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AVOIDING THE NEXT SAAQCLIC OR TARGET CANADA:
**HOW EXPERT OUTSOURCING ADVISORS
DE-RISK BIG-TICKET IT RFPS**

THE HIDDEN LEVERAGE OF THE RFP



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ONE PROJECT, FIVE HUNDRED MILLION REASONS TO GET PROCUREMENT RIGHT

When Québec's automobile-insurance board (SAAQ) unveiled its digital-services overhaul in 2017, it forecast a ten-year bill of \$638 million. Eight years later the public inquiry into SAAQClie has heard sworn testimony that the price will top \$1.1 billion by 2027, almost half-a-billion dollars beyond plan—and that one-fifth of the system's bugs were still unresolved when the platform went live.

Private-sector executives sometimes view such implosions as “government problems,” yet history argues otherwise. Target Canada burned an estimated US \$2 billion and shut 133 stores after an aggressive SAP rollout flooded distribution centres with bad data and empty shelves. International retailers, airlines, and banks have all learned that ambition, absent disciplined procurement and execution, is agnostic to ownership model. According to the Standish Group's long-running CHAOS research, more than half of large software programs overshoot original budgets by about 189 percent.

The common denominator is not sector but structure: requirements drafted in haste, vendors negotiating from information asymmetry, and governance mechanisms added only after the contract is signed. The single moment when those forces can be tamed is during a competitive Request for Proposals (RFP). That is why organizations increasingly place seasoned outsourcing advisors—firms like Lorange Leclair & Compagnie—at the very centre of the RFP lifecycle.

THE HIDDEN LEVERAGE OF THE RFP

A large-scale IT contract locks in scope, commercial terms, and risk allocation for five, seven, sometimes ten years. Any ambiguity or false optimism at the RFP stage compounds over thousands of deliverables and millions of lines of code. Three structural hazards dominate:

- **Discovery gaps.** Unmapped integrations, unclear business needs, regulatory constraints or data-quality issues surface only after signature, triggering lucrative change orders.
- **Negotiation Power imbalance.** Tier-one vendors negotiate dozens of mega-deals a year; most clients negotiate one every decade.
- **Improper Governance and Decision-Making structure.** Escalation paths, service-credit logic and cost-control dashboards are bolted on after the fact—too late to realign incentives.

Left unchecked, those hazards create the conditions that produced SAAQClic's paralysis, Target's empty shelves and countless ERP "re-baselines."

HOW EXPERT ADVISORS RE-ENGINEER THE ODDS

1. **A build-up methodology that preserves momentum and traceability.** Lorange Leclair & Compagnie has mapped every artefact required across discovery, RFP drafting, supplier evaluation and contract finalization. Using a "build-up" approach, teams capture source material once—business objectives, service descriptions, cost baselines—and grow it iteratively rather than redrafting for each stage. The same paragraph that frames a requirement in the briefing deck later surfaces, unaltered, in the service-level exhibit of the contract. Nothing is lost in translation, and the procurement clock never resets to zero.
2. **A living library of templates and service catalogues.** Because the firm curates a private repository of industry-tested clauses, pricing schedules and cloud-service definitions, clients avoid the "green-field" drag that can add months to home-grown RFPs. Templates covering Infrastructure-as-a-Service, SaaS subscriptions, application outsourcing and full business-process outsourcing drop straight into the client's branding and regulatory context—slashing time-to-market while flagging omissions invisible to first-time drafters.
3. **Sector-tuned strategy before pen meets paper.** Every engagement begins with a rapid diagnostic that benchmarks the client's aims against peers and regulators. A bank facing Office of the Superintendent of Financial Institutions (OSFI) audit pressure will receive a markedly different sourcing strategy from a healthcare network, yet both

inherit the same outcome-driven DNA: measurable objectives, risk-sharing mechanics, and business-case traceability.

4. **Negotiation firepower with tier-one suppliers.** Having sat across the table from most of the global players, Lorange Leclair negotiators know where market rate-cards end and margin cushioning begins. They calibrate should-cost models, engineer fee-at-risk milestones, and wire pricing clauses that exposes all charges long before they metastasize into board-level surprises.
5. **Governance by design, not afterthought.** Independent Verification & Validation (IV&V), earned-value dashboards, auto-triggered service credits and re-baseline protocols are embedded directly in the RFP. Suppliers bid knowing that transparency is non-negotiable; clients sign knowing that every clause is “easily executable” when day-two pressure mounts.
6. **End-to-end execution stewardship.** The advisory remit does not stop at contract signature. Teams remain in the war-room through project execution, knowledge transfer, parallel runs and cut-over, ensuring that the intent captured in the RFP becomes the reality experienced by end-users.
7. **Overall implementation ownership by client.** It is common for more than 50% of the implementation effort to be made by the client. Mobilising internal troops and setting up a client-own management structure to manage the supplier and your deliverables is critical.

GUIDING PRINCIPLES OF A SOUND OUTSOURCING AGREEMENT

Through hundreds of competitive tenders the firm has distilled eight tenets that keep relationships productive for a decade or more:

- A. **Clarity of expectations.** Misaligned assumptions—not malice—cause most escalations; therefore, every deliverable, metric and acceptance test are defined in prose first, numbers second.
- B. **Integrated view.** Requirements, service levels, pricing and incumbent cost baselines live in the same model, revealing unintended trade-offs before signature.

- C. **Manageable clauses.** A contract is only as good as its worst-case day; concise remedies trump encyclopedic loopholes.
- D. **Flexibility to pivot.** Change-control bands and capacity “true-ups” give clients room to adapt without renegotiating every page.
- E. **Cultural fit.** Tools, processes and on-shore/off-shore mix must mesh with the client’s way of working as much as with its technical stack.
- F. **Predictability now, not later.** High-level promises to “agree at implementation” are replaced by concrete annexes today.
- G. **Mutual incentives.** Suppliers earn margin through performance, not through complexity; clients bankroll savings via year-on-year unit-rate glide-paths.
- H. **Fairness.** Sustainable economics for both parties beat pyrrhic “winner-take-all” deals that unravel mid-term.

WHAT SUCCESS LOOKS LIKE IN THE NUMBERS

Across public dossiers and private case files, programs that applied this playbook delivered single-digit budget variance and one-third the delay of peer projects. Even after advisory fees—typically three to five per cent of contract value—the avoided overruns, earlier go-lives and lower litigation risk deliver a three- to five-fold net pay-back. By contrast, SAAQClic’s half-billion-dollar overspend would have funded a lifetime of independent procurement support many times over.

MEASURE TWICE, PROCURE ONCE

The cautionary tales of SAAQClic and Target Canada confirm a universal law: the cost of getting procurement wrong dwarfs the cost of getting expert help.

An RFP shaped by experienced outsourcing advisors—professionals who understand every artefact, deploy a build-up methodology, draw on a rich document library, craft sector-specific strategy, and negotiate equitable, flexible, performance-driven contracts—becomes an organizational asset rather than a bureaucratic hurdle.

Executives determined to avoid the next headline need only three actions:

- Commission a readiness assessment before scoping the next digital transformation.
- Reserve a sliver of project budget for independent advisory—think insurance, not overhead.
- Demand that every forthcoming RFP encode the clarity, governance and incentives that history insists are indispensable.

Because in large-scale IT, excellence is not an accident; it is the predictable outcome of disciplined procurement, and disciplined procurement begins—and ends—with the RFP.

ABOUT THE AUTHOR



Claude Lorange, Eng. is one of Canada's most respected voices in strategic IT procurement and large-scale outsourcing. Over three decades he has negotiated nine-figure service agreements, architected sourcing strategies for both public- and private-sector clients, and rescued complex programmes that were sliding off the rails.

Before founding Lorange Leclair & Cie in 2006, Claude held multiple vice-president roles at a global IT outsourcing and advisory powerhouse, giving him a 360-degree view of vendor motivations and client imperatives. That dual perspective underpins his reputation as a deal-maker who can create win-win economics while protecting his clients from the fine-print surprises that derail so many technology projects.

An electrical-engineering graduate of Polytechnique Montréal, Claude pairs analytical rigour with the storytelling chops needed to rally executives, suppliers and project teams around clear, actionable objectives. Whether he is drafting a cloud RFP, chairing a steering committee, or briefing a board, Claude brings the same hallmark qualities: strategic clarity, operational discipline, and a knack for turning divergent interests into aligned momentum.