

# CONTRACT RENEWAL

**Avoid these 5 costly mistakes**

**COSTS DOWN.  
COMPLIANCE UP.**

## AVOID THE 5 MOST COSTLY MISTAKES WHEN RENEWING YOUR CONTRACT

### Is your contract up for renewal?

That's what this guide helps you with. Our licensing optimization experts have compiled their best tactics to ensure you avoid the 5 most costly mistakes when renewing your contract. So you have the best possibility of ensuring an optimal deal.

# 01

### A lack of advance preparation

One of the most common and critical pitfalls we encounter is firms failing to prepare for their contract renewal before the deadline.

# 02

### Neglecting your future roadmap

It's crucial that at the point of contract renewal, you have a crystal-clear overview of your future roadmap too.

# 03

### Trying to negotiate without accurate data

From our own experience vendor side, we know how many companies turn up to the negotiating table without the information they need.

# 04

### Neglecting key stakeholders

To negotiate successfully, you need to build an integrated approach.

# 05

### Unrealistic benchmarking

A benchmark analysis of similar companies will also give you a valuable insight into the terms or discounts you can expect.

## 1. A LACK OF ADVANCE PREPARATION

**One of the most common and critical pitfalls we encounter is firms failing to prepare for their contract renewal before the deadline.**

If you haven't developed your investment scenario and negotiation strategy well in advance, you'll be at an immediate disadvantage when sitting opposite your vendor. They know precisely how to dictate terms, and you'll find yourself accepting points in the moments before signing without time to question them.



### **Blackbelt XP advice**

Don't start on the back foot – smart preparation for a contract negotiation takes time. To avoid a last-minute scramble for data, start compiling a comprehensive overview of your current environment at least 6 months before your contract expires. Consider what products you're using now, compare this with your short to medium-term plans for the company, and identify what needs to change. From here you can decide your negotiation goals and strategy.

## 2. NEGLECTING YOUR FUTURE ROADMAP

**It's crucial that at the point of contract renewal, you have a crystal-clear overview not only of your current environment, but of your future roadmap too.**

If you base the terms of your contract solely on the status quo, you could be investing in products that your vendor is keen to push, but that are ultimately never deployed. You also risk not being prepared for future innovation opportunities by being under-licensed.



### **Blackbelt XP advice**

Ensure your new contract reflects what you'll need moving forward. Start by considering your overall business vision for the next 3-5 years. Is your company in a growth phase? Or a decline? Are you planning to merge with or acquire other businesses? Then look in more detail about the impact that will have on new products and the software you'll need for any digital transformation.



### 3. TRYING TO NEGOTIATE WITHOUT ACCURATE DATA

**From our own experience vendor side, we know how many companies turn up to the negotiating table without the information they need.**

Make no mistake, your vendor will know every detail of your contract and will have planned their negotiation strategy meticulously to ensure they hit their revenue targets. They will be able to tell immediately if you are under-prepared, and will use this to their advantage.



#### **Blackbelt XP advice**

Take the time to compile all the information pertaining to your current contract, and understand your existing terms and discounts. Ensure the data is easily accessible at the right time, so you can negotiate with confidence and clarity, knowing you have all the details to discuss the agreement on an equal footing.

## 4. NEGLECTING KEY STAKEHOLDERS

**Too many companies enter a negotiation phase without having involved internal stakeholders beforehand.**

This results in a fragmented attempt at securing the best terms and conditions, without enough consideration for different areas of the business. To negotiate successfully, you need to build an integrated approach.



### **Blackbelt XP advice**

When developing your negotiation strategy, make sure all internal stakeholder interests are aligned ahead of time. Consult with representatives from IT, procurement and legal to understand their goals and priorities, and how they affect the firm's software requirements. This gives you the strongest chance of agreeing a contract that works across all levels.

## 5. UNREALISTIC BENCHMARKING

**Having an optimal contract in mind that reflects your products, quantities and timeframes – all at the right price – is a key part of your preparation.**

But so is making sure that goal is realistic. Only preparing for one scenario could lead to a frustrating and unsatisfactory negotiation phase, particularly if the terms you're seeking are unheard of in your industry.



### **Blackbelt XP advice**

Before your renewal, look at the financial and technological implications of each licensing option, and consider 2 or 3 alternative outcomes. Decide the point at which you'll accept each option, and the terms you'd be prepared to relax. A benchmark analysis of similar companies will also give you a valuable insight into the terms or discounts you can expect.



### **KEY-FACTS**

- **Maximize your ROI**
- **Experts negotiating on your behalf**
- **Access the best price and conditions**
- **Improve your vendor relationship**
- **Reduce your financial and security risks**
- **Regain control with full transparency**

## TAKE BACK CONTROL OF YOUR CONTRACT RENEWAL

When you're fully prepared for your contract negotiation, you can engage equally in the process and accurately benchmark any proposal you receive. You can feel confident that you have the necessary software to support your future innovation, and are not investing in products that will ultimately be redundant.

If you'd like to ask any questions about the contract renewal process, our team of independent experts live this world every day. Our licensing optimization program has helped hundreds of large enterprises and government organizations across Europe to cut through the confusion and secure optimal terms with the biggest software vendors.

### TRUSTED BY GOVERNMENT AND BUSINESSES



**„Blackbelt XP provided insight,  
independent strategic advice and  
operations support resulting in  
significant savings.“**

Luc De Maré, Group IT Director, BMT



## ABOUT US

We are licensing optimization experts, here to guide you through constantly evolving software regulations. Our collective licensing knowledge, proprietary technology and negotiation skills are unrivalled in the industry.

We are wholly independent. Our sole purpose is to get you the best contract and give you money back, not to sell to you. What can you expect? Costs down, compliance up.

With a personal yet powerful approach combined with intelligent tools, we share our expertise with you to create substantial savings, ensure your compliance and help your business to grow and innovate. All to a Blackbelt standard.

## WE OPTIMIZE YOUR SOFTWARE SPEND



## GET IN TOUCH WITH US!

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### Connect with us

