



## Microsoft Software Asset Management Customer Solution Case Study



## VT Group Achieves Considerable Savings with Software Asset Management

### Overview

**Country or Region:** United Kingdom

**Industry:** Professional services and engineering

### Customer Profile

VT Group is a provider of support and provisioning services to the government sector. Headquartered in Southampton, England, the company receives more than £1 billion (U.S.\$1.96 billion) in annual revenues.

### Business Situation

As part of an IT consolidation and efficiency initiative, VT Group wanted to improve processes for managing software licenses and the software life cycle.

### Solution

The company worked with Microsoft® Gold Certified Partner Teksys to develop a series of license policies and implement a Software Asset Management program.

### Benefits

- Reduced costs of infrastructure projects
- Increased savings from efficient licensing
- Greater visibility into license assets
- Better preparation for mergers and acquisitions
- Easy integration of SAM without service disruptions

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Paul Freemantle, Director of Service Delivery, VT Group

VT Group provides support and provisioning services in the United Kingdom, the United States, and the Middle East for customers in defense, communications, and education and skills sectors. As part of an initiative to centralize IT systems, VT Group wanted to more effectively manage its software and licenses. However, after years of growth and acquisitions, different business units used different methods to track licensing records of software that had been acquired from a variety of suppliers. VT Group sought assistance from Teksys, a Microsoft® Gold Certified Partner with expertise in Software Asset Management (SAM). Teksys helped VT Group implement a standardized SAM program. With SAM in place, the company has complete visibility into the software and licenses it owns, reduces costs of infrastructure projects, and saves money by identifying over-licensed software.

TEKSYS

Microsoft Infrastructure Services

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## Situation

Based in Southampton, England, VT Group has approximately 170 sites in the United Kingdom, including five major corporate divisions: shipbuilding, defense, education and skills, communications, and services. The company has more than 13,000 employees and annual revenues of more than £1 billion (U.S.\$1.96 billion).

VT Group delivers a range of support and provisioning services primarily in the United Kingdom, the United States, and the Middle East. The shipbuilding unit designs and constructs vessels for both the United Kingdom and overseas markets.

VT Group grew and diversified after a management buyout in 1985. Since then, the company's many business units have operated mostly independently. However, the company recently determined that centralizing IT functions would support economies of scale and improve operational efficiencies, which would reduce costs.

As one part of a series of strategic projects to consolidate IT systems, the company sought to improve how it manages its software and positions. (A position is a record of the software products and licenses that the company owns in a particular area.) "We recognized the importance of gaining visibility into our software position," says Paul Freemantle, Director of Service Delivery at VT Group. "Establishing a baseline has supported our budgeting process for strategic projects and helped us maintain control, and manage the software life cycle."

VT Group realized that it needed to better understand what programs and licenses it already owned, but different business units maintained their own extensive licensing records of software that had been acquired from many suppliers over time. Given the large scale of this challenge, the company

needed expert advice on how to manage its software assets.

## Solution

VT Group approached Teksys to assist in identifying the company's current software across the enterprise and to put in place a Software Asset Management (SAM) program—a solution for ongoing centralized management of all software and licenses. Teksys is a Microsoft® Gold Certified Partner whose specialists design, deliver, and optimize an organization's infrastructure using Microsoft technologies. "Teksys recognized the importance of efficiency and resolutely supported our company's business goals—delivering efficiency to our operations while reducing risk," says Freemantle.

For the SAM program at VT Group, implementing the license position component consisted of the following steps:

- Review all proofs of license.
- Complete a license rights profile.
- Analyze the capacity of the inventory tool already in place to provide a record of software installed across the entire network.
- Compare and analyze the license profile and inventory data.

"Without help from Teksys, we couldn't possibly have put an accurate position together," says Steve Callaway, Service Controller, Group IT Service Delivery at VT Group. "Each division had extensive licensing records, acquired through several suppliers and a variety of means. Such a large scale requirement meant expertise and a structured approach were an absolute necessity."

The license position established a baseline from which Teksys applied its expertise in license rights to determine what options VT Group had and what steps it should take

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Steve Callaway, Service Controller, Group IT Service Delivery at VT Group

next. For example, VT Group found that a significant number of its licenses had actually been purchased under a third-party name, so Teksys arranged for the transfer of the license rights. As another example, the position revealed that VT Group had over-licensed software, including the Microsoft Office System.

Implementing policies and processes to manage the license position and software life cycle was integral to the group's requirements. Teksys delivered its Policy, Process and Awareness (PPA) workshop to key members of the IT group. During the workshop, the IT group analyzed current processes and recommended changes that help improve the following areas:

- Governance best practice
- Operational efficiency
- Integrated license position management and procurement processes
- Optimizing investments in existing software

Teksys also worked with Investors in Software (IIS) to develop processes that conform to the ISO 19770-1 Standard for Software Asset Management. (IIS is a nonprofit organization that supports the advancement of professionalism in software and IT asset management.)

Wherever possible, Teksys recommended updating existing processes rather than formulating completely new ones. Recommended improvements were made based on governance best practice, operational efficiency, and optimizing existing investments in software.

After implementing the SAM program, VT Group continued to receive support from Teksys in the following three areas:

- Consulting for the management of new software

- Due diligence for mergers and acquisitions
- Regular position health checks and process reviews

## Benefits

By implementing a standardized SAM program, VT Group now has complete visibility into its software and license assets. The company has saved money by deploying software in accordance with usage requirements and by identifying areas of over-licensing—all with a minimum of management overhead. Also, the SAM program that Teksys designed was easy for VT Group to integrate into existing processes and will help make future mergers and acquisitions easier.

### Reduced Costs of Infrastructure Projects

By implementing SAM, VT Group is now able to budget infrastructure projects more accurately because the company has a better understanding of licensing costs. The company can incorporate license variables into budget formulas because it has increased visibility into license assets and can more accurately assign licenses when software is actually deployed.

### Increased Savings from Efficient Licensing

The new SAM program includes processes that optimize investments in software that VT Group has already made, while enforcing license compliance.

For example, by identifying excess licenses in certain business areas, the company has eliminated an important source of unnecessary spending. The company estimates that improved software management has resulted in savings of £115,000 (\$225,000) on the Microsoft Office System alone, over a period of 18 months. The SAM program also identified previously purchased software worth £160,000 (\$313,000) that had never been used.

This software was removed in accordance with licensing rights, but the licenses were retained in case of they were needed in the future need to prevent overspending on new software.

#### **Greater Visibility into License Assets**

By implementing a program of integrated software procurement, of license position management, and of consistent deployment processes, the company's license positions are now permanently maintained. VT Group can report on its license assets, on demand, while reducing the cost of operations through increases in efficiency.

#### **Better Preparation for Mergers and Acquisitions**

The dynamic nature of corporate ownership means that modern businesses are often diversifying their operations through mergers and acquisitions. In these situations, the affected companies need a complete list of assets—including software assets—to accurately establish their net worth. The new SAM program helps VT Group incorporate the analysis of license assets as a standard procedure when organizations are acquired and merged into VT Group. The company's ability to identify licensing assets both reduces risk and provides VT Group with a competitive advantage.

#### **Easy Integration of SAM Without Service Disruptions**

Teksys helped VT Group implement SAM within an existing IT service management structure. The new SAM program creates more-formalized software selection processes and improves processes for software updates. Nevertheless, by using existing resources and processes wherever possible, the SAM implementation has been delivered with a minimum of disruptions in business operations and a minimum of negative responses from staff.

Additionally, VT now uses automated tools to provide details about the software installed across the company, which means IT resources spend less time tracking software and have more time for more pressing tasks. Software purchasing takes place based on business group needs rather than individual requests. When licenses are procured, they are entered into the automated tools for tracking.

Also, Teksys provided extensive training to the IT staff of VT Group throughout the implementation of SAM and has provided ongoing support. "Software licensing is incredibly complex," says Callaway. "However, with the SAM program, our IT team now has the skills to make software life-cycle management palatable."

## For More Information

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[www.microsoft.com](http://www.microsoft.com)

For more information about VT Group products and services, call (44) (23) 8083-9001 (U.K.) or visit the Web site at:

[www.vtplc.com](http://www.vtplc.com)

For more information about Teksys products and services, call (44) (1256) 82 7555 or visit the Web site at:

[www.teksys.co.uk](http://www.teksys.co.uk)

## Microsoft Software Asset Management

Software Asset Management (SAM) is a process to help your company optimize your technology investments. The benefits of SAM are real and widespread. Knowing what you have, acquiring only what you need, and using your software assets effectively at every stage of their life cycle are strategic business practices that businesses of all sizes should employ to realize benefits. These benefits include cost savings, enhanced security, enhanced employee productivity and satisfaction, and more.

For additional information, including free tools and resources, visit:

[www.microsoft.com/sam](http://www.microsoft.com/sam)

### Software and Services

- Microsoft Office
  - Microsoft Office Professional Edition 2003
  - Microsoft Office Standard Edition 2003

### Partners

- Teksys