



# Legacy Software Maintenance

Minimize Cost & Maximize Performance

## What is it about?

This class focuses on developing alternatives and strategies for your legacy software maintenance agreements. Whether your total software maintenance spend is in the millions or hundreds of millions of dollars annually, it's never too late to improve vendor performance, lower your software maintenance bill, consider your alternatives, and break the cycle of despair. This class provides you with the tools and information necessary to improve your position and better navigate through the Legacy Software Maintenance Process.

## Valuable Takeaways

- Software license agreement with maintenance services exhibit
- SaaS agreement with support services and service level agreements exhibits
- Issues list for 37 common software maintenance agreement provisions
- Gap analysis and root cause analysis white paper
- Software maintenance checklist with more than 55 potential pitfalls to avoid
- Process checklist for the legacy software maintenance process
- Contracting Philosophies for Negotiating Software Maintenance Agreements
- Strategies to Maximize Negotiation Leverage When Dealing with Legacy Software Maintenance Situations
- Sample RACI Chart for Software Maintenance Situations

## Why Legacy Software Maintenance workshop?

Many organizations are locked into a cycle of despair with their legacy software maintenance agreements. At the end of the term, the agreement is automatically renewed, often at a higher price. Although there is some internal grumbling, if the money has been budgeted, the renewal becomes a formality: you pay the single-line invoice that reads, "Standard software maintenance...\$X00,000." However, you do have options!



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Change Service Requested

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## Miami



- Improve your negotiation leverage
- Understand your software maintenance options
- Attain meaningful data from maintenance providers
- Evaluate risk and develop mitigation strategies



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## Houston

- Gain internal alignment
- Develop long-term and short-term goals
- Better manage the contract and relationship
- Stop renewing without first evaluating your needs and options

## 2-Day Workshop

Miami • January 30-31, 2014  
Houston • March 19-20, 2014



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Pricing: **\$1,495**

**\$1,395 CAUCUS members**

Multi-registration discounts are available.



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**3 ways to register**

- Phone 407.740.0700
- Fax 407.740.0368
- Register Online Today at [www.DoBetterDeals.com](http://www.DoBetterDeals.com)

## Content *Partial Outline*

**Workshop Length: 2 Days**

### Level Setting

#### What Is Software Maintenance (SMX)?

- The Purpose of SMX
- Services often bundled as SMX
  - Support
  - Fixes, patches and new releases
  - Upgrade protection
- Vendors will offer SMX in lieu of performance warranties
  - Is this good for the vendors?
  - Is this good for the customers?
- The Technical Scope of SMX
- SMX is NOT
  - Insurance
  - An annuity
- How is SMX like an IT service project?

#### Customer Environment

- Minimal resources are available
- SMX is not a priority
- There is no independent review
- We don't understand that we have options
- We don't understand our contractual and intellectual property
- We don't manage the contract and relationship properly

#### Vendor Environment

- The cost of SMX has increased significantly over the years
- Has SMX's value kept pace?
- There has been a shift from higher license fees to higher maintenance fees
- SMX is very profitable — 3 specific examples
- How SMX is sold

- SMX was originally designed to provide three critical elements
- Software changes over time — 7 key ways
- How vendors promote SMX as "indispensably necessary"
- The salesperson's incentive to sell SMX
- The math behind getting a new client versus keeping an existing client

#### SMX Challenges

- How do you discover SMX issues? — 5 key ways, including
  - Financial complaints
  - Performance complaints
- Common SMX challenges — 15 considerations, including
  - Cost increases
  - The renewal process
  - Poor SMX service during the warranty period
  - SMX is not available for past versions

#### SMX Solution Overview

- The Legacy Software Maintenance Process — a 6-Step Process
  - Organize
  - Analyze
  - Evaluate
  - Plan
  - Implement
  - Manage
- Certain criteria are applicable to most SMX deals — 10 key issues, including
  - Customer data
  - Performance accountability
  - SMX service levels

## The Legacy Software Maintenance Process

### • Organize

- Identify the initial requestors
- Determine project purpose(s)
- Clarify project authority
- Identify people resources
- Form team(s)
- Verify our budget
- Assign responsibilities
- Gather spend data
- Collect SMX documents
- Gather SMX performance information
- Begin establishing our timeframes

### • Analyze

- Determine the customer's contracted SMX rights
- Contract terms that can adversely impact customer's SMX rights — 12 critical provisions?
- Establish a baseline of actual SMX performance
- Sample Performance Complaints
- Conduct gap analysis
  - "Performance gap"
  - Tools
  - Examples
- Conduct root cause analysis of "performance gap"
  - Common tools
  - Examples
- Create a description of customer-desired SMX — 9 key elements
- Conduct gap analysis of "customer-desired SMX gap"
- Conduct root cause analysis of "customer-desired SMX gap"

### • Evaluate

- Review our intellectual property (IP) rights applicable to SMX
  - Governing laws
  - Guiding principles
- Meet with the vendor
- Determine options — 10 possibilities, including
  - Let SMX expire
  - Keep status quo
  - Change SMX level
- Evaluate the impact of each viable option — 6 essential factors, including
  - Cost
  - Risk
  - Politics
- Rank or categorize options by viability

### • Plan

- Establish SMX goals
  - Short-term goals — 4 examples
  - Long-term goal examples — 5 examples
- Determine negotiation leverage
  - Ours
  - Theirs
- Develop plans for viable options (as needed) — 5 examples
- Design a SMX-management plan for the top options
- Get management approval

### • Implement

- SMX options — 4 in-depth samples, including
  - Keep status quo with better SMX management
  - Negotiate to amend SMX Agreements
- Review and update the implementation plan as needed
- If changes are required, get approval

### • Manage

- Five SMX situations to manage
- Management steps common to most SMX situations
- Manage the contract and/or new policies and procedures
- Manage the relationship
- Manage the updated SMX process
- Prepare and distribute periodic reports

## The Main Ten of Maintenance

### Ten things to remember, including

- Take a proactive, strategic, long-term approach
- Document SMX performance and non-performance
- Understand your business needs

