

# **OPD-HCD™ CLIENT SALES AGREEMENT**

**Applying the correct science of  
people to build the social  
technology of organizational  
design and operation harnessing  
governance and team efforts in  
achieving greater success and  
satisfaction for both.**

**Professionalism.**

**Trust.**

**Goodwill.**

**Results.**

# Client sales agreement

Date: May 2023, version 2.0.

This sales agreement read in conjunction with detailed brochures describing what OPD-HCD™ is, how it works and the results it achieves.

The actual client agreement is a letter from the Business Partner copied to OPDI, referring to this brochure, and to the client business case, specifying the fees, and the estimated time of implementation.

The client accepts the proposal by email, and payment of the first monthly invoice paid in advance. Failure to pay will result in cessation of all facilitation until agreement to pay reached, or payment made.

On receiving the first payment, the Business Partner will instruct OPDI Client Services to create a client profile in the web system. All information in the IT system is owned by OPDI.

**Organizational success:** All organizational success requires the right thing done in the right place at the right time. Success so defined is sustainable if and only if the people who constitute the organization are willing to adopt ideas consistent with success.

**OPD-HCD™ is science derived HR/HCM/OD technology:** Applying the correct science of people (the spiritual model of humanity) to build the scientific technology of organizational design and operation scientifically harnessing the efforts of governance and staff in achieving greater success and satisfaction for both.

**Better science → better technology → better results**

## Terminology

**Client:** The fee-paying organization within which the OPD-HCD™ is to be implemented.

**OPD International Limited (OPDI):** The organization supplying the HCM/HR/OD technology, owner of the IP, and to whom the client pays monthly royalties for use of the IP.

**Business Partner:** The consulting organization employing the OPDI trained facilitator to implement OPDI IP in the client. The client pays the Business Partner for facilitation costs of implementation. The Business Partner is a contractor of OPDI. The client is contracted to OPDI who has the right to appoint another contractor if the first does not meet OPDI standards.

**Business case:** The financial case on which the client adopts OPD-HCD™. The foundation of OPDI sales promise to the client to be delivered by the implementation of OPD-HCD™ via the Business Partner.

**Implementation fees:** The monthly fee in the business case presented to the client prospect governance showing the cost of implementation plus royalty cost of OPD-HCD™. Typical implementation is 18 months, depending on availability of team leaders and number of operational sites. Facilitation is more intense at implementation start up, but the fee charged as a regular monthly fee for the estimated duration of implementation, enabling ease of cash flow projections.

**Maintenance fees:** Royalty plus ongoing maintenance fee to ensure regular audits of performance. Any facilitation required to lift performance back to standard is by agreement between client and Business Partner. Maintenance fees are typically one third of the implementation fees.

## Contract relationships and law applying

The Business Partner is the authorised contractor of OPDI to identify, present and implement the OPD-HCD™ HCM/HR/OD system in clients. The standard expected is that presented to the client governance in the sales Business Case with the additional benefit of increased client staff work-life satisfaction as measured in OPD-HCD™ audits.

The law applying is the law of New Zealand.

## Implementation

**Understanding OPD-HCD™ IP:** The IP lies in the understanding and training of the Business Partner team in how to have client staff reflect on the ideas they adopt and apply in managing their daily work conduct, such to move their thinking closer to the agreed desired thinking result in moving their behavior closer to agreed ideal behavior in their job.

**Purpose of OPD-HCD™:** The purpose of implementation of OPD-HCD™ is to move the ideas adopted and applied by all staff toward those ideas that make greatest contribution to the success of the person in their job and to ensure all leadership conduct is in support of the person maintaining the thinking work, with the person feeling respected and rewarded by the leadership for their daily efforts.

**Business case as the foundation promise:** The client elects for Business Partner of OPD International to complete a business case and to show the payback to the client of implementation of the IP of OPD-HCD™ in the client. The Business Case must show without exaggeration or misdirection how the costs of OPD-HCD™ implementation is comfortably covered by the financial gains arising from implementation.

The Business Case is the fundamental discussion document between client and Business Partner, once both satisfied with the financials and payback after all costs, the Business Case becomes the foundation sales promise and target for both Business Partner and client with gains in staff work life fulfilment regarded as a bonus over and beyond the financial payback where the system covers all costs and adds generously to the financial performance of the client.

The term ‘generously’ is the exact point of negotiation between client and Business Partner.

**Measuring results:** Agreed via the business case, measured in the improved results to costs ratio, in business, in the profit to sales ratio.

**Implementation stages:** The implementation stage is (1) guiding all staff to adopt the ideas from OPD-HCD™ that make them more successful in their job. (2) guiding the leadership in how to lead so that people feel respected and find increased satisfaction and increased work-life fulfillment from their work and relationship with their team leader.

The implementation stage typically takes 18 months and is via monthly meetings, typically 1.5 hours with team leaders.

**Going back to go forward:** The most intense effort often taking longest is not learning the OPD-HCD™ system but ceasing thinking and hence acting out that which they had previously acquired on work, leadership, psychology, etc.

**Maintenance stage:** Acceptance people leave and replaced. Attitudes soften, even executive leadership. The maintenance stage is to ensure the results gained during direct implementation are not lost by erosion of attitudes. Cost of ongoing maintenance is typically 30-40% of implementation costs.

**Monthly Fees payment:** All fees paid monthly in advance by bank automatic payment. There are always busy months and less busy, these advised by the Business Partner, accepted by the client as evening out cash flow for both.

**Contract:** Relationship of Business Partner-Client is built on trust and agreed understanding as documented in the business case. Contracts can be terminated at any time by 1 month notice. At all times, costs are covered by financial gains arising from implementation of OPD-HCD™ in the client.

Confirmation to proceed is notification by email acceptance of the agreed monthly invoice and payment of the first month fee. Failure to pay fees will result in an immediate halt to implementation or maintenance, which will not recommence until agreement on fees payment. .

## Calculating client financial payback

**OPD profit profile link (OPDPPL):** The ratio of change in each line of the profit and loss resulting from a 1% performance improvement. (1) **Sales:** All behavior,

responds strongest to training in sales ideal actions. OPDPIF Sales 0.3 to 0.5. (2) **Direct costs:** Efficiency and productivity significantly changed by improved behaviour, OPDPIF Direct costs, 0.2-0.4. (3) **Administration:** Modern technology reduces impact of human performance improvement, OPDPIF Admin 0.1-0.3. (4) **OPD profit improvement factor (OPDPIF):** Calculated on each line by multiplying the link between human performance gains (HPI), and the OPDPPL. See example below.

## Building the business case

Business with 10-12 staff, about as low as feasible to be economic, financials in NZ\$.

Human performance increase	10%	Actual closer to ideal			
OPDPPL sales	0.4%				
OPDPPL direct	0.3%				
OPDPPL admin	0.2%				
	Before OPD	%	OPDPIF	After OPD	%
Revenue	\$ 1,750,000		4%	\$ 1,820,000	
Direct costs	\$ 1,050,000	60%	3%	\$ 1,018,500	56%
Gross margin	\$ 700,000	40%		\$ 801,500	44%
Admin	\$ 560,000	32%	2%	\$ 548,800	30%
OPD costs	\$ -			\$ 66,000	
EBIT	\$ 140,000	8%		\$ 186,700	10%
Profit gain after OPD costs				\$ 46,700	33.4%

The business case done with care, after careful interview of several of governance. It becomes the foundation 'promise' of the client-Business partner agreement to proceed. OPD sale. There is no other sales agreement other than this document supported by confirming letter and email acceptance.

## Professionalism. Trust. Goodwill. Results.