



*Drivin' ITAM* WORLDWIDE

# More Savings from Licensing Transparency

Real World Examples for software cost  
reductions

Doctor   
License

IAITAM 2013 Spring 

# Who Knows Your Entitlements? For Sure?



I'm worried, the software we are using is not what we have licensed, but the vendor will sell us again other software tomorrow.



# Agenda

- What is keeping us from a relaxed approach to software compliance?
- The main cost triggers that make us move
- The paradise: One-stop-SAM



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- **What is keeping us from a relaxed approach to software compliance?**
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# Do we know our entitlements?

- Software licensing rules are confusing
- The rules are being changed and re-interpreted from time to time
- How to consolidate same licenses with different names?
- Where is the contract, who knows the truth?



# We change and licenses change ...

- Absence of common software definition standards
- No time to trace vendor metrics, license product dependencies, price lists ...
- Own software asset management maturity – Poor to non-existing?
- Hope to assume new role before you assume ownership



# Funding internal administration

- Departments suffering continuous shrink
- Trust is cheaper than control ...
- ROI: Where is the bottom-line contribution?
- Can Plan B, C, D, ... help?

➤ **Or is SAM inevitable?**



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# Cost triggers behaviour

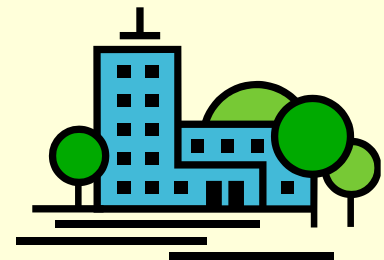
- Overspending in procurement
- Price benchmarks no common practice
- Discounting causes inflated price lists
- Lock-In reduces alternatives
- TCO high for full standards compliance
  - Is anyone building true TCO?
  - Why are there different standards in SAM?
  - What does the scattered tool market tell?



# Example I

## Successful CP Manufacturer acquires European-based competitor

- Both have distinct SAP implementations
  - Europeans started in 2003 with BusinessSuite licenses
  - US acquisition started in 2006 with Application licenses
- US operates on MS SQL Server, Europeans on Oracle
- US had negotiated three ,light user‘ types going forward
- US has seperate BI solution
  - SAP offers replacement with high buy-out benefit
  - US subsidiary: migration of thousands of queries!



# Example II

## US Retailer to replace local country solutions in Middle Americas

- Low-pay staff needs connection, but cheap
  - User category price for temporary associates and quick turn-over
- D/C systems differ and cannot be replaced in a big bang
  - Phased deployment to align with ramp-up maintenance
- Outlets to be connected via proven 3rd party store-backend
  - Named user concept needs to be more flexible
- MDM needs to interface to external EAN-database at reasonable price
  - SAP standard metrics counts seem to be unreasonable



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# Defining One-stop-SAM

- Motivation:
  - Transparency in all software procurement
  - Reduced TCO of license investment: Easy audit!
- Process:
  - Validate every new transaction against vendor definitions upon creation and convert to actionable data
  - Provide discovery with single version of the truth: Integrate contract license data with SAM tool
- Control:
  - Early budgetary reconciliation
  - Common process standards for license procurement



# The Schema

Convert  
Contracts to  
Meta Data

Consolidate  
all licenses to  
one version

Feed selected  
SAM- tools to  
self-audit

**Triggered by one source!**



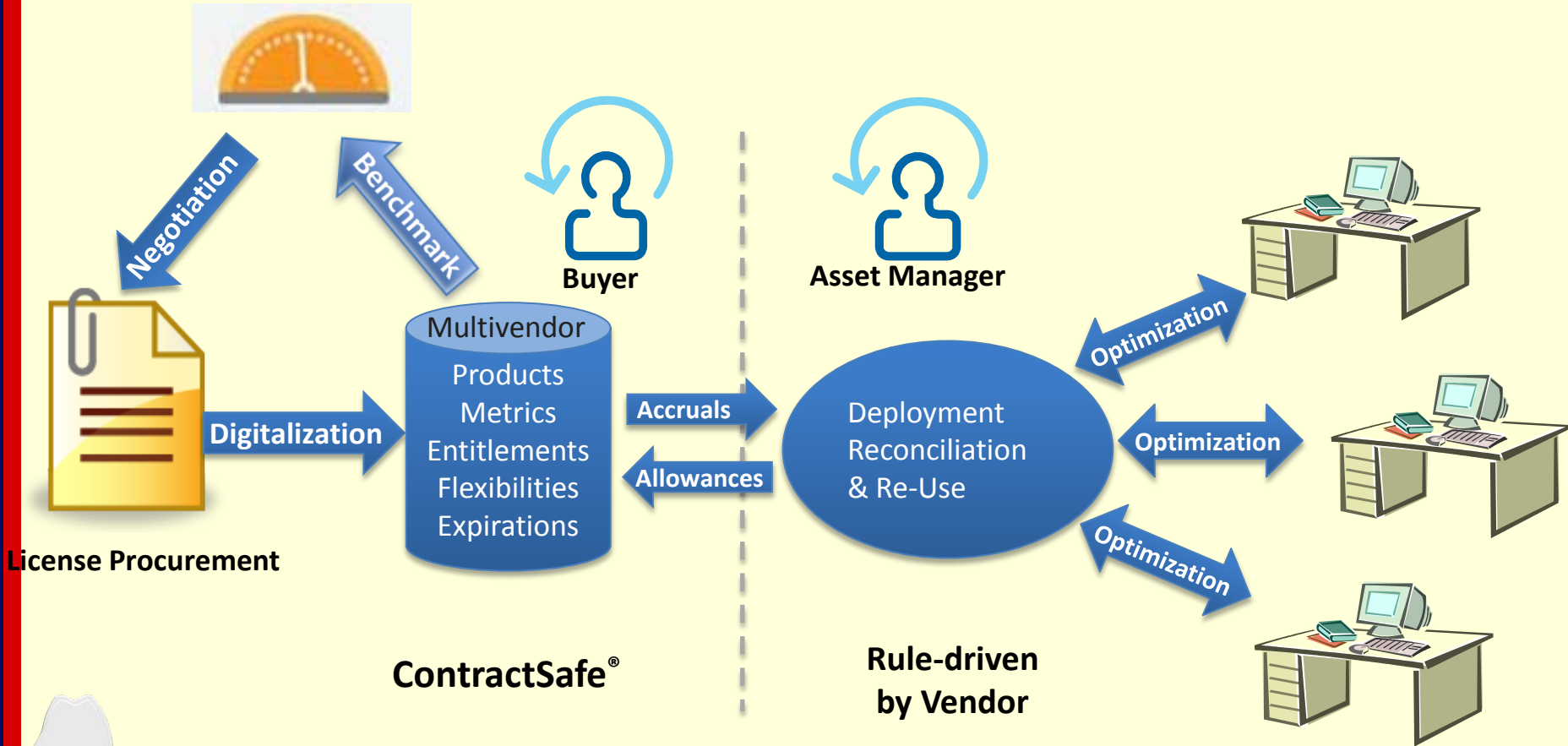
# Implementation sample

- Raleys' latest SAP deal
  - Conversion of 6 contracts in 3 hours in Nov 2012 to provide full contractual consolidation
  - Immediate validation of pricing history to sharpen the negotiations
  - New offer validated from Dec 31st to Jan1, 2013 early morning with 5 minutes human review action
  - Extra licenses added to apply final cost saver of 3%
  - Immediate feed to discovery tool to confirm available to deploy



# Example: License12 One-stop-SAM

## Paper to data to savings





# Resulting benefits

- The effortless consolidation built a reliable data set including vendor definitions
- All essential contracts data became accessible for all authorized associates
- The contract-based initiation replaced previous hand-crafted temporary views with one version
- Software distribution (CMDB) and discovery tool got synchronized with the same data
- Associates exposed to terms expiry alerts



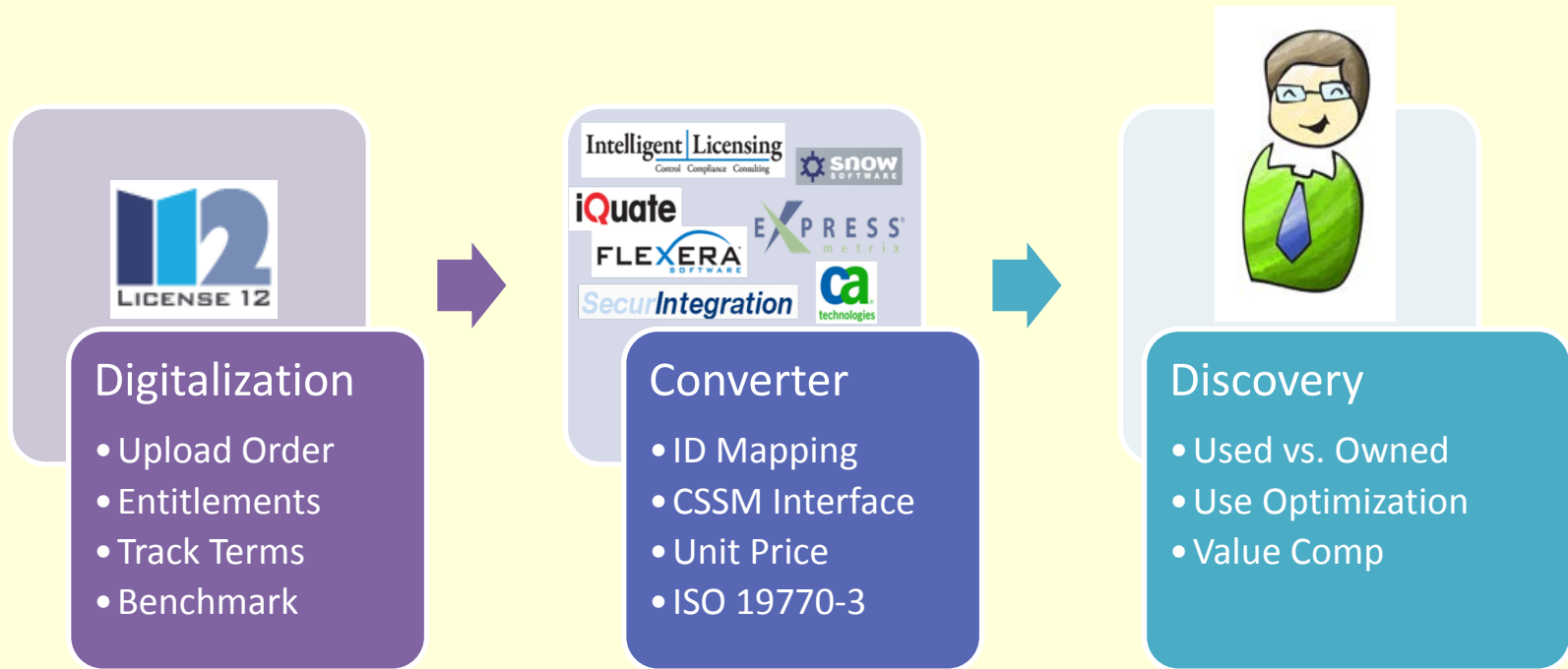
# Project Checklist

One-stop-SAM

- Get hold of current software licensing contracts
- Request missing documents duplicates from vendor
- Transfer and review conversion to data**
- Determine target contract/discovery tools by vendor**
- Download inventory to the tools and import data**
- Compare licenses deployed with entitlements levels**
- Establish needs to adjust for compliancy gaps
- Address the gaps and adjust deployment
- Establish compliancy report and share
- In case of continuous issues, initialize procurement



# Roadmap to promote



**Automation makes audits obsolete!**



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# Implementation Options

- Build manual interfaces
- Select interfaces from certified OSS-Partners
- Request provider to have interface certified
- Select from „managed SAM“ providers



# Recommendations

- Assess the pain for improved license controls
- Check the software portfolio to select the essential targets for improvement
- Build a one-stop-SAM scenario
- Automate the conversion of license contracts into actionable data for optimization
- Focus on low-hanging fruits to support the case
- Establish sustainable controls and reporting

