

JACOPO ROMEI - DEVDAYS VILNIUS 2018

# EXTREME CONTRACTS

@JACOPOROMEI

#K100 ON SLIDO

WE'LL TALK ABOUT

# 1. WAR STORIES



WE'LL TALK ABOUT

# 2. NEGOTIATION





WE'LL TALK ABOUT

# 3. FRAMING





WAR STORY

# T-ACTIX



T-ACTIX

# SOFTWARE DEVELOPMENT



Copying and Pasting  
from Stack Overflow





T-ACTIX

# FAIL FAST





T-ACTIX

# BETTER CUSTOMERS





T-ACTIX

# EASY ACQUISITION





T-ACTIX

# ACCESS TO THE REAL BUYER





T-ACTIX

# HIGH MANEUVERABILITY



TWO GROUPS OF  
CUSTOMERS



# TWO GROUPS OF CUSTOMERS

Many

Informal

Short conversations

Frequent virtual meetings

Better revenues

Better net income

Fast decisions

Antifragility

Trust

# TWO GROUPS OF CUSTOMERS

Many

Few

Informal

Bureaucratic

Short conversations

Long conversations

Frequent virtual meetings

Rare live meetings

Better revenues

Lower revenues

Better net income

Lower net income

Fast decisions

Slow decisions

Antifragility

Fragility

Trust

Fear









TRUST IS A LENS





CONTRACTS ARE FAKE TRUST





FIXED PRICE

TIME & MATERIALS



AT LEAST ONE EXAMPLE

A REAL LIFE EXAMPLE



EXAMPLE

The image features a vibrant, abstract background composed of thick, curved lines in shades of yellow and orange. The lines are arranged in a way that suggests a sense of motion and depth, with some lines curving towards the viewer and others receding. The overall color palette is warm and energetic. In the center of the image, the word "EXAMPLE" is written in a bold, black, sans-serif font. The text is centered horizontally and vertically, standing out prominently against the colorful, abstract background.

**EXAMPLE**



# 8 PRINCIPLES



# Complex

Enabling constraints  
Loosely coupled  
probe-sense-respond  
Emergent Practice

# Complicated

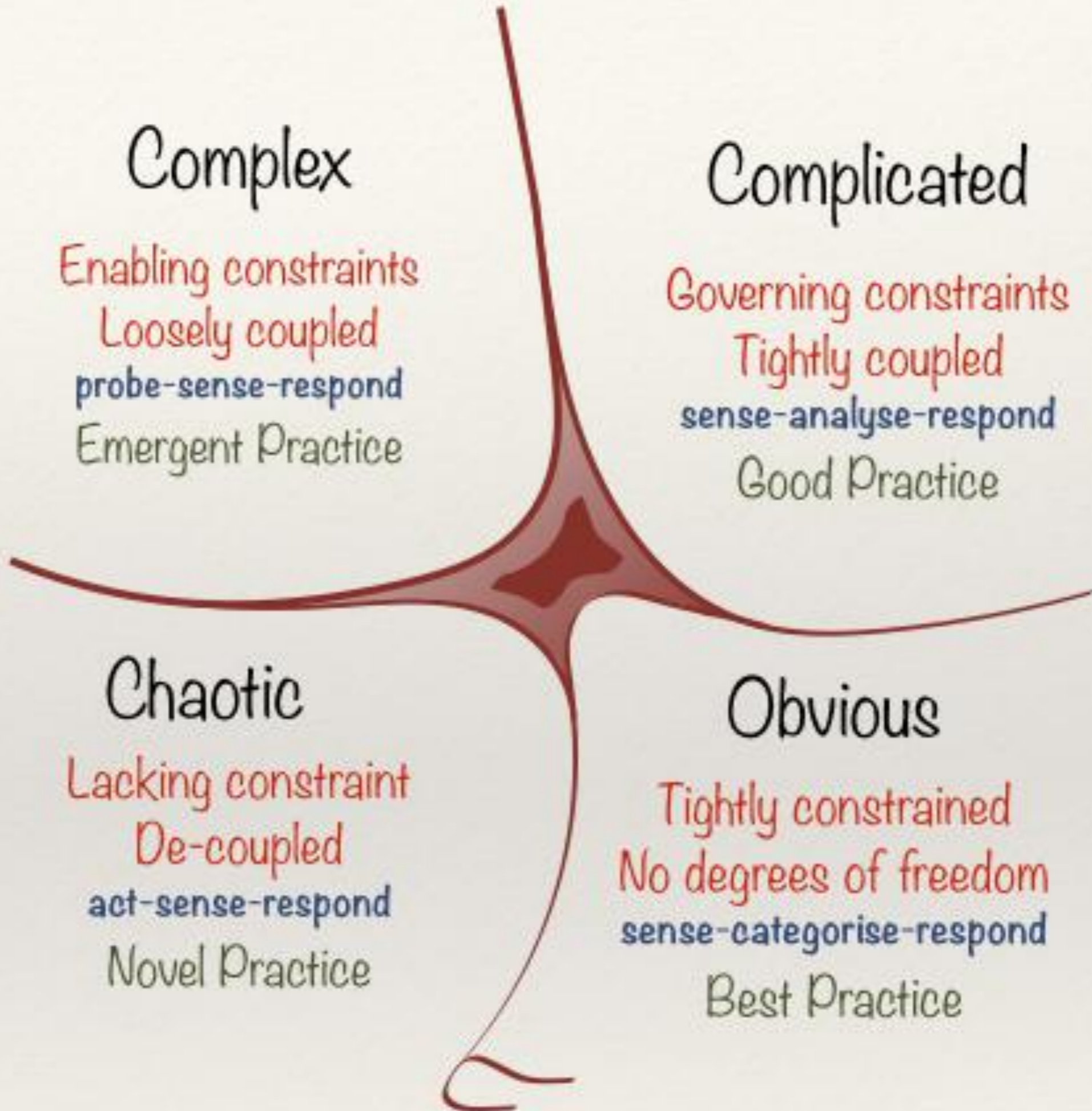
Governing constraints  
Tightly coupled  
sense-analyse-respond  
Good Practice

# Chaotic

Lacking constraint  
De-coupled  
act-sense-respond  
Novel Practice

# Obvious

Tightly constrained  
No degrees of freedom  
sense-categorise-respond  
Best Practice





COMPLEX DOMAIN

# TRUST IS AMONG PEOPLE





COMPLICATED DOMAIN

CONTRACTS = NITPICKING

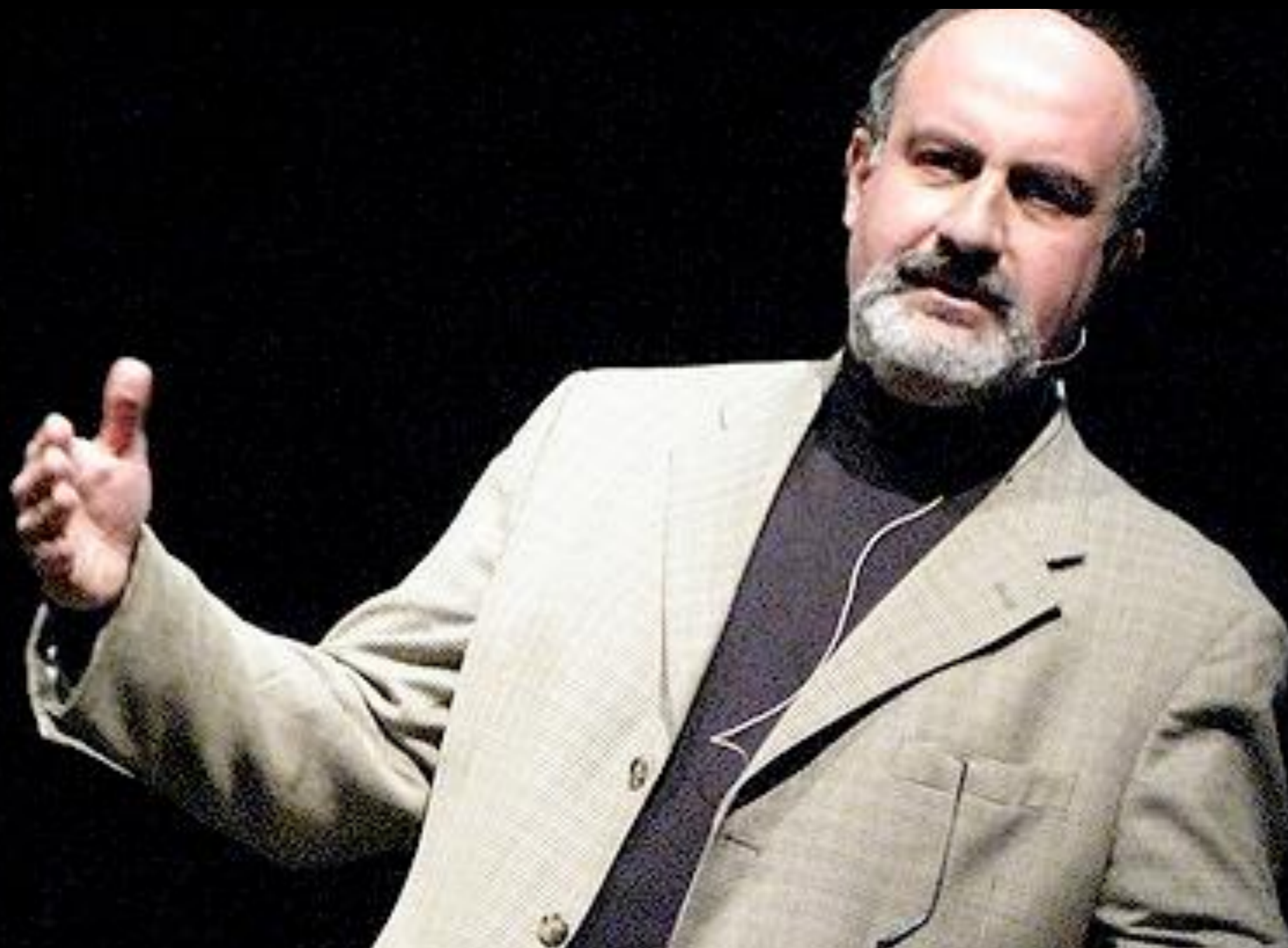




# 8 PRINCIPLES



# SKIN IN THE GAME





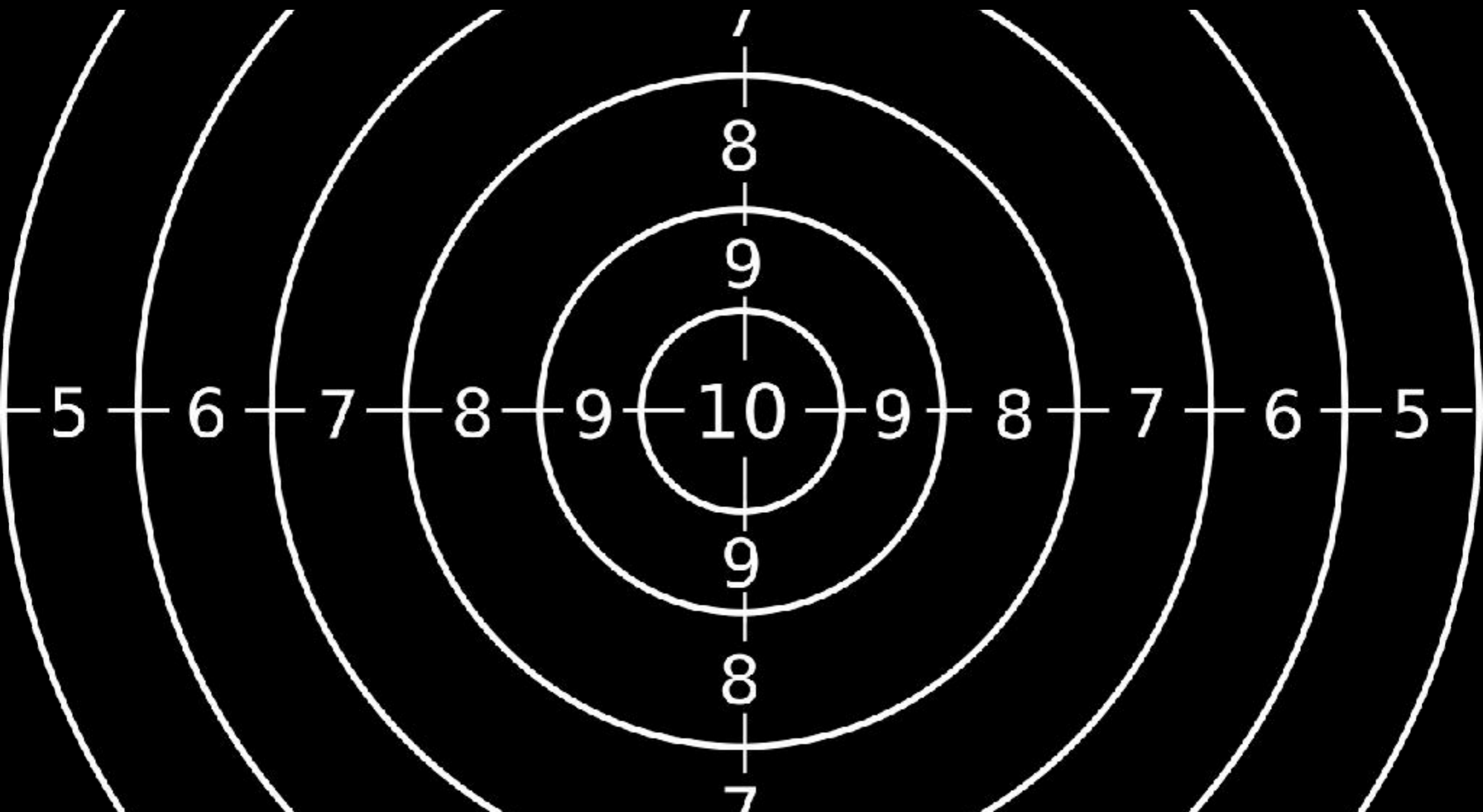
THE ULTIMATE METRIC OF  
HEALTH FOR A COLLABORATION

# IN THEIR SHOES





# VALUE CENTRED



WE SHOULDN'T CHARGE  
FOR COSTS



“My fee represents my contribution to this project with a dramatic return on investment for you and equitable compensation for me.”

–ALAN WEISS

ANYTHING LESS THAN GENERATED  
VALUE IS...

**FAIR ENOUGH**





# TALK TO THE ORGAN GRINDER



“Never trust the thought of anyone who is not  
free.”

–NASSIM N. TALEB



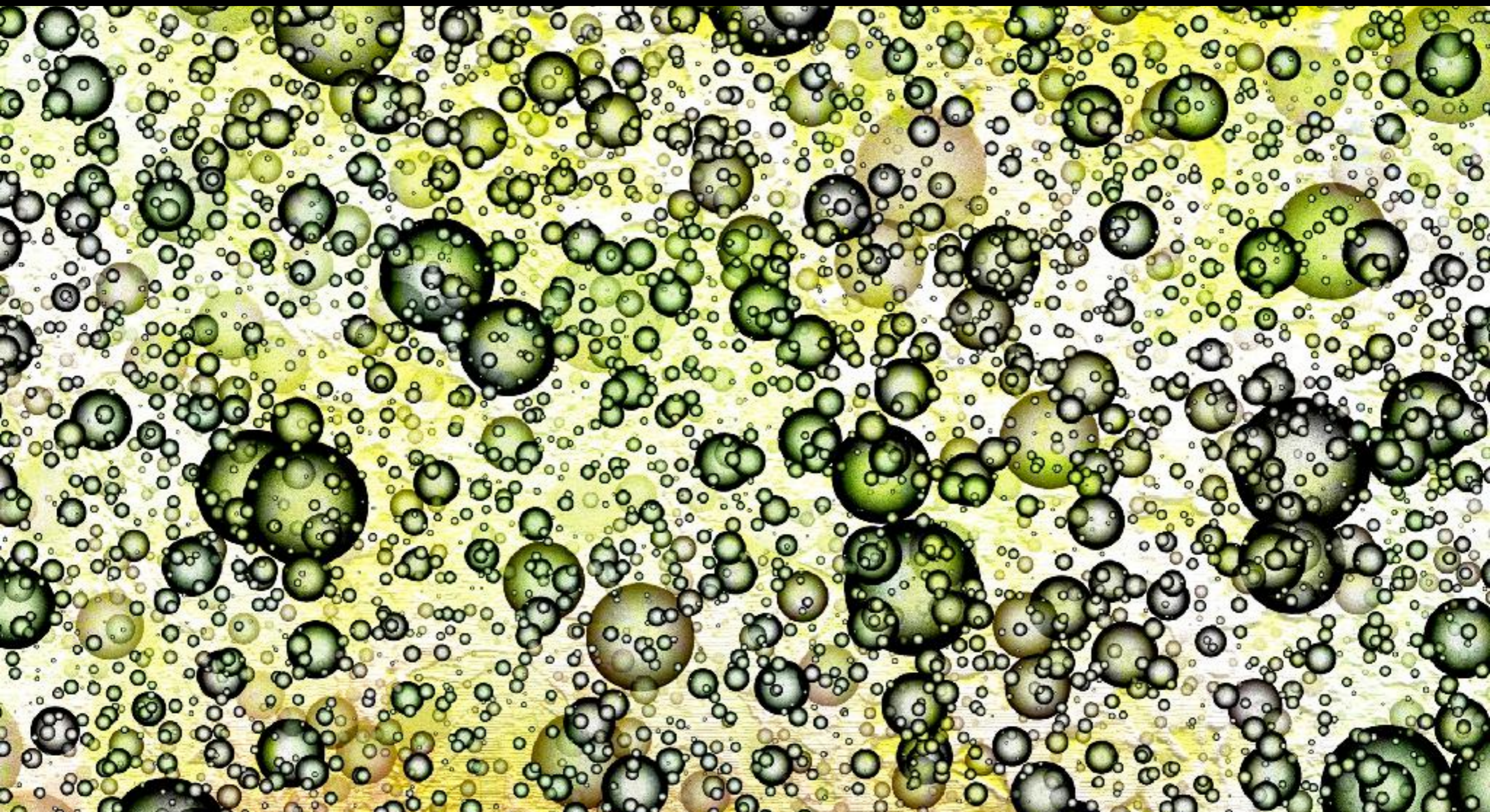
# ETHICS OVER RULES



NITPICKING MAKES YOU  
NO SAFER



# CHAOS IN SMALL DOSES





# OPTIONALITY





# CUSTOMER CHANNEL

## Key Partners



Who are our Key Partners?  
Who are our key suppliers?  
Which Key Resources are we acquiring from partners?  
Which Key Activities do partners perform?

**MOTIVATIONS FOR PARTNERSHIPS**  
Optimization and economy  
Reduction of risk and uncertainty  
Acquisition of particular resources and activities

## Key Activities



What Key Activities do our Value Propositions require?  
Our Distribution Channels?  
Customer Relationships?  
Revenue streams?

**CATEGORIES**  
Production  
Problem Solving  
Platform/Network

## Value Propositions



What value do we deliver to the customer?  
Which one of our customer's problems are we helping to solve?  
What bundles of products and services are we offering to each Customer Segment?  
Which customer needs are we satisfying?

**CHARACTERISTICS**  
Newness  
Performance  
Customization  
"Getting the Job Done"  
Design  
Brand/Status  
Price  
Cost Reduction  
Risk Reduction  
Accessibility  
Convenience/Usability

## Customer Relationships



What type of relationship does each of our Customer Segments expect us to establish and maintain with them?  
Which ones have we established?  
How are they integrated with the rest of our business model?  
How costly are they?

**EXAMPLES**

## Customer Segments



For whom are we creating value?  
Who are our most important customers?

**Mass Market**  
**Niche Market**  
**Segmented**  
**Diversified**  
**Multi-sided Platform**

## Key Resources



What Key Resources do our Value Propositions require?  
Our Distribution Channels? Customer Relationships?  
Revenue Streams?

**TYPES OF RESOURCES**  
Physical  
Intellectual (brand patents, copyrights, data)  
Human  
Financial

## Cost Structure

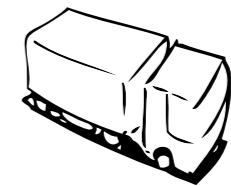
What are the most important costs inherent in our business model?  
Which Key Resources are most expensive?  
Which Key Activities are most expensive?

**IS YOUR BUSINESS MODEL:**  
Cost Driven (cheapest cost structure, low price value proposition, maximum automation, extensive outsourcing)  
Value Driven (focused on value creation, premium value proposition)

**SAMPLE CHARACTERISTICS:**  
Fixed Costs (salaries, rents, utilities)  
Variable costs  
Economies of scale  
Economies of scope



## Channels



Through which Channels do our Customer Segments want to be reached?  
How are we reaching them now?  
How are our Channels integrated?  
Which ones work best?  
Which ones are most cost-efficient?  
How are we integrating them with customer routines?

### CHANNEL PHASES:

- 1. Awareness**  
How do we raise awareness about our company's products and services?
- 2. Evaluation**  
How do we help customers evaluate our organization's Value Proposition?
- 3. Purchase**  
How do we allow customers to purchase specific products and services?
- 4. Delivery**  
How do we deliver a Value Proposition to customers?
- 5. After sales**  
How do we provide post-purchase customer support?



**TYPES:**  
Asset sale  
Usage fee  
Subscription Fees  
Lending/Renting/Leasing  
Licensing  
Brokerage fees  
Advertising

**LIST PRICE:**  
Product feature dependent  
Customer segment dependent  
Volume dependent

**Yield Management:**  
Real-time-Market

ONE-PIECE VS SERIAL



EVERYTIME WE **DESIGN** A PRODUCT  
OR A SERVICE WE ARE IN A COMPLEX  
DOMAIN.

“NEGOTIATION”  
MEANING



MAKING DECISIONS  
TOGETHER

1. EVERYBODY IS A  
NEGOTIATOR EVERYDAY



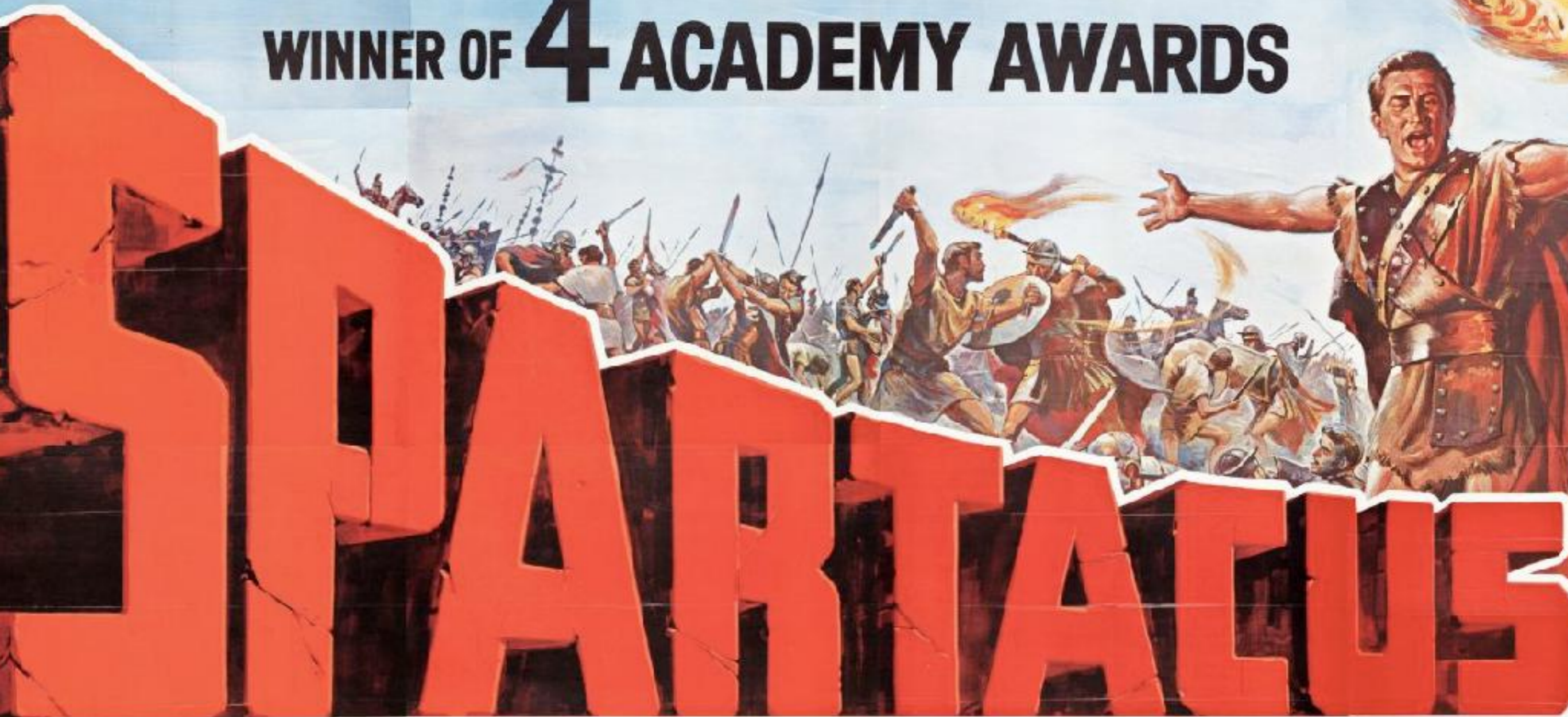
DISCRETIONARY TIME IS  
THE ULTIMATE WEALTH

“Slave, noun: a person who is the legal property of another and is forced to obey them.”



BE SLAVERY-AWARE

WINNER OF **4** ACADEMY AWARDS



A Bryna Production - A Universal-International Release

**TECHNICOLOR**

2. WITHOUT A PROPER  
AGREEMENT YOU ARE A SLAVE



Q & A

Book in english soon!

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Jacopo Romei

# EXTREME CONTRACTS

Il knowledge work  
dalla negoziazione  
alla collaborazione

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JACOPOROMEI.COM

THANK YOU