

# Consulting Services

## Overview



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# **Section I**

## **ICN Overview**

# ICN Overview

International Computer Negotiations, Inc. (ICN) has been in the business of helping technology users do better and safer deals with their suppliers since 1975. Most users of technology products and services simply are far too busy with their primary responsibilities to spend the time necessary to plan, negotiate and document a complex technology deal. Many times they see a major acquisition of technology products or services only as a path to a solution, not a risky process in itself, requiring many hours of planning and negotiating.

Once a management decision is reached to proceed with a deal, everyone on the user's management team wants the project completed and operational at the earliest possible date. Many in the organization view the implementation of a formal negotiation process as a conflict with this objective.

Also, unlike the supplier's representatives who are usually paid on a commission basis, the user does not have a real incentive to negotiate aggressively. As a result of these and other factors, suppliers have traditionally been in a dominant position in the technology acquisition process. However, this does not have to be the case and isn't when ICN becomes involved. As ICN founder Joe Auer is quick to point out, "In any technology deal, there is a significant amount of money and risk on the table. The question is 'Which side is more experienced and better at optimizing its position on these two key ingredients?'"

## ICN Consulting Services

### Benefits

Our powerful tools, proven direction and staff of experienced professionals combine to help you Work Smart and Do Better Deals™. We will help you:

- Get what you pay for
- Keep your deal from coming back to haunt you
- Acquire meaningful warranties and remedies
- Control the customer/supplier relationship
- Gain bottom-line dollars
- Avoid unpleasant and costly surprises
- Improve supplier performance
- Obtain flexibility and options

## **Deal Expertise**

- Outsourcing of IT or business processes
- Software licensing, including ASPs and SaaS
- Software development
- System integration
- Leasing
- Hardware acquisition
- Maintenance services
- Offshore outsourcing
- Telecom
- Renegotiation
- Many others

## **Contract Audit**

- Audit and inventory all contracts
- Identify opportunities for savings and greater contractual protection
- Recommend *best practice* enhancements
- Identify contracts needed to supplement your inventory
- Expand audits to include risk analysis and risk mitigation
- Review documents prior to/in anticipation of/during mergers, acquisitions and divestitures
- Protect against supplier audits

## **Procurement Assessment**

- Baseline existing practices
- Receive a customized plan to develop best practices
- Improve existing processes with ICN review and analysis
- Identify methods and tools for cost-saving opportunities

## **Virtual Resource Capability**

- Access to ICN multidisciplinary team
- Expertise on an “as needed” basis
- A varied team in size and expertise
- Limited cost; pay only for resources utilized

## **Outsource Your Technology Procurement**

- Create an organization tailored to your specific needs
- Use ICN experienced consultants to get immediate results
- Eliminate staffing and recruiting problems
- Have specific expertise on hand, as required

## **Vendor Management**

- Develop and manage Service Level Agreements (SLAs)
- Develop and manage Key Performance Indicators (KPIs)
- Develop a rating system for your vendors
- Ensure vendor accountability and contract compliance
- Develop a “continuous improvement” process and ongoing management
- Assist in dispute resolution

## **Managed Acquisition Process (MAP) Implementation**

- Have experienced MAP experts assist in all phases of implementation
- Develop results-based deals with supplier accountability
- Develop and draft your negotiation team’s “position paper”
- Integrate supplier inducements in contract
- Develop and/or refine contract checklists
- Develop fair and balanced procurement agreements
- Develop and/or review your RFPs and RFIs
- Develop life-cycle cost analysis
- Help you in face-to-face negotiations with your suppliers
- Conduct bidders’ conferences to maximize your control
- Prepare your team for supplier ploys; develop preemptive strategies
- Provide overall guidance and contracting/negotiation expertise
- Brief end users and executives on MAP use and benefits

## **Additional Services**

- Enhance procurement staff’s internal marketing of services
- Augment your procurement staff with our contract personnel
- Provide supplier pricing and practices insight
- Analyze vendor proposals and contracts
- Assist in the merger, acquisition and divestiture process

Having been involved in technology negotiations and procurement for over thirty years, we are knowledgeable in each of these areas. Whatever your need, we’re ready to prove our competence.

## ICN Training

Thousands of procurement professionals have benefited from ICN training. 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.

Our 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 courses include:

- Negotiations: Power, Process, Principles
- High Tech Procurement: Managing the Acquisition Process
- Software: Issues, Contracts and Negotiations
- Total Vendor Management: Getting What You Pay For
- Leasing Lab: Forms, Training, Templates
- RFP Lab: Forms, Training, Templates
- Executive/End User Briefing: Critical Concepts Executives and End Users Need to Know

## Summary

ICN's experience, powerful tools and proven direction can put you in control, which means you'll get what you pay for—every time you deal.

Our virtual resources can be a valuable asset to you, especially in a challenging business environment. We can supplement and complement your own negotiating team with our knowledgeable professionals on an *as needed* basis. Even beyond this deal the specific skills you require, for whatever time needed, are sure to be resident within our multidisciplinary team of technology negotiation and acquisition specialists.

In addition to our highly qualified consultants, ICN has exemplary workshops that are presented by experienced instructors who gained their knowledge and understanding “in the trenches.” Whether your people attend a public seminar or a customized training session on-site, they'll benefit from the know-how we've accumulated over the past three decades.

All of this in combination with the wide range of ICN-developed tools are some of the reasons why we rank above and beyond the competition.

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## **Section II**

# **Diverse Experience**

## Diverse 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. Some of our specific experience is cited 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.

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## **Section III**

# **ICN Differentiators**

# ICN Differentiators

There are many considerations that differentiate us from the competition. We have outlined a few below.

**Over Three Decades of Experience in the Field.** Since 1975, ICN has provided critical training and consulting in technology procurement, vendor management, and negotiations, establishing a reputation that sets us apart from the competition. Our training and consulting services focus on several areas in technology procurement — equipment, maintenance, services, leasing, software licensing and development, negotiations and vendor management. As a result, ICN is uniquely positioned to provide its clients with a comprehensive complement of additional technology procurement-related products and services such as large, multi-track conferences, tools, templates, checklists and other products and publications as well as Caucus—the association for technology procurement professionals.

Internationally, ICN has presented both public and customized, on-site seminars in countries around the world including the Australia, Canada, Hong Kong, Malaysia, Mexico, the Netherlands, New Zealand, Singapore and the United Kingdom. It is interesting to note that a large number of foreign attendees — from such countries as the Netherlands, Canada, Germany, Ireland, the Philippines, the 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 expertise reads like a who’s who of premier organizations and can be found in the Diverse Experience Section .

**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, vendor management and information technology. Our staff professionals average more than two decades of experience in managing technology products, services, projects and acquisitions from diverse perspectives. Several are former supplier lawyers and sales people; many are published authors on the subjects they teach. All are practicing professionals who regularly face suppliers at the bargaining table and help our clients negotiate strategies. ICN instructors bring a truth-from-the-trenches perspective to all aspects of technology-procurement consulting and training.

**Recognized Leader/Leadership.** ICN has established its reputation and is a recognized leader in the technology procurement environment. *Business Week* has called ICN founder and president Joe Auer “the industry’s leading bargaining expert” and

*Datamation* has referred to him as “the expert to whom others turn.” Joe is a former award-winning columnist for *ComputerWorld*, where he dispensed technology procurement advice in his popular column “Driving the Deal.” In addition, he has co-authored two books, “Computer Contract Negotiations” and “Major Equipment Procurement” and served as an expert witness in state and federal courts on technology procurement-related matters.

### **Deal Repository**

It is rare that a deal document needs to be fully “custom developed.” Our consultants have access to document models and templates from the ICN Deal Repository. This reference library has been developed with over thirty years of technology deal making. It includes valuable information, models and samples—checklists, Requests for Proposal, position papers, negotiation strategies, previously successful contract language and our “lessons learned” material. As we work with your organization, you will have the benefit of this material, reducing development costs, minimizing risk and ensuring access to proven thinking.

### **Managed Acquisition Process**

ICN created the widely acclaimed MAP, an acquisition-by-objective methodology that provides an orderly, professional progression through the procurement 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 technology products and services and subsequent contract management. Competent technology procurement is not an isolated event — it’s a comprehensive process requiring a wide range of professional disciplines and the ability to gain support of internal end users/clients and the sponsorship of senior management. Our years of consulting 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.

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# **Section IV**

## **Summary**

# Summary

When you engage ICN you are dealing with the leader in technology procurement. Based on our experience, we can empower your organization to do better deals and manage those deals better. In utilizing us, you will have engaged a company that

- Is the undisputed leader in the technology procurement consulting and training industry, with three decades of experience
- Developed the acknowledged *best practices* procurement methodology: the Managed Acquisition Process or MAP
- Utilizes a process that helps clients develop fair, balanced and lasting strategic alliances with their key vendors—a detailed but non-adversarial relationship.

You will achieve significant benefits when you work with ICN:

- Getting the right organization in place will help you do better deals and manage those deals better.
- Technology acquisition and vendor management costs will be reduced as consistent, effective and disciplined processes are implemented.
- Vendor relationships can become less risky through better negotiation processes and the use of form contracts that meet your requirements.
- Vendor performance will be further improved with increased accountability, in which their compensation is tied to performance and remedies for non-performance are exercisable. This is a hallmark of our contracting philosophy.

By using ICN to assist you, you will be implementing our experience, powerful tools and proven direction. We look forward to the opportunity to support you in achieving success in all areas of your procurement process.

## ICN Contact

If you have any questions regarding our services please contact:

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