

# Do Better Deals Conference™

*Best Practices Procurement*

San Francisco • June 21–23, 2010



## Work Smarter

RFPs • Software • RFIs • Vendor Management  
Managed Acquisition Process • Negotiations • Leasing  
Contracts • Services • Licenses

# Do Better Deals Conference™

Best Practices Procurement

## Benefits

- Save bottom-line dollars
- Improve your negotiations
- Ensure better vendor performance
- Reduce your risk
- Stay current with industry trends
- Improve contract and vendor management strategies
- Network with fellow professionals
- Do better deals and manage deals better

## Curriculum

- RFPs
- Software
- RFIs
- Vendor management
- Managed Acquisition Process™
- Negotiations
- Leasing
- Contracts
- Services
- Licenses



**San Francisco**  
**June 21–23, 2010**

## For Professionals in

- Information Technology
- IT Procurement
- Purchasing
- Finance
- Legal
- Vendor Management
- Contract Management
- Global Strategic Sourcing
- Supply Chain Management
- Telecommunications

# Work Smarter



## Overview

**T**he Do Better Deals Conference is a significant industry event, tailored specifically for technology procurement professionals. This intensive three-day conference provides an opportunity for you to gain in-depth knowledge about what's happening in "best practices" technology deals.

Workshops led by industry experts and your fellow professionals will broaden your perspective on managing vendors, controlling negotiations and understanding the complexities of all types of deals. You'll gain information that will ensure that you do better deals and manage deals better. Presentations—including tutorials, roundtable discussions and facilitated dialogues—offer critical insights on diverse issues such as negotiation skills, contract issues, leasing, outsourcing, vendor management and software licensing.

The atmosphere and activities support networking, which means you'll pick up tips from your peers as well as from the experts. Conference events include a welcome cocktail reception, daily continental breakfasts, refreshment breaks and a closing luncheon on the final day.

The information exchange and the knowledge you'll gain by attending this conference are invaluable. You'll learn practical tactics and critical strategies that will serve you well in these challenging times.

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## Conference Best Practices Procurement

### 1. How Software Is Protected

If you negotiate or administer software license agreements, you need a basic knowledge of intellectual property law. By attending this intellectual property primer for non-attorneys, you'll be well versed in the fundamentals of:

- Copyrights
- Patents
- Trade secrets
- Trademarks

### 2. Key Licensing Ingredients Part 1

This session is one of three that deal with software license agreements and issue spotting. We will review actual examples and discuss the following topics:

- Parties to the contract
  - Who is the licensor?
  - How is licensee defined?
- Grant of license
  - Do defined terms limit use?
  - Other common restrictions
- Payment terms
  - Pay for performance
  - Acceptance tests
  - Aggregate purchases
- Warranty
  - Do UCC warranties matter?
  - What warranties should be included?
- Documentation
  - Defining your rights to use/modify
  - Is the vendor obligated to update?

### 3. Key Licensing Ingredients Part 2

Part 2 picks up where Part 1 left off, but it is independent of and not a "continuation" of Part 1. Issue spotting and discussion will surround:

- Training
  - Included?
  - Hidden charges
  - Scheduling
- Maintenance
  - Mandatory?
  - What is included/excluded?

- Has the licensor subcontracted?
- Methods of delivery
- Levels (silver, gold, platinum)
- Caps on increases
- Indemnification
  - Distinguish among
    - Indemnify
    - Defend
    - Hold harmless
  - Who is protected?
  - What is excluded?
  - Specific to intellectual property
  - Which versions of the software are covered?
- Assignment
  - Consent required?
  - What are each party's interests?

### 4. Key Licensing Ingredients Part 3

The third installment in the series (still an independent breakout and not necessarily a "continuation") will discuss the following topics:

- Source code escrow
  - Limitations
  - Usefulness
  - Rights
  - Under seal agreement
- Termination
  - Who can?
  - When?
  - Limitation of liability
  - Carve-outs
  - Reasonableness of the limit
- Confidentiality
  - What should be protected?
  - Reasonable duration
  - What should be disclosed?

### 5. Software Development Issues

Software development raises a wide variety of issues from ownership to maintenance to protecting yourself. In this session, we'll address the essentials for doing better software development deals, including:

- Why has software developed?—five reasons, including:
  - Want ownership
  - Don't have expertise in-house
- What does software development encompass?
  - New software
  - Customization of your software
  - Customization of the vendor's software

- Decide results or resources deal
  - Determining responsibility
  - For the outcomes
  - For the project management
- Other important issues—fourteen key considerations, including:
  - Payment triggers
  - Acceptance testing
  - Infringement protection
  - Remedies

## 6. Governance Essentials for Managing Your Vendors

When dealing with your vendors, it's imperative that you have strong controls in place. This breakout will highlight many policies, procedures and documents necessary for a successful vendor management program:

- Policies—five areas for improvement, including:
  - Onsite vendors
  - Ethical behavior
- Procedures—four key topics, including:
  - Change control
  - Incident escalation
- Documents—six categories of templates, including:
  - Deficiency letters
  - Relationship agreement

## 7. Classifying Your Vendors

You can't devote equal attention to all of your vendors for a lot of reasons—cost, time, etc. So how do you determine where to invest your resources? This session will help you answer that critical vendor management question. Topics include:

- What is vendor classification?
  - Determine vendors' impacts
- Why should I classify my vendors?
  - Which vendors require management?
  - Allocate customer resources effectively
- How do I classify my vendors?
  - One-dimensional
  - Two-dimensional
  - Multidimensional

## 8. Key Performance Indicators

Sound vendor management practices require that you measure your vendors' performance beyond their contractual obligations. In this session,

we'll provide you with the framework for using key performance indicators as a measurement tool for your top tier vendors. We'll cover:

- What are key performance indicators?
- How are they used?—six major ways, including:
  - Eliminate/reduce excuses
  - Grade and compare vendors
- Create KPI index model—five short steps

## 9. Relationship Management

Managing the relationships we have with our vendors is just as important as what is in the contract. Although they are often overlooked or taken for granted, there are several things we can do to improve our relationships with vendors. Topics include:

- Improving relationships
  - Assess current status—five things we must do, including:
    - Outline contractual commitments
    - Conduct satisfaction survey
    - Identify areas for improvements
  - Determine future needs
    - This vendor
    - This category of vendor
  - Identify relationship desired
    - Operational
    - Business
    - Strategic
  - Evaluate leverage
  - Create plan
  - Implement plan
- Monitoring relationships
  - Establish monitoring infrastructure
  - Assign responsibilities
    - KPIs
    - Governance
    - Reclassification
    - Contract management
  - Audit improvement plan results
  - Ensure vendor accountability
  - Relationship breakdowns—seven important issues, including:
    - Characteristics of breakdowns
    - Prevention
    - Resolution



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### 10. Negotiation Power

Negotiation power is the most critical element in negotiation of a successful outcome. This interactive breakout session will identify key categories of leverage and ways to protect the source of that leverage. Topics include:

- Sources
  - Control—seven components to manage, including:
    - Contract
    - Emotions
    - Agenda
  - Alternatives
  - Authority—gain four ways
  - Information—six critical points, including:
    - Information is power
    - Talking = giving information
    - Listening = receiving information
  - The deal itself
  - Opponent—gain four different ways
  - Interpersonal
- Maintaining—seven initiatives to keep power, including:
  - Don't eliminate source of power
  - Don't expose needs
  - Counter opponent's ploys

### 11. Preparing to Negotiate Part 1

Along with negotiating power, preparation is a critical element in determining the outcome of any negotiation. Part 1 of this two-part subject sets the stage for getting to the "bargaining table." Topics include:

- Information gathering
  - Internal analysis—five things we must determine
  - Industry analysis
  - Analysis of opponent—ten important issues, including:
    - Deal impact on them
    - Their objectives, interests and limitations
    - Questions they will ask

- Finalize Negotiation Plan
  - Conduct risk analysis
  - Set expectations within the team
  - Develop alternatives to a negotiated deal
  - Document Negotiation Plan
- Run simulation(s)
  - Conduct simulation
  - Review/audit the simulation
  - Modify strategies and Negotiation Plan

### 12. Preparing to Negotiate Part 2

In Part 2 of this subject, we continue to prepare for dealing with our worthy adversary. Topics include:

- Obtain authority
  - Team members
  - Senior management
- Meeting logistics
  - Medium
    - In person
    - Videoconference
    - Telephone
    - E-mail
  - Site
    - Ours
    - Theirs
    - Neutral
  - Environmental factors—eight factors to consider, including:
    - Seating
    - Meeting room
    - Seating arrangements
  - Human factors
    - Travel
    - Food
    - Fatigue
    - Time
- Attendees
- Develop agenda
  - Advantages
  - Disadvantages
  - Top-down negotiations
- Review table team protocol—seven rules to follow, including:
  - Maintain self control
  - One person speaks at a time
  - Don't hesitate to call a caucus
- Review negotiating styles
  - Geared to
    - Situation
    - Personalities
  - Objective is to communicate our ideas most effectively
  - Elements of negotiating style

### 13. Communicating at the Bargaining Table

After our preparation is complete, we're ready to begin negotiating. This session focuses on things to do and be aware of at the bargaining table, including:

- Meeting management
- Communication—six critical issues to understand, including:
  - Questioning—six types of questions
  - Listening
    - Benefits of listening
    - Active listening
    - Barriers to listening
  - Body language
- Maslow's hierarchy of needs
  - Pyramid
  - Examples
  - Negotiations applications
- Closing/documenting
  - Statements and questions—eight most effective comments
  - Document
  - Update agreement and Negotiation Plan
  - Notify senior management
  - Gain agreement—four steps

### 14. Dealing with Deadlocks and Impasses

Throughout any deal, we're going to run into deadlocks and impasses. The question becomes this: how do we get past the sticking points and move on? In this breakout, we'll look at the root causes of deadlocks and impasses and review fifteen ways to resolve them, including:

- Brainstorm
- Write issue on board
- Depersonalize the issue
- Create a problem-solving team
- Sit on the same side of the table

### 15. Maximizing Vendor Performance by Contracting for Results

Tired of not getting what you paid for? Maybe you should shift the risk to the vendor. How? By doing a results-based contract. This session

will explore the nuances of results-based contracts, including the following topics:

- Responsibilities
  - Outcomes
  - Project management
- Scope
  - Mission statement
  - Mission objectives
  - Mission results



- Accountability
  - Vendor's
  - Customer's
- Sixteen critical items every results deal should address, including:
  - Inducements
  - Payment for performance
  - Rolling estoppel
  - Milestones and acceptance tests

### 16. Effective Requests for Information

A request for information (RFI) is a great way to research your vendors and their industries. In addition, an RFI sets the stage for many of the issues that arise later during the procurement process (request for proposal, evaluation criteria, negotiations, etc.). Topics covered in this session include:

- Five advantages of RFIs, including:
  - Gain RFP input
  - Negotiate representation reliance agreement
- Common misconceptions
- Common mistakes
- Questions to ask
- Information to seek

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### 17. Avoiding Scope Creep and Team Dissension

Ever had a deal take on a life of its own? Ever had team members argue at the negotiating table regarding your goals and objectives? This session provides you with a proven method for reducing scope creep and for obtaining consensus before you negotiate. Topics include:

- Collecting objectives
  - Gaining consensus
  - Getting comprehensive understanding
  - Developing performance measurement criteria
- Prioritizing objectives
  - Why?—six critical reasons, including:
    - Gaining support
    - Resolving internal differences
  - Who?
  - How?
    - Rating individually
    - Ranking as a team

### 18. Internal Strategy Documenting and Communicating

Internal alignment is crucial for doing good deals. Throughout the procurement process, all stakeholders must be aware of the chosen direction and must present a united front. To facilitate this, a Position Paper can be used to document the team's direction, ensure communication and obtain authority. In this session, we'll walk through a Position Paper template and show you why you'll never want to do a high-profile deal without one.

- Four primary benefits, including:
  - Gain authority
  - Use as game plan
- Seven major content areas, including:
  - Negotiation considerations
  - Potential vendors' strengths and weaknesses

### 19. Contract Development and Contract Management Considerations

Vendor form contracts protect the vendor, not the customer. To reduce our risk, we should be using our contracts, not theirs. But, that's only half of the story—we also have to manage the contract after it is executed.

#### **Contract Development**

- Benefits—six advantages to using your contract, including:
  - Improve quality
  - Qualify vendors
- Objectives—five major goals, including:
  - Fit the transaction
  - Facilitate monitoring and enforcement
- Enforceability—converting “venderspeak” into meaningful language
- Contract hierarchy
  - Philosophy
  - Concepts
  - Details

#### **Contract Management**

##### Benefits

- Enforcing your rights
- Ensuring vendor performance
- Record of performance
- Input into future decisions
- Responsibilities
  - Delegate authority
  - Senior project executive
  - Quality review committee
- Methodology
  - Maintain a log
  - Review events and progress
  - Conduct regular meetings
  - Take action immediately

### 20. Improving Your Vendors' Proposals Part 1

The success of a request for proposal is determined by the responses received. As the old saying goes, “garbage in, garbage out.” There are many ways to reduce the possibility of receiving garbage. This two-part session will explore many of them.

#### **RFPs**

- Objectives—seven important things, including:
  - Increase control
  - Maximize competition
- Content—seven sections, including:
  - General procedures
  - Your contract

#### ***Bidders' Conferences***

- Objectives—six keys, including:
  - Obtaining best offers
  - Promoting competition
- Benefits—five advantages, including:
  - Puts you in control
  - Reduces incumbent's overconfidence

## **21. Improving Your Vendors' Proposals**

Part 2

Topics include:

- Mission statements
- Mission objectives
- Continuous improvement plans
- Representation reliance agreements
- Proposal checklists
- Procurement library
- Optional proposals

## **22. Evaluating Vendor Proposals**

Evaluating RFP responses can be a cumbersome and convoluted process. In this session, we'll provide tips and tricks to ensure selection of the best vendors to negotiate with. Topics include:

- Quality of response
  - Operational
  - Technical
  - Contractual
  - Financial
- Decision model
  - Team analysis
  - Prioritized objectives
  - Weighting factors
- Qualify at least two potential vendors
- Identify conceptual
  - Agreements
  - Disagreements

## **23. Identifying and Defeating Vendor Ploys**

The first step to defeating a vendor ploy is to identify it. In this session, we'll cover more than thirty sales, vendor and negotiating ploys (and how to counter them), including:

- "Divide and Conquer"
- "Try It, You'll Like It"
- "Who Has the Keys to the Company Store?"
- "Price Protection Contract/Price Increase Coming"
- "That Would Be Setting a Precedent/We've Never Done That Before"



## **24. Twelve Things You Must Know Before Executing any Lease**

Attend this breakout if your organization leases *anything*, and you'll pay for the entire conference in 90 short minutes. The top twelve ways to save money and reduce risk in a lease will be covered, including:

- Stealth "gotchas" everyone misses
- Financial tricks lessees fall for
- How small deal lessors overcharge you
- Captive lessors can be very costly
- Interim rent

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### 25. A Behind-the-Scenes Look at Lessors—What They Don't Want You to Know

In this session, we'll delve into the inner-workings of the lessor to provide you with a better understanding of our worthy opponent. Topics include:

- Types of lessors
  - Captive
  - Independent/third party
  - Financial institution
- How lessors make money—the actual profit computation, not what they tell you
- Clever ploys lessors use to squeeze you
  - Tricks to increase profits after the deal is done
  - Rent schemes
  - Tax-benefit scams
  - End-of-lease windfalls
  - Undisclosed purchase arrangements
- Lessor's primary obligation
- Are all lessors equal?



### 26. Onerous Leasing Provisions and How to Fix Them

Leases are full of one-sided provisions—ones that benefit the lessor. This session identifies fourteen of the worst leasing provisions and steps you can take to protect your organization. Provisions discussed include:

- “Deemed accepted”
- Tax indemnification
- Maintenance certification
- Rolling rent
- Cross-default
- Redelivery obligation
- Risk of loss
- Lessor assignment rights

### 27. Cool RFI/RFP Provisions and Tools

#### *RFIs*

- Relationship architecture—three items to address up front
- Obtain early commitment, plan better and determine the vendor's confidence levels—fifteen things to consider, including:
  - Project staffing continuity
  - Gap analysis
  - Hidden cost identification/elimination
  - Vendor “value-add” justification

#### *RFPs*

Twelve key concepts, including:

- Using technology road maps
- Identifying open source software
- Limiting useless information
- Mitigating project risk
- Establishing budget expectations

#### *Tools*

- RFP risk assessment tool
- Sample reference check questions
- Cost-plus analyzer

### 28. The RFP Process

A well-done RFP is the cornerstone of a successful project. Attend this session to learn helpful tips for getting the most out of your process.

- Organize
  - Form team(s)
  - Research internal
  - Research external
  - Decide results or resources
  - Collect objectives
  - Prioritize objectives
  - Conduct additional research on vendors
  - Develop Position Paper
  - Determine evaluation criteria
- Produce
  - Activate team
  - Assign responsibilities
  - Conduct RFP-based research
  - Develop RFP outline
  - Incorporate prioritized objectives
  - Draft RFP text
  - Conduct peer review
  - Compile initial draft
  - Review by disinterested third party

- Revise as necessary
- Proofread
- Format
- Gain approval
- Publish
- Request
  - Issue RFP
  - Conduct bidders' conference
  - Answer questions
- Evaluate
  - Receive/review proposals
  - Separate financial/pricing info from other parts
  - Issue deficiency notices, if necessary
  - Evaluate responses from each vendor
  - Issue requests for clarification or additional information
  - Conduct reference checks
  - Prepare to implement the Zone of Consideration (ZOC)
  - Finalize the negotiations strategy for each potential vendor
  - Negotiate
  - Execute agreement(s)
  - Document the results
- Manage
  - Manage the project plan/transition plan
  - Manage the contract
  - Manage the relationship

## 29. Recap Part 1

If you didn't have a chance to attend all of the sessions you were interested in, the Recap Sessions are a great way to get a summary of the material you missed.

### *RFPs*

Fourteen essential concepts, including:

- Always include your form contract
- There is no substitute for preparation
- Do not accept unsolicited offers—tie all offers to your published RFP
- Do not limit potential vendor creativity in proposing alternative solutions
- Do not underestimate the amount of time required to prepare a complete response

### *Keys to Doing Better Deals*

Thirteen critical factors, including:

- Information

- Attitude
- Alternatives

### *The Ten Truths of Contracting*

Ten important principles to remember, including:

- If it's not in the contract, it's not part of the deal
- Contract and relationship management is critical
- It is NOT a relationship of trust; it is NOT a partnership

### *Vendor Management*

Best Practices—fourteen essential factors, including:

- Executive sponsorship
- Cross-functional teams
- Organizational alignment and support

## 30. Recap Part 2

Recap Part 2 covers negotiations and software issues.

### *Negotiations*

Fifteen things absolutely not to do, including:

- Divulge our budget
- Reveal our schedule
- Say their price or terms are reasonable
- Let them know they're the only option or our favorite
- Eliminate alternatives until negotiations are completed

Twenty-three critical truths we need to know, including:

- Information is power
- We have to hear some "Nos"
- A good deal is about more than just the money

### *Software*

Crucial factors for protecting your interests, including:

- Assessing your rights
- Understanding applicable laws such as UCITA
- Defining terms appropriately
- Determining scope of use
- Identifying potential users
- Recognizing hidden pitfalls
- Reviewing practice pointers
- Establishing audit provision limitations



Day 1 June 21, 2010			
Time	Session 1	Session 2	Session 3
8:30	Twelve Things You Must Know before Executing any Lease	Governance Essentials for Managing Your Vendors	Negotiation Power
10:00	Break		
10:30	How Software Is Protected	Effective Requests for Information	Preparing to Negotiate (Part 1)
12:00	Lunch		
1:30	Internal Strategy Documenting and Communicating	Avoiding Scope Creep and Team Dissension	Contract Development and Contract Management Considerations
3:00	Break		
3:30	Key Licensing Ingredients (Part 1)	Improving Your Vendors' Proposals (Part 1)	Preparing to Negotiate (Part 2)
Day 2 June 22, 2010			
8:30	Maximizing Vendor Performance by Contracting for Results	Software Development Issues	Cool RFI/RFP Provisions and Tools
10:00	Break		
10:30	Key Licensing Ingredients (Part 2)	Classifying Your Vendors	A Behind-the-Scenes Look at Lessors -- What They Don't Want You to Know
12:00	Lunch		
1:30	The Request for Proposal Process	Identifying and Defeating Vendor Ploys	Dealing with Deadlocks and Impasses
3:00	Break		
3:30	Key Licensing Ingredients (Part 3)	Key Performance Indicators	Onerous Leasing Provisions and How to Fix Them
Day 3 June 23, 2010			
8:30	Recap (Part 1)	Improving Your Vendors' Proposals (Part 2)	Communicating at the Bargaining Table
10:00	Break		
10:30	Recap (Part 2)	Relationship Management	Evaluating Vendor Proposals
	Lunch		



# Onsite Training

Your location, your people, your needs

**Cherry pick the curriculum from this conference and we can bring it to your site.**

Simply contact Joe Auer at 407.740.0700 or [joea@dobetterdeals.com](mailto:joea@dobetterdeals.com) for more information.



## Benefits

- **Convenience**—you set the schedule for the training and the location.
- **Economy**—by bringing the training in-house, you save time and money—no plane tickets, hotels or lost travel time.
- **Team building**—training your personnel simultaneously develops the cooperation and camaraderie that result from a shared learning experience.
- **Productivity**—employees who receive ongoing training are more productive and more loyal.
- **Synergy**—onsite training provides a common ground for coworkers to stimulate ideas and discussions.
- **Customization**—the training provided will be tailored to your specific needs and environment; your nomenclature can be incorporated into the materials so that your standards are reinforced.
- **Uniformity**—your personnel will hear the same material at the same time, providing a common message throughout the teams.

You may also choose to bring the following ICN training courses to your site.

- **RFP Lab**—*Forms, Training, Templates*
- **Total Vendor Management**—*Getting What You Pay For*
- **High Tech Procurement**—*Managing the Acquisition Process*
- **Software**—*Issues, Contracts & Negotiations*
- **Leasing Lab**—*Tools, Training, Templates*
- **Negotiations**—*Power, Process, Principles*

Visit [www.dobetterdeals.com](http://www.dobetterdeals.com) for a complete outline about each course.





## Do Better Deals Conference Location

### The Stanford Court Renaissance San Francisco Hotel

905 California St Nob Hill  
San Francisco, CA 94108

415-989-3500

Sleeping Room Rate:  
\$179.00 Single/Double Occupancy.

Hotel Cutoff: June 6, 2010

# Work Smarter San Francisco June 21-23, 2010

## Save Your Seat. Register Today!

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## **ICN**™ Registration and Information

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## Benefits

- Save bottom-line dollars
- Improve your negotiations
- Ensure better vendor performance
- Reduce your risk
- Stay current with industry trends
- Improve contract and vendor management strategies
- Network with fellow professionals
- Do better deals and manage deals better



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## Do Better Deals Conference™

*Best Practices Procurement*



The Do Better Deals Conference is packed with an abundance of “best practices” procurement strategies. If you buy anything, you will leave with the tools to work smarter on everything from preparing procurements to managing the contract. The bottom line is that you will do better deals and manage those deals better as a result of your attendance.