

**Do Better Deals™**

**At-Your-Site**

**Seminars**



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## About On-Site Training

International Computer Negotiations (ICN) has been training technology procurement professionals since 1975. You can join the thousands of professionals who have honed their skills through ICN training.

### Benefits

On-site training provides many benefits over attending public seminars. By bringing ICN to your site, you will enjoy the following benefits:

- **Convenience** – you set the schedule for the training and select the location.
- **Economy** – by bringing the training in-house, you save time and money; no plane tickets, hotels or lost travel time to consider.
- **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 typically more productive and more loyal.
- **Synergy** – on-site training provides a common ground to stimulate discussions and ideas.
- **Customization** – the training provided will be tailored to your specific needs and environment; your nomenclature can be incorporated into the materials so that your policies and standards are reinforced.
- **Uniformity** – your personnel will hear the same material at the same time, providing a common message throughout the teams.

### Experienced Instructors

In addition to sharing their practical, first-hand experience, ICN instructors are practicing professionals who work daily in the field. As a result, they are “up to the minute” and know what you need. Their experiences are shared with you at ICN seminars in tutorials and interactive workshops. Because they are involved in actual transactions on a day-to-day basis, what they share is current, tried and proven.

### Customized Deal-Making Training

Because ICN is constantly involved in technology transactions for numerous U.S. and international companies, we have the opportunity to gather the information and insights necessary to do better technology deals, regardless of function, scope or location. All of ICN’s wisdom is incorporated into its customized on-site seminars, to the extent that it is helpful to the specific client.

### Cherry Pick Your Curriculum

Because every ICN on-site seminar is organized in modules, you can pick and choose the topics to be covered in your seminar. This way, you can work with our training professionals to tailor your seminars to meet your organization’s needs.

## About Our Courses

ICN training workshops can be a valuable tool for your procurement team. Our subject matter experts share their practical, first-hand experience during our interactive workshops so your people will get answers to the questions and issues they face on the job every day.

These highly interactive seminars are composed of lectures, facilitated discussions and exercises. Training materials include a copy of the presentation, articles, checklists and other valuable items. Our workshops are:

### **SLA Lab: *Results-Based Contracting***

**Course length: Two days**

Early in the acquisition process, effective negotiating teams must agree upon the concept of which contractual approach they will use to drive the deal. ICN's advanced training course, **SLA Lab: Results-Based Contracting**, helps you understand the difference between contracting for resources and contracting for results and shows you how to implement a "results deal".

This "results versus resources" decision establishes which side of the bargaining table will bear the responsibility for the results you're expecting from the deal. In a "results deal," the vendor is responsible, while in a "resource deal," it's the customer. You'll also learn how to:

- Get Specific Results
- Change Promises into Contractual Rights
- Ensure Vendor Compliance
- Get Meaningful Remedies
- Reduce Your Risk of Project Failure
- Save Money, Time, Aggravation and Future Headaches

Our **SLA Lab** on-site training will give you these valuable take-aways:

- Service Level Template
- Sample Service Level Measurement Formats
- Scorecard Templates
- Dashboard Illustrations
- Position Paper
- Sample Service Level Agreement
- Financial and Non-financial Incentives
- Responsibility Matrix
- Negotiations Ploys and How to Handle Them
- Performance Pools, Reconciliation Strategies

An outline of the SLA Lab course is available in the Appendix.

## **High Tech Procurement: *Managing the Acquisition Process***

**Course length: Three days**

ICN's **High Tech Procurement** workshop is designed to help you understand the issues in procurement that go beyond the technical considerations: vendor management, the intricacies of contracting, vendor ploys, negotiation strategies and tactics, procurement tools, and more.

In this workshop, you will learn proven methodologies for managing and controlling acquisitions so you can get the best and safest deal possible. You'll be introduced to ICN's Managed Acquisition Process™, an acquisition-by-objective methodology that provides an orderly progression through the procurement process. You'll also learn how to:

- Counter vendor ploys
- Develop RFP strategies
- Establish decision criteria
- Establish effective teams
- Prioritize objectives
- Optimize your side of the deal
- Manage the contract and the vendor

Our **High Tech Procurement** on-site training will help you:

- Master negotiation strategies
- Learn and understand the methodology for successful procurement
- Maximize your protections
- Gain significant bottom-line dollars
- Level the negotiations table
- Learn to use RFPs to negotiate with power
- Obtain meaningful warranties and remedies for vendor noncompliance

An outline of this course is available in the Appendix.

## **Software: *Issues • Contracts • Negotiations***

**Course length: Two days**

Software deals grow more complicated year after year, and they can be difficult to both understand and manage. With our **Software** on-site training, you will gain an understanding of current market trends, meaningful warranties and remedies, negotiation tactics and litigation avoidance so that you can prevent the “gotchas” that are lurking in every vendor form contract.

In this workshop, we deliver the latest information you need to know about software issues, contracts and negotiations. As a result, you'll learn valuable insights and tips that you can put to use immediately. You'll cover topics such as:

- How intellectual property is protected
- Software licensing issues
- How to set negotiating objectives
- How to avoid litigation
- Special considerations in software development
- Special contract considerations

Our **Software** on-site training will help you:

- Understand current market trends
- Learn negotiating tactics you can use
- Learn and understand remedies to use for non-compliance
- Avoid litigation
- Save your assets
- Learn keys to success in development contracts
- Obtain meaningful warranties and remedies

A complete course outline is included in the Appendix.

### **Negotiations: *Power • Process • Principles***

**Course length: Two days**

ICN's **Negotiations** workshop is designed to place the customer in control of supplier negotiations. Traditionally, suppliers have controlled the negotiation process by wielding significant leverage. This has been the result of on-going supplier training, preparation, planning, practice and relationship building. Lost leverage has led customers to pay more than they should and to take on excessive contractual risk. With our negotiations training, you will gain bottom-line dollars, contractual protection and better business relationships with suppliers by putting our proven methodologies into practice.

Our **Negotiations** on-site training is designed not only for the technology procurement professional but for anyone who will need to negotiate the acquisition of any commodity or service. Our **Negotiations** training will teach you an effective process that will provide you with a means to achieve focus, direction, discipline, consensus and consistency in your negotiations. We will help you:

- Avoid risk
- Save money
- Resolve disputes
- Close the big deal
- Gain and retain power
- Learn strategies and tactics

- Prevent future headaches
- Get a better agreement
- Obtain your objectives

A complete course outline is available in the Appendix.

**Total Vendor Management: *Getting What You Pay For***  
Course length: Two days

ICN's **Total Vendor Management** course will prepare your organization to manage supplier relationships more effectively in order to drive ongoing vendor performance. This workshop will show you a process that will allow you to control your vendors and get what you pay for. You'll discover how to create and utilize leverage that improves vendor performance. And we'll show you how you can ensure your rights, remedies and deal flexibilities.

Taught by vendor management professionals, our **Total Vendor Management** on-site training will help you:

- Establish critical governance
- Identify which vendors to manage
- Enhance relationships with vendors
- Reduce the risk of vendor nonperformance
- Learn to use Key Performance Indicators (KPIs)
- Find out how to implement an effective vendor management system

You'll also learn how you can:

- Gain flexibility
  - Resolve problems early
  - Save bottom-line dollars
  - Improve vendor performance
  - Gain efficiencies
  - Achieve strategic goals
- 
- Obtain competitive advantages
  - Understand and control spending
  - Get what you pay for

An outline of this course is included in the Appendix.

**RFP Lab: *Forms, Training, Templates***  
Course length: Two days

ICN's **RFP Lab** is an advanced workshop that is designed to teach you a process for managing and controlling acquisitions so that you can get the best and safest deal possible. Here, you'll learn how to require that responding vendors propose concrete solutions and be accountable for those solutions.

You'll learn concrete solutions to determine:

- How willing a vendor is to accept contractual commitments
- If the vendor has the skills and experience to do the job right, on time and within budget
- The responsibilities the vendor will have
- The deliverables you can expect to see and when
- What will happen if the vendor does not deliver as expected
- What is the best deal

You'll also learn how to:

- Establish vendor competition
- Convert vendor "sales talk" into enforceable contractual commitments
- Codify all requirements in a single document
- Align objectives and evaluation criteria
- Obtain multiple solutions to your "problem"
- Stop vendors from bypassing the procurement process
- Gain, improve and retain negotiating power
- Provide a disciplined, repeatable approach to the RFP process

In **RFP Lab**, you will receive more than twenty tools and resources, including:

- RFP Templates
- Potential Vendor Evaluation Matrix
- Potential Vendor Pricing Matrix
- Bidder's Conference Agenda
- Position Paper
- RFP Checklist
  
- Request for Information (RFI) Template
- Various Form Letters to Communicate Effectively with Potential Vendors
- Sample Reference Check Questions

A complete course outline is available in the Appendix.

**Leasing Lab: *Forms, Training, Templates***  
Course length: Two days

ICN's **Leasing Lab** is an advanced workshop that focuses on every important aspect of leasing, including the latest contract pitfalls and dangerous trends. Built around firsthand experience from clients of all industries and sizes, **Leasing Lab** includes helpful information for the novice as well as the experienced lessee.

In this workshop, you will:

- Learn how to evaluate a lease proposal
- Compare lease bids and choose the best deal
- Receive expert advice on lease documentation
- Discover how to preserve important options during the lease term
- Negotiate better lease termination and lease extension terms
- Learn how to avoid costly equipment return provisions
- Learn the supplier ploys and how to counter them
- Discover how to avoid indemnifying supplier's tax assumptions
- Learn how to preserve flexibility for equipment additions and upgrades
- Gain knowledge of the different types of lessors, their strengths and weaknesses
- Ensure the financial advantage to lease remains valid at the end of the lease

In the **Leasing Lab**, you'll also receive:

- A valuable Request for Quote (RFQ) document
- A comprehensive deal checklist
- Pick up negotiation tips and tactics
- A best-practices, lessee-friendly Master Lease Agreement

A complete course outline is available in the Appendix.

**Executive/End-User Briefing: *Critical Concepts Executives  
and End-Users Need to Know***

**Course length: 1½ to 3½ hours**

ICN's **Executive/End-User Briefing** provides a customized orientation to the unique challenges of technology procurement. The briefing is designed for senior to mid-level management and focuses on the integral role of effective technology procurement in helping meet overall business objectives. When given to groups who interact with suppliers, this briefing has been highly effective in changing corporate cultures to do better deals.

The objectives of the session are to:

- Raise awareness of executives on key negotiation issues
- Adjust attitudes about the vendor/customer relationship
- Prevent executives from giving away your negotiation position
- Understand how to negotiate better deals
- Enlighten executives on the importance of information

In the **Executive/End-User Briefing**, you will learn:

- The advantages of a formal acquisition process
- The importance of management sponsorship of the process
- The role of senior management in the negotiating process
- Management tactics needed to leverage better deals
- Why the role of management is critical to success

An outline of the briefing is available in the Appendix.

## About ICN

ICN has been in the business of helping users of technology products and services do better and safer deals with their vendors for more than 30 years. Over that time, we have helped train thousands of professionals to do just that. Our clients agree that ICN is different from other training and consulting organizations because of a number of different factors:

**Over Three Decades of Training Experience in the Field.** Since 1975, ICN has provided critical training and consulting in technology procurement, vendor management, and negotiations. ICN has established a reputation that sets it apart from the competition. Our training and consulting services focus on several areas of negotiations — equipment, maintenance, services, leasing, software licensing and development, the science of negotiations, managing the acquisition process and vendor management. Related offerings include large, multi-track conferences, products and publications as well as the sponsorship of Caucus – the association of technology procurement professionals.

ICN's highly acclaimed training workshops are best defined as the most insightful and practical sources of information available, continually updated by our consultants who work daily with clients negotiating deals.

Internationally, ICN has presented both public and customized, on-site seminars in countries around the world including the United Kingdom, the Netherlands, Malaysia, Switzerland, Canada, Australia, New Zealand, Hong Kong and Singapore. A large number of foreign attendees — from such countries as the Netherlands, Canada, the Philippines, Dominican Republic and Panama — participate at ICN public seminars held in the U.S.

**Broader Scope of Experience.** ICN numbers among its clients more than 300 of the Fortune 500 companies, many of whom are leaders in the international marketplace. A partial list of clients who rely on ICN's consulting and training expertise reads like a who's who of premier organizations: MasterCard Worldwide, Merck, Kellogg, General Motors, UBS, Shell, State of Texas, Andersen Corporation, ING, Wellpoint, Textron, TD Bank, Royal Bank of Canada, Synopsis, Abbott Labs, Burlington Northern Santa Fe Railroad, Hess, American Express, International Securities Exchange and Capital One .

**Most Experienced Consultants/Instructors.** The ICN staff of consultants/instructors is a multidisciplinary team comprised of specialists with extensive backgrounds in such areas as law, finance, procurement, negotiations, vendor management and information technology. Our staff professionals average more than two decades of experience in managing high technology negotiations and acquisitions from diverse perspectives. Each has the requisite experience required of a successful instructor. All are practicing professionals who regularly face suppliers at the bargaining table and help our clients implement negotiation strategies. Several are former supplier

lawyers and sales people. Some are published authors on the subjects they teach. ICN instructors bring a truth-from-the-trenches perspective to all of our courses.

**Recognized Leader.** ICN has established its reputation and is a recognized leader in negotiations. Called “the industry’s leading bargaining expert” by *Business Week*, and “the expert to whom others turn” by *Datamation*, ICN founder Joe Auer developed the MAP™. The MAP is widely accepted as the optimum process for minimizing costs and maximizing protection in the procurement process.

Our reputation as a leading authority is also established throughout the supplier community. When Electronic Data Systems (EDS) was involved in a lawsuit against Computer Associates (CA), it called on ICN — in the person of Joe Auer — to offer expert witness testimony.

IBM’s Legal Department hired ICN to help make their contracts more customer-oriented.

**Managed Acquisition Process.** ICN created the widely acclaimed MAP, an acquisition-by-objective methodology that provides an orderly, professional progression through the procurement/negotiations process to a successful conclusion. The MAP recognizes that a major procurement touches upon a full range of professional disciplines. Through a team approach, this methodology optimizes the evaluation, negotiation and procurement of high tech products and services and subsequent contract management.

Our years of consulting and training experience, in combination with the methodology of the MAP, have allowed us to develop very powerful tools to apply in leveraging the key ingredients of a deal.

## About Our Experience

ICN has considerable experience working with major corporations to plan and implement a variety of technology transactions. For more than three decades, we have been the acknowledged experts in technology procurement, as well as contract and vendor management. Our client base includes more than 300 of the Fortune 500 and is comprised of such names as Kellogg Company, General Motors, John Deere Credit, Citizens Bank, Viacom, Shell Services International, Merck & Company, Toyota, ING Americas and Siemens/Infineon.

As previously mentioned, each of our instructors is a practicing professional with extensive experience at the bargaining table. To give you an idea of the type of experience they have, we have summarized some of our specific experience below.

**Alyeska Pipeline Services Company (APSC)** engaged ICN to review the RFP prepared by one of our competitors. We identified several deficiencies that, if not corrected, would have increased APSC's risk in the deal. ICN was then engaged to drive the entire process, which included drafting RFP and contract revisions, identifying negotiating objectives and strategizing for and conducting negotiations. In addition, we provided planning and project management for the vendor selection effort.

**Baxter Healthcare** engaged ICN to lead efforts to outsource its significant midrange computing environment. ICN led the process, which included identifying requirements, drafting an RFP and contract, conducting bidders' conferences, identifying Baxter's negotiating objectives and strategizing for and conducting negotiations. Based upon ICN's analysis and involvement, Baxter Healthcare decided not to consummate the deal because the potential vendors could not deliver a lower-cost solution when compared to existing internal costs.

**CBS/Viacom**, the large media company based in New York City, outsourced its core data center infrastructure, call center and desktop support for corporate and three of its business unit subsidiaries. ICN provided the planning and project management for the vendor selection and negotiation effort, and we were instrumental in driving the total process.

**Citizens Bank Corporation (CBC)** of Flint, Michigan, outsourced its core banking applications and infrastructure. ICN provided the planning and project management for the selection effort. We helped drive the entire process, which included identifying application requirements, drafting an RFP and contract, conducting bidders' conferences, identifying CBC's negotiating objectives, strategizing for and conducting negotiations and providing post-implementation and contract management support.

**Exelon** hired ICN to provide strategic and tactical negotiation direction in negotiating a Microsoft Enterprise Agreement renewal. Through creative leveraging, the client gained significant concessions such as "true down" and forgiveness for premier

support overage hours. ICN performed all negotiations for a mainframe upgrade, resulting in the client savings nearly a million dollars.

**General Motors Corporate (GM)** contracted with ICN for both training and contract development. As a result of a recommendation by its Chicago-based legal counsel, Kirkland & Ellis, GM approached ICN to develop a customized High Tech Procurement training course to be presented to key personnel worldwide. An additional segment of the assignment was to develop a master agreement for information technology for GM's international operations. The final ICN-developed GM master agreement included eight individual categories and is used throughout GM's international operations.

**ING Americas**, a recognized leader in insurance and financial services, engaged us to provide technology procurement staff augmentation for its Minneapolis office. In response, three senior consultants went on-site to provide technology procurement expertise. Our consultants supported a variety of technology acquisition projects, including hardware, software licensing, services and telecommunications.

**International Securities Exchange (ISE)**, based in New York City, operates an online, real-time, automated options trading system. ISE's customers are major financial organizations in the United States. The project involved contracting for data communications services interconnecting ISE's two data centers, as well as data communications between the data centers and ISE's customers. ISE had selected two potential suppliers, with the intention of awarding one of them the contract. ICN developed the master agreement and related service agreement schedules and led contract negotiations.

**John Deere Credit (JDC)**, the finance subsidiary of John Deere, outsourced the development of credit authorization and scoring software. ICN was engaged to help resolve issues surrounding the clarity of system specifications after the vendor had been selected. We worked with both JDC and the vendor to resolve these issues. Using the new system specifications, ICN developed and successfully negotiated a software development and licensing agreement. An important consideration was that the fixed price contract provided for vendor payments only upon JDC's acceptance of deliverables.

**Kellogg Company** has utilized ICN in a variety of transactions. A primary example is ICN's contribution to Kellogg Latin America—including Mexico, Argentina, Brazil, Chile, Colombia, Ecuador, Guatemala and Venezuela—in outsourcing its Shared Services Center (SSC). The SSC includes local area network services and help desk functions that were outsourced to a Mexican subsidiary of a U.S. corporation. Kellogg also used ICN in the outsourcing of its North American Data Center, which included mainframe operations and technical support. We performed additional outsourcing transactions for Kellogg Europe, one of which required the outsourcing of all data center functions for eastern and western Europe with the work being performed in the United Kingdom. In another Kellogg transaction, ICN worked with Kellogg Australia to outsource its legacy systems and data center.

**Merck & Company's** technology procurement manager engaged us to “develop the department” after attending a High Tech Procurement workshop. In response to his direction, we assisted Merck in developing an effective procurement organization. First, we conducted an Executive Briefing for senior management, followed by technology procurement training for IT project managers. Two of our senior consultants assumed the roles of Merck technology procurement staff members and immediately started doing deals. Over time, we assisted Merck in recruiting and training staff and were phased out when the in-house staff was up to speed. Our phase-out process included an in-depth knowledge transfer to ensure a seamless transition.

**Merrill Lynch** had extensive server networks in the U.S. and Europe for which data storage and data recovery had become difficult to manage. The company wanted to outsource the installation and management of a storage area network (SAN) at each location. Because Merrill Lynch had identified one supplier for the United States and a different supplier for Europe, each became a separate project. ICN prepared the master agreements and related contract documents and led contract negotiations with all vendors.

**Motors Insurance Corporation (MIC)**, a division of General Motors, is the business unit within GM that supports the extended warranty program and claims processing offered on GM automotive products. This project involved the re-sourcing of the IT operations and support of the application software from EDS to another supplier. Because the existing outsourcing contract lacked documentation describing the required services and the associated service levels, the description of the required services was key to the development of the RFP. Through the use of ICN templates and close consultation with MIC, ICN developed a detailed description of these required services, which included data center operations, network operations, desktop support, voice telecommunications, disaster recovery services, software support and modifications and help desk activities.

**New York City Transit** issued an RFP for consulting support for a major IT outsourcing project, to which more than twenty organizations responded. Selected as the hands down winner, ICN provided diverse project consulting that included assistance in RFP preparation as well as in vendor evaluation and actual negotiation. Ongoing knowledge transfer was a significant part of our consulting support and included such concepts as the structuring of an outsourcing contract that includes the ideas of value engineering and shared savings as well as compensating for falling prices and technical change.

**Siemens/Infineon Technologies** hired ICN to lead its effort to outsource major portions of its IT infrastructure including development, installation and ongoing support of its SAP systems, as well as roll-out, support and ongoing improvement of its supply chain management (SCM) systems. In each case, ICN senior consultants led the procurement effort by coordinating the contract, statement of work and technical specification inputs from users and customers on three continents and negotiating deals totaling over \$800 million. Siemens/Infineon used ICN's Managed Acquisition Process

as a basis for establishing its corporate-wide IT procurement processes. ICN helped set up the organizational structure for Infineon's outsourcing efforts.

**Shell Services International (SSI)**, the IT outsourcing division of petroleum giant Shell, utilized ICN in the negotiation of several large deals. ICN provided guidance in developing SSI's requirements by formulating proposals and identifying, rating and ranking SSI's negotiation objectives. ICN was also instrumental in developing and negotiating the contracts. In addition, ICN was awarded a contract by SSI to develop and provide a custom Outsourcing Training seminar for SSI's executive and middle management.

**The State of Texas** engaged ICN to fully develop a Request for Offers (RFO) for a \$2 billion outsourcing of its entire welfare system, the first such endeavor of its kind in the United States. This privatization effort included extensive public aid services and systems. The significant and ground-breaking initiative gained national attention and was expected to create a new paradigm for state welfare management.

**Toyota Financial Services** engaged us for a number of years to provide technology procurement staff augmentation. We provided on-site expertise at Toyota's Los Angeles headquarters for a variety of hardware, software and services procurement deals. Additionally, we conducted MAP Implementation System training and extensive Vendor Management training for all Toyota personnel who interact with vendors – inside and outside of IT.

**Visteon** hired ICN to lead a step-by-step process to analyze the value of renewing the Microsoft Enterprise Agreement at the same time negotiating with Microsoft. This process resulted in several large price concessions from Microsoft and in the end the analysis could not justify even the lower pricing and the Enterprise Agreement renewal was canceled, resulting in the customer avoiding almost ten million dollars in expenses.

**Washington, D.C. Government** decided to consolidate the IT functions of the entire District to the Office of the Chief Technology Officer; ICN was selected to conduct a two- phase analysis of its computer systems, networks and software licenses. ICN first conducted a CPU analysis of DC's two major data centers. This was followed by a software license audit that included license compliance, drafting and negotiation of new and more favorable licenses and the renegotiation of existing software license agreements.

## Summary

By engaging ICN to deliver your on-site seminars, you'll be joining satisfied technology executives, managers and front-line personnel from more than 300 of the Fortune 500 companies and many smaller companies as well. In addition, our seminars are applicable to a broad range of people who support technology procurement. Attendees at our seminars and conferences come from many different departments, including Finance, IT, Procurement, Legal, Operations, Vendor Management and Project Management to name a few.

We are well equipped to work with you to develop a training program tailored to your needs. Based on our knowledge of what it takes to field a world-class procurement organization and our acknowledged long-term success, there is no doubt that we offer the finest overall training available.

If you have any questions regarding ICN's On-site Training, please contact:

Joe Auer IV  
Direct: (407) 551-2766  
Email: [ja4@dobetterdeals.com](mailto:ja4@dobetterdeals.com)

# Appendix:

## Course Outlines

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# SLA Lab

## *Results-Based Contracting*

Course Length: 2 Days

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This "results versus resources" decision establishes which side of the bargaining table will bear the responsibility for the results you're expecting from the deal. In a "results deal," the vendor is responsible, while in a "resource deal," it's the customer.

### The Problem

1. Vendor pitches a "solution"
2. Customer believes vendor's sales pitch
3. A contract is signed
4. Project milestones aren't met
5. Quality of services and products are poor
6. Project is over budget
7. Vendor doesn't respond to customer's concerns
8. Vendor claims substantial performance
9. Vendor wants payment in full
10. Vendor demands additional money for scope change
11. Customer doesn't document vendor's performance
12. Customer disputes delivery of "solution"
13. Customer resists demands for payment
14. Vendor and Customer don't agree on what performance promised by vendor
15. Contract isn't sufficiently clear

### The Solution

1. Before contract signing, vendor and customer must agree
2. Write agreed-to results and service levels into the contract
3. Make remedies and rewards part of the contract
4. Customer manages contract to the results and service levels
5. Remedies used if vendor doesn't provide the results
6. Consistent management after contract signed

### The Benefits

1. Required results are known to all parties
2. Adequacy of performance is measured

3. Remedies / rewards are provided
4. Customer gets what it contracted for
5. Vendor gets what it contracted for
6. Disputes are avoided

#### 10-Step Service Level Process

1. Establishing teams
2. Gathering requirements
3. Identifying what is important
4. Building incentives
5. Creating management process
6. Gaining alignment
7. Creating the contracts
8. Negotiating and leverage
9. Implementing the program
10. Monitoring and adjusting

#### Establish teams

1. Increase buy-in
2. Use capable contributors
3. Control information flow
4. Represent all those affected
5. Broaden knowledge sharing
6. Get better outcomes
7. Create better contracts
8. Improve negotiation leverage
9. Improve contract management
10. Advisory Team
11. Table Team

#### Gathering requirements

1. Past experiences
2. Performance expectations
3. Prioritized objectives
4. New products/services
5. Politics and personal agendas
6. When are service levels not needed?
  - a. Low risk
  - b. Costs exceed value

#### *Service level development process*

1. Develop objectives
2. Establish acceptable range of performance
3. Create the formula for measuring the service level
4. List the sources of the data
5. Collecting data

6. Producing reports

*18 Development pitfalls including*

1. The “resource” trap
2. The Multiplier effect
3. The “fallacy of averages”
4. Unintended consequences
5. Fuzzy language

*Service Level Incentives and remedies*

1. Focus vendor attention on
  - a. Direction
  - b. Intensity
  - c. Influence vendor’s compliance and behavior
  - d. Distributes risk of noncompliance
2. Types of Service Level Incentives
  - a. Financial and non-financial
3. When Service Level Incentives do not work
4. Success Factors
  - a. Understand impact of vendor’s nonperformance
  - b. Applying our negotiation power

*Alignment and approvals*

1. *Prepare a Position Paper*
2. Get authority
3. Use as game plan
4. Set team direction
5. Prioritize objectives
6. Project information
7. Vendor strengths & weaknesses
8. Service level objectives
9. Service level key issues
10. Service level challenges
11. Gain input from a strategic viewpoint

*Develop Contract*

1. What should be in the contract?
2. What should be in the service level exhibits?
3. Why put service levels in the contract?
4. Wording applicable to all transactions
5. Order of precedence among documents
6. Tolerances
7. Measurements
8. Data sources
9. Frequencies
10. Incentives

- a. What wording to use?
- b. What dangerous wording to avoid in drafting service levels?

#### Develop RFP

1. Lay out expectations early
2. Allow all vendors to review and react to the same items
3. Power of RFP in creating valued service levels
4. Help avoid confusion and misinterpretation
5. Facilitate competition

#### Negotiate Service Levels

1. How is negotiating service levels unique?
2. A different creativity is needed
3. Increased intensity is present
4. Unique ploys used by vendors
5. Service levels focus on mission-critical performance
6. Vendors push harder to sign the contract now and work out service level details later
7. Vendor Negotiation Ploys including
  - “we’ve been working together for years and you know we’ll make you happy.”
  - “We don’t need service levels in the agreement – none of our clients have complained about our service.”
  - “There are too many things beyond your control and our control and too many variables for us to be able to commit to your service levels.”
  - “Our product [or service] is too new for service levels.”
8. Negotiating success
  - a. Focus on results-based contract
  - b. Use your contract
  - c. Put service levels in the RFP
  - d. Negotiate with two or more vendors

#### Implement Service Levels

1. Ramping up
2. Develop a project plan
3. Use a RACI chart
4. Communicate internally
5. Run a pilot / simulation / quality walk-through in context
6. Conduct training
7. Finalize reports, templates, etc.
8. Ensure tools are working properly
9. Verify that resources are in place prior to monitoring and managing
10. Update document library
11. Conduct kick-off meeting with the vendor
12. Review service levels
13. Identify key vendor personnel
14. Identify key customer contacts

## Service Level Management

1. Ensure compliance with SLOs
2. Accurately document performance
3. Invoke incentives appropriately
4. Gain insight into future decisions
5. Improvement/change control
6. Future business with this vendor
7. Termination of contract
8. Properly assigned staffing
9. Trained staff
10. Who will be our single point of coordination?
11. Key Processes
  - a. Collecting data
  - b. Measuring
  - c. Reporting
  - d. Performance reviews
  - e. Dispute resolution
  - f. Executing remedies/rewards
  - g. Improvement/change control
  - h. Auditing
  - i. Open issues/incident log
  - j. Deficiency letters
  - k. Scorecards, dashboards and other reports

## Monitor, Manage and Improve

1. Measure performance
2. Generate reports
3. Scorecards
4. Dashboards
5. Identify trends and issues
6. Conduct root cause analysis
7. Status meetings
8. Open issue report
9. Performance reviews
10. Rolling estoppel
11. Performance notices
12. Change control and the succession plan
13. A defined change-management / change-control process is essential

*Remember: Service Levels determine your level of service!*

# High Tech Procurement: *Managing the Acquisition Process*

Course Length: 3 days

Our High Tech Procurement training has been highly effective, enabling our clients to assimilate a disciplined procurement process and achieve cultural change. Attendees at this workshop get an in-depth understanding of the ICN-developed MAP™, our proprietary acquisition-by-objective methodology. Personnel who deal with and interact with vendors must be educated before better deals can be done. Otherwise, vendors will circumvent your process easily by identifying and preying upon the weakest link—the uneducated.

## I. Your Challenge

- A. Customer Environment
  - 1. Less experience
  - 2. Urgency
  - 3. Less incentive
  - 4. Relationship
  - 5. Tradition
  - 6. No formal process
- B. Our Worthy Opponent
  - 1. Full-time
  - 2. Highly trained
  - 3. Information advantage
  - 4. Team advantage
  - 5. Superior Product Knowledge
- C. Relationship Dynamics
  - 1. Customer objectives
  - 2. Vendor objectives
- D. Risk Allocation
  - 1. Customer
  - 2. Vendor
- E. Defective Process — What's Wrong?
  - 1. Evaluation
  - 2. Selection
  - 3. Negotiations

## II. The Solution — The Managed Acquisition Process™

- A. Form Team
  - 1. Why?— *Five reasons, including:*
    - a. Gains power
    - b. Represents total organization
  - 2. Who? — Just the people impacted, including representatives from:
    - a. Finance
    - b. End users
    - c. Legal/contracts

- d. Senior management
- e. Purchasing/procurement
- f. Product/service expertise
- g. Operational management
- h. Others impacted by the deal
- 3. Structure — Two-tiered:
  - a. Advisory Team
  - b. Table Team
- 4. Roles — *Seven key roles, including:*
  - a. Observer
  - b. Emissary
- B. Establish Decision Criteria
  - 1. Determine results or resources
    - a. Who will be responsible for the outcome?
    - b. Who will be responsible for the project management?
  - 2. Determine requirements
    - a. Resources
      - i. People
      - ii. Products
      - iii. Services
    - b. Results
      - i. Service levels
      - ii. Desired outcomes
  - 3. Collect objectives
    - a. Gain consensus
    - b. Get comprehensive understanding
    - c. Develop performance measurement criteria
  - 4. Issue Request for Information — *Five advantages, including:*
    - a. Gain RFP input
    - b. Negotiate representation reliance agreement
- C. Determine Relationship Architecture
  - 1. Strategic partnership — *Seven essential characteristics, including:*
    - a. Shared risks
    - b. Mutual commitment
    - c. Continuous improvement
  - 2. Tactical alliance — *Four main components, including:*
    - a. Mutually beneficial
    - b. Recognize differing objectives
  - 3. Managed competition — *Four key benefits, including:*
    - a. Maintain vendors' attention
    - b. Maximize customer's negotiation position
- D. Gain Management Approval
  - 1. Prioritize objectives
    - a. Why? — *Six critical reasons, including:*
      - i. Gain support
      - ii. Resolve internal differences

- b. Who?
    - c. How?
      - i. Rate individually
      - ii. Rank as a team
  - 2. Prepare Position Paper
    - a. *Four primary benefits, including:*
      - i. Gain authority
      - ii. Use as game plan
    - b. *Seven major content areas, including:*
      - i. Negotiation considerations
      - ii. Potential vendors' strengths and weaknesses
- E. Develop Contract
  - 1. Benefits — *Six advantages to using your contract, including:*
    - a. Improve quality
    - b. Qualify vendors
  - 2. Objectives — *Five major goals, including:*
    - a. Fit the transaction
    - b. Facilitate monitoring and enforcement
  - 3. Enforceability — Converting “vendorspeak” into meaningful language
  - 4. Contract hierarchy
    - a. Philosophy
    - b. Concepts
    - c. Details
- F. Issue Request for Proposal
  - 1. Objectives — *Seven important things, including:*
    - a. Increase control
    - b. Maximize competition
  - 2. Content — *Seven sections, including:*
    - a. General procedures
    - b. Your contract
- G. Conduct Bidders' Conference
  - 1. Objectives — *Six keys, including:*
    - a. Obtaining best offers
    - b. Promoting competition
  - 2. Benefits — *Five advantages, including:*
    - a. Puts you in control
    - b. Reduces incumbent's overconfidence
- H. Evaluate Potential Vendors
  - 1. Quality of response
    - a. Operational
    - b. Technical
    - c. Contractual
    - d. Financial
  - 2. Decision model
    - a. Team analysis
    - b. Prioritized objectives

- c. Weighting factors
  - 3. Update Position Paper
    - a. Qualify at least two potential vendors
    - b. Identify conceptual
      - i. Agreements
      - ii. Disagreements
    - c. Ensure authority
      - i. Customer's
      - ii. Vendor's
- I. Implement the Zone of Consideration
  - 1. Overview
    - a. Multiple vendors in the zone
    - b. Power shifts over time
    - c. Select vendor(s) after negotiations
  - 2. Maintaining power — *Eight ways, including:*
    - a. No last chance
    - b. Decision at any time
    - c. Control logistics
  - 3. Negotiation tactics — *Sixteen to consider, including:*
    - a. Silence
    - b. Surprise
    - c. Calling a caucus
  - 4. Vendor selection
    - a. Responsiveness
    - b. Competitive negotiations
  - 5. Bargaining process
    - a. Offers
    - b. Counteroffers
    - c. Aspiration levels
- J. Manage the Contract
  - 1. Benefits
    - a. Enforcing your rights
    - b. Ensuring vendor performance
    - c. Record of performance
    - d. Input into future decisions
  - 2. Responsibilities
    - a. Delegate authority
    - b. Senior project executive
    - c. Quality review committee
  - 3. Methodology
    - a. Maintain a log
    - b. Review events and progress
    - c. Conduct regular meetings
    - d. Take action immediately

III. Keys to Success - *Thirteen critical factors, including:*

- A. Information
- B. Attitude
- C. Alternatives

IV. The Truths of Contracting -*Ten important principles to remember, including:*

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

V. Supplier Ploys - *Eighteen common ploys, including:*

- A. "Divide and Conquer"
- B. "Try It, You'll Like It"
- C. "Who Has the Keys to the Company Store?"
- D. "Price Protection Contract/Price Increase Coming"

## **Software: *Issues, Contracts and Negotiations***

**Course Length: 2 days**

This workshop delivers the latest information you need to know about software issues, contracts and negotiations. Our highly skilled instructors have years of hands-on experience, so you get valuable insights and tips you can put to use immediately. What you learn at this workshop translates directly into more protection and flexibility in every software agreement you negotiate.

In recent years, software deals have grown more complicated and difficult to understand and manage. The ICN training will present attendees with highly effective methods to meet today's challenges, gain understanding of how software is protected, define key licensing ingredients, determine if software development makes sense, learn about pricing and vendor strategies and how to avoid litigation.

### **I. Your Challenge**

#### **A. Customer Environment**

1. Less experience
2. Urgency
3. Less incentive
4. Relationship
5. Tradition
6. Bad process/no process
7. Wired deals
8. A "solution" is acquired
9. Renegade decision makers
10. Standardized on one vendor
11. Don't understand how software is protected

#### **B. Our Worthy Opponent**

1. Full-time
2. Highly trained
3. Information advantage
4. Very motivated
5. Team advantage
6. Superior product knowledge
7. Changing pricing and usage models

#### **C. Relationship Dynamics**

1. Customer objectives
2. Vendor objectives

#### **D. Risk Allocation**

1. Customer
2. Vendor

#### **E. Defective Process – What's Wrong**

1. Evaluation

2. Selection
3. Negotiations
- F. The Solution – The Managed Acquisition Process
  1. Form team
  2. Establish decision criteria
  3. Determine relationship architecture
  4. Gain management approval
  5. Develop contract
  6. Issue request for proposal
  7. Conduct bidders' conference
  8. Evaluate potential vendors
  9. Implement the Zone of Consideration
  10. Manage the contract

## II. How Software Is Protected

- A. The four key types of intellectual property law
  1. Copyrights
    - a. What they protect
    - b. Protection requirements
    - c. When protection attaches
    - d. Protection duration
    - e. Copyright holder's rights
    - f. Other information
      - i. Assignments
      - ii. Berne Convention
      - iii. First Sale Doctrine
      - iv. Work made for hire
  2. Patents
    - a. What they protect
    - b. Protection requirements
    - c. Patent holder's right
    - d. Types of patents
    - e. Protection duration
    - f. Other information
      - i. Assignments
      - ii. Paris Convention
      - iii. First Sale Doctrine
      - iv. No independent creation
  3. Trade secret
    - a. Definition
    - b. Examples
    - c. Protection requirements
    - d. Protection duration
    - e. When protection attaches
  4. Trademarks
    - a. Definition

- b. What they protect
- c. Types
- 5. Summary

### III. Key Licensing Ingredients

- A. Introduction
  - 1. Identify the context of the negotiation
  - 2. Contracting principles
- B. Issue spotting and negotiation strategies
  - 1. Parties to the contract
    - a. Who is the licensor?
    - b. How is licensee defined?
  - 2. Grant of license
    - a. Do defined terms limit use?
    - b. Other common restrictions
  - 3. Payment terms
    - a. Pay for performance
    - b. Acceptance tests
    - c. Aggregate purchases
  - 4. Warranty
    - a. Do UCC warranties matter?
    - b. What warranties should be included?
  - 5. Documentation
    - a. Defining your rights to use/modify
    - b. Is the vendor obligated to update?
  - 6. Training
    - a. Included?
    - b. Hidden charges
    - c. Scheduling
  - 7. Maintenance
    - a. Mandatory?
    - b. What is included/excluded?
    - c. Has the licensor subcontracted?
    - d. Methods of delivery
    - e. Levels (Silver, Gold, Platinum)
    - f. Caps on increases
  - 8. Indemnification
    - a. Distinguish among
      - i. Indemnify
      - ii. Defend
      - iii. Hold harmless
    - b. Who is protected?
    - c. What is excluded?
    - d. Specific to intellectual property
    - e. Which versions of the software are covered?

9. Assignment
  - a. Consent required?
  - b. What are each party's interests?
10. Source code escrow
  - a. Limitations
  - b. Usefulness
  - c. Rights
  - d. Under seal agreement
11. Termination
  - a. Who can?
  - b. When?
12. Limitation of liability
  - a. Carve-outs
  - b. Reasonableness of the limit
13. Confidentiality
  - a. What should be protected?
  - b. Reasonable duration
  - c. What should be disclosed

#### IV. Software Development

- A. Why have software developed? — *Five reasons including:*
  1. Want ownership
  2. Don't have expertise in-house
- B. What does software development encompass?
  1. New software
  2. Customization of your software
  3. Customization of the vendor's software
- C. Decide results or resources deal
  1. Determining responsibility
  2. For the outcomes
  3. For the project management
- D. Other important issues— *Fourteen key considerations, including:*
  1. Payment triggers
  2. Acceptance testing
  3. Infringement protection
  4. Remedies

#### V. Pricing Models & Strategies

- A. Pricing models
  1. Power
  2. Value
  3. Production
  4. Device/site
  5. Duration of license
  6. Volume of purchases

7. Number of users/devices
  8. Other emerging models
- B. Strategies
1. Bundled pricing
  2. Long-term commitments
  3. Control of price increases
  4. Defining terms
  5. Forced upgrades
  6. Archaic pricing structures
  7. Other common vendor ploys

#### VI. Avoiding Litigation

- A. Reviewing rights
- B. Understanding applicable laws such as UCITA
- C. Defining terms appropriately
- D. Determining scope of use
- E. Identifying potential users
- F. Recognizing hidden pitfalls
- G. Establishing audit provision limitation

# Negotiations: *Power, Process, Principles*

Course Length: 2 days

This workshop is designed to place the customer in control of supplier negotiations. Traditionally, suppliers have controlled the negotiation process by wielding significant leverage. Suppliers gain this leverage through supplier training, preparation, planning, practice and relationship building. Customers who lose leverage pay more than they should and to take on excessive contractual risk.

This ICN training presents attendees with highly effective methods of retaining control and leverage and teaches them a proven negotiation process. This methodology may be applied to the full range of negotiations from the simplest to the most complex projects.

The more subtle side of negotiations, which includes body language and supplier motivation and tactics that allow them to secure emotional leverage, are covered in great detail. This last component affords participants in the training the ability to better recognize supplier ploys that are often overlooked and to develop effective counter strategies to win substantive concessions.

## I Why Negotiate?

- A. Procure items
- B. Solve a problem
- C. Follow a directive
- D. Create innovation
- E. Combat competition
- F. Close a sale
- G. Renew a contract
- H. Seize an opportunity
- I. Improve performance

## II. Our Challenges

- A. We avoid conflict
- B. We lack experience
- C. We give too much information
- D. We have fragmented position
- E. We don't know what's possible
- F. We make mistakes
- G. We are unprepared
- H. We don't allow enough time
- I. We lack training, experience, skills
- J. We don't have negotiating power
- K. We don't use a negotiation process
- L. We don't know proven principles

### III. Overview of Solution

- A. Power
  - 1. Comes from a variety of sources
  - 2. Can be gained, lost or given away
  - 3. Affects attitude, behavior and outcomes
  - 4. The essential important factor
- B. Process
  - 1. Effective negotiation is a process, not an event
  - 2. Use in whole or in part
  - 3. It's about project management
  - 4. Provides focus, direction, discipline, consensus and consistency
- C. Principles
  - 1. Best practices
  - 2. Collective wisdom
  - 3. Practical, proven do's and don'ts
  - 4. From painful learning experiences

### IV. Negotiating Power

- A. Sources
  - 1. Control — *Seven components to manage, including:*
    - a. Contract
    - b. Emotions
    - c. Agenda
  - 2. Alternatives
  - 3. Authority — *Gain four ways*
  - 4. Information — *Six critical points, including:*
    - a. Information is power
    - b. Talking = giving information
    - c. Listening = receiving information
  - 5. The deal itself
  - 6. Opponent — *You're given power four different ways*
  - 7. Interpersonal
- B. Maintaining — *Seven initiatives to keep power, including:*
  - 1. Don't eliminate source of power
  - 2. Don't expose needs
  - 3. Counter opponent's ploys

### V. Process

- A. Step 1: Organize
  - 1. Establish team
    - a. Members
    - b. Structure
    - c. Roles — *Seven pre-defined responsibilities, including:*
      - i. Emissary
      - ii. Observer
      - iii. Good cop
  - 2. Develop scope

3. Identify resources
  4. Collect/prioritize objectives
    - a. Types of objectives — *Ten important perspectives, including:*
      - i. Results
      - ii. Functional
      - iii. Contractual
    - b. Sources of objectives — *Eight areas to survey, including:*
      - i. Executives
      - ii. Stakeholders
      - iii. Team members
    - c. Prioritize objectives
  5. Establish/review governance criteria
    - a. Policies
    - b. Standards
    - c. Procedures
    - d. Form documents
- B. Step 2: Prepare
1. Schedule
    - a. Deal completion
    - b. Key milestones — *Five components to consider*
    - c. Critical path
  2. Information gathering
    - a. Internal analysis — *Five things we must determine*
    - b. Industry analysis
    - c. Analysis of opponent — *Ten important issues, including:*
      - i. Deal impact on them
      - ii. Their objectives, interests and limitations
      - iii. Questions they will ask
  3. Strategy
    - a. Examples of strategies
    - b. Strategy selection – *How to evaluate them*
  4. Finalize Negotiation Plan
    - a. Conduct risk analysis
    - b. Set expectations within the team
    - c. Develop alternatives to a negotiated deal
    - d. Document Negotiation Plan
  5. Run simulation(s)
    - a. Conduct simulation
    - b. Review/audit the simulation
    - c. Modify strategies and Negotiation Plan
  6. Obtain authority
    - a. Team members
    - b. Senior management
  7. Meeting logistics
    - a. Site – Ours, Theirs, Neutral

- b. Environmental factors — *Eight factors to consider, including:*
        - i. Seating
        - ii. Meeting room
        - iii. Seating arrangements
      - c. Human factors
        - i. Travel
        - ii. Food
        - iii. Fatigue
        - iv. Time
      - d. Attendees
    - 8. Develop agenda
      - a. Advantages
      - b. Disadvantage
      - c. Top-down negotiations
    - 9. Review table team protocol — *Seven rules to follow, including:*
      - a. Maintain self control
      - b. One person speaks at a time
      - c. Don't hesitate to call a caucus
    - 10. Review negotiating styles
      - a. Geared to
        - i. Situation
        - ii. Personalities
      - b. Objective is to communicate our ideas most effectively
      - c. Elements of negotiating style
  - C. Step 3: Execute
    - 1. Meeting management
      - a. Team member introductions
      - b. Agenda
    - 2. Communication — *Six critical issues to understand, including:*
      - a. Questioning — *Six types of questions*
      - b. Listening
        - i. Benefits of listening
        - ii. Active listening
        - iii. Barriers to listening
      - c. Body language lab — *Demonstrations and exercise*
    - 3. Maslow's hierarchy of needs
      - a. Pyramid
      - b. Examples
      - c. Negotiations applications
    - 4. Dealing with deadlocks and impasses — *Fifteen ways to resolve, including:*
      - a. Brainstorm
      - b. Write issue on board
      - c. Depersonalize the issue
      - d. Create a problem solving team
      - e. Sit on the same side of the table

5. Ploys, strategies and tactics
    - a. How to counter ploys
    - b. List of strategies and tactics — *Fifteen approaches to gain advantage, including:*
      - i. Zone of consideration
      - ii. Salami
      - iii. Surprise
      - iv. Quiet as a tomb
  6. Closing/documenting
    - a. Statements and questions — *Eight most effective comments*
    - b. Document
    - c. Update agreement and Negotiation Plan
    - d. Notify senior management
    - e. Gain agreement — *Four steps*
- D. Step 4: Manage
1. No ongoing relationship
  2. Ongoing relationship
    - a. Monitor project plan — *Five step sub-process*
    - b. Manage the agreement
      - i. Elements to manage — *Six key components*
      - ii. Determine who will manage — *Six functional possibilities*
      - iii. Brief those who will manage
      - iv. Monitor compliance
      - v. Document
        - (a) Compliance
        - (b) Noncompliance
      - iv. Take action
    - c. Manage the relationship
      - i. Determine level of management required
      - ii. Identify who will manage
      - iii. Decide what will be managed
      - iv. Monitor managed items
      - v. Report on managed items
      - vi. Improve relationship

## VI. Principles

- A. Never — *Fifteen things absolutely not to do, including:*
  1. Divulge our budget
  2. Reveal our schedule
  3. Say their price or terms are reasonable
  4. Let them know they're the only option or our favorite
  5. Eliminate alternatives until negotiations are completed
- B. Remember — *Twenty-three critical truths we need to know, including:*
  1. Information is power
  2. A good deal is about more than just the money
  3. If it's not in the contract, it's not part of the deal

# **Total Vendor Management: *Getting What You Pay For***

**Course Length: 2 days**

This workshop will prepare your organization to manage vendor relationships more effectively. We have found that managing the vendor is often neglected, leaving clients wondering why they didn't "get what they paid for." An effective Vendor Relationship Management Program needs to be instituted to ensure that the selected vendor performs to the contract in terms of time, quality and money.

In this workshop, you'll learn techniques to establish and maintain a meaningful working relationship with your key vendors. And you'll discover how to create and utilize leverage that improves vendor performance.

## **I. The Problem**

### **A. Customer Environment**

1. Less Experience
2. Sense of Urgency
3. Lack of Incentives
4. Internal Politics
5. Relationships
6. Processes Not Enforced
7. Lost Business Opportunities
8. Bad Contracts/No Contracts
9. Lack of Time and Resources

### **B. Vendor Environment**

1. Full Time
2. Highly Trained
3. Very Motivated
4. Information Advantage
5. Team Advantage
6. Strong Relationships
7. Superior Product and Service Knowledge

### **C. Relationship Dynamics**

1. Customer Objectives
2. Vendor Objectives

## **II. The Solution - Total Vendor Management**

### **A. Governance**

### **B. Relationship Management**

### **C. Managed Acquisitions**

### III. Total Vendor Management

#### A. Governance

1. Form Team
  - a. Why?
  - b. Who?
  - c. Structure
  - d. Responsibilities
2. Conduct Evaluation
  - a. Identify standards
    - i. Policies – *Five areas for improvement, including:*
      - (a) On-site vendors
      - (b) Ethical behavior
    - ii. Procedures – *Four key topics, including:*
      - (a) Change control
      - (b) Incident escalation
    - iii. Documents – *Six categories of templates, including:*
      - (a) Deficiency letters
      - (b) Relationship agreement
  - b. Conduct assessments
  - c. Determine compliance
    - i. Customer
    - ii. Vendor
3. Improve Position
  - a. Identify best practices
  - b. Conduct gap analysis
  - c. Strive for best practices
    - i. Create new standards
    - ii. Revise existing standards
  - d. Obtain management approval
4. Implement Standards
  - a. Conduct internal training – an effective six-step process
  - b. Notify vendors – six key components
5. Monitor Compliance
  - a. Vendor's
  - b. Customer's
  - c. Document results
    - i. Compliance
    - ii. Noncompliance
  - d. Enforce rights and implement remedies

#### B. Relationship Management

1. Form Team
  - a. Why?
  - b. Who?
  - c. Structure
  - d. Responsibilities

2. Classify Vendors
  - a. What? - Determine vendors' impact
  - b. Why?
    - i. Which vendors require management?
    - ii. Allocate customer resources effectively
  - c. How?
    - i. One-dimensional
    - ii. Two-dimensional
    - iii. Multidimensional
3. Improve Relationships
  - a. Assess current status – *Five things we must do, including:*
    - i. Outline contractual commitments
    - ii. Conduct satisfaction survey
    - iii. Identify areas for improvements
  - b. Determine future needs
    - i. This vendor
    - ii. This category of vendor
  - c. Identify relationship desired
    - i. Operational
    - ii. Business
    - iii. Strategic
  - d. Evaluate leverage
  - e. Create plan
  - f. Implement plan
4. Develop Key Performance Indicators
  - a. What are they?
  - b. How are they used? – *Six major ways, including:*
    - i. Eliminate/reduce excuses
    - ii. Grade and compare vendors
  - c. Create KPI index model – five short steps
5. Assign Vendor Relationship Managers
  - a. VRM roles and responsibilities – *Eight significant items, including:*
    - i. Develops relationships at highest levels
    - ii. Informs vendor of its performance
    - iii. Conducts periodic stewardship meetings
  - b. VRM attributes – *Nine critical attributes, including:*
    - i. Analytical
    - ii. Diplomatic
    - iii. Familiar with vendors' industry
  - c. VRM key relationships
    - i. Internal
    - ii. External
  - d. Success criteria – *Six key factors, including:*
    - i. Proven management skills
    - ii. Experience-based assignments

- e. Stewardship meetings – *Seven components to consider, including:*
  - i. Purpose
  - ii. Frequency
  - iii. Suggested agenda
- 6. Monitor Relationships
  - a. Establish monitoring infrastructure
  - b. Assign responsibilities
    - i. KPIs
    - ii. Governance
    - iii. Reclassification
    - iv. Contract management
  - c. Audit improvement plan results
  - d. Ensure vendor accountability
  - e. Relationship breakdowns – *Seven important issues, including:*
    - i. Characteristics of breakdowns
    - ii. Prevention
    - iii. Resolution
- C. Managed Acquisition Process
  - 1. Form Team
    - a. Assemble appropriate stakeholders
    - b. Assign roles and responsibilities
    - c. Establish operating procedures
  - 2. Establish Decision Criteria
    - a. Decide results or resources
    - b. Collect objectives
    - c. Issue request for information
  - 3. Determine Relationship Architecture
    - a. Strategic partnership
    - b. Tactical alliance
    - c. Managed competition
  - 4. Gain Management Approval
    - a. Prioritize objectives
      - i. Rate individually
      - ii. Rank as a team
    - b. Prepare position paper
  - 5. Develop Contract
    - a. Customer’s contract
    - b. Use to qualify vendors
  - 6. Issue Request for Proposal
    - a. Four main sections
    - b. Control the process
    - c. Binding commitments
  - 7. Conduct Bidders’ Conference
    - a. Increase leverage
    - b. Answer questions
    - c. Address critical issues

- d. Create a level playing field
- e. Review request for proposal
- 8. Evaluate Potential Vendors
  - a. Rate responses
  - b. Qualify vendors
- 9. Implement the Zone Of Consideration
  - a. Competitive negotiations
  - b. Vendor evaluation continues
  - c. Best deal on the table at all times
  - d. Vendor selection at any time
- 10. Manage the Contract
  - a. What?
    - i. Document ongoing relationship
    - ii. Monitor compliance
    - iii. Enforce rights and implement remedies
    - iv. Manage key contract components – six elements to monitor
  - b. Why? – *Six critical reasons, including:*
    - i. Reduce risk
    - ii. Influence future decisions
    - iii. Encourage vendor accountability
  - c. Who?
    - i. Contract manager
    - ii. Project manager
    - iii. Others as needed

#### IV. Implementation

- A. Sell TVM Internally
- B. Gain Management Approval
- C. Implement in Steps
- D. Improve Constantly
- E. Document and Announce Successes

#### V. Summary – Best Practices – *Fourteen essential factors, including:*

- A. Executive Sponsorship
- B. Cross-Functional Teams
- C. Organizational Alignment and Support

## RFP Lab: *Forms, Training, Templates*

Course Length: 2 days

This workshop will teach you how to craft a well-designed RFP that addresses your needs effectively. A well-written RFP requires that responding vendors propose concrete solutions and be accountable for those solutions. If the RFP is ambiguous, the results are often disastrous. Project delays, cost overruns, wired deals and overall project failure are common outcomes from using an informal approach. With RFP Lab, you get a disciplined, repeatable approach to the RFP process and gain, improve and retain your negotiating power.

### I. Organize

- A. Form team(s)
  - 1. Why?
  - 2. Who?
  - 3. How many teams?
- B. Research/baseline
  - 1. The current situation (if any)
  - 2. Issue Request for Information (RFI)
  - 3. RFI Content – *Five advantages, including:*
    - a. Establishes baseline and deal philosophy
    - b. Solidifies ability for customer to rely on vendors' representations
  - 4. Other sources of information
- C. Collect objectives
  - 1. Types – *Ten different categories, including:*
    - a. Technical
    - b. Infrastructure
    - c. Performance
  - 2. Sources
- D. Prioritize objectives
- E. Conduct additional research on vendors
  - 1. Types of vendors
    - a. Those who responded to the RFI
    - b. Those identified after or as a result of the RFI
  - 2. Information to gather – *Five significant things to consider, including:*
    - a. Their financial viability
    - b. Their business model
- F. Develop Position Paper
  - 1. Documents the essence of the deal – *Seven things we must document, including:*
    - a. Prioritized objectives
    - b. Negotiating considerations
  - 2. Signed by all team members and senior management
  - 3. Updated throughout the acquisition process

- G. Determine evaluation criteria
  - 1. Fact-based and objective
  - 2. Provides for a consistent comparison of vendors
  - 3. Develop detailed criteria utilizing a matrix
  - 4. Includes all prioritized objectives
  - 5. Goes in the RFP in a generic form

## II. Produce

- A. Leverage templates to speed the process
  - 1. Static information pre-loaded into template
  - 2. Add project-specific information
    - a. Project description
    - b. Project timeline
    - c. Solution requirements
    - d. Form contract with deal specifics
    - e. Evaluation criteria
  - 3. House templates in central repository
  - 4. Utilize your templates with eProcurement
  - 5. Provides a consistent look and feel
- B. RFP hierarchy
  - 1. Section I – Mission
    - a. Provides the project mission statement
    - b. Identifies external factors potentially impacting the mission
    - c. Identifies the mission objectives
    - d. Specifies whether it is a “results” or “resources” deal
    - e. Describes the deal’s costs, incentive and remedy structure
  - 2. Section II – Mission Scope
    - a. Description
    - b. Customer’s responsibilities
    - c. Potential vendor’s responsibilities
    - d. Vendor accountability
  - 3. Section III – Contract Requirements
    - a. Your form contract tailored to the deal
    - b. Asks vendors to respond provision by provision
  - 4. Section IV – Procurement Administration – *Sixteen key issues, including:*
    - a. Restrictions on contact
    - b. Planned procurement schedule
    - c. Conditions for subcontracting
    - d. Obligation to substantiate responses
    - e. Customer’s right to use ideas contained in responses
  - 5. Section V – Potential Supplier Offer Requirements
    - a. Submission date, time and location
    - b. General response requirements
    - c. Ability to meet technical requirements

6. Section VI – Evaluation Criteria
  - a. Description of evaluation team(s)
  - b. Evaluation process
- C. The document library – *Seven types of information to maintain, including:*
  1. Vendor correspondence
  2. Bidders’ conference agenda and minutes
  3. Position Paper

### III. Request Offers

- A. Issue RFP
  1. Deliver RFP to vendors
  2. Document receipt of Intent to Bid Letters
  3. Document receipt of signed Confidentiality Agreements
  4. Document receipt of Relationship Agreements
- B. Conduct bidders’ conference
  1. Procedures– ten things to consider, including:
    - a. Prepare agenda
    - b. Brief team members on roles and responsibilities
    - c. Develop seating chart
  2. Benefits – five advantages to conducting a bidders’ conference
- C. Answer questions
- D. Revise/Update

### IV. Evaluate

- A. Review Proposal for
  1. Compliance
  2. Completeness
- B. Separate financial info from other parts
- C. Issue deficiency notices, if necessary
- D. Review of
  1. End user/business unit requirements
  2. Solution’s “technical” merits
  3. Contractual terms and conditions
  4. Pricing model
- E. Issue requests for clarification or additional information
- F. Conduct reference checks
- G. Evaluation tools
  1. Evaluation matrix
  2. Scoring methods
- H. Prepare for implementing the Zone of Consideration
  1. Notify “successful” vendors
  2. Notify “unsuccessful” vendors
- I. Finalize the negotiations strategy for each potential vendor
  1. Update based on RFP responses
  2. Update based upon clarifications received

- J. Document results
  - 1. Update the Position Paper
  - 2. Communicate with senior management
  
- V. Negotiate – twelve major principles, including:
  - A. Negotiation is a process not an event
  - B. Negotiate with at least two potential vendors who can meet requirements
  - C. Don't select a vendor until after negotiations are complete
  
- VI. Manage
  - A. Manage the project plan/transition plan
  - B. Manage the contract
  - C. Manage the relationship
  
- VII. Summary – Best Practices – *Fourteen essential concepts, including:*
  - A. Always include your form contract
  - B. There is no substitute for preparation
  - C. Do not accept unsolicited offers – tie all offers to your published RFP
  - D. Do not limit potential vendor creativity in proposing alternative solutions
  - E. Do not underestimate the amount of time required to prepare a complete response

## Leasing Lab: *Forms, Training, Templates*

Course Length: 2 days

This workshop focuses on every important aspect of leasing from the RFP and negotiations to financing considerations and end-of-lease options. You'll learn how to evaluate lease proposals and compare competing bids. Built on ICN's know-how and the first-hand knowledge of diverse clients, ICN's Leasing Lab is a comprehensive, state-of-the-art encyclopedia of the do's, the don'ts and the how-to's of leasing.

- I. This Lab Will Pay for Itself—*Eight money saving disclosures, including:*
  - A. Stealth “gotchas” everyone misses
  - B. Financial tricks lessees fall for
  - C. How small deal lessors overcharge you
  - D. Captive lessors can be very costly
  - E. What is a lease?
  - F. When is commencement date?
  - G. Interim rent?
  - H. Payments in advance or arrears?
  
- II. A Revealing Look at Lessors
  - A. Types of lessors
    1. Captive
    2. Independent/third party
    3. Financial institution
  - B. How lessors make money—the actual profit computation, not what they tell you
  - C. Clever ploys lessors use to squeeze you
    1. Tricks to increase profits after the deal is done
    2. Rent and tax benefit scams
    3. End of lease windfalls
    4. Hidden rent computation objectives
    5. Dollars lessees typically leave on the table
  - D. Lessor's primary obligation
  - E. Are all lessors equal?
  
- III. Lessee Challenges/Decisions
  - A. Decision to lease
  - B. Lessor selection and lease rate
  - C. Re-examining lease decision at lease end
  - D. Lessor solicitation, negotiations, selection via proven, multidisciplinary process
  - E. Countering lessor ploys and form contract
  
- IV. The Lease Parties' Roles
  - A. Who buys the equipment?
  - B. When is the equipment paid for? By whom?
  - C. Who negotiates the purchase deal?
  - D. Who gets ownership advantages?

- E. Who determines how long equipment will be used?
  - F. What are a lessee's rights?
  - G. Who gets supplier's performance guarantees and warranties?
- V. Lease Accounting For the Business Person—*Important accounting considerations, including:*
- A. Critical lease accounting rules
  - B. Surviving the period of FASB uncertainty
  - C. Operating leases – myth or reality?
  - D. Capital leases – join the reporting club
  - E. Lease accounting structuring tricks – are there any?
  - F. Who makes the real lease classification decision?
- VI. The Lease Financial Analysis Made Simple—*Critical considerations, including:*
- A. The time value of money concept
  - B. Strategies that simplify a complex decision
  - C. Using state-of-the-art software resources
  - D. How to read a complex computer analysis
  - E. Computation illusions that mislead
  - F. Deciding if the financial analysis should control
- VII. Tax Benefits for the Business Person—All you need to know about leasing tax benefits
- A. What tax benefits are available?
  - B. How can anticipated tax benefits be lost?
  - C. Can you be sure you have a tax lease?
  - D. Who is at risk if your lease is not a tax lease?
  - E. What tax risk should you assume?
- VIII. The Best Practices Lease Deal Process (LDP)—An overview
- A. Form team
  - B. Collect/prioritize objectives
  - C. Tailor ICN lessee form lease
  - D. Develop/issue RFQ
  - E. Conduct Bidders' Conference
  - F. Qualify lessors for competitive negotiations
  - G. Conduct assertive negotiations
  - H. Finalize contract/select lessor
  - I. Manage lessor/contract
- IX. Collect/Prioritize Objectives
- A. Bring diverse disciplines together
  - B. Resolve conflicts of opinions
  - C. Gain support
  - D. Blend varied experiences
  - E. Build team

- F. Establish commitment
- G. Develop negotiating power
- H. Who can negotiate the deal after prioritized objectives are documented, and how?

X. Lease Documentation

- A. What is a fair contract?
- B. What is a good contract?
- C. The ten documents you should know about
- D. Controlling the documentation process
- E. Is it your lease or theirs?
- F. Allow lessors to bid with their own form leases?

XI. Review/Discuss ICN's Lessee Form Lease

- A. Understanding the lease purpose
- B. Analysis of key provisions
  - 1. from the lessee's perspective
  - 2. from the lessor's perspective
- C. How to negotiate and win key lessee provisions
- D. What happens in a lease default—lessor or lessee?
- E. Managing the negotiating process to maintain leverage
- F. Real world negotiating experiences

XII. Lease Tailoring and Negotiating Considerations

- A. Lessee remedy for equipment non-payment
- B. Fixing the lease rate
- C. Addressing equipment trade-ups and upgrades
- D. Incorporating flexible purchase options
- E. Flexible renewal options
- F. Fixing the rent structure
- G. Agreeing on equitable lease termination options
- H. Agreed on fair default provisions
- I. Setting realistic default cure rights
- J. Negotiating equitable equipment return provisions
- K. Eliminating onerous casualty and replacement provisions
- L. Common lease traps
- M. Assessing merger, reorganization and assignment restrictions
- N. Keeping tax indemnities within reason
- O. Including flexible equipment maintenance provisions
- P. Controlling equipment access
- Q. Ensuring end-of-lease notification
- R. Controlling lessor assignment rights
- S. Arbitration verses litigation

### XIII. Request for Quotes

- A. Why?
- B. Document evaluation criteria
- C. Maximize competition
- D. Gain information
- E. Commit potential lessors
- F. Address contract
- G. Level the field
- H. Increase negotiating power
- I. Exercise: Review and Discussion
- J. RFQ template
- K. Deal Checklist

### XIV. Conduct Bidders' Conference

- A. Increase leverage
- B. Answer questions
- C. Address critical issues
- D. Create level field
- E. Review/discuss RFQ

### XV. Hall of Shame—Onerous lessor contract provisions, including

- A. “Deemed Accepted”
- B. Tax indemnification
- C. Maintenance certification
- D. Rolling rent
- E. Cross default
- F. Redelivery obligation
- G. Risk of loss
- H. Lessor assignment rights

### XVI. Negotiating Better Rates and Rights

- A. Two or more “potential” lessors qualify for competitive negotiations
- B. Lessor evaluation continues based on your prioritized objectives
- C. Lessor selection at any time—no “Best and Final”
- D. Proven negotiation tips, tactics, strategies, meeting arrangements and related methodologies
- E. Lessor selection and award

### XVII. Contract and Relationship Management

- A. Who owns the deal?
- B. Monitor and manage
  - 1. Rights
  - 2. Remedies
  - 3. Obligations
  - 4. Event dates
  - 5. Money

- 
- 6. Quality
  - 7. Performance
  - 8. Relationship(s)
- C. Debrief/document lessons learned

# **Executive/End-User Briefing:**

## ***Critical Concepts Executives and End-Users Need to Know***

**Course Length: 1½ to 3½ hours**

ICN's Executive/End-User Briefing provides a customized orientation to the unique challenges of technology procurement. The briefing is designed for senior to mid-level management and end users and focuses on the integral role of effective technology procurement in helping meet overall business objectives. Time and again, prudent business practices during technology procurement have been proven to save companies millions of dollars and avoid costly disputed resolution with suppliers.

### **I. Why Negotiate?**

- A. Are you negotiating or begging?
- B. Allocate dollars and risk
- C. Acquisition: a process, not an event
- D. Understand the process
- E. Dealing with opposing objectives
- F. Balance price and protection

### **II. Negotiations as a Process**

- A. The rationale for a process
- B. Why and how to manage the people, places and things
- C. Gaining stakeholder approval
- D. Maximizing your power

### **III. The Ten Truths...in Technology Negotiations**

- A. If it's not part of the contract, it's not part of the deal
- B. Contract management is essential, even critical
- C. It is not a relationship of trust—it is not a partnership
- D. Are we acquiring results or resources?
- E. Information is power
- F. Don't worry about the vendor's feelings or profits
- G. The entire procurement process is about control and negotiating power
- H. You have to hear some no's
- I. Remedies are essential
- J. Don't select a vendor before you've negotiated the deal

### **IV. Overview of the Managed Acquisition Process (MAP)**

- A. Form Team
- B. Establish Decision Criteria
- C. Determine Relationship Architecture
- D. Gain Management Approval
- E. Develop Contract
- F. Issue Request for Proposal
- G. Conduct Bidders' Conference

- H. Evaluate Potential Suppliers
- I. Implement Zone of Consideration
- J. Manage the Contract

V. Popular Vendor Ploys

- A. The “Who Has The Keys To The Company Store?” Ploy
- B. The “Try It, You’ll Like It” Ploy
- C. The “That’s Not The Way We Figured the Deal” Ploy
- D. The “Divide and Conquer” Ploy
- E. The “Form Contract” Ploy
- F. The “Price Protection Contract” And “Price Increase Coming” Ploys
- G. How To Deal With “The GSA Won’t Let Us” Ploy
- H. The “We Can’t Do It For You Because We Would Be Setting A Precedent” Ploy
- I. The “We Don’t Need To Write That Down, You Can Trust Me” Ploy
- J. The “You’re Getting Our Best Price” Ploy
- K. The “Unfortunately, I’ll Have To Get Any Changes Approved By Corporate” Ploy
- L. The “Low Ball” And “When I Hit Your Hot Button, I Gotcha” Ploy
- M. The “Trade-In Credit” Ploy
- N. The “Since It Is The End Of The Year, This Is Going To Be A Great Offer” Ploy
- O. The “Fait Accompli” Ploy
- P. The “Solutions” Ploy
- Q. The “Tie-In” Ploy
- R. The “Booked Order” Ploy