

BUSINESS JUSTIFICATION

LICENCE DASHBOARD

The basis of any licence management tool is to keep accurate and up-to-date software/ licence information, together with the processes for controlling and maintaining its accuracy. Having a comprehensive database to store this information is essential and not only allows you to archive effectively but also allows you to publish this information when required and clearly balance the equation between what you have installed and what you are allowed to install.

Licence Dashboard is potentially one of the most important tools in a Software Asset Management (SAM) implementation and promotes the following tasks:

- Record and track all licence types, such as concurrency, value units, processor and site licences
- Cross reference to specific documentation that provides proof of licence and record where the physically licence is stored
- Associate licences to active and non-active purchase agreements, ensuring that all agreements are effectively managed and renewed
- Provide an interface for managing all purchasing agreements, including associating the owner responsible for managing the terms
- Differentiate between contract and non-contract entitlement and ensure all associated entitlement is effectively recognised

- Report entitlement by the country of usage and ensure that all entitlement is allocated effectively
- Manage Client Access Licence entitlement
- Maintain the relationship between upgrade licences and base licences
- Maintain and track maintenance agreements, ensuring that all renewals are actioned and that all version entitlements are maintained effectively
- Aggregate the organisation's installation rights by business unit/purchase centre
- Facilitate the transfer of licences between different business units/purchase centre
- Distil software usage data and recognise licensable products
- Allocate licence entitlement to all installs
- Report compliance, over or under licensing
- Manage surplus licences and have the ability to reserve them against future installs
- Identify non-compliance or other discrepancies and analyse the root cause

- Report a comprehensive audit trail of all changes made to the software and licences associated

Licence Dashboard is not a replacement for discovery, ITAM or CMDB toolsets, but rather a business management product that complements and extends the reporting functionality of the current application. With most software auditing tools, the licence management is limited and does not take into consideration information such as - licence agreement types, licence upgrade/ maintenance management, purchase history and licence archiving.

Using Licence Dashboard, licence administrators, IT managers and all other authorised members of staff can gain access to software inventory, licence register and purchasing information at anytime, anyplace or on any device from a central Web console.



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Out of the box, Licence Dashboard has a powerful reporting engine which can query information from both the licence register and the deployed software auditing tool. The reports provide detailed information such as licence pool status, unauthorised software usage, software by PC, purchase history, software inventory, licence inventory, software asset value and basic hardware information. The reporting feature is totally customisable and additional reports can be developed on request.

MANAGING RISK & CONTROLLING COSTS

Contractually, under most volume licensing schemes, organisations must keep records relating to the products they and any affiliate participating under a licence agreement install or use. The vendor has the right to verify compliance with any licence agreement at their expense and will usually engage with an independent accountant from an internationally recognised firm of chartered accountants. If the verification reveals unlicensed use of products, the vendor will request that the organisation reimburse the costs incurred during the verification and acquire the necessary additional licences as single retail licences within 30 days.

Most organisations recognise its legal obligation to ensure that all externally sourced software run or installed on any of its computer systems has been legally sourced and paid for, and that it holds bona

fide software licences and is fully compliant with the terms of such licences. They also understand the commercial implications of non-compliance and the ineffective management of software licences.

However, understanding the organisation's installations rights is only one side of the equation. It is essential that the organisation also establishes a clear understanding of what licensable products have been deployed and verify that they comply with the licensing terms.

RELATIONSHIP WITH OTHER SYSTEMS

Generally, SAM is more complex and more demanding than hardware asset management and therefore the SAM processes need a higher priority and should be more comprehensive in content. The role and importance of software has changed dramatically over last few years, with software now regarded as a critical business asset. SAM has become imperative and should never be underestimated. If it is, Directors expose their organisations and themselves to legal and financial risk.

SAM is an essential part of the overall IT asset management process, with the licence management tools becoming an essential and logical part of the Configuration Management Database (CMDB). The potential benefits of implementing Licence Dashboard are significant and should greatly exceed the implementation and operating costs.

SUMMARY

In summary, by implementing Licence Dashboard Professional Edition, the organisation will be able to fully manage the lifecycle of software and licence entitlement, reducing operational risk and excessive spend within the organisation (Gartner states that up to 30% of your annual software spend can be reduced by effectively managing your entitlement). In addition, establishing the organisation's aggregated installation rights and promoting effective continued management of the software entitlements, your organisation will gain access to a wealth of business benefits including:

- Clarity that puts you in a better negotiating position
- More informed purchasing decisions
- Minimises unnecessary overspend on software
- Improves strategic infrastructure planning
- Prevents over deployment of software thus reducing operational costs
- Reduces hardware costs
- Improves software purchasing arrangements
- Promotes better quality decision making
- Increases valuable IT resource availability & productivity



APPENDIX

Case Studies

- An 800 seat council was unaware of the Microsoft Office 97 technology guarantee, where if procured within a certain timeframe a free of charge upgrade to Office 2000 was available. This client had a shortfall of 96 Office 2000 and Licence Dashboard Ltd was able to demonstrate how this shortfall could be licensed by 96 of their Office 97 licences, an instant saving of approximately £25,000 on one line item.
- A 3,000 seat council was going from a decentralised purchasing environment to a centralised one. Over the course of 10 years the Council had undergone much re-organisation due to adopting smaller borough councils, other mergers, boundary changes and transferring some responsibilities and assets to the County Council. Due to Licence Dashboard Ltd's auditing methodology, Licence Dashboard discovered previously unknown Select and Open Agreements that were legitimate council assets to the value of £89,000. The assets were then available for redistribution as opposed to purchasing new licences.
- A 4,000 seat FTSE 100 company with a dedicated procurement team were looking to implement a full Software Asset Management programme. The customer was about to replace their current installation of Microsoft SMS with Centennial Discovery, however this was avoided as Licence Dashboard was integrated with SMS saving them £ 30,000.
- In addition to reducing the risk of illegal and financial exposure the customer saved 30% on their ongoing annual software spend and saved an additional 25% by redistributing software licences. They were also able to increase their asset value by 60% as the average desktop software was now valued at £ 1,000 per PC.
- A records audit for a 30,000 seat insurance company showed them to be 1,000 Office licences missing. After investigation from Licence Dashboard Ltd it was proved that the insurance company had placed an order appropriately for 1,000 Office licences under its Select Agreement; received and paid the invoice from the reseller but the reseller had erroneously not reported the transaction to Microsoft. Although the error was clearly the fault of the reseller, the customer was ultimately fully liable until the matter was resolved. Had they not had a Records Audit it is likely that this error would have gone unnoticed for years with the risk of the reseller going out of business with no hope of reclaiming almost £250,000 of spend for zero return.
- A 10,000 seat retail organisation was considering the benefits of re-signing their Microsoft Enterprise Agreement. Following a records audit 18 months earlier, Licence Dashboard was up to date and showing their full Licence Entitlement, when compared with their technology roadmap for the next three years there seemed to be no apparent business reason to sign which forced the vendor to significantly reduce pricing to provide the client with sufficient financial incentive to re-sign.
- A 1,500 seat firm of solicitors was considering signing a Microsoft Enterprise Agreement to cover their licence needs of a platform upgrade from NT 4.0 and Office 97 to Windows XP and Office XP. The cost of the EA would have been £321,000 per year for 3 years. A records audit clearly showed that for the past 48 months they had been purchasing XP or later licences and in fact had sufficient to cover 65% of their estate and the cost to re-licence the remainder was £179,250.00.
- A 2,000 seat corporate entity was undergoing an audit and could not substantiate appropriate base licences for 21 Windows Advanced Server Upgrade Advantage licences - making these licences effectively worthless. After approaching Licence Dashboard Ltd for assistance, the Licence Dashboard Auditor pointed out that in July 2002 the customer was eligible to enrol Windows NT 4.0 Standard Servers in "Advanced" Upgrade Advantage thus validating the upgrades and saving approximately £27,000 on this one item.

FIND OUT MORE

For further information on the Software Asset Management services we offer, contact the Licence Dashboard Team on **0845 265 1217** or email info@licencedashboard.co.uk

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