




*License*Watch

Cost Effective Control and Compliance

A man with grey hair, wearing a white dress shirt and a patterned tie, is sitting in a modern, dark-colored office chair. He is looking off to the side with a thoughtful expression. The chair has a silver base. The background is a bright, modern office space with large windows and a blue carpet.

The goals of SAM are risk mitigation related to the ownership and use of software as well as reduce costs while maximizing IT responsiveness and end-user productivity.

► *How is your gut feeling right now?*

SOFTWARE ASSET MANAGEMENT – AND WHY IT IS A MUST FOR ALL COMPANIES

Software Asset Management (SAM) is of paramount importance to all companies IT is a part of the daily work and the workforce using IT is larger than 250 employees.

SAM can be hard to comprehend but if you try a simple comparison between software budget and any other asset budget, for instance company vehicles, it becomes much easier.

When looking at vehicles your company will most probably know:

- What was the criteria for getting a company vehicle,
- What was the initial cost,
- Who is driving the vehicle,
- How many miles the vehicle has driven,
- How much is spent on yearly maintenance,
- How the vehicle is insured,
- How and how much the vehicle is used,

as these are relevant criteria in relation to an asset like a vehicle.

Now compare this with the software budget and consider what is needed to gain the level of comfort and security your company wants on software.

88% of customers audited have unrealised cost savings averaging over 20% of their annual subscription & maintenance spend.

Gartner: Software Vendor Auditing Trends: What to Watch for and How to Respond Published, 2012

33% of application producers said they've changed their software pricing and licensing models in the past 18-24 months. 48% said their primary reasons for making these changes were to generate more revenue.

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Business and legal risks

SAM is particularly important in regards to redistribution of licenses and managing legal risks associated with software ownership and expiration. SAM technologies track license expiration thus allowing the company to function ethically and within software compliance regulations. This is important in the aspects of elimination legal cost associated with license agreement violations and as part of a company's reputation management strategy. Both are important forms of risk management and are especially critical for the long-term business strategies of large cooperations.

During the 2000's an increased aversion to risk due to an increase in industry audits began to walk hand-in-hand. This led to an increased focus on internal controls and better tools to support both internal cost control and risk mitigation.

Today more than ever software audits are becoming more present. Both in terms of software vendors performing them and the frequency they are conducted and the reason is obvious.

Unlicensed software is a huge potential for software vendors

According to the latest BSA report on compliance (The Compliance Gap: BSA Global Software Survey - 2014) the value of unlicensed software accumulates to almost 43 percent of the total market value world wide.

Initiating software audits is therefore a very relevant and logic action to take if you are a software vendor – just imagine if your company only received payment for 67 percent of the products or services delivered!

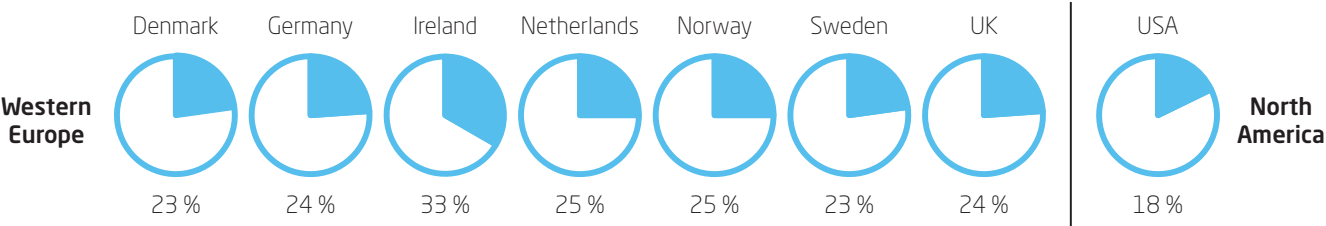
Consider this

If you have an indication of the degree of control your company exercises on the use of software would you perception be that you are below or above the average for your country?

If you have an idea of the amount of unlicensed software your company are using and the software budget – what is the economic risk for the company?

Naturally there is a wide spread between regions and countries.

Looking at the countries where LicenseWatch is represented in the numbers of estimated unlicensed software are as follows:



These numbers are not indicative on the probability of an audit in the individual countries. Most major vendors have an audit team in each subsidiary, with individual targets to meet.

The leading SAM tool

LicenseWatch is the leading tool to discover what software you have installed both on desktops and in your data center. No matter if installed locally, on virtual machines or on the web it is quickly implemented and easy to use.

LicenseWatch enables you to implement strict cost control as unused software can be detected and redeployed to keep investments down.

LicenseWatch also enables you to perform risk mitigation by doing regular internal software audits and reconcile usage with license entitlements.

Our customers see an average Return on Investment between only three and six months. Join more than 1000 other customers worldwide.

On the following pages we will list the benefits from the C-level of the company as well as at an operational level.

Vendor	Audits performed
IBM	51%
Oracle	38%
Microsoft	36%
Adobe	36%
SAP	19%
Gartner, 2012	

REGULATIONS GUIDELINES COMPLIANCE

SAM FOR C-LEVEL

Since the mid-1990's the complexity and legal requirements of using software steadily has been increasing. During and afterwards the crisis of 2007 the number of software audits has been on the rise as well to ensure the revenue of the software vendors.

The continued escalation in software audits was confirmed by JoAnn Rosenberger, Vice President at Gartner Research, at the Gartner IT Financial, Procurement & Asset Management Summit in September 2014.

Microsoft is still the most aggressive vendor regarding software audits, but all major vendors are stepping up the effort as well.

Gaining and keeping control of software assets is not an easy task as it touches several different departments of a company, such as IT and Procurement, but who holds the knowledge on

rules and regulations of licensing and how is this role supported in terms of tools and company policies?

Hint

Implementing SAM requires strong management support to succeed; from the creation and implementation of company policies to the daily engagement of departments and people involved in the SAM processes – and of course a tool that is easy to implement and use.

The benefits of using LicenseWatch

Even though cost control is ever relevant the trends in the market tends to move focus to Risk Mitigation. In the following you will find a short description of some of the main benefits using LicenseWatch:

- **Internal audits equal risk mitigation**

By using LicenseWatch the task of doing internal audits are made simple and easy repeatable.

Based on the chosen frequency the actual use of software can be reconciled with the acquired license entitlements to ensure compliance and a report can be generated to document the efforts made to continuously be compliance.

Documenting the effort continuously to stay in compliance is typically the first line of defense against having to engage in a long and resource demanding audit.

- **Cost control and life cycle management**

LicenseWatch will measure the utilization of software enabling accurate investments in software and reuse of expensive software for instance used for projects or by specialist. This way you only pay for what you need.

- **Deciding where to go starts with knowing where you are**

Depending on the level of SAM maturity SAM can be a part of the foundation for strategic planning for the software portfolio.

This includes when and what to buy in relation to: Currents usage and upgrade rights, licenses metric and bundles, roadmaps for production development etc.



WHERE THE BALL STOPPED ON SOFTWARE LICENSING; THE LICENSE MANAGER

Like a spider in the web you are responsible for monitoring and reacting to events all around you. These events may for instance occur in the HR department when new employees are hired or when the CFO is asking for input to the budget for next year. This is of course happens simultaneously with your obvious tasks in relation to IT infrastructure, employees' PCs and reallocation of unused software.

The increasing demand for risk mitigation, due to more frequent software audits, often requires more and stronger

enforced procedures and engagement with more departments to ensure and stay in compliance. Not to mention a strong management buy-in. But at the end of the day none of this is possible without a proper tool to support you.

Features and benefits of using LicenseWatch

LicenseWatch was founded on customer demand for license management and has evolved as a spin-off since 2008. Our focus is to deliver a tool that empowers the License Manager and excels in simplicity.

These are some of the features and benefits we provide:

Fast deployment and easy to use

Get up and running in a matter of days!

Once inventory is initiated and license entitlements are added you can begin working with the most intuitive and user friendly SAM tool in the market.

Automatic up- and downgrade verification

Build-in License Intelligence automatically validates up-and downgrade rights. This ensures simplicity and saves time in the daily work.

Contract management

LicenseWatch enables you to manage all your contracts and agreements centrally. It is designed to support custom policies and processes to maximize the value in daily operations by enabling you to:

- Define relationships between agreements to ensure the complete overview from master agreements to the underlying agreements.
- Allocate hardware and software to the actual invoice and trace what has been purchased on any agreement.
- Build your own agreements and add custom fields to follow internal processes.

- Attach scanned copies of an agreement and build a centralized repository for Proof of Entitlements and license keys to simplify administration.
- Assign ownership, location and cost center to any agreement based on the defined users/roles and align with internal policies.

As part of contract management you can activate reminders to each agreement to support your planning processes. This enables you to prepare proactively for any renewal or negotiation on contract of vendor level.

Hint

"Awareness is important to succeed with SAM.

According to BSA 59 % of workers will frequently acquire unlicensed software, if the company does not have a written policy on software use.

Only 28 % of workers in companies with a written policy will frequently acquire unlicensed software".

Virtual and physical environments

Managing licenses in integrations between virtualized and physical environments can be challenging. LicenseWatch simplifies the management in mixed environments where the typical virtualization solutions are VMware, Microsoft and Citrix.

39% of enterprises in today's survey report that they either don't manage their virtualized software licenses, or they do so manually – software vendor audits will likely yield increased findings of software license non-compliance.

IDC

Migration reports

Planning an upgrade to a new operation system often includes a compatibility test of the existing software portfolio. With the migration report from LicenseWatch you can easily compare End of Support of applications with the operating system you want to upgrade to and then plan accordingly.

Reduce expenses by monitoring usages

Some types of software are typically used on a per project basis and sometimes the need for a specific type of software becomes obsolete.

LicenseWatch enables you to monitor usage and discover unused licenses which can be harvested and redeployed to new projects and employees when needed. This is a direct cost saving as it eliminates the need for buying new licenses.

Manage multiple license pools

If you have the challenge of administrating licenses on a cost center basis, LicenseWatch can support your work by dividing licenses into license pools for:

- Specific cost center.
- Applications.
- Certain groups of users or computers.
- A combination of the above.

A great Software Asset Management solution involves People, Processes and Technology.

LicenseWatch is dedicated to its partners by offering the LicenseWatch solution only through our certified partners.

Combining the functionality of LicenseWatch and our partners ability to add knowledge and experience is the optimal way to start or improve SAM for any company.

➤ Please visit our website <http://licensewatch.com/partners/findapartner.aspx> to find a local partner.

LicenseWatch

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