



PHILLIPS KAISER

FIRST
FINANCIAL
BANK
MEMBER FDIC

THE PEARL IN YOUR FIELD

Capturing the Value in Your Legal Issues





PHILLIPS KAISER

FIRST
FINANCIAL
BANK
MEMBER FDIC

Joining a mee|

Enter event code

Join

*Participate in today's presentation
open your mobile device go to:*

slido.com

Enter the event code

Contracts

Click the green JOIN button

In our presentation today we will present you with poll questions that you can answer from your smartphone. We will reveal the results throughout the presentation. Thank you for participating.

Parable of the Hidden Vineyard

Rembrandt - 1630



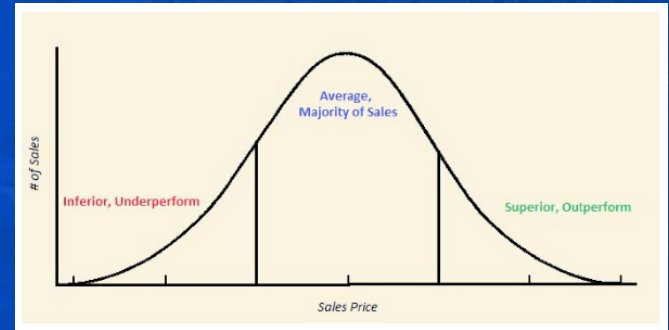
ROLE OF AN
EXECUTIVE MANAGEMENT TEAM

- Create and preserve value!



SO HOW DOES THE CONTRACTING PROCESS IMPACT VALUE

- Value Increases as Risk Decreases
 - How protectable and transferable is your revenue stream?
 - How transferable is your revenue stream?
- Poor record keeping decreases value



Source: Rice University Jones School of Business

POLL QUESTIONS

- Do you know where all your contracts reside in your company?
- Do you have an management system for tracking your contracts?
- Could you describe with confidence the biggest risk in your customer agreements?

SHARE IDEAS TO HELP YOU

- Uncover the hidden business value
- Enhance competition advantage



STRATEGY #1: TREAT CONTRACTS AS STRATEGIC

VALUE IN CONTRACTS START WITH YOU

legal strategy is not separate from business strategy

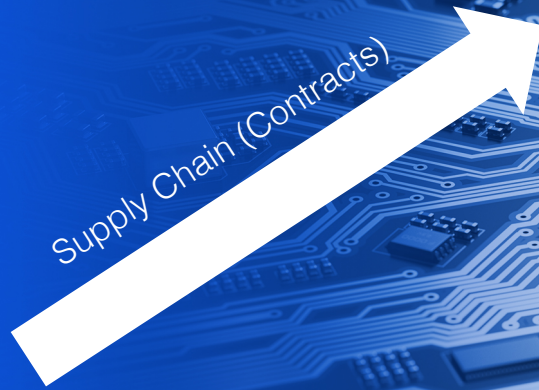
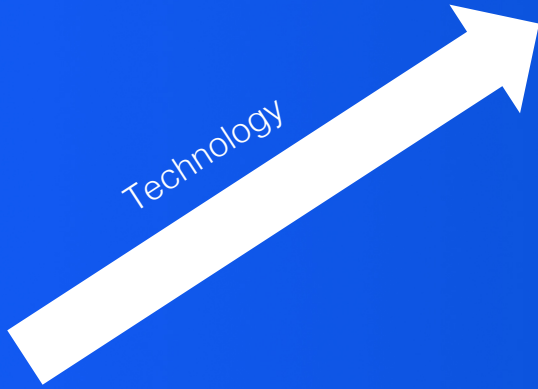
- Understand the intersection of business and your contracts
- Be involved



THE COMPAQ STORY



PHILLIPS KAISER



CONTRACTS

- Pricing Flexibility
- Inventory Management

STRATEGY #2: DEVELOP THE RIGHT TERMS

BASIC SET – STANDARD TERMS

- Addresses operational responsibilities and allocation of risk
- Operations structured to comply with those standards
- Reduces transaction costs

STRATEGIC VS. NON STRATEGIC

- Determines “right level” of investment



STRATEGY #3:
CONTRACT MANAGEMENT



STRATEGY #4: ANALYSIS OF EXISTING CONTRACTS

DuPont has recovered over \$5 Billion in 5 years
> \$1B annually



- Non litigation
- Sensitive to existing customers / supplier relationship
- Systematic (ex. purchased defective products but no process for recouping refunds)
- Unrealized volume discounts

Hewlett Packard recovered over \$500M over 5 years



- Overcharging by OEM manufacturers



Phillips Kaiser PLLC
9800 Richmond Ave #595, Houston, Texas 77042

phillipskaiser.com

Gregory L. Phillips
713-955-2741
gphillips@phillipskaiser.com

Craig M. Kaiser
713-955-2742
ckaiser@phillipskaiser.com



to request a slide deck of today's presentation
visit:

phillipskaiser.com/resources