

“Itica’s negotiation skills and implementation governance delivered a great result”

Group CIO

BENEFITS

- **New SAP system delivered on time, on budget**
- **Fixed price implementation**
- **Minimal business disruption**

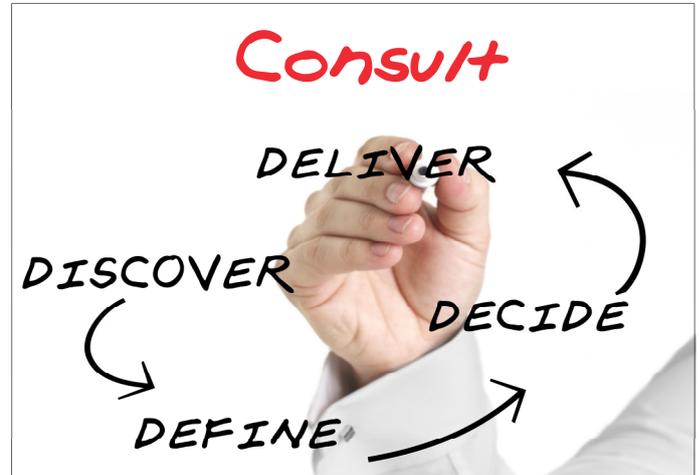
FTSE 50 Agriculture business

Our client was running a programme to migrate away from the existing legacy ERP systems to Microsoft Dynamics AX.

The existing legacy ERP system was also used by two Irish Joint Venture businesses, which also needed to migrate away from these systems.

The Joint Venture businesses decided not to use Microsoft Dynamics AX, but to move to SAP “All in One”, as it was deemed to meet the business requirements of the group more effectively.

Itica was engaged to negotiate the SAP contract and provide a key Governance role during the implementation.



Itica

The Joint Venture businesses were equally owned by our client and a third party group: Itica was engaged on a fixed price basis to represent our client in the negotiations.

The negotiations were complicated by the nature of the Joint Venture agreement and the differing requirements of our client, the third party group and the supplier.

The supplier provided an initial set of documentation comprising:

- A Services contract for the implementation
- A Software License Contract
- A Maintenance Agreement for the support of the system post implementation.

Itica negotiated the terms for each of these documents, meeting the needs of our client, the Joint Venture partner and the supplier.

About our client

Our client is a substantial subsidiary of a FTSE 50 business and operates at the heart of the agricultural industry. It is the UK's market leader in almost all of the sectors in which it operates, and is fast expanding its global footprint in becoming a major, international agri-business.

Our client operates through more than 15 individual businesses and its unique breadth and experience enables it to add value and drive profit for businesses all along the food, drink and biofuel industry supply chain.

Driving business value through technology

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CONTRACT NEGOTIATION ACTIONS

Itica has developed an IT Contract framework based upon the good practice and expertise gained through many years of procuring and operating IT services in diverse industries.

The framework is adaptable to any industry or IT service and covers five essential elements:

- Governance – How will the relationship be managed through implementation and into live service?
- Deliverables - What will be delivered and when?
- Service Management - Is the Service adequately defined?
- Price Protection - What will it cost, now and in the future?
- Commercial Terms - Termination, Exit, IP, Breach, etc.

Itica reviewed the initial documents against the Contract Framework and identified the key areas for negotiation. These were prioritised in consultation with the client and the Joint Venture partner, from which a detailed Negotiation Plan was then produced.

Negotiations were held with the supplier as an iterative process: the Negotiation Plan was updated as each issue was resolved.

Once final agreement was reached, the Negotiation Plan was completed and showed a complete audit trail of the negotiation.

Itica then represented our client throughout the implementation, on both the project team and Steering Group.

NEGOTIATION PLAN CONTENT

- Client strengths & weaknesses
- Supplier strengths & weaknesses
- Client's best outcome
- Supplier's best outcome
- Expected outcome
- "Giveaways"
- Levers
- Bottom line position
- Negotiation items
- Risks
- Actual outcome

RESULTS

The project was a success; taking four months from the project kick-off to the end of the first month of live operation.

This was easily within the time constraints set by the client. The project was negotiated for a fixed fee, which also accommodated a few minor scope changes.

The key deliverables were:

- A fixed price for the implementation
- Clearly articulated deliverables
- The project delivered on time and on budget
- Minimal business disruption



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