

CASE STUDY: SOFTWARE CONTRACT ASSESSMENT

Lighthouse helps global manufacturer overcome SAP upgrade overrun with strategic contract improvements, driving cost control and vendor accountability

AT A GLANCE

CLIENT:

- Multi-billion-dollar, 100+ year old global manufacturer

PROJECT:

- SAP S/4HANA Upgrade

CHALLENGE:

- Surprised by multi-million-dollar change order from System Integrator vendor

THE PROBLEM

- The client was upgrading their SAP system and outsourced the work to a large consulting firm. However, the vendor surprised them with a huge change order, adding millions in costs to the project.
- The client's procurement team lacked expertise in structuring software contracts, leaving them vulnerable to unexpected fees.

LIGHTHOUSE'S SOLUTION

Lighthouse conducted a comprehensive contract assessment, interviewed key stakeholders, and evaluated vendor deliverables to identify critical gaps. **57 actionable recommendations** were identified for improving contract structure and implementing better vendor oversight.

THE OUTCOME

- **Enhanced Project Control:** By introducing milestone-based payments, performance-driven incentives, and clearly defined acceptance criteria, the vendor quickly began to respond and deliver to a higher standard of cost, schedule, and quality for all milestone deliverables.
- **Risk Mitigation & Future Cost Savings:** The strategic contract restructuring immediately lowered the project's ongoing schedule, cost, and quality risks. As the teams adjusted to the new terms and conditions, it gave the client additional confidence in holding the vendor accountable for their work, eliminated unexpected fees, and continued to reduce project risks.

WHY THIS MATTERS

This case study highlights how Lighthouse's Contract Assessment service protects clients from the business risks of poorly structured software contracts. Our expertise helped the client identify critical gaps in their agreement, enabling them to regain control of the project and prevent future cost overruns.