Contracts Overview

Contracts & Commitments · https://learn.logisense.com/docs/274685931/

Last verified with: 10.8.6.0

Summary

LogiSense Billing supports account-level contractual structures that allow businesses to define terms, commitments, renewals, and termination behavior on a per-customer basis. This helps organizations move beyond one-size-fits-all billing by applying customer-specific commercial agreements directly within the billing platform.

Why It Matters

Many businesses need to support negotiated customer arrangements rather than only standard catalog pricing. Contracts and commitments allow the billing platform to reflect commercial reality, including term-based agreements, minimum commitments, renewal structures, and early termination outcomes.

Business Problem It Solves

Customer relationships often include different agreement shapes:

- fixed terms with renewal expectations
- quantity or revenue commitments
- separate commitments for different products or service groups
- early termination handling
- different contract structures across enterprise or strategic accounts

LogiSense helps businesses operationalize those agreements so billing outcomes reflect the contractual relationship instead of relying on manual tracking outside the platform.

Core Concepts

Account Contracts

Contracts are configured at the account level. Multiple contracts can exist on the same account, allowing businesses to represent more than one agreement shape when needed.

Terms And Renewals

Every contract has a term. Terms define the duration of the agreement and provide the basis for renewal behavior and lifecycle tracking.

Commitments

Commitments allow businesses to enforce minimum agreed commercial thresholds. These can be used to support volume, service, or package-based contractual obligations.

Early Termination

Termination rules define how the platform should behave when a contract ends before its expected term is completed.

How LogiSense Supports It

LogiSense supports customer-specific contract handling through:

- account-level contract configuration
- separate management of terms, commitments, and termination rules
- support for overlapping contract structures on the same account
- downstream alignment with billing outcomes

This allows commercial agreements to be represented in the same system that executes billing, rather than relying on side calculations or manual intervention.

Common Use Cases

Customer-Specific Commercial Agreements

A business wants one customer on a standard billing structure and another on a negotiated term with commitments and renewal conditions.

Product Or Package Commitments

A contract imposes a minimum commercial expectation tied to a package, service family, or recurring commitment structure.

Renewal Management

The business needs billing behavior and customer lifecycle operations to reflect the actual term of the contract and its renewal path.

Early Exit Handling

The business needs a predictable operational framework for contract cancellation or termination before the full term has elapsed.

Important Considerations

- Contract design should align with pricing, package structure, and downstream billing behavior.
- Multiple contracts on one account should be designed carefully so the intended business outcome is clear.
- Early termination rules should be documented clearly for both operational users and customer-facing teams.
- Contract documentation is most effective when paired with concrete examples showing renewals and termination scenarios.