5 WAYS TO CUT SPENDING ON MICROSOFT SOFTWARE

Reduce licensing costs by up to 30% with Software Asset Management

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INTRODUCTION

According to Gartner* , I&O leaders can cut spending for software licenses by up to 30%. So if you're just starting on this cost-cutting program and picking a shortlist of vendors to focus on, make sure Microsoft is on the list.

Not only does Microsoft make up a large proportion of software spend within most organizations, that spend is across many different technologies in the IT estate, from enterprise level applications running in a virtualized datacenter to cloud-based software, to a bundled suite or standalone installation on an individual device.

Although you might logically split cost-cutting initiatives by technology, the high-level strategy remains the same. Essentially it involves right-sizing your Microsoft licenses by ensuring that you only pay for what you use and then maintaining that optimized position. Crucially, this process must be scalable.

This requires a Software Asset Management (SAM) solution which provides a holistic view of the entire Microsoft estate, aggregates complex licensing metrics together, shows the compliance position, recommends changes, and can automate required changes.

This guide covers five cost-saving initiatives for Microsoft products using Software Asset Management (SAM) processes and technologies.

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Align infrastructure planning with the SAM process

Microsoft offers a huge choice of products and associated licenses for the datacenter. Due to the high license cost for these products, it is possible to create multiple configurations that achieve the same results from a technical perspective but are vastly different in price. Small changes can make big differences to compliance and financial exposure. Getting the structure optimized and maintained from a licensing perspective ensures significant cost savings.

Use a high-level view to make your decisions

When working towards an optimized license position it is important to take a "helicopter view" of the datacenter and applications contained within it before drilling down into specific configurations.

There will likely be numerous versions and editions of an application family running in the datacenter, on virtual machines, or directly on physical servers.

DATACENTER

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HOW SNOW CAN HELP

Snow License Manager brings together all instances of a single software product (such as the entire Microsoft SQL family) into a single view. It simplifies the management of complex datacenter licensing by automatically calculating the compliance position for all software including Microsoft licensing metrics like processor and processor-core licensed software on both virtual and physical resources.

This enables the IT infrastructure staff and SAM staff to build different scenarios and model the optimal configuration to match the technical needs of the business with the most cost effective license.

2 END USER APPLICATIONS

Make the most of unassigned licenses

Often the best way to save is not to spend in the first place!

When a new software install is requested, the obvious response to this is to procure a new license. However, consider first the rights and entitlements from licenses that your organization has already purchased. You should look to use existing licenses that are currently unassigned, entitlements which cover secondary use rights, and other rights which will allow the software to be used without a new license being purchased.

Build up a catalog of license entitlements so that you can see what software is currently consuming a license, and where there are gaps in compliance.

Usage rights and agreements

Microsoft has many different end user applications available in countless license configurations which change over time as new versions and editions are released. This means that manually working out use rights from existing applications is inefficient.

Snow Software Recognition Service can differentiate between 4366 Microsoft applications and 510 bundles.

Adding to that complexity is the ability to introduce extended coverage such as Software Assurance, which is purchased separately from the application itself.

END USER APPLICATIONS

HOW SNOW CAN HELP

Snow License Manager empowers organizations to manage a catalog of entitlements and optimally assign that entitlement to software across the estate.

Snow's Software Recognition Service not only enables the automatic detection of an application, it also matches it to the correct stock keeping unit (SKU) which contains specific product use rights.

Software Assurance can be added very simply into Snow License Manager, automatically calculated and applied across the full scope of the agreement.

With this information it is straightforward to understand effective license position and take steps to optimize. On many occasions a completely new license will not be required.

Recycling software

A vast amount of software on computers is either under-utilized or completely unused. Standard estimates total $300 per primary device per year. When an application is removed from a device or access is removed for a user, Microsoft generally allows the license to be reassigned, but not more than once every 90 days.

Automate removal

Put a process in place to automatically check for unused applications which can be removed after a set period of time. This then creates a pool of licenses which can be re-assigned after the 90 day "quarantine" period is up.

USAGE

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HOW SNOW CAN HELP

Snow Automation Platform allows you to select which applications you want to optimize and set rules according to lack of usage over time. You can create different rulesets for different applications; each is configurable on an individual level.

The configurations are set in Snow License Manager where there is a wealth of information about usage and licences. Snow Automation Platform has the capability to trigger certain processes such as recycling software based on information already available in Snow License Manager

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Take advantage of Office 365 licensing

Many users have access to more than one device and use Office on the majority of those devices. That figure will only increase.*

If this is the case in your organization, you should consider Office 365 which entitles a single user to install and run Office 365 on up to 5 devices rather than having to license separately for each device.

Client Access Licenses (CALs) are required for users to access server-based Microsoft products such as SharePoint and Exchange. Many Office 365 plans such as Microsoft Enterprise E3 include access to these products without the requirement of a CAL. CALs which are paid for by subscription can be unsubscribed from after moving users to such Office 365 plans.

*http://www.gartner.com/newsroom/id/3176217

*GARTNER SAYS CONSUMERS IN MATURE MARKETS WILL USE AND OWN THREE TO FOUR DEVICES BY 2018

Determine need based on usage

Microsoft offers a wide range of plans for Office 365 with very different costs. Determine users Office 365 plan requirements based upon existing application usage and continue to track this after purchase. Many users will say that they require a particular product like Visio or Project but rarely or never use it. Remove it from them as a single installation or go for a cheaper option like the Visio add-on. Consider the opportunity to "true-down" if you have over-estimated plan requirements and can opt for cheaper options.

CLOUD

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HOW SNOW CAN HELP

With the data from Snow License Manager, you can understand the number of devices that each user has and then verify whether per-user or per-device based licensing is the most cost-effective option.

Monitor a user's current application consumption and map this to their ideal Office 365 plan. Continuously monitor usage following a move to Office 365 to ensure that licenses are both optimized and compliant.

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Managing Virtual Machines in the cloud

In order to cope with the flexible and dynamic needs of an organization, resources may be required for a short period to deal with peak demand, or perhaps to temporarily provide a contractor with access to organizational data through business-specific applications. Microsoft offers businesses the ability to rapidly meet these demands by spinning up virtual machines in the Azure cloud platform.

Based on list price of $267.84 / month for a standard "A3" instance from the Azure price calculator
https://azure.microsoft.com/en-gb/pricing/calculator/ $267.84 x 100 x 12 = $321,408 / year
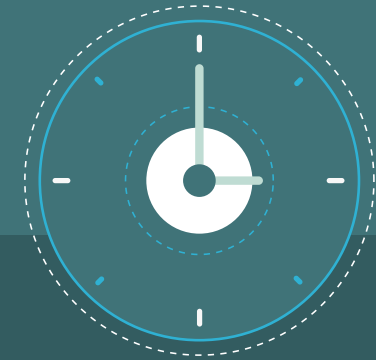
Make sure you keep control

The challenge is that it is very easy to lose track of the machines that have been spun-up and to continue paying for them long after their usefulness has expired. For an organization of 2,000 employees, it is quite possible to have 100 virtual machines that are running but not being used.

If those VMs were of average size that could amount to ~$320k / year * unnecessary expenditure.

These VMs may be available to access but it's very hard to discover them and shut them down.

AZURE

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HOW SNOW CAN HELP

Use Snow Automation Platform to manage the process of requesting, provisioning and retiring VMs in Azure.

You can spin-up machines and set an automatic expiration date. If the VM is needed for longer, the user can extend the period, but if they do not then the business isn't paying unnecessarily for a resource which is not required.

AZURE

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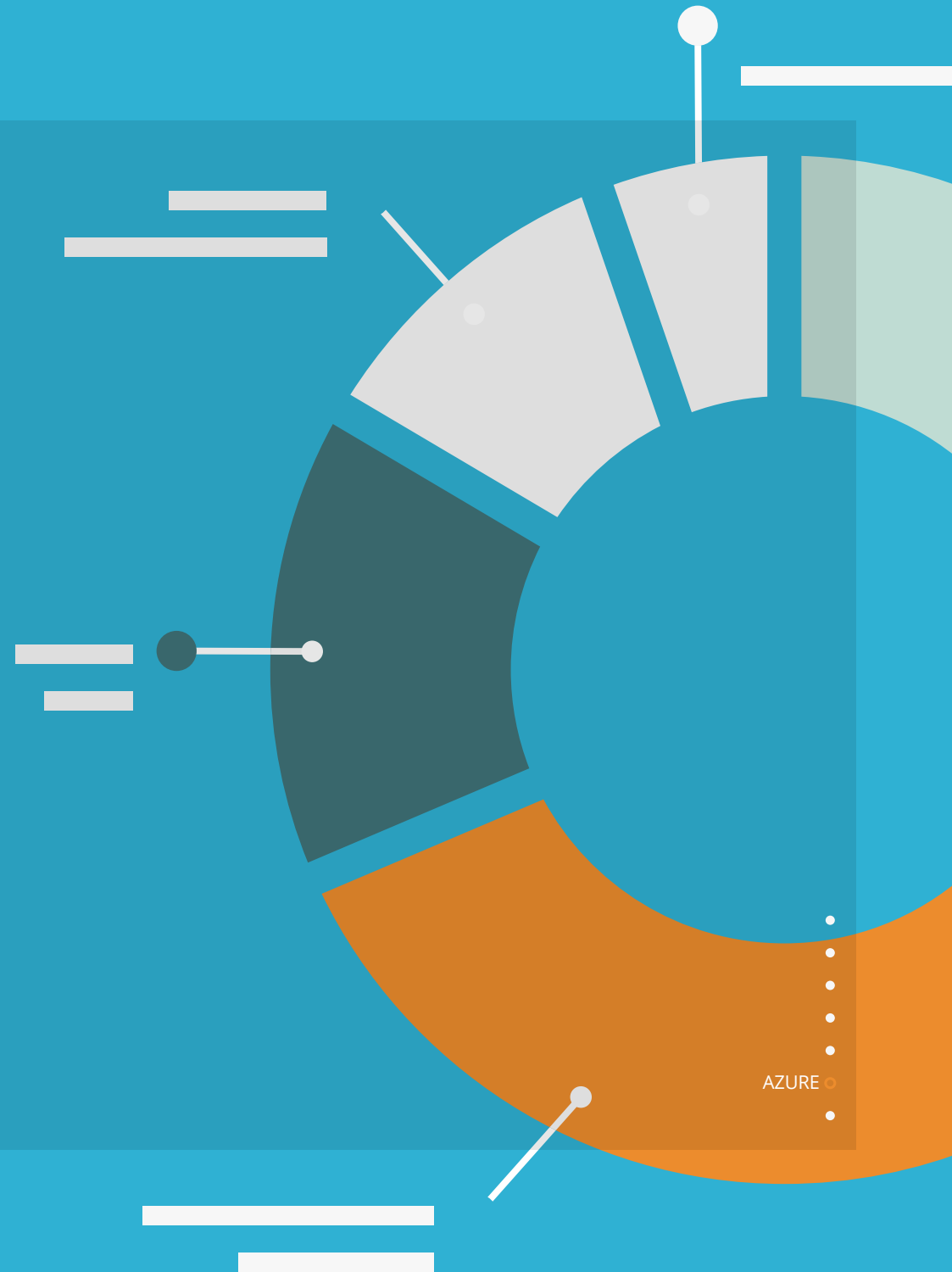
The opportunity to save on Microsoft licenses is widespread across all technologies from datacenter to mobile, to desktop to Cloud. In all cases, the manual approach to making such savings is not scalable. Software Asset Managers will be chasing their tail in the light of continuous changes made by the infrastructure team.

A SAM platform empowers the key stakeholders within your organization to make decisions to deliver technologies which meet business needs and drive optimal licensing at the same time.

Look out for our complementary cost saving guides on SAP, IBM and Oracle, available at snowsoftware.com

The Snow SAM platform enables your teams to understand hardware and software configurations across your IT estate and combines that with specific Microsoft licensing intelligence, all from a single point of reference. Use this visibility to optimize your software configurations and build a continuous automated process to utilize existing entitlements, recycle unused licenses and to provide resources only for the time that they are required.

GET ALL THAT RIGHT AND YOU'RE ON TRACK TO MAKING SIGNIFICANT SAVINGS ON YOUR MICROSOFT LICENSES.

TRY SNOW FOR YOURSELF TAKE A TEST DRIVE

ABOUT SNOW SOFTWARE

By managing software in use across the organization, Snow creates tangible savings and releases budgets, giving enterprises around the world the confidence to invest in new technologies such as virtualization, cloud and mobile.

Snow provides C-level executives, software managers and procurement professionals actionable intelligence on software installs, usage and entitlements across all platforms – from mobile to desktop, datacenter to cloud – saving up to 30% of software spend in year one.

Some call it Software Asset Management, Enterprise Mobility Management, Unified Device Management or even just license compliance.

Like thousands of organizations around the world, we call it Snow.

SUMMARY

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