

Contract Risk and Compliance Maximising value from third party relationships



Your opportunity, your risk

The success of third party relationships can be critical to meeting organisational objectives and operating effectively. Organisations that fail to ensure third parties are compliant with contractual obligations can fail to control costs, maximise revenues or protect assets.

Organisations that outsource significant elements of operations often rely on self reported performance to ensure customers are being serviced, obligations are being fulfilled and costs are under control.

Organisations that license their intellectual property to others, or who rely on others to develop, market or sell products on their behalf also rely on self reporting. This self reporting can include sales, distributions, royalties and costs – critical metrics.

Organisations that provide funding to others in the form of grants, awards or commissions rely on the honesty of the recipient to commit those funds for the intended purpose.

Are you comfortable that your contractual relationships are sufficiently compliant to protect your brand, minimise cost, maximise revenue and manage risk?

Our solution

Our Contract Risk and Compliance professionals can help you improve the performance of your third party relationships. Specifically, we can help you:

- Improve the overall productivity and profitability of your relationships.
- Validate reported royalty revenue or costs.
- Validate outsourced providers performance claims.
- Verify claims for incentives and marketing funds.
- Improve revenue streams.

- Enhance partner service levels.
- Identify process improvement opportunities within your organisation, your partner's organisations and at the interface.
- Assess the sufficiency and integrity of internal controls.

Our approach

Our methodology leverages leading consulting and audit skills and deep industry specific experience. Our approach is:

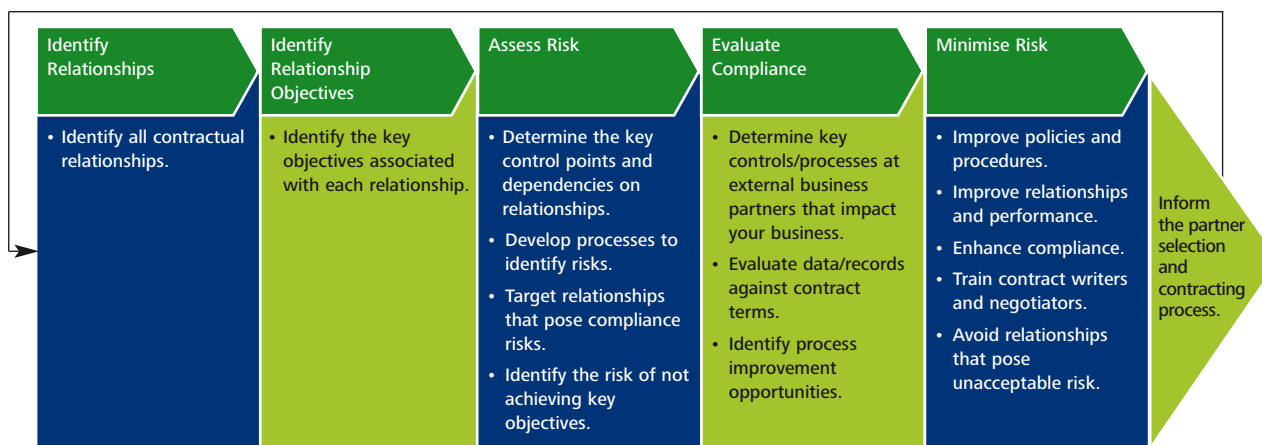
- Non-confrontational.
- Relationship focused.
- Data driven and fact based.
- Minimally disruptive.

We have developed these capabilities over many years of working with major organisations that have critical third party arrangements and complex compliance testing and monitoring programs. As a result, our services are highly effective in a variety of industries, including technology, manufacturing, consumer products, financial services, life sciences and the public sector.

Our team includes professionals with distinct strengths and talents in diverse competencies, such as:

- Contract management, including distribution and reseller agreements and service-level agreements.
- Licensing, including evaluating compliance with the agreements governing the use of intellectual property (including software) and the terms and conditions controlling its use and/or distribution.
- Data quality and integrity, including monitoring, controlling, and improving information reliability.
- Business processes, including identifying and addressing business process control deficiencies.

Overview of the CRC process



Our experience helps shorten the learning curve with respect to your specific business and reduces the time it takes to identify and capitalise on opportunities.

Objectivity and building relationships

We also understand that while promoting compliance with contracts and license agreements is important, protecting your relationships within your extended enterprise is also paramount. That's why we place so much emphasis on being collaborative, transparent, proactive, and fact-driven. We focus on helping you develop business relationships that are optimally productive and of the highest integrity.

We do this by being a non-adversarial, trusted business advisor, an objective party that searches out the facts, assists you in evaluating compliance with the terms of your arrangements, and ultimately provides process and control recommendations to benefit both you and your business partners. Our goal is to help you reach swift, satisfactory resolution and improve your relationships.

When and where you need us

Whether your business relationships are local or extend internationally, we can deliver services through our coordinated, worldwide network of Contract Risk and Compliance professionals. Our specialists work collaboratively in strategic locations around the globe to develop leading practices and thought leadership.

The Deloitte Difference

When it comes to improving the performance of your extended enterprise, Deloitte's Contract Risk and Compliance team offers:

- **Results** – our clients typically enjoy a significant return on investment or reduction in costs through our Contract Risk and Compliance services.
- **A broad perspective** – our approach focuses on protecting and enhancing your relationship with your partners. We seek to better both sides of the equation so your relationship is strengthened and both parties benefit immediately and in the long term.
- **A technology-driven approach** – our specialists use advanced data analysis to produce specific, measurable results.

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