



Commercial Software Licensing

CHAPTER 15:

Order Level Acquisition Strategies & Best Practices

Prepared by DoD ESI | January 2013

- There are five key ingredients to developing an acquisition strategy based on commercial best practices:
 - *Acquiring multiple products and services in a single acquisition.*
 - *Knowing discount structures.*
 - *Timing the deal.*
 - *Selecting optimum maintenance/support packages, service level agreements (SLAs).*
 - *Including key ancillary services, especially project-team and end-user training.*
- Tips for successful acquisitions and negotiations:
 - *Seek advice from others experienced in the products and Publishers with whom you are dealing.*
 - *Assemble the right team; don't try to fly solo.*
 - *Define requirements adequately to assure best fit and total cost of ownership (TCO).*
 - *Select the right product, not just the best licensing model.*
 - *Validate pricing against other options.*
 - *Document all negotiated changes.*



Software & Services Acquisition Strategies

Acquiring Multiple
Products & Services

Discount
Structures

Timing the Deal

Maintenance &
Support Packages
SLAs

Importance of Training
Delivery Models
& Pricing



Software & Services Acquisition Strategies (cont.)

Bundling Products & Services

- Acquiring multiple products and services under one single acquisition vs. separate contracts increases the deal size and gives the Seller more flexibility.

Discount Structures

- Take advantage of the fact most publishers—especially enterprise software publishers—have deep discount schedules.

Timing the Deal

- Most Publishers and Resellers are sensitive to month-end, quarter-end, and year-end financial targets—particularly those who are publicly traded companies.



Maintenance & Support Packages, SLAs

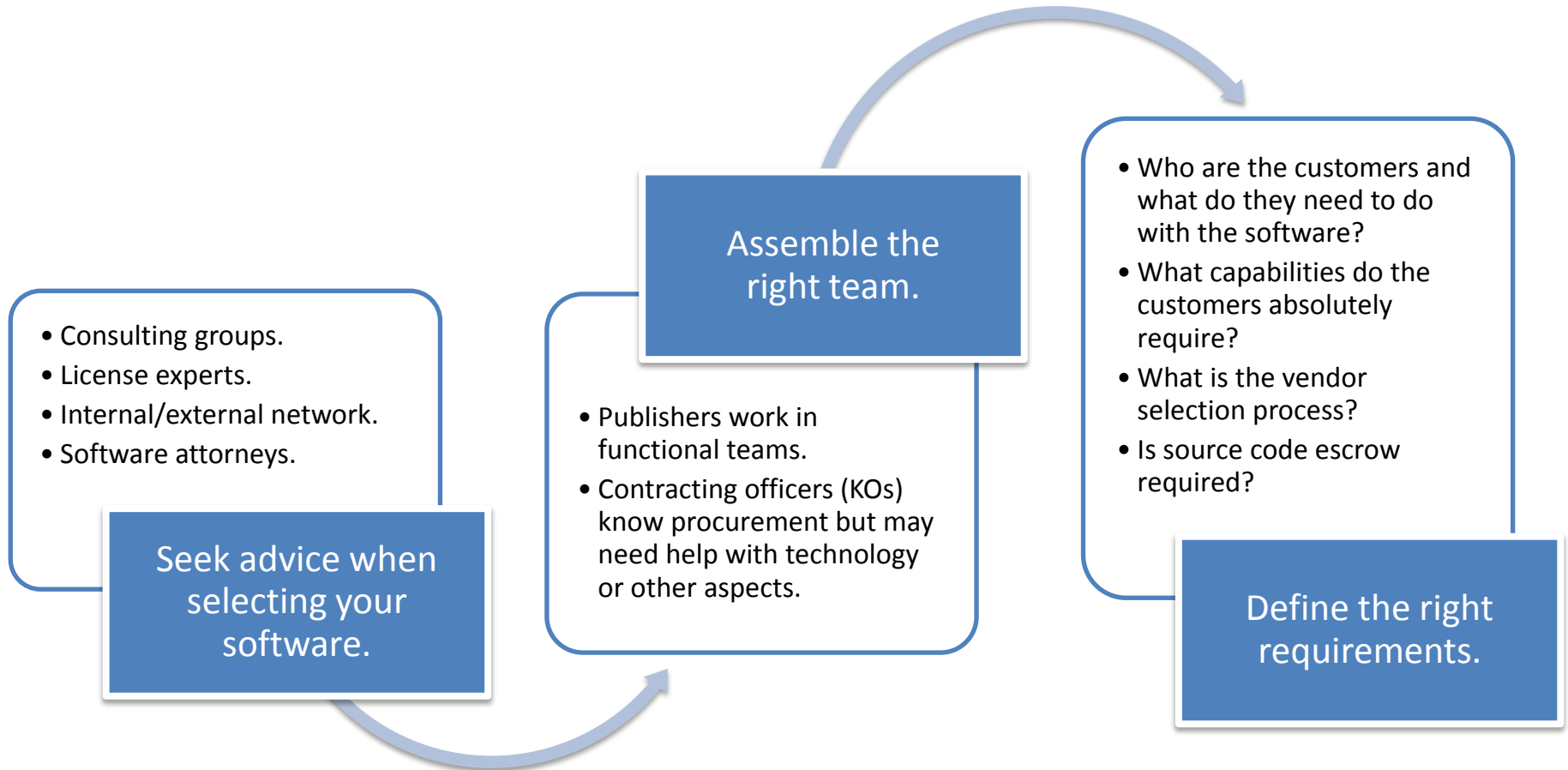
- Most Publishers and Resellers offer tiered pricing and service levels.
- Buy the appropriate level of service for the application and customer needs.

Delivery Models & Pricing for Training

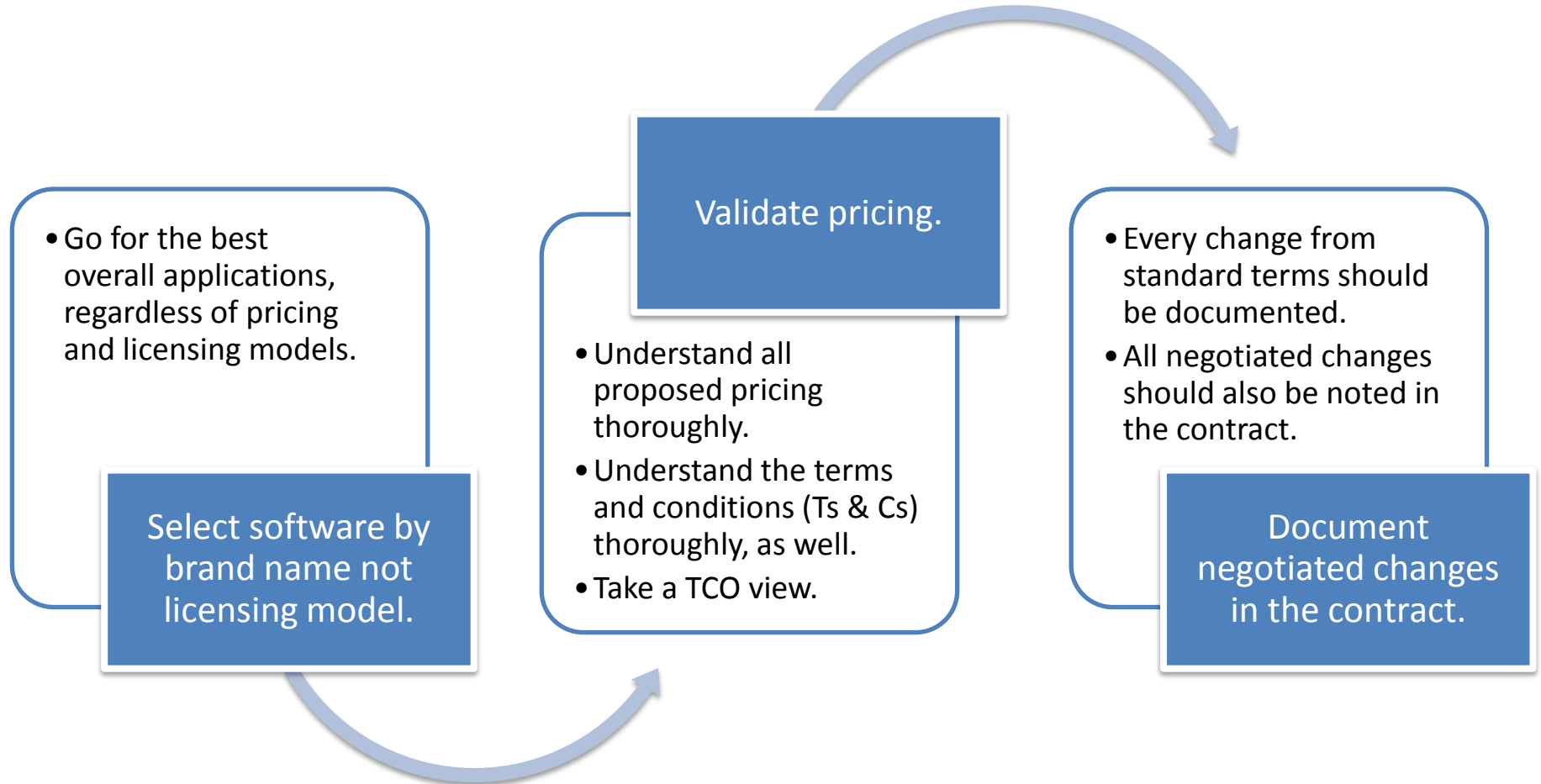
- Training is often overlooked and underutilized.
- Pricing varies depending on delivery model—Publisher site, customer site, instructor-led, self-paced, WebEx, etc.



Tips for Successful Software Procurement



Tips for Successful Software Procurement (cont.)



Discuss your experiences planning acquisitions of software from commercial software publishers. Share some of the best practices you have used in your planning.

Discuss the pros and cons for each of the following practices:

- Acquiring multiple products and services in a single acquisition event.
- Fully investigating publisher discount structures.
- Evaluating the timing of the deal with respect to publisher financial reporting.
- Selecting the best Maintenance and Support packages and SLAs.
- Including key ancillary services, especially project-team and end-user training.

Share your experiences using the following techniques:

- Seek advice from others experienced with the same products and Publishers.
- Assemble the right team; don't try to fly solo.
- Define the requirements adequately to understand the fit and.
- Select the right product, not just the best licensing model.
- Validate pricing against other options.
- Document all negotiated changes.

