

Background and Problem

A large software company had been providing software and services to a UK telecommunications company (telco) over many years. As a result, the telco was using several different software packages from the client, along with a variety of support, maintenance and other services, each of which was subject to different terms and conditions and commercial structures.

This caused confusion and conflict in the relationship and prevented the companies from viewing one another as long-term strategic partners. The company wished to persuade the telco to upgrade all of its sites to the latest software package under a single set of terms.

Actions Taken

A TVBA Business Advisor helped the company to structure a deal with the telco that protected both parties' investment in their relationship and rewarded the telco for making the move to the new software.

This involved extensive contract drafting and negotiation work and some creative thinking to ensure that the medium and long-term business needs of both parties were met.

The Result

A five year agreement was signed, which outlined how the parties would work together to migrate the telco onto a single software platform and how the licences for the various software applications would be managed in the interim. It also set out a common set of service levels for all applications, simplifying the interfaces between the two organisations. The telco benefited from a clear understanding of the total cost of ownership of the software over the five-year period and from the reduced rates, which reflected its long-term commitment.

The company benefited from being able to plan its resource requirements to ensure that the telco would be properly supported during its migration and other project activities, as well as by having a known revenue stream for the five-year period.

As a result of the agreement, both parties are able to work together in a more co-ordinated and consistent manner. This has also resulted in a more co-operative and closer working relationship between the two organisations which has delivered benefits to both sides.

The company was so pleased with the results of the negotiation that the TVBA Business Advisor was toasted by the company's VP Sales at a champagne reception!

**If you want to find out more about any of the areas covered in this case study
and how we can support your business – contact us today.**