniture items for Warranty Reporting |
| Include Warranties in Online Product Export | If set to false, then it will exclude all warranty items from the e-commerce file which is exported from the EOD Online Product Export job. |

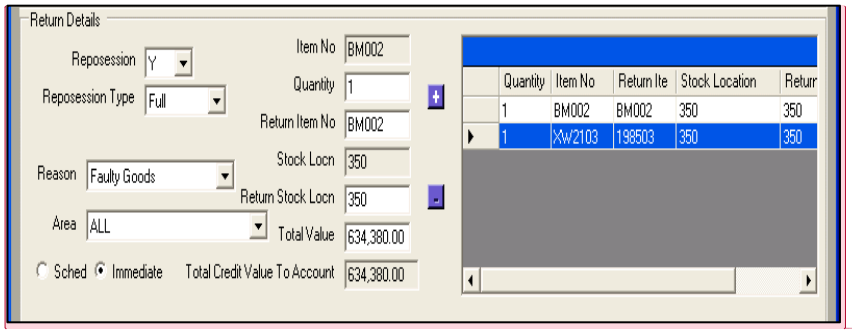
## 1.11 Warranty Repossessions

When the Product Linked to a Warranty is Repossessed the systems need to ensure the following takes place:

- The customer is Refunded the Unexpired Portion of the Warranty.
- The "Warranty" is not Redelivered if the repossession is Redelivered.
- AIG is notified of the Repossession.
- Step by step Repossession process.
- Customer returns product "X" months since Delivery.

When a product is returned, the user will get a message informing them that the Product is Linked to a Warranty. The Warranty will be automatically returned with the Product.

The "Item Number" of the returned Warranty will be based on the "Return Codes" tables in CoSaCS. The "Return Codes" are necessary to calculate the Rebate that can be claimed back from AIG for the Unexpired Portion of the Warranty. The customer will also receive a credit to their account for the Unexpired Portion of the Warranty. This will be in the form of transactions CRE or CRF. In this example shown below, the product was repossessed in month three and the Return Code was 198503. According to the Return Codes, 90% of the Warranty is Unexpired.

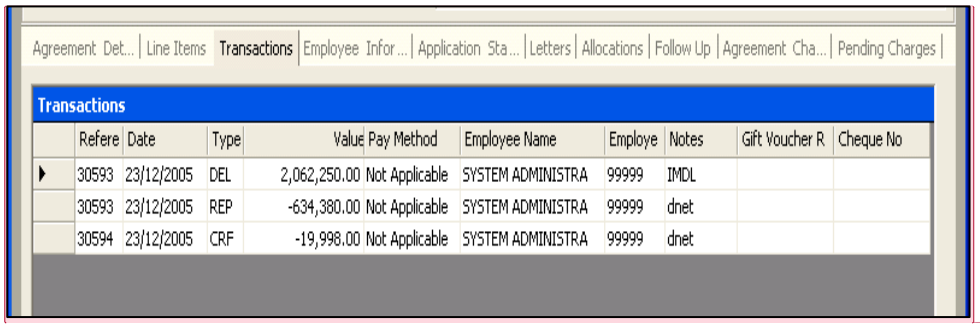



**Commented [VH1]:** Note: The below image shows an older version of CoSaCS. Image will be replaced soon.

Figure 20 Repossession details screen

The “Transaction Codes” are set up by default in Transaction Type Maintenance with the correct “Interface Account Numbers”.

Account details display the details of the Repossession and the Transaction. In the screenshot below, an item to the value of $634380 was Repossessed. The value of the Warranty was $22220. A Warranty is always Repossessed with a ‘Zero’ value. As the customer is still expected to pay for the Warranty. However, the Business cannot expect the customer to pay the Unexpired Warranty. As the Warranty repossessed was Linked to a “Furniture” item. The code CRF is used to post a Credit to the Customer Account. The Credit will be 90% of $22220 = $19998. This will decrease the “Outstanding Balance”. The net effect is that the customer will only have to pay 10% of the original Warranty Price.




**Commented [VH2]:** Note: The below image shows an older version of CoSaCS. Image will be replaced soon.

Figure 21 Transactions screen

**Redelivery after repossession:**

Warranties are not Redelivered if a Repossession is Redelivered. As the “Redelivered Item” is considered as second hand by the Insurers and the item “Cover” is terminated.

## 1.12 Exchanges

An Exchange occurs when the customer Returns an item usually for Repair and receives an exchange. The new item will not be the same as the one Returned.

CoSaCS performs a check based on the “Warranty Validity Period” parameter. This is by default 12 months. If the Warranty is still within the “Validity Period”, that Warranty will not be Returned.

The new item will be Linked to the ‘original’ Warranty automatically. The user will not have the option to choose a Warranty or decline a Warranty on the item. The ‘original’ Warranty will be attached to the ‘new item’ automatically.

If the Warranty has exceeded the “Warranty Validity Period”, then the Warranty will not be Reattached to the ‘replacement item’. If the customer wants a ‘new’ Warranty, then it can be sold when the new item is added to the Account. This will be via the usual Warranty prompt.

The ‘original’ Warranty remains in the Account but is not Linked to any Stock Item. In the screenshot below the Warranty is not linked to any Stock Item.

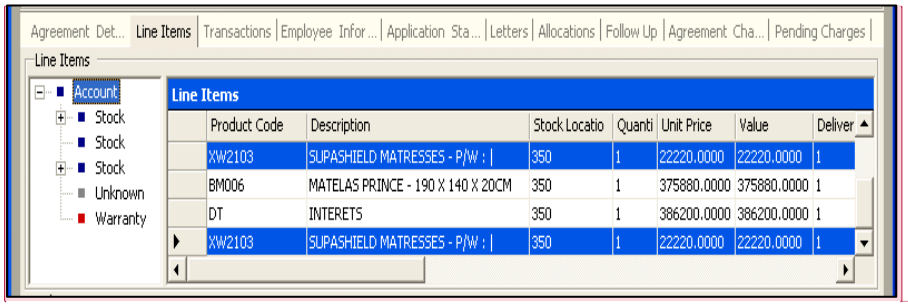



Figure 22 Line items screen

**Commented [VH3]:** Note: The below image shows an older version of CoSaCS. Image will be replaced soon.

For an exchange, the Warranty is not in fact being Returned. It has been used and remains in the Account. When an “Identical” Replacement is chosen in the Goods Return screen, the Warranty Item

will disappear. This is to prevent the user from trying to Return a Warranty while processing a Replacement or Exchange.

## 1.13 Cancelations

There are two kinds of Cancelations. When an item with a Warranty is Canceled and when a Warranty is Canceled because the customer decided they did not want it.

**Cancelation of an item with Warranty:**

For various reasons, items can be Canceled by the customer. Then the customer's Account is Credited to the value of that item. This can be done at any stage in the life of an "Agreement". If the item is Canceled, the Warranty must automatically be Canceled as well. The "Return Code" used for the Warranty Cancelation must be following the Warranty Tables.

Usually, a Cancelation is done within 30 days, in which case the Business would receive a 100% rebate from AIG. However, if the item is returned after 30 days, the Warranty Rebate Back from AIG would be less, as the Warranty is considered used for those 30 days.

The customer would be expected to pay for the "Expired Portion" of the Warranty. The Business cannot give 100% credit for that Warranty if the Cancelation is done after 30 days. There will be an option whether the customer will have to pay for the "Expired Portion" at the time the item is returned.

For Cancelations, the Warranty is returned at FULL value. However, a CRE / CRF transaction is posted to the account increasing the customer's "Outstanding Balance" by the amount of the "Expired Portion" of the Warranty. Example: The item is Canceled in the second month. According to "Return Code Tables" business receive 84.4% back from AIG. 15.6% is considered as used.

A prompt will appear to enable the Salesperson to select if the customer should pay for the "Expired Portion" of the warranty or not. This prompt will appear at the point that the Warranty is being collected. It will say - "Confirm Customer will be paying the used portion of the Warranty?" YES/NO.

This prompt will only appear after month two, since in month one the Warranty is not seen as used yet. This will prompt default to "YES" as customers should expect to have to lose this.

**Original Account:**

| | |
|---|---|
| Item A | $1000 |
| Warranty | $100 |
| Agreement total: | $1100 |

**Canceled items:**

| | |
|---|---|
| Item A | $1000 |
| Warranty | $100 (the correct "Return Code" will be attached to this item and the correct amount will be recovered from AIG) |
| CRE / CRF | $15.60 |

Salespeople will be aware of this and should be able to explain this is customers.

**When only the Warranty is Canceled without the product:**

This should be controlled by a new Country Maintenance called:

"Warranty Cancelation Days" – The days from Delivery that a warranty can be Canceled in isolation to an item. This is by default 30 days. One must not confuse this parameter with the "Return Codes".

This type of Warranty Cancelation will not be processed after the period specified in the Country Maintenance. If the customer wanted to cancel the Warranty after the "Cancelation Period" has

expired, user authorization would be required. Business cannot stop the Cancelation of this Warranty as there may be a valid reason for the late Cancelation. There would be no other way to remove the Warranty from the account if the Business did not have this authorization. Once authorized, Cancelation will proceed as normal.

## 1.14 Warranty Renewals

A Renewal is a 12-month Warranty that will be offered to Cash or Credit Customers after their existing Supashield Warranty expires. Renewals will only be offered on Three-year Supashield contracts. The customer will be made aware of the "Renewal Offer" in two ways:

1. A letter will be sent when the customer's account fits the criteria for a "Renewal Offer".
2. A Renewal prompt will pop-up on the Payment screen if the customer has any accounts which fit the relevant criteria.

**The Criteria for a Renewal:**

- The "Original Warranty" must have been a Three-year Supashield contract.
- The customer settles an account within a certain period before the existing Warranty is due to expire.
- This is controlled by a country parameter called, "Warranty Expiry settlement prompt days".
- The customer makes a Payment on an account but may have other settled accounts with Warranties that have expired a specified number of days ago. This is controlled by the parameter, "Maximum days after original warranty expired".
- The Customer makes a "Part Payment" on an account and the Warranty is due to expire within a certain period. This is controlled by the parameter "Warranty Expiry days".

If the user right called, "Allow cashier to do renewal sale" is set to 'FALSE', then the Cashier will only receive an information message about the opportunity to renew the Warranty. The customer will be asked to go to a Salesperson who will be able to process the renewal for them.

The customer will only be reminded THREE times about a Warranty that is up for Renewal. After the third time, there will no longer be a pop-up at the payment desk. However, there will be an option on the payment menu called, “Check expiring warranties”. This will bring back a list of all the Warranties that are currently up for Renewal.

## 1.15 Second Effort Solicitation

A customer may not always choose to purchase a Warranty when purchasing Warrantable Items. CoSaCS will allow the warranty to be sold after the item has been sold. This period varies and is controlled by the Country Parameter “Warranty After Delivery days”.

- Set the Country Parameter “Warranty After Delivery days”. Example: Up to 365 days.
- This allows the Warranty to be sold while the customer’s item is still covered by a Standard Manufacturer Warranty (Manufacturer Warranty may vary for certain products but 365 is most common).
- Here are the conditions the Account will have to meet to have a Warranty sold on it after the original product Delivery:
    - Item was Delivered less than the period configured in “Warranty after delivery days”.
    - The item is Warrantable but does not have a warranty attached to it.
    - The item has never been Redelivered after Repossession.
    - It can be a Cash & Go, Cash or Credit Account.
    - It can be Active or Settled.
- In the Payment screen, a prompt will appear listing the “Account Number” and “Item Number”.
- The Cashier / Service Desk Clerk should direct the customer to a Salesperson who will be able to Revise the account to add the Warranty via “Revise Agreement”.

Note: When the Warranty is Delivered, the “Delivery Date” of the Warranty will be backdated to the “Delivery Date” of the item it is attached to. This is to ensure that the item is covered from day one.

Example: If a TV was sold on the 1st of January and a Warranty was sold on it on 1st July, the Warranty will have a "Delivery Date" of 1st January. The life of the Warranty will run from the 1st January.

## 1.16 Insurance Claims on Warranties

Currently, Insurance Claims can be made for many reasons including the following:

- Death
- Damage
- Theft
- Fraud
- Destruction of the Warrantable item

This applies to Instant Replacement and Supashield Warranties. In the case of "Death", the Warranty should remain in place. However, in the case of "Destruction of the Item", the Warranty is deemed as fulfilled. When the Insurance Claim is made, the "Unexpired Portion" of that Warranty can be claimed back from AIG.

Currently, the transaction code 'INS' is used to record all Insurance Claims. There is also a code that makes the distinction between Normal Claims and Insurance Claims where the item is associated with a Warranty. The code is 'INW' – Insurance (Warranty Refund). When selected in General Financial Transactions the following action is triggered:

- On Choosing the INW – Insurance (Warranty Refund) option, a pop-up will appear showing all the products currently covered by a Warranty.
- The pop will show the "Product Code", "Descriptions 1 & 2", "Warranty Code" it is linked to and the "Return Code".
- Where multiple quantities of the same product exist on an Account, the user must have a way of Claiming against any number of these products (obviously not exceeding the quantity purchased).

- If automatic Return Codes" are set to FALSE in the Database, the user will have to enter the Return Code" manually in this pop-up.
- Check the "Claim" checkbox and click the "Confirm" button on the pop-up.
- The Warranty needs to be marked as 'Void' and the Warranty collected by the system is at 'Zero' value.
- The value for the INW can be entered as 'Normal' in the General Financial Transactions screen.
- The Warranty should not show as a "to follow" on the account.
- There is a Warranty Report called "Warranty Insurance claims".

The customer will NOT be refunded the "Unexpired Portion" of the Warranty in the form of a CRE / CRF adjustment on the account like with Repossessions.