

Teaming with Cyber-Run

Role: Cyber-Run Representative

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You are the owner of Cyber-Run a small business specializing in cybersecurity that has been building a positive reputation in your industry. You have worked with some agencies within the United States government but would like to expand your business and engage in more contracts with the government. You have been approached by a software development company who is currently working with a specific agency of the United States government providing software development services, and you would like to start working with this agency. The agency has put out a new call for bids on a software development contract. The software development firm would like to develop a teaming agreement to submit a bid for a new contract with this agency. The contract with the agency would require cybersecurity specialty, and the software development firm does not currently have that specialty. The scope of the contract is not clear about how much software development and cybersecurity might be required.

Two businesses in your network have interacted with the software company. These businesses have reported that the software company treats their employees well, they have a good work product, and are early or on time in submitting their work. Your initial discussions with the software company have been positive, and you think it might be a good fit to team with the software company to submit the bid.

Although there are likely many more issues other than the issues described below to discuss in the eventual agreement, for the purposes of this exercise please focus on the 5 following issues. Also, imagine that you have complete authority to negotiate these issues. Below, is a summary of the 5 main issues:

Percentage of contract: The amount of workshare that the software company will have in the contract versus the subcontractor. The amounts are expressed as a percentage of the workshare of the contract with 100% being the total contract. For example, 51%/49% indicates that 51% of the contract would be owned by the software company and 49% would be owned by Cyber-run.

Payment terms: The software company will submit an invoice to the agency, and the agency will provide payment within 30 days. Payment terms is the number of days the software company will have to pay Cyber-run following the receipt of the agency's payment.

Security Engineer pricing: The amount billed to the agency per hour for the work performed by the security engineer.

Expiration of Agreement: The amount of time until the teaming agreement will expire. The agreement can be extended with the agreement of both parties.

Cyber Project Manager Assistant: The percentage of time that a project manager from Cyber-Run will assist a project manager from the software company in leading the project.

On the next page you have an outline of different possible options for each of the issues. For example, you could decide that payment terms are upon receipt of payment from the agency or 15 days after the receipt of payment from the agency. You should note that each issue has a different degree of importance to you, as indicated by the magnitude of the number of points you could gain or lose. Your goal, as the owner of Cyber-run is to reach an agreement with the software company representative on all 5 issues that is best for you. **THE MORE POINTS YOU EARN, THE BETTER.** Although you may disagree with the way in which the points were assigned, please use the points schedule on the following page in this exercise. Be sure

to note the number of points you will receive for each type of agreement. As a negotiator, you may settle upon any of the options for each of the issues. Thus, there are a very large number of feasible settlements.

Finally, you only have a certain number of points that you can allow for this agreement. For you points = resources, and you must negotiate a deal that is worth at least **800** points to you. You have a different software company that is willing to team with you for the bid that is worth 800 points. Further, failing to achieve at least 800 points could result in you not being able to have a contract that will be beneficial for your company. You will have 20 minutes to negotiate.

Payoff Schedule		
Issue	Lowest	Highest
Percentage of contract	0	600
Payment terms	0	120
Security Engineer pricing	0	400
Expiration of agreement	0	240
Cyber Project Manager Assistant	0	80
Total	0	1440

Cyber-Run Representative Points Sheet

NOTE: DO NOT LET THE SOFTWARE COMPANY REPRESENTATIVE VIEW THIS INFORMATION

<i>Issue</i>	<i>Options</i>	<i>Points</i>
Percentage of contract (software development company/Cyber-run)	51%/49%	600
	60%/40%	450
	70%/30%	300
	80%/20%	150
	90%/10%	0
Payment terms	Upon receipt	120
	15 days	120
	30 days	60
	45 days	0
	60 days	0
Security Engineer pricing	\$240 per hour	400
	\$220 per hour	300
	\$200 per hour	200
	\$180 per hour	100
	\$160 per hour	0
Expiration of Agreement	14 months	60
	12 months	240
	10 months	180
	8 months	60
	6 months	0
Cyber Project Management Assistant	0%	0
	5%	20
	10%	40
	15%	60
	20%	80