

Banking

Helping a leading African bank negotiate a R1bn+ deal with a global cloud provider

BSG supported a leading African bank with **establishing a strategic cloud enterprise agreement** and vendor partnership model, **through structured delivery management** and **coordination of the negotiations and business case processes**



Overview of the client's needs

- Establishing a cloud partnership deal to enable a shift to cloud-based technology in support of the Bank's cloud-first strategy
- Ensure a mutually beneficial partnership agreement between the Bank and its cloud partner by negotiating and co-creating the strategic partnership model, and a deal construct that has commercial flexibility and agility
- Mitigate the risk of current enterprise agreements with its cloud partner due to expire in 2021



Objectives of the engagement

- Manage the negotiation process and overall business case through effective delivery management structures and collaboration with key stakeholders to drive defined outcomes
- Support the vendor negotiation process by providing a technical needs analysis, coordinating business requirements, and establishing a framework for effective negotiations
- Provide business case and governance insights to ensure deal governance and approval readiness



Benefits of the change

- A successfully negotiated partnership would result in accelerated cloud migration, collaborative product design and innovation, and a reciprocal commercial agreement
- Benefits of the structured milestone-based delivery management approach ensured key negotiation and deal milestones were achieved
- Critical thinking and effective delivery structure resulted in improved stakeholder buy-in and adherence to internal and external governance and regulatory obligations, effective deal negotiations and high-quality business case creation

BSG supported the **group-wide strategic cloud directive** of a leading African bank by **ensuring key legal and commercial outcomes** were achieved and driving milestones **through effective delivery management**

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Engagement Overview

The Bank had for a number of years been a user of the cloud partner's products, and several of its licenses were coming to an end in 2021. This prompted negotiations to enable a mutually beneficial agreement. A successful deal would manage the renewal of the expiring licenses and enable the strategic cloud transformation benefits of a cloud migration journey.

Ambitious timelines were set and outlined extensive deal requirements for assessment. Rushing the business case to meet the deadlines could have impacted its quality, which would have had a knock-on effect on the negotiations and could have resulted in re-work being needed down the line and could even have put the outcome of the deal at risk.

BSG was engaged to ensure milestones were met without compromising quality through delivery management and analysis expertise. This supported and enhanced the deal negotiation and overall business case processes.

Solution

BSG took a practical approach to structuring the partnership agreement negotiation accountabilities and outcomes. Key milestones were collaboratively defined between the bank and its cloud partner, and progress was tracked and reported at executive level. This executive level communication ensured positioning and on-going buy-in from stakeholders throughout the negotiation process.

Knowing that the timelines set by the Bank were tight, BSG took a milestone-based approach to the delivery management, ensuring key milestones and critical path items leading up to those milestones were closely monitored. Regular check-ins and stand-ups ensure the project team remained on track and provided the team with an opportunity to keep key stakeholders abreast of progress.

To ensure high-quality negotiation and commercial outcomes, BSG also provided critical thinking through the analysis of the Bank's extensive business and technical solution requirements. Furthermore, BSG assisted in structuring and building the overall business case required for final deal approval.

The negotiation process was further supported by establishing a framework to facilitate, and collaboratively negotiate, both the commercial and legal conditions of the deal. The framework supported the positioning of the change and unpacked the deal requirements in terms of the current reality, the need of the Bank, the current cloud partner offer, and the nett position. The framework also provided a uniform template in which all requirements and deal terms for each of the targeted products and solutions were summarised. This consolidated document then served as input and guideline to the negotiation meetings between the Bank and the cloud partner.

BSG making a difference

By providing the relevant delivery expertise and insights, BSG was able to help the Bank move closer to establishing a group-wide strategic cloud partnership, which will ultimately enable the benefits aligned to the Bank's future-ready transformation strategy, by accelerating the cloud migration and ensuring collaborative product development and innovation.

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