

# Organizations & Contracts Self Management

## Product Proposal

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## Objective

This document presents a comprehensive proposal for enabling B2B buyers to manage their own organizational structure, accesses and roles.

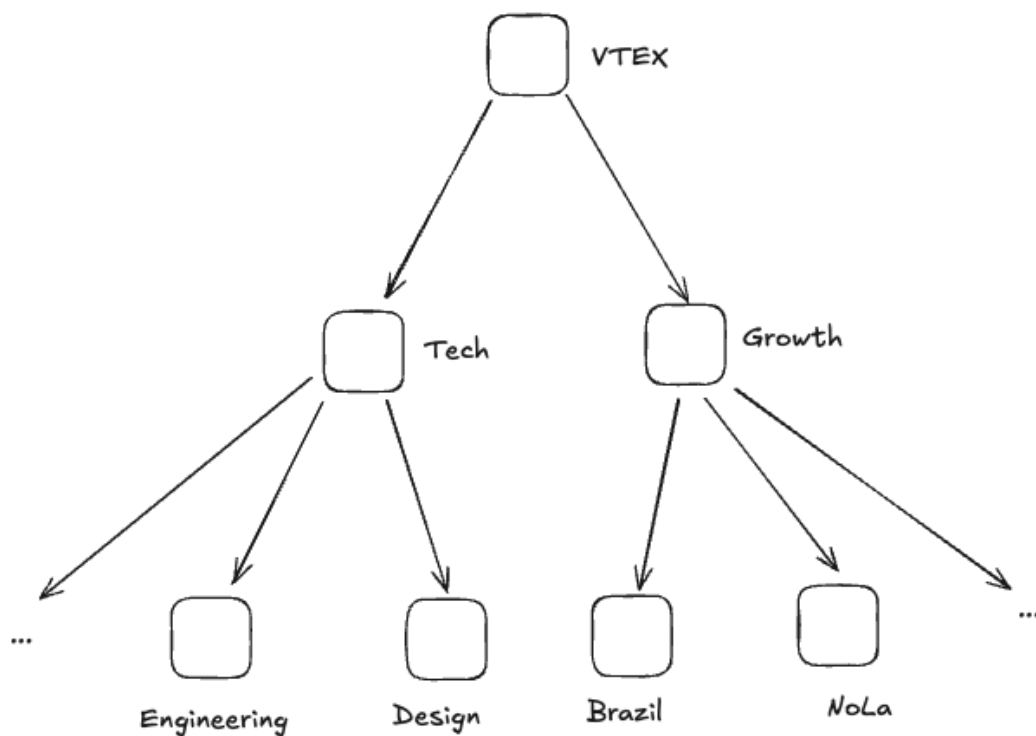
## Problem and Context

B2B commerce is based upon complex relationships between buyers and merchants. These relationships are set upon commercial agreements between both parties, which includes:

1. Which product assortment does the buyer have access to and what will be the prices charged for these products?
  - Companies negotiate which products will be available to the buyer and their corresponding prices. These terms often vary based on forecasted sales volumes, with larger buyers typically receiving preferential pricing and access to exclusive products.
2. What will be the payment terms accepted by the merchant?
  - B2B transactions frequently involve credit arrangements, whether through credit cards, net payment terms, or merchant-provided credit lines. Credit terms are risk-based: customers with strong financial records and established relationships must receive more favorable payment conditions compared to new market entrants.
3. What will be the shipping conditions offered to the buyer?

- Shipping methods and delivery Service Level Agreements (SLAs) are predetermined based on customer tier. Premium customers receive enhanced delivery options and priority delivery to ensure operational efficiency and satisfaction.

Additionally, buyers may have a complex hierarchical organization structure that can have further personalized access to the terms agreed with the merchant. For example, the diagram below represents the hierarchical structure of VTEX:



Each branch may decide to use different terms provided in the purchase agreements. For example, VTEX can set that only the Tech structure can acquire electronic equipment, while growth cannot; Brazil organizational unit can buy supplies from a supplier using credit card, but NoLa organizational unit is allowed to use account billing in the same supplier, given the tax differences between regions; finally, the

Brazil organizational unit can be allowed to pickup supplies from physical stores, while the Engineering and Design organizational units cannot, because they work in a remote format (prices are not subject to the buyer customization).

Moreover, each node groups a certain number of people, who have different roles inside that organizational unit. Taking as example a procurement team, there might be buyers, managers, order approvers, etc. Each person has a strict set of permissions to act in their own organizational unit.

Regarding other themes that influence the commercial relationship between merchant and buyer:

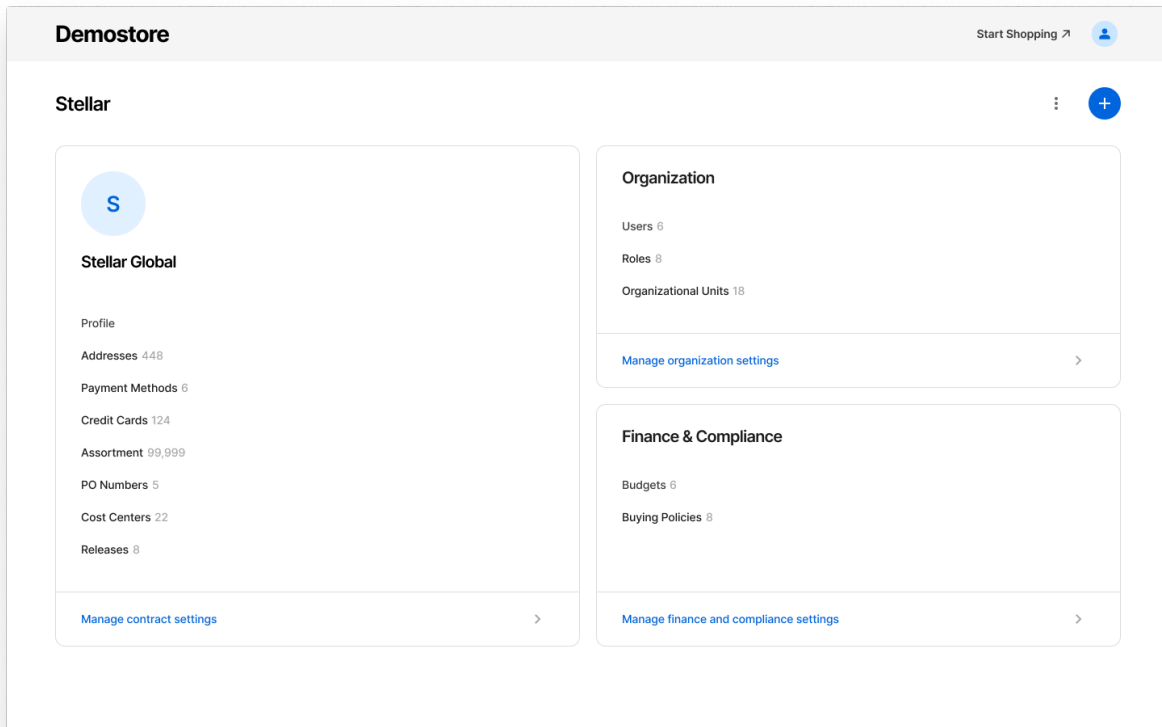
- Shipping addresses: can be set upfront, either by the merchant or the buyer, and users can select from the registered list.
- Credit Cards: can be shared among users in the same organization, between organizations, or be of personal use by some users.
- Budgets: can be used by users in the same unit or from different units.
- Buying Policies: can be set in the unit level and in the root level, where it will be reflected to the whole organizational tree.

## Proposal

The proposal is to provide B2B buyers with the tools to (1) set up and manage the organization structure, hierarchy, users and user roles, (2) personalize access to the purchase agreements set with the merchant, (3) and finance and compliance tools.

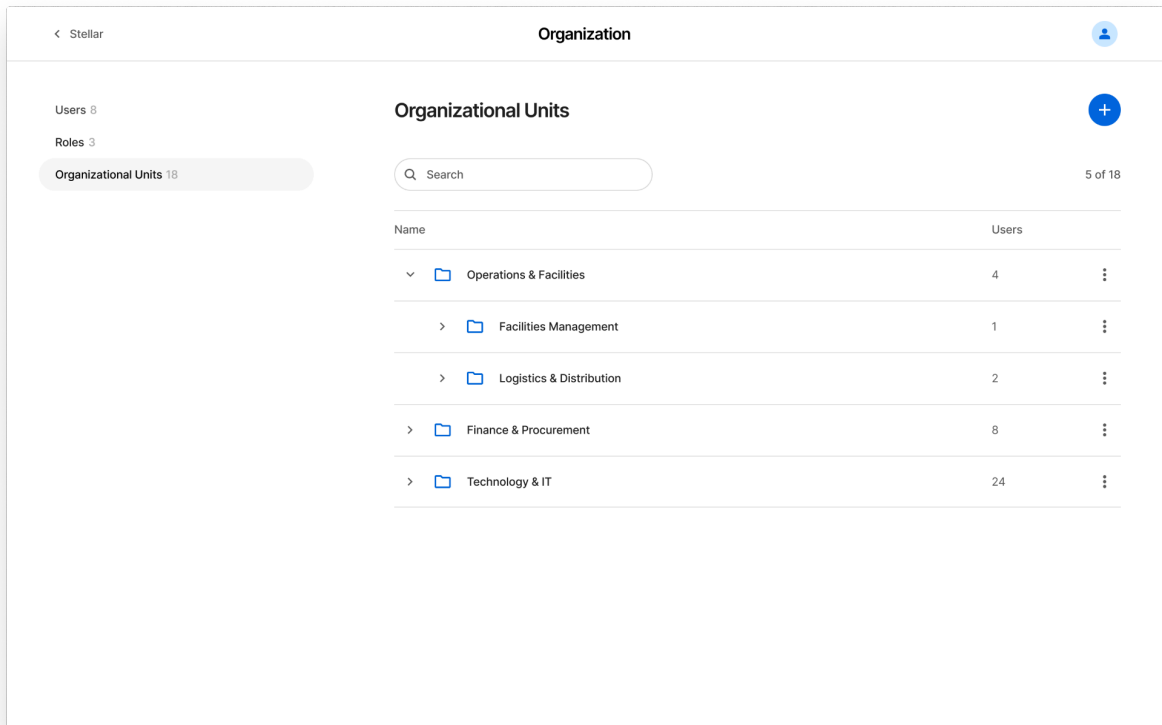
## Organization management

When setting up the contract, the merchant creates the first organization and assigns to it the first buyer user that will be responsible for the whole organization. From that moment on, this user, that will be called “Organization Admin”, will have access to its **Organization Account**.



Prototype presenting the Organization Account homescreen

One of the organization admin's first tasks is to create the **Child organization units** that set the dependency tree from the **Root Organizational Unit** (the first one that was created). In each node, the admin will create users and define the roles to be fulfilled in each of them - admin, managers, buyers, etc. The organization admin has access to all organizational units inside the organization. It can navigate among them and set up any configuration in it:



Prototype presenting the Organizational Units menu in the Organization Account, and the organization's hierarchical structure.

All admins from their organizational units are also admins from the children organizational units that spread on the tree, including the admin of the root organizational unit. Nevertheless, other users' roles have permissions to access resources only in their organizational unit perimeter.

#### User Roles & Permissions

### Changing the organization's structure and users

As said previously, any organizational unit admin can manage the children organizational units that spread on from their node. It means that they can also change the organizational structure as it is, by deleting units, users, reassigning roles, etc. The proposal here presented sets that:

1. An organizational unit cannot be deleted while there are children organizational units below them (for the first version).
2. The root organizational unit must have at least 1 admin user inside it. Admin users from parent organizations are accounted as admin from their children, so while there is an admin on the root level, any admin can be deleted or role changed on the child organizational units, but the root level must never be without admin.
3. Admin users can move users from an organizational unit to another, but only in their own unit or children.
4. An organizational unit cannot be moved from one branch to another branch. It is needed to delete that unit and create a new one in the desired branch. It might be changed in the next versions.

## Contract settings

The general contract is formed by:

1. The contract profile
2. The product assortment offered (using collections)
3. The price tables for the assortment
4. The payment methods available
5. The addresses (shipping, billing and invoicing)
6. Custom fields
7. Credit cards

The moment the merchant accepts a new buyer organization, a new contract is created, linked to the root organizational unit of that buyer. The merchant sets the first contract terms, and the buyer permissions to the contract are as following:

1. The contract profile - can be edited in the organization account
2. The product assortment offered (using collections) - filtered in the organization account
3. The price tables for the assortment - no access in the organization account
4. The payment methods available - filtered in the organization account
5. The addresses (shipping and billing) - can be edited in the organization account
6. Custom fields - set only in the organization account
7. Credit cards - set only in the organization account

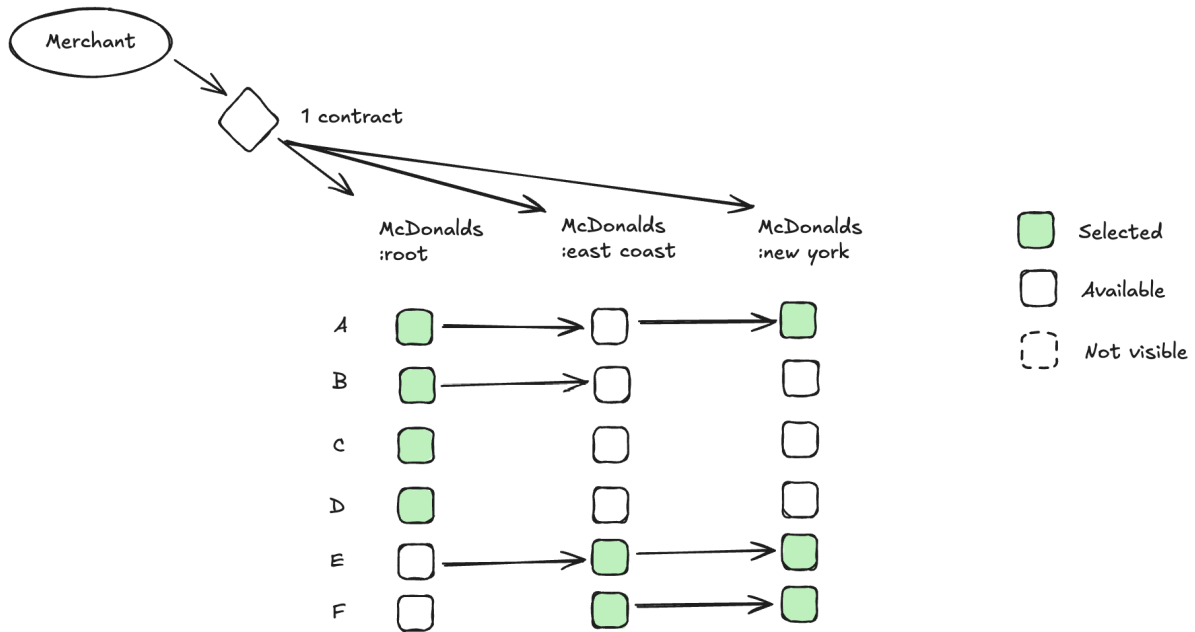
If no collections and/ or no price tables are assigned to the contract, the product assortment and default price table will be the ones associated with the trade policy.

### Filtering the contract at organizational unit level

Due to the fact that the contract was linked to the root organizational unit, **all children organizational units have access to the same information**. Nevertheless, not all information will be useful for every organizational unit, so units must be able to **filter contract terms at their unit level, and only at their unit level**. The filtering options are:

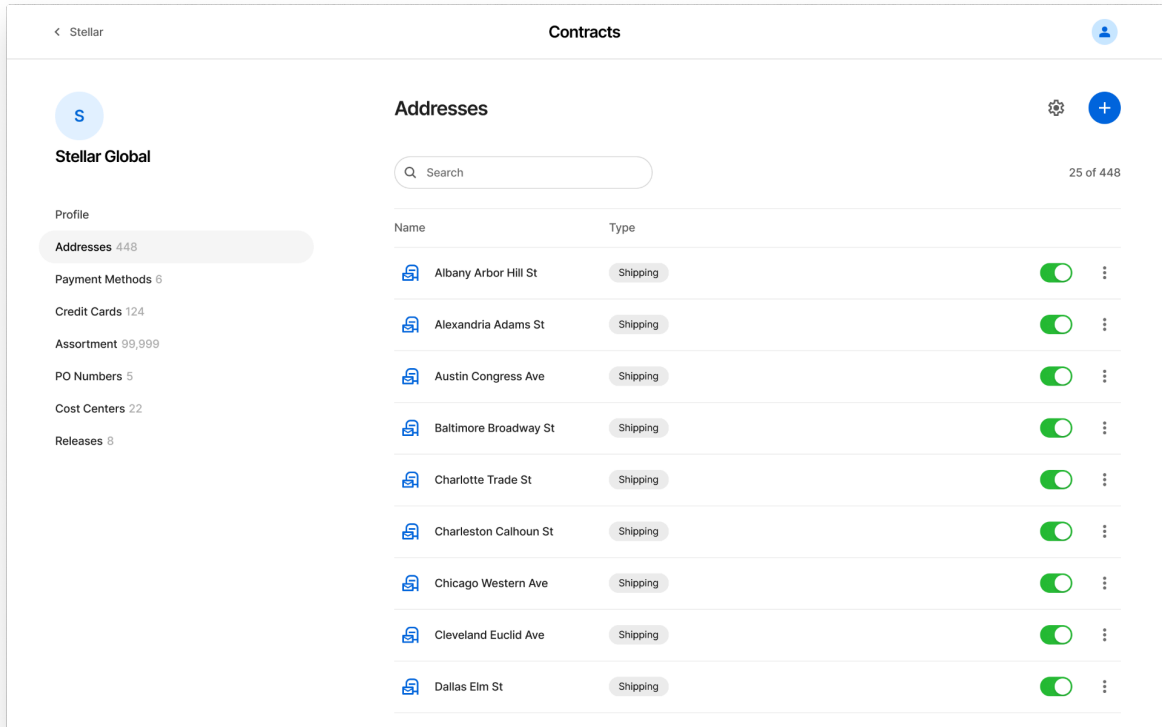
1. Filter the product assortment per unit
2. Filter payment conditions per unit
3. Filter addresses per unit
4. Filter custom fields values per units (eg: Finance department can only have access to cost center "finance")
5. Filter credit cards per unit

So buyers from each organizational unit will have access to the contract information they must access, and no more.



In terms of experience, some terms can have a big number of values (product assortment, addresses, custom field values). There must be tools for finding and managing the filters in each organizational unit that doesn't overwhelm the user, such as search bars, filters and sorting.





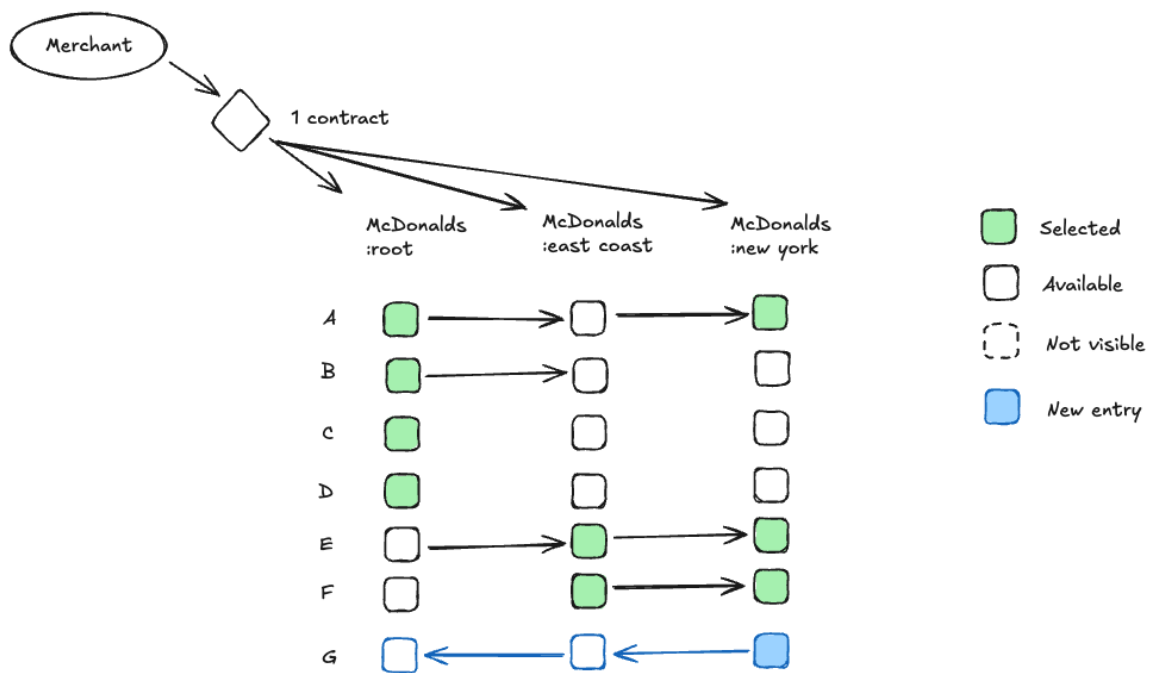
Prototype representing the addresses list in the Organization Account menu.

**When a new child organization is created**, it will automatically be linked to the contract. The following filters must be automatically applied on the moment of the organizational unit creation:

1. Collections: all selected
2. Payment methods: all selected.
3. Addresses: none selected.
4. Custom fields values: none selected.
5. Credit cards: none selected.
6. Buying policies: the buying policies applicability per organizational unit is described in [this document](#).

## Editing information at the organizational unit level

Organization admins should be allowed to create **new addresses**, **custom field values**, **buying policies** and **credit cards** at their level. This new information will be attached to the contract, but should be filtered out in all other units, including the child organizational units, so it won't affect their configuration.



When editing (updating or deleting) information from the contract, organizational admins should be allowed to do it only if that information is **only used by their organizational unit or its children**. Otherwise, organizational units admins would affect sibling organizations, which is not the goal. By consequence, only the root organizational unit admin will be able to edit information from the contract at will.

Important observations:

- Prices cannot be filtered by the buyer.

## Finance and compliance settings

Apart from filtering the contract terms, organizational units can set Buying Policies that will be applicable only in their own node. More details about this feature can be found here:

[RFC - Buying Policies With Buyer Approval Workflow](#) .

## FAQ

### **Shouldn't Shipping Conditions be set at the contract?**

A: Yes, but for the first version, we decided to keep it off.

### **If a unit adds new information to the contract (eg: address), can any other unit edit/ delete it?**

A: In the first version, yes. Nevertheless, we want to implement a new model of ownership over the contract data to solve this in the future.

### **Should each contract field have a default value?**


A: It could be possible, but this proposal doesn't intend to dive into the matter.


### **In this proposal, how can someone grant access to a credit card just for a certain user?**

A: This proposal doesn't present a solution to this use case. Further work will be done to address that.


## Appendix

 Figma - prototypes

 B2B Commercial Rules & Permissions - set of permissions and accesses provided by the contract, the organizational unit and the user roles.

 Customer Management Vision (old Buyer Organization) - first document proposing the relationship between contract and customers.

 Contract - Platform Customer and Merchant - RFC for this solution

 Organization Account - Entities Relationships - Additional document, explaining the relationship among entities

 Contracts and Orgs use cases