

Success Story: Global Security Company

Customer Profile: A Fortune 500 global security company from the United States.

Challenge: The customer centralized IT in 2009, integrating IT services for all business sectors into one IT organization. Prior to this time, the company had disparate IT asset management (ITAM) and wanted to streamline for process efficiency and cost savings. Challenges included inconsistent hardware/software management, inability to fully leverage IT procurement and decentralized software contract management limiting the company's ability to negotiate favorable terms.

Solution: The company selected FlexNet Manager Suite for Enterprises as the management tool underpinning its ITAM and license optimization processes, providing continuous license compliance and optimized spend management from the desktop to the datacenter. Their initial focus was optimization of SAP licensing using FlexNet Manager for SAP Business Suite. Implementations of the FlexNet Manager Platform, and FlexNet Manager for Engineering Applications are also underway.

Benefits: With FlexNet Manager for SAP Business Suite, the company has documented usage of SAP software licenses for each user and discovered that 20% of its SAP licenses were unused. This allowed the company to avoid new SAP license purchases, *saving approximately \$1 million*. The company is now streamlining purchasing and leveraging the information provided by FlexNet Manager Suite to negotiate more favorable software license contracts for SAP, Microsoft and other software vendors.

Managing hardware and software assets collectively across all of the customer's business segments represented a large opportunity for cost savings and risk mitigation. The company had diluted its negotiation power due to its decentralized, business sector silo'ed approach to software asset management (SAM). No single business segment had adequate data to effectively negotiate software license terms or withstand the scrutiny of an audit, thereby exposing the customer to both compliance risk and exorbitant software license costs. The company recognized the need to mature its ITAM operation in order to streamline operations and gain control of its software estate to reduce ongoing software expense.

The customer took proactive steps at the advice of its newly-hired CIO and created a new management position entitled Director of IT Asset Management. This role would be responsible for developing a plan, staffing, defining processes—maturing and centralizing IT Asset Management (ITAM). Planning activities resulted in approval for hiring new staff members, review of existing management toolsets and ultimately the selection of FlexNet Manager Suite for Enterprises,

from Flexera Software, to address the need for data collection, analysis and optimized management of software assets across the enterprise.

Flexera Software Enterprise License Optimization (ELO) Maturity Model

- **Level 1—“Installed”:** Identify existing hardware and software.
- **Level 2—“Managed”:** Reconcile purchased versus installed licenses at a point-in-time.
- **Level 3—“Continuously Compliant”:** Automated purchased versus installed reconciliation and contract management for continuous license compliance.
- **Level 4—“Optimized”:** Entitlement based license management to optimize software usage and spend.

The Maturity Model describes levels of software asset management and license optimization maturity and can be used to help organizations assess current state and make plans for improvement. The highest level of maturity—Optimized—equates to highest and fastest return on investment.



“If your company has not been managing and optimizing software licenses—it is missing out on a huge opportunity to save money and manage risk. We’re just scratching the surface, but the payback has been almost instantaneous. Without facts and data, you cannot make informed decisions.”

Director of IT Asset Management
Global Security Company



The primary objective of the customer's ITAM investment was to provide enterprise-class asset management to improve bottom-line results. The Director of IT Asset Management was hired to fill the new position in 2009 and was tasked with right sizing all IT assets in the company's portfolio. The director quickly pulled together a plan that would capture new asset information at purchase time, refreshing all data over its 3 to 5 year refresh rate and focusing foremost on accuracy. The customer was at Level 1 or Level 2 (Installed/Managed) in Flexera Software's Enterprise License Optimization Maturity Model—with just the ability to identify hardware and software assets for most vendors, and the ability to create ad hoc license reconciliation reports for others.

Corporate expectations evolved and a year or so into the company's implementation, the customer decided it wanted to use internal chargeback for IT services as well. This function would add complexity and additional process steps. Successful implementation of chargeback, automated license reconciliation and license type optimization, along with other software asset management and license optimization capabilities would move

>> Continue

the company from Level 1-2 (Installed/Managed) to Level 4 (Optimized) of the Enterprise License Optimization Maturity Model; an optimized environment. Still, the chargeback mechanism depends on accurate data to ensure business units and departments are charged properly. Chargeback initially focused on PCs and servers and later will include additional asset categories including software.

The Customer's Selection of FlexNet Manager Suite for Enterprises

The customer evaluated their existing asset management tools and concluded they were not robust enough to accomplish many goals of its ITAM initiative, particularly for SAM and license optimization. The latter requires the ability to not only track usage of key applications such as SAP, but also streamline the process of reconciling licenses purchased versus installed software, and apply the correct license entitlements contained in the complex and dense software license agreements in order to reduce consumption.

Moving ahead, the company utilized analyst reports and market information in search of viable SAM and license optimization solutions. Flexera Software was among the finalists after the company ruled out large suite products and several SAM point tool vendors. During its search, the customer used SAP software as a test case and had excellent results with FlexNet Manager for SAP Business Suite.

The customer, like many large enterprises today, did not have good inventory or usage tracking, and in order to "get the job done," it bought SAP licenses without fully validating the need. The company regularly thought that it needed more SAP licenses. Using FlexNet Manager for SAP Business Suite, the customer was able to demonstrate that, in fact, many SAP licenses had been assigned but were not actively being used. The findings of this analysis revealed that 20% of all SAP licenses were unused or "shelfware." This information was now visible because of the product's ability to track, analyze and report on SAP application usage and automatically recommend the optimal license type for each user.

The IT director stated that "The Flexera Software SAP license optimization solution provided fast, real results and the tool did what they said it would do."

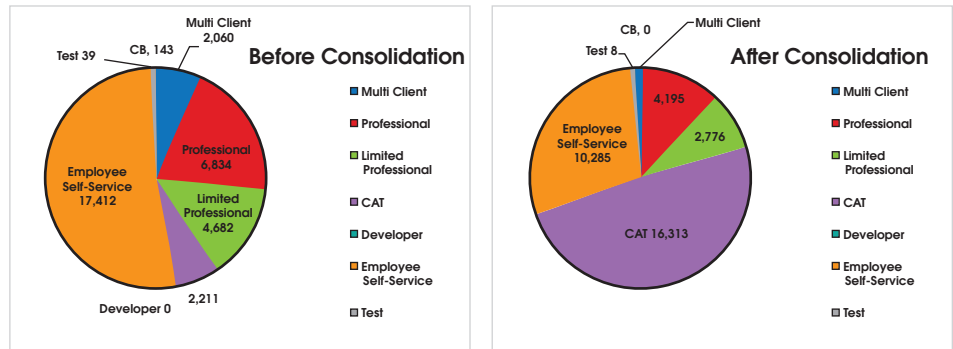


Figure One: FlexNet Manager for SAP Business Suite SAP License Consolidation

The charts in Figure 1 show how the customer was able to restructure its SAP licenses based on the SAP usage analysis provided by FlexNet Manager for SAP Business Suite. The required number of Professional user, Limited Professional user and Employee Self Service user licenses all declined significantly, while the least expensive category—CAT (time card users) increased.

A successful trial gave the customer the confidence to move ahead with an initial purchase of FlexNet Manager for SAP Business Suite for 40,000 SAP users. This has since been expanded to 55,000 SAP users. In addition, the company purchased FlexNet Manager Platform for 77,000 desktops, laptops and servers, and FlexNet Manager for Engineering Applications for 25,000 engineering tool users; all representing a substantial investment in the SAM and license optimization program. The implementation of FlexNet Manager for SAP Business Suite alone has enabled the customer to move from Level 2 (Managed) to Level 4 (Optimized) in the ELO Maturity Model for its SAP software – achieving a fully optimized position that will ensure the company only buys what it needs, and uses what it owns.

Quantifying the Value of FlexNet Manager Suite

The customer has benefited from its deployment of FlexNet Manager Suite solutions in a number of ways. Benefits in the areas of risk management and expense control are most dominant.

- Risk Mitigation:** The customer faced an external license audit for client side (i.e. desktop) software and gathered all of its software installation and entitlement data using its existing asset management tools. The tool reported that the company had a

substantial license compliance liability with this vendor. Once FlexNet Manager Platform was installed, the same data was analyzed and once again a risk assessment was performed. FlexNet Manager Platform provided more accurate analysis of the software inventory data which showed a license liability that was reduced by about 75%, as compared to their existing tool, saving the company more than \$400,000. The IT director explained that "Flexera Software, through its Application Recognition Library, was able to show that many devices did not actually have software installations for this vendor's products."

- License Repository for Entitlements and Contracts:** Previously, the customer didn't have a central repository for software license entitlements and contracts. Now the FlexNet Manager Platform is the central repository and so far they have captured the entitlement data for about 60% of their software spend. With this entitlement data and accurate inventory data, Flexera Software's solution can report an accurate and optimized license position. This has greatly reduced the company's license liability risk going forward.
- Microsoft true-up:** The customer's knowledge of its Microsoft software deployment and use is now vastly superior to what it had before implementing the Flexera Software FlexNet Manager for Microsoft solution (part of the FlexNet Manager Suite). With its ability to manage "off-network" machines, FlexNet Manager Platform, allows the customer to track everything in one place, versus having to use multiple resources.

>> Continue

And since they are able to see everything on the inventoried machines, they are able to do their cleanup/uninstalls properly, which reduces license liability. The FlexNet Manager for Microsoft Product Use Rights Library has enabled the company to reduce license consumption for Microsoft products by leveraging their license entitlements, and has helped them effectively manage MSDN licenses. Consequently, its recent annual true-up resulted in not only a significant reduction in the staff preparation time, but also a reduction in license true-up liability from about \$5 million to around \$300,000.

• **Software Purchase Avoidance:**

One of the strongest values of FlexNet Manager Suite is the savings that will result from purchasing only licenses that are needed for the organization. The customer experienced demonstrable savings with SAP by identifying unused licenses and by restructuring its SAP license types in line with actual usage, resulting in cost savings of \$1 million. Going forward, they will be able to right-size their SAP estate using the information provided by FlexNet Manager for SAP Business Suite.

The company also owned 2200 licenses for another software product—SnagIt. They got user requests for 6,000 copies of this application to be migrated to Windows 7. But after performing a usage analysis with FlexNet Manager Platform, it was determined that only 500 people actually used this software, eliminating the need to purchase up to 3800 additional licenses, corresponding to a cost avoidance savings of about \$40,000.

The implementation of Flexera Software's Enterprise License Optimization solution has significantly contributed to the ITAM team saving more than \$10 million per year for two years running.

FlexNet Manager Suite has enabled the customer to optimize and reduce software purchases of new licenses and ongoing maintenance with a high degree of accuracy, positively impacting the company's software budget. This has provided a very quick return on its initial capital outlay. The customer expects savings and license compliance risk mitigation benefits to increase substantially as the company expands the software asset management and license optimization process across all its major software vendors.

Moving Ahead with Full Deployment

The customer has ambitious plans as the IT asset management team readies for full SAM and license optimization deployment, seeking in excess of \$12 million in hard savings. The expansion of the FlexNet Manager Suite footprint will be used to accomplish this goal. There are currently more than 2000 software titles in use. The team will be collecting more facts and more data to achieve savings on any and all unnecessary software license purchases. Some of the targeted applications include products from Microsoft, Adobe, Oracle, SAP as well as engineering applications.

Moving forward, the process will be to collect the physical, financial and contractual data needed to manage a broader set of assets and provide reports to internal departments who are the customers. Core components of the process involve capturing data, validating entitlements, optimizing license purchases and allocations, providing

internal billing data, supporting internal and external audits and review/sign-off on all IT asset contracts.

The customer's IT function is maturing with an "all business" approach. It has successfully advanced from Level 2 (Managed) to Level 4 (Optimized) in the Enterprise License Optimization Maturity Model for selected software assets and vendors, at a very rapid pace. Its objectives are to build a well-managed, efficient asset lifecycle management process to ensure license compliance, improve utilization and reduce both cost and risk for hardware and software assets. The company has taken a professional, methodical approach to establishing its SAM and license optimization program and is improving the company's bottom-line as a result.

About Flexera Software

Flexera Software is the leading provider of strategic solutions for Application Usage Management; solutions delivering continuous compliance, optimized usage and maximized value to application producers and their customers. Flexera Software is trusted by more than 80,000 customers that depend on our comprehensive solutions - from installation and licensing, entitlement and compliance management to application readiness and enterprise license optimization - to strategically manage application usage and achieve breakthrough results realized only through the systems-level approach we provide. For more information, please go to: www.flexerasoftware.com



Flexera Software LLC
1000 East Woodfield Road,
Suite 400
Schaumburg, IL 60173 USA

Schaumburg
(Global Headquarters):
+1 800-809-5659

United Kingdom (Europe,
Middle East Headquarters):
+44 870-871-1111
+44 870-873-6300

Australia (Asia,
Pacific Headquarters):
+61 3-9895-2000

For more office locations visit:
www.flexerasoftware.com