

Microsoft Enterprise Strategy - Portfolio Work Order

(For Microsoft Internal Purposes Only)
(WO Type 1)

FF-ES-JJ-20120130-ESP

This work order is made pursuant to the Business and Services Agreement (Custom – Non Standard) (the “**agreement**”) effective as of December 15, 2007, by and between the undersigned Customer or its affiliate (“**you**”) and the undersigned Microsoft affiliate or its affiliate (“**we**,” “**us**,” or “**our**”). The terms of the agreement are incorporated herein by this reference. Any terms not otherwise defined herein will assume the meanings set forth in the agreement. This work order is comprised of this cover page and the work order terms below, which are incorporated herein by this reference.

Customer Invoice Information		
Name of Customer Johnson & Johnson		Contact Name (This person receives invoices under this work order.) Charles Allerton
Name of Customer or Affiliate that executed the Master agreement if different than the undersigned		
Street Address 1003 US HWY 202		Contact E-mail Address CAllerto@ITS.JNJ.COM
City Raritan	State/Province NJ	Phone (908) 655-3635
Country US	Postal Code 08809	Fax
Invoicing		
We will invoice you for the fix-priced engagement and related expenses incurred. Our invoices for payment will be directed to your representative for payment at the address shown above. Please indicate a Purchase Order No. (if any):		
Commencement Date		
This work order will commence on May 7, 2012 and expire on May 6, 2013.		

By signing below the parties acknowledge and agree to be bound to the terms of the agreement and this work order.

Customer	Microsoft Affiliate
Name of Customer (Please Print) Johnson & Johnson	Name Microsoft Corporation
Signature	Signature
Name of person signing (Please Print)	Name of person signing (Please Print) Patrick K. Larkin
Title of person signing (Please Print)	Title of person signing (Please Print) Consulting Practice Manager
Signature date	Signature date

1. Services

OBJECTIVE

Microsoft will provide one **Enterprise Strategy Portfolio** engagement[s] as described in this Work Order for the term stated in the Commencement Date section above. Any timelines, dates, and delivery schedules within the term of this agreement provided here are estimates only and are subject to change.

Services within Scope

The **Enterprise Strategy Portfolio** provides Customers with business value realization assessment, technical strategy and planning-related advisory services. It provides the following components, which are explained in detail below.

Enterprise Strategy Program Components	Enterprise Strategy Portfolio
Length of Engagement (years)	1
Enterprise Architect	1
Value Realization Framework 360 Assessment	1
Enterprise Strategy Projects	Up to 3 per year
Envisioning Workshops	Up to 4 per year
Strategic Briefings	Access to scheduled Enterprise Strategy Program Briefings
Customer Connections	Awareness of relevant TAP opportunities Invitation to Strategic Architect Forum
Enterprise Strategy Network	Up to 200 hours
Enterprise Strategy Library	Included

In addition to the above services, the Enterprise Architect will support governance and oversight of other project initiatives and to support the Customer's value realization from their Microsoft technology investments.

Value Realization Framework 360 Assessment

Microsoft will begin each Enterprise Strategy Portfolio engagement with a Value Realization Framework 360 Assessment ("VRF 360 Assessment"). The VRF 360 Assessment is an initiative of approximately three months' duration that takes place at the beginning of each engagement. Its key objective is to evaluate the Customer's strategic business objectives and priorities and recommend a prioritized list of strategic projects that map to the Customer's business goals. While we strongly recommend a full VRF 360 Assessment early in the engagement, there can be situations where some VRF 360 Assessments can be delayed for a more opportune time (e.g. to match the Customer's annual planning cycle). The scope and timing of the VRF 360 Assessment will be determined during the first month of each engagement

VRF 360 Assessment Activities

- **Business and IT Assessment:** an initial overarching examination of the business and IT environment will be used to select a set of specific VRF 360 Assessments to identify and prioritize a set of business initiatives which will become Enterprise Strategy Projects. Each VRF 360 Assessment typically includes:
 - **Current State Review:** to assess an aspect of the current IT services portfolio; alignment to the strategic business objectives and priorities, and usage of the Customer's Microsoft Enterprise Agreement
 - **Future State Vision:** create a conceptual Future State Vision to illustrate the desired transformation of business and IT.

- **Gap Analysis:** a high-level comparison of the current state vs. desired state, to identify business value/benefits that could be realized should the required set of initiatives be executed.

In addition to identifying new opportunities, the VRF 360 Assessment looks at achieving benefits through accelerating time to value for existing initiatives or optimizing the business value of the Customer's existing deployed solutions.

Upon completion of each VRF 360 Assessment, Microsoft and the Customer will select up to three initiatives per year, called **Enterprise Strategy Projects**. They will be selected by mutually determining the priorities of the business impact which can be executed during the period of this Work Order. Each Enterprise Strategy Project focuses on either 1) Initiative Planning or 2) Value Realization during the balance of the year. The agreed upon Enterprise Strategy Projects comprise the scope of this Enterprise Strategy Portfolio engagement and will be documented in the Service Delivery Plan.

Enterprise Strategy Projects

Initiative Planning

One type of Enterprise Strategy Project follows a process defined in the Value Realization Framework as Initiative Planning. An Initiative Planning project is focused on one of the initiatives identified in the VRF 360 Assessment and lasts approximately 3 months. The estimated duration of an Initiative Planning project will be refined in the effort's first month. During this time the Enterprise Architect will closely partner with the Customer to establish a plan for realizing the business value for the initiative. This is documented in the Initiative Plan.

Initiative Plan includes:

- **A Recommendation and Plan** that identify the business value that Microsoft's recommendations can potentially create in the Customer's organization and defines the potential impacts and suggested implementation approach to achieve these.
- **An Architecture Definition Document** that describes the recommended information, application and technology architecture required to support the recommendations.
- **The Business Case** that lists potential benefits and costs for each business function or component that is impacted and the related organizational changes that will enable the benefits to be realized.
- **A Value Realization Plan** that specifies a mutually agreed-upon timeline and metrics for the realization of the anticipated Customer business value/benefits.
- **A Roadmap** whose primary goal is to help ensure that the selected project is on track to achieve the anticipated Customer value/benefits, and define the method of making any course corrections during project execution, should they be needed.

Value Realization

The second type of Enterprise Strategy Project also follows a process defined in the Value Realization Framework. The key objective of a Value Realization project is to help ensure that the development and adoption of a solution or an existing deployment realizes the anticipated Customer business value and benefits. It can take place during the remaining time of the engagement. The estimated duration of a Value Realization project will be refined in the effort's first month.

Ongoing project reviews and an optimization process throughout the project will provide the basis for project activities. Mutually agreed-upon course corrections may be needed, depending on project execution success and achieving anticipated business benefits/value. Microsoft approaches and methodologies may be leveraged in order to execute the outlined projects, for example, Value Realization Strategy and Planning, Persona/Work style Analysis, and Governance Planning. These projects may cover scenarios such as the following:

- Journey to the Cloud
- Mission Critical Platform
- Optimized Data Center
- Optimized Desktop

- Productivity
- Other initiatives

Service Delivery Plan

All decisions on Enterprise Strategy Projects, from initial selection, timescale, resource requirements and changes in scope will be recorded in the Service Delivery Plan. Key recommendations from Enterprise Strategy Projects that will require further work from the Enterprise Architect or other resources to achieve desired outcomes will also be recorded in the Service Delivery Plan.

Additional Benefits

In addition to the Value Realization Framework activities and the Enterprise Strategy Projects described above, the Enterprise Architect will work with the Customer to leverage the following benefits under the Enterprise Strategy Portfolio engagement. These benefits are available during the full term of the engagement:

- **Envisioning Workshops** - Depending on Customer's strategic initiatives, the Enterprise Architect can lead Envisioning Workshops around those topics. To enhance the value of the Envisioning Workshops, the Enterprise Architect uses the intellectual property from the Library and can optionally bring in subject matter experts from the Network to participate in the Envisioning Workshops.
- **Strategic Briefings** - Depending on Customer's interest and relevance to business, the Enterprise Architect can invite the Customer stakeholders to scheduled live Strategic Briefings (through a Webcast), or share a recorded version of the Strategic Briefings for later use. The advantage of attending a live Webcast is that the Customer can have a dialogue with the presenter and other subject matter experts. Strategic Briefings also serve as a catalyst to spark off new ideas for Customer exploration.
- **Customer Connections** - The Enterprise Architect will use this benefit to facilitate additional connections between Customer and Microsoft and between customers. It includes awareness of relevant Microsoft Technology Adoption Programs, and access to Strategic Architect Forums.
- **Enterprise Strategy Network** of Subject Matter Experts - Depending on the Customer needs and project complexity, the Enterprise Architect may access subject matter experts from all around Microsoft. These experts may include other Enterprise Architects from similar industries, industry professionals, leaders from Microsoft product groups, leaders from Microsoft Research, and other experts endorsed by Microsoft.
- **Enterprise Strategy Library** - The Enterprise Architect has access to a rich collection of intellectual property and artifacts, such as Industry Insights and Benchmarks, Enterprise Architecture intellectual property, Technology intellectual property, and Enterprise Architecture Methods, Models, and Tools. Depending on Customer needs, the Enterprise Architect utilizes the appropriate set of intellectual property, assets, and tools.

Services Out of Scope

Any area that is not explicitly listed in as “within scope” is out of scope for this engagement. The areas that are out of scope for this engagement include, but are not limited to, the following:

- **Product Deployment Services.** Detailed Initiative Planning, project governance and oversight of Customer deployment and adoption are out of scope. The Portfolio offering is not a replacement for detailed planning, nor is it a replacement for Customer or third-parties to perform hands-on deployment efforts.
- **Problem Resolution or Break-fix Support.** This type of support is beyond the scope of the architectural and strategic focus of the Enterprise Architect.
- **Technical product consultation.** Technical or Architectural Consultation beyond the Value Realization Framework 360 Assessment is beyond the scope of this engagement.

APPROACH

This section outlines the programmatic approach that the Enterprise Architect takes in using the various program components of the Enterprise Strategy offer to provide value to the Customer. The approach uses the Microsoft Value Realization Framework, which provides the Customer with proven methods, models, and tools from Microsoft. Depending on Customer needs and preferences, the Enterprise Architect can also use other third-party frameworks in conjunction with Value Realization Framework. It should be noted that some of the below activities are done in sequence, while some are done in parallel.

- At a mutually agreed upon project start date, the Enterprise Architect kicks-off the Enterprise Strategy engagement with key Customer and Microsoft stakeholders. The goal of the **Kick-Off Presentation** is to help ensure that all stakeholders are in agreement with the project scope, expectations, and deliverables as outlined in the Work Order.
- Thereafter, the Enterprise Architect works with the Customer stakeholders to deliver the **Service Delivery Plan** for the engagement. The Service Delivery Plan is a key contractual deliverable that the Enterprise Architect creates in the early stages of the projects, and then maintains on an ongoing basis in the event the project scope and/or timeline change during the engagement.
- Throughout the engagement, the Enterprise Architect uses engagement governance mechanisms, namely the **Monthly Status Report** and the **Quarterly Status Presentation**. The goal of the monthly status report is to keep the key Customer stakeholders aware of the project progress, and raise issues if any. The goal of the quarterly status presentation is to have a more in-depth discussion with the Customer stakeholders around project status such as progress to date, opportunities, required decisions to be made, potential risks and mitigation strategies, next steps, and timeline.
- In the first few weeks of the engagement, the Enterprise Architect presents the **Industry and Customer Profile Report**. The Enterprise Architect uses the report to both provide early value and to get Customer's agreement on the key business drivers for the Customer within their industry. The report validates Customer's strategic business and IT objectives and priorities.
- During the first phase the engagement, called **VRF 360 Assessment**, the Enterprise Architect partners with the Customer on key assessments. The Enterprise Architect uses the assessments to create the **VRF 360 Assessment Report**, which identifies and prioritizes one or more key strategic initiatives for the Customer, which become Enterprise Strategy Projects.
- Next, for the Enterprise strategy Projects one option is called **Initiative Planning**. During Initiative Planning, the Enterprise Architect builds upon the findings of the VRF 360 Assessment Report. The Enterprise Architect partners with the Customer on various activities that lead to an **Initiative Plan**, which outlines the recommendation and plan, the architecture definition document, the business case, and the Value Realization Plan for the strategic Customer initiative(s).
- During the Enterprise Strategy Project option called **Value Realization**, the Enterprise Architect provides governance and oversight to the Customer around deployment, adoption, and business value gained from the strategic initiatives. This completes the first full cycle of the Enterprise Strategy Program and should build Customer confidence in their ability to drive business transformation.
- Throughout the engagement, the Enterprise Architect uses various other intellectual property, resources, and expertise as follows:
 - Envisioning Workshops
 - Strategic Briefings
 - Customer Connections
 - Enterprise Strategy Network
 - Enterprise Strategy Library

Key Service Deliverables

Following is a list of key project Service Deliverables that will be delivered within this Work Order.

Service Deliverable Name	Service Deliverable Description
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Service Delivery Plan	A document to detail the findings from the VRF 360 Assessment, Initiative Planning and Value Realization. Includes recommendations and a roadmap for execution of strategic programs.
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PROJECT ROLES AND RESPONSIBILITIES

Microsoft Roles and Responsibilities

Role	Responsibility
Enterprise Architect	<p>The Enterprise Architect will be designated for the Customer. This on-site resource will partner closely with Customer to:</p> <ul style="list-style-type: none"> • Plan, create, facilitate, and execute the Service Delivery Plan • Orchestrate the appropriate global and regional expertise • Help maximize value from the Customer's investment in Microsoft technology

Customer Roles and Responsibilities

Role	Responsibility
Executive Level Sponsor	<p>The Customer Executive Level Sponsor will</p> <ul style="list-style-type: none"> • Be involved in all aspects of the engagement (including support to create the Service Delivery Plan) • Provide accurate and complete information, as needed, and • Timely and effective completion of Customer's responsibilities • Support Microsoft in customer evidence case studies as appropriate, and participate in Customer Connections

GENERAL CUSTOMER RESPONSIBILITIES AND PROJECT ASSUMPTIONS

General Customer Responsibilities

The success of this engagement depends upon your involvement throughout the project, including but not limited to the availability of your representatives and/or IT staff, and access to information about your organization. It will be critical for you to provide accurate and complete information as needed. In addition to any other activities identified in this Statement of Work, you may be asked to perform the following tasks:

- Schedule meetings and provide a work area for the Microsoft team.
- Provide access to resources when necessary.
- Assist the Microsoft team in resolving obstacles that may arise during the engagement.

Delivery of our services depends upon, among other things, the following:

- Your timely and effective completion of the responsibilities, as identified herein.
- Timely decisions and approvals by your management.

In performing our services under this Work Order and any applicable Work Order we will rely upon any instructions, authorizations, approvals, or other information provided to us by your Project Manager or personnel duly designated by your Project Manager.

Project Assumptions

The services, fees, and delivery schedule for this project are based upon the following assumptions:

- The availability of your representatives to perform their roles on the project team.

- The availability of all the information required for properly envisioning and designing the solution.
- Timely availability of the hardware, software, and physical space for a test environment for any solution related to the project.
- **Product licenses.** Product licenses (Microsoft or non-Microsoft) will not be provided under this Work Order. You are responsible for acquiring all necessary product licenses required as a result of Work Order
- **Source code review.** You will not provide us with access to non-Microsoft source code or source code information. For any non-Microsoft code, our services will be limited to analysis of binary data only, such as a process dump or network monitor trace.

TERMS AND CONDITIONS

2. Fees.

You will pay the following fees and any reasonable out of pocket travel and living expenses. We will invoice you according to our fiscal monthly billing schedule for expenses incurred during the previous period. All Enterprise Strategy Portfolio fees and applicable taxes are due upon acceptance of this Work Order.

Fee Table A:

Category	Year 1	Total
Fees		
Enterprise Strategy Portfolio (Fixed Fee)	\$525,000.00	\$525,000.00
Total Fees	\$525,000.00	\$525,000.00

This Enterprise Strategy Portfolio Engagement includes a prepaid fixed-fee service in the amount of \$525,000.00

We must be in receipt of a purchase order, check, or other acceptable form of payment before We will begin providing Services. We will invoice You for additional Services performed and expenses incurred beyond the scope of this Work Order. Our invoices are payable within 30 days of receipt by You and will be directed to Your representative for payment at the address shown above unless otherwise provided in a purchase order. Notwithstanding the foregoing, multi-year Work Orders will be invoiced upon our acceptance of this Work Order for year one and the remaining installments will be invoiced at the subsequent anniversaries of the Commencement Date as defined in this Work Order. We reserve the right to adjust Our fees prior to entering into any new Work Orders.

- Total Fees associated with this Work Order are \$525,000.00
- The Enterprise Strategy portion of this fee will be billed as a yearly fixed fee amount of \$525,000.00 under this Work Order. You may change or terminate this Work Order on each anniversary date with 30 days' prior written notice of the anniversary date. Annual invoicing for the Fixed Fee portion will be as follows:

Invoicing Schedule

Category	Invoice Date	Invoice Amount
Fixed Fee for Services	04-01-2012	\$525,000.00

3. Staffing Impacts.

We have committed professional staff to perform the services described herein based on the dates set forth above. Given this commitment, you agree to provide us no less than ten (10) business days' notice of any anticipated delay of the commencement date, regardless of cause. If you fail to provide such notice, we reserve the right to invoice you for an amount reflecting the actual amount of time our consultants cannot be engaged as a result or an amount equal to 40 hours of their time at their normal billing rate, whichever is less. In the alternative, and at our sole discretion, we may elect to re-assign our professional staff to other projects for Microsoft customers and re-staff your project when possible. If this occurs, we cannot guarantee when staff will again be available for your project.

Further, the Agreement requires you to provide us with at least 30 days' notice of any intent to cancel this work order. If you cancel this work order without providing the required notice, we will make reasonable efforts to implement a 2-4 week transition period to conduct knowledge transfers, risk identification, ramp down and other associated tasks for which you agree to continue to pay our hourly rates and any reasonable out of pocket travel and living expenses. If you instruct us not to implement such a transition period, we reserve the right to invoice you for the time our professional staff would have remained engaged had you provided the notice required by your contract or an amount equal to 40 hours of our consultants' time at their normal billing rate, whichever is less.

4. Ownership and License.

- a. **Products and Fixes.** All products and related solutions and fixes provided pursuant to this work order shall be licensed according to the terms of the license agreement packaged with or otherwise applicable to such product. You are responsible for paying any licensing fees associated with products. "**Product**" means any computer code, web-based services, or materials comprising commercially released, pre-release or beta products (whether licensed for a fee or no charge) and any derivatives of the foregoing we make available to you for license which is published by us, our affiliates, or a third party. "**Fixes**" means product fixes that we either release generally (such as commercial product service packs) or that we provide to you when performing services (such as workarounds, patches, bug fixes, beta fixes and beta builds) and any derivatives of the foregoing.
- b. **Pre-Existing Work.** All rights in any computer code or materials (other than products or fixes) developed or otherwise obtained independently of the efforts of a party under this work order ("**pre-existing work**") shall remain the sole property of that party. During the performance of the services for this work order, each party grants to the other party (and our contractors as necessary) a temporary, non-exclusive license to use, reproduce and modify any of its pre-existing work provided to the other party solely for the performance of such services. Upon payment in full, we grant you a non-exclusive, perpetual, fully paid-up license to use, reproduce and modify (if applicable) our pre-existing work in the form delivered to you as part of the service deliverables only for your internal business operations. "**Service deliverables**" means any computer code or materials (other than products or fixes) that we leave with you at the conclusion of our performance of service(s). Your license to our pre-existing work is conditioned upon your compliance with the terms of the agreement and this work order and the perpetual license applies solely to our pre-existing work that we leave to you at the conclusion of our performance of the services.
- c. **Developments.** Upon payment in full, we assign you joint ownership in all rights in any computer code or materials (other than products, fixes or pre-existing work) developed by us (or in collaboration with you) and provided to you in the course of performance of this work order ("**developments**"). "**Joint ownership**" means each party has the right to independently exercise any and all rights of ownership now known or hereafter created or recognized, including without limitation the rights to use, reproduce, modify and distribute the developments for any purpose whatsoever, without the need for further authorization to exercise any such rights or any obligation of accounting or payment of royalties, except you will only exercise your rights for your internal business operations and you will not resell or distribute the developments to any third party. These use restrictions shall survive termination or expiration of this work order or the agreement. Each party shall be the sole owner of any modifications that it makes based upon the developments.
- d. **Affiliates Rights.** You may sublicense the rights to the service deliverables granted hereunder to your affiliates, but your affiliates may not further sublicense these rights. Any sublicensing of the service deliverables to your affiliates as permitted by this Section 3 must be consistent with the license terms in the agreement and this work order. If "**affiliate**" is not defined in the agreement, it means legal entities that you own, which own you, or which are under common ownership with you. "**Ownership**" means more than 50% ownership.
- e. **Open source License Restrictions.** Because certain third party license terms require that computer code be generally (i) disclosed in source code form to third parties; (ii) licensed to third parties for the purpose of making derivative works; or (iii) redistributable to third parties at no charge (collectively, "excluded license terms"), the license rights that each party has granted to any computer code (or any intellectual property associated therewith) do not include any license, right, power or authority to incorporate, modify, combine and/or distribute that computer code with any other computer code in a manner which would subject the other's computer code to excluded license terms.

Furthermore, each party warrants that it will not provide or give to the other party computer code that is governed by excluded license terms.

- f.* ***Reservation of Rights.*** All rights not expressly granted in this Section 4 are reserved.