

You and a Vendor Sitting in a Tree ...

K-I-S-S-I-N-G, first comes love, then comes marriage, then comes a software solution in a baby carriage

By Rob Gallo



Of course, this is just a cute childhood jingle, but you'd be surprised how often it happens between casino operators and online vendors. What could go wrong? Realistically, a lot!

Selecting an online casino software vendor is like finding a future spouse. First is the courting and flirting, then

some romance and dating. This means that they will strut their stuff with glossy marketing materials, but of course, they are only going to show you the highlights of their goods or services. You really need to look under the hood before you commit to any online vendor. Just because they might be the biggest, oldest, cheapest, etc., this does not mean that they are the best fit.

So, how do you determine if they are the right fit? To continue with the relationship analogy, you should start with a few basic but critical steps in your "discovery phase" before setting a wedding date. (1) A deeper understanding of your potential partner, (2) A compatibility test, and (3) Read the fine print. Let's expound:

1. A thorough background check. I'm not talking about fingerprinting and obtaining medical records of a potential spouse, but in business, it makes perfect sense to deeply explore a possible vendor's background. This goes beyond reading testimonials from their website, and actually contacting existing and past customers to get their honest feedback.

Remember to dig for information beyond the actual product, and get a feel for how they interact with their customers. Are they responsive? Do they listen to and act on comments and concerns that you have as an operator? Are they fair and competitive with their billing practices?, etc.

Don't be afraid to ask the vendor for the contact information of existing clients who are using their services. If they are reluctant to give you this information, I would be a bit leery. Even if they do supply you with references, you should continue to search for other companies that may have used their services. I find LinkedIn is a good resource for this. I've also used Twitter with a "hashtag" and the company name to see if anything good or bad is trending about the company.

2. Make sure that your expectations are in sync. If you're looking for long, romantic walks on a moonlit beach, and your vendor is more of a "dance and party 'til dawn" type, then you will not be in alignment. For example, if you're just getting started in the online gaming space, and you want to license a product that will get you up and running fast, but you want to ultimately develop your own software in-house later on down the road, make sure that you have the rights to all the data and processes in place so that you can migrate your players over to your new product once the time comes. And get it in writing.

3. Get a prenup. Sure, it may sound crass in a romantic relationship to make sure that you have an exit strategy in case things don't work out, but once again in business, this should be standard procedure. No one enters a relationship with the thought that things might go awry, but it **MUST** be discussed, **AND** put in writing. It goes far beyond "who gets to keep the dog?" and "who takes the station wagon?"

The purpose of negotiating the contract is to understand not only what the specific deliverables are from each party, but things like, who owns the player data? Is it yours exclusively, or do they have rights to your customer data as well? What happens to the player data in the event of a separation/termination of the contract? Who is responsible for payment processing? What level of access will they have/need to your current database? What are their obligations with regard to marketing assistance, if any? What are the milestones and benchmarks for comparing their level of service to you? These are just a few of the things that you should consider when negotiating a contract.

The most important takeaway is, don't become a divorce statistic. There are a number of different online gaming vendors to choose from, so be selective. Remember, it sometimes takes the outside perspective of a qualified "matchmaker" to help you determine if a potential spouse is the right one, and to assist in negotiating a fair and equitable contract that serves your specific needs. Think of it like bringing a lawyer with you on your first date ... Well, maybe not. Either way, happy wedding bliss!