

# ***DEVELOP YOUR ABILITY TO NEGOTIATE AND WORK WITH IT VENDORS***

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Tips and Tricks to Navigate You Through the Process

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# HOW DOES ONE GET HERE...

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- Show of hands.....
- who here has bought a car?
- who enjoys this process?
- who thinks they are pretty good at this process?



## 4 GOALS FOR THIS SESSION

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- Develop the necessary skills to better handle complex contract negotiations with your vendors.
- Avoid common mistakes when purchasing (or renewing) IT operations products and services.
- Learn to manage procurement risks and strengthening relationships with your suppliers.
- Obtain useful tips that can you put into play immediately to improve your skills in the IT procurement arena.

**GOAL 1: DEVELOP  
THE NECESSARY  
SKILLS TO HANDLE  
COMPLEX CONTRACT  
NEGOTIATIONS WITH  
YOUR VENDORS**

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1. Understanding the players
2. Negotiating, in general, is NOT easy and not for the faint at heart
3. YOU are the client
4. Build contracts that protect your institution and survive everyone
5. In it for the long haul
6. REGISTRATION/VARS/OEMs



I'll pretend to  
be Granny  
HIPAA

Once  
Upon  
a Time

Writing Your  
Own Fairy Tale

## ONCE UPON A TIME...

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*There was a man by the name of MSA - he had some children; SOW, LOL, NDA, POC, and TWO sets of twins- (fraternal)-PII & PHI and (identical) IP vs IP.*

*As with most families, there are distant but usually important (or sometimes 'difficult') relatives..... HIPAA (health insurance portability and account act), SAAS, Evergreen, EULA, PM, VAR, OEM, SOC, DR, BI, etc.....*



# ACRONYMS DEFINED

BI	business intelligence	GC	general counsel
DR	disaster recovery	IP	intellectual property
EULA	end user license agreement	IP	internet portal
Evergreen	never ending agreement	LOL	limits of liability
HIPAA	health insurance portability and account act	MSA	master services agreement
NDA	non disclosure agreement	PHI	personal health info
OEM	original equipment manufacture	PII	personal identifiable information
PM	project manager	POC	proof of concept
SOC	system and organizational controls	SAAS	software as a service
VAR	value added re-seller	SOW	statement of work

**GOAL 2: AVOID  
COMMON MISTAKES  
WHEN PURCHASING  
OR RENEWING IT  
OPERATIONS  
PRODUCTS/SERVICES**

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1. SLAs (service level agreements) 3 Rs: Response, Resolution, Remedy
2. Negotiation: LESS is MORE when talking
3. NDA (non disclosure agreements)
4. No defined terms
5. No URLs to...10,000 other T & Cs
6. “Mutual” is a very powerful word
7. Just because clauses are not in a vendor contract does NOT mean you cannot get them added
8. Know ahead of the first conversation with the vendor what YOU want/need out of the deal (e.g. flexible terms, pricing)
9. No automatic renewal clauses
10. Publicity/no right to use the firm’s vendor performance at least annually

# THE TOP 10 COMMON MISTAKES WHEN NEGOTIATING WITH IT VENDORS



1 NO doesn't mean NEVER

2 Managing the process with an Iron Fist

3 Not everything is negotiable

4 I am the customer, therefore what I want is always right

5 The vendor says “just sign and return the order form” (signing without reading)

6 When the vendor says “We don’t do SLAs-we always deliver service on time”

7 Hey boss, I got our contract to be evergreen (never ending)

8 I can negotiate this contract without anyone's help

9 I can get this contract done in a week

10 Believing the vendor when they say - This is our Best and Final Offer!!!!



**GOAL 3:  
MANAGE  
PROCUREMENT RISKS  
AND STRENGTHEN  
RELATIONSHIPS  
WITH YOUR  
SUPPLIERS**



1. Negotiation is all about communication
2. Buying direct or through a VAR
3. The ol' "WIN-WIN" slogan isn't just a cliché
4. You get more with "honey" than you do with "vinegar"
5. 'Cradle to grave' as I like to say....
6. How to do this with Lowest Responsible Bidder requirement



## GOAL 3

(CONTINUED):

## DATA PROTECTION

## SECURITY CHECKLIST

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1. Information security program  
(if you don't have one, GET ONE)
2. Human resources security (PII and PHI)
3. Physical and environmental security  
(backup DC? do you have a DR?)
4. Handling of client data
5. Web application security
6. Security controls/policy, audit and compliance (with SOC)
7. Risk assessment (create questionnaire to provide vendors with points)
8. Training and awareness protection of the firm's data  
(educate your firm)
9. Cyber insurance protection in the event of a breach
10. If they use 3rd parties do they have cyber protection



# QUALITIES OF A GOOD NEGOTIATOR (AND VENDOR PARTNER):

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1. Courage (conviction)
2. Patience
3. Respect for ALL parties
4. Humility
5. Recognize and define the issues
6. Effective and clear communication
8. Team player
9. Good planner & seek solutions from a variety of sources
10. Control emotions
11. Look for the Win-Win outcome
12. Always inquisitive
13. Preserve the relationship

# Q & A

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Thank you!