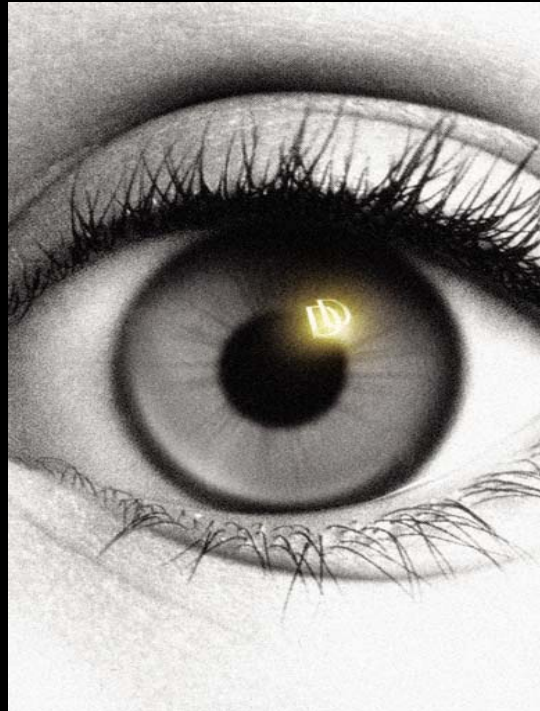


# THE DICKINSON DEES DIFFERENCE





# How to Structure and Implement Effective Contracts for Business Process Re-Engineering

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# Scope of Presentation

- Mapping contractual methodology and structure to the BPR process
- Factors influencing methodology and structure
- Contractual support for effective project implementation





# Mapping methodology and structure to process

- Overview of typical BPR process
- Choices of methodology and structure





# BPR Process (1)

- Business requirements
- Core platform
- Roll-out of core platform and procedures to business units





# BPR process (2) – Business Requirements

- Process flows
- Transaction level procedures
- On-system and off-system transactions





# BPR process (3) – Core Platform

- Operational requirements and functional specification
- “Conference Room” pilot





# BPR process (4) – Roll-Out

- Parameterisation of system according to local operational, legal and tax requirements
- Data migration
- User training






# Choices of Methodology and Structure (1)

- Single contract (Design-Build-Implement) with rights of termination without cause
- Sequential contracts
- Separate project management agreement





## Choices of Methodology and Structure (2) – Sequential Contracts

- Consultancy services to assist in production of business requirements
- Build core system
- Design and build – all tasks up to completion of conference room pilot
- Roll-out/Implementation





# Common factors influencing methodology and structure

- Difficulty of solution and degree to which customer requirements are known
- Need to avoid “agreements to agree”
- Requirement of continuity of supplier staff
- Risk of opportunistic behaviour
- Costs and charging proposals





# Support for effective project implementation (1)

- Ability to express objectives is critical so that detail may be specified (where appropriate) or left to be determined during the course of the project
- Determination of “agreements to agree” and expert’s decision





# Support for effective project implementation (2)

- Scope and performance standards
- Charges and payment
- Project governance
  - Administration
  - Communications and planning
  - Approval and acceptance
  - Change control





# Support for effective project implementation (3)

- Termination and consequences of termination
- “Legal” detail, including warranties, indemnities, limitations of liability, confidentiality and boilerplate





# Support for effective project implementation (4) – Incentive Schemes

- Target cost
- Target delivery date





# Concluding Remarks

Effective contracts require:

- planning; and
- balance

