Success Story:
US Military Agency

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Customer Profile: US Military Agency to Realize More than $1.7 Million in Annual Software Savings Using FlexNet Manager® for Engineering Applications.

Challenge: This US military agency is facing shrinking IT budgets, which is forcing the organization to take a hard look at IT resources. Software licensing has been and continues to be a critical area of focus with the potential to achieve significant cost reductions while maintaining or even increasing user access and productivity.

Solution: The Agency selected FlexNet Manager for Engineering Applications from Flexera Software® to gain control of license management and dramatically reduce ongoing software costs.

Benefits: The agency realized more than $17 million in software cost savings over the years 2006-2011, with an expected $1.7 million in annual savings by implementing FlexNet Manager for Engineering Applications.

> "Even though we had already significantly reduced our CAD tool license count, it was an eye opener using FlexNet Manager for Engineering Applications to find that our licenses were still 90% under-utilized. We expect to be able to reduce our annual maintenance costs by another $200,000 for just this single CAD software vendor."
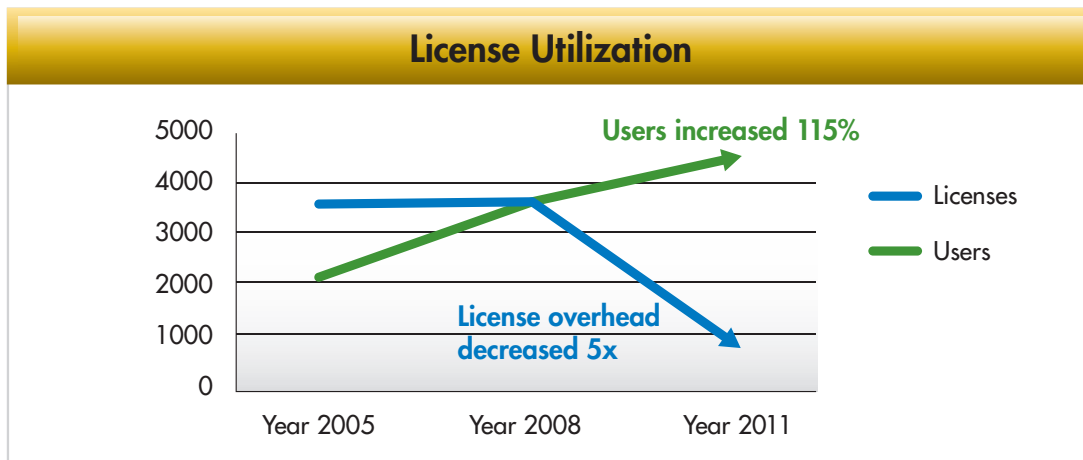>
> *- Director of CADD and Engineering Applications Management*

FLEXERA SOFTWARE®
FlexNet Manager®
for Engineering Applications

The Agency was facing shrinking IT budgets, which forced the organization to take a hard look at IT resources. Software licensing has been and continues to be a critical area of focus with the potential to achieve significant cost reductions while maintaining or even increasing user access and productivity. The Agency has more than 17,000 staff accessing technical applications from vendors such as Autodesk®, U.S. Cost®, and Bit Management®, as well as other military applications. The goal was to remove one third, or $15 million, in the Agency's IT operational costs for fiscal year 2012. The Agency believed that it could achieve this budget objective through centralized software license management and optimization.

In the past, The Agency's license management processes were completely manual, and provided no way of tracking application usage across the enterprise. They needed a way to collect application and license usage data without human intervention – to ensure highly accurate machine information that was free of personal biases and human errors. In addition, software procurement was highly decentralized, with each functional unit within the organization buying its own software, leading to redundancies and waste. Due to budget constraints, this was no longer viable.

Phase 1—Autodesk and Concurrent Licensing
In 2005, The Agency's yearly financial cost for critical Autodesk design software was approximately $3.5 million. As the most widely deployed software used by more than 12,000 staff, the organization focused first on reducing cost for Autodesk applications. They consolidated multiple Autodesk license agreements, creating one master contract for the entire enterprise. All Autodesk licenses were converted to Network Licenses, and they implemented 3 license servers worldwide. Network or concurrent licensing allows a specified number of users to access an application concurrently. A license server checks out an available license when a user requests access to the software. FlexEnabled® concurrent licensing technology from Flexera Software is used in Autodesk applications. It enables precise tracking of license usage across the enterprise and allows for maximum utilization of these high-value applications.

The Agency was able to reduce the Autodesk license count from 3,500 to 800 and at the same time, increase user coverage by 115%–from 2,100 users to 4,500 users. This is possible because concurrent licensing means that a large number of people can have access to the software as long as the number of users simultaneously running the application is less than or equal to the total number of licenses.

License Utilization

Chart: License Utilization. Y-axis from 0 to 5000. X-axis: Year 2005, Year 2008, Year 2011. Legend: Licenses (blue), Users (green). Annotations: "Users increased 115%" and "License overhead decreased 5x".

The total number of installed Autodesk applications rose from 3,500 to 6,800. The Agency was actually able to expand its ability to supply licenses to previously underserved users. For instance, one particular functional area of the Agency previously did not provide access to Autodesk because they did not have the infrastructure to support it. Now, with centralized delivery and management, this command can access the software without the support burden, thereby adding capability they did not have before. By centralizing the process, the Agency has improved overall capability across the enterprise at lower cost.

As a result of the license count reduction, The Agency's annual Autodesk maintenance cost plummeted from $3.5 million to approximately $400,000. In total, over six years, the Agency has saved more than $17 million on maintenance costs. It was simply the case that the Agency had far too many Autodesk licenses than needed, but previously had no way of tracking and managing them.

Phase 2: FlexNet Manager for Engineering Applications

In the second phase of the project, The Agency implemented Flexera Software's FlexNet Manager® for Engineering Applications to help automate the process and provide centralized license management. FlexNet Manager for Engineering Applications centrally tracks concurrent (network) license usage across the IT environment and simplifies license server administration. It reports on peak usage, showing license availability headroom when there are too many (unused) licenses, and showing denials of service when there are too few licenses. In conducting its initial search for a software license optimization solution, the Agency had looked at about 15 different vendors' offerings, but could not find one that provided the same depth and breadth of capabilities as FlexNet Manager for Engineering Applications from Flexera Software.

Even though the Agency had already significantly reduced their Autodesk license count, deploying FlexNet Manager for Engineering Applications led to the eye-opening discovery that their licenses were still approximately 90% under-utilized! With such clear visibility into their actual usage of the licensed applications, the Agency anticipates that they will be able to further reduce their Autodesk maintenance costs by at least $200,000 annually.

"FlexNet Manager's business management capabilities were an unexpected benefit," said the Agency's director of CAD and engineering applications management.

"It has really provided my managers with the broad scope of information they need to target the areas of biggest waste and substantially improve our operational efficiency."

Phase 3: FlexWrap and U.S. Cost Software

The second most widely deployed application is U.S. Cost, used by the Agency's designers to produce project cost estimates. They currently have approximately 750 U.S. Cost licenses and plan to add another 1,000. U.S. Cost software is not offered with a concurrent (network) license model. Consequently, the Agency plans to use FlexWrap, a component of the FlexNet Manager Suite for Enterprises to embed license tracking capabilities into Windows-based applications, such as U.S. Cost, before deployment, making those programs visible to the FlexNet Manager for Engineering Applications license management solution. This will allow them to track and manage U.S. Cost software as if it were concurrently licensed, and also create detailed license usage reports for this software. The Agency expects that once they have this utilization data, they will be able to cut license costs for U.S. Cost by about two thirds, or $1.5 million per year.

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Conclusion

All told, the licensing and license optimization solutions from Flexera Software enabled the Agency to realize $4.8 million in annual software cost reduction for just two vendors—the initial Autodesk savings of $3.1 million per year, plus the expected additional Autodesk savings of $200,000 and U.S. Cost savings of $1.5 million. Additional license management optimizations allowed the Agency to achieve its goal of $15 million in FY 2012 IT operational cost reduction.

A key aspect of the Agency's program has been the change in culture required to implement centralized license management. There was initial resistance to this program by groups who feared a loss of control. Now that they have seen the value provided by the FlexNet Manager for Engineering Applications enterprise-wide software usage and trend analysis reports, it has become not only accepted but expected by the Agency's business managers. FlexNet Manager for Engineering Applications enables them to be proactive about managing their portfolio of software applications to reduce license costs while improving access to that software by the Agency's end users.

"Every agency is trying to save money," stated the Agency's director of CAD and engineering applications management. "The last thing they want is a new vendor selling them something. They need a solution that is trusted and proven and we've proven that this works. The software license savings and improvements in user coverage we have achieved using Flexera Software's solutions are a reality."

About FlexNet Manager for Engineering Applications

FlexNet Manager for Engineering Applications delivers the most complete and meaningful insight into application usage to efficiently manage concurrent licenses, reduce denials and optimize spend.

It centralizes usage monitoring, management and reporting to deliver savings of 30% or more on software costs, simplify license server administration, reduce denials of service and demonstrate compliance with vendor agreements for over 20,000 FlexEnabled, LUM and third-party concurrently licensed applications.

FlexNet Manager for Engineering Applications enables organizations to gain unprecedented insight into application usage trends, and accurately forecast future needs. It is part of the FlexNet Manager Suite for Enterprises, the Software License Optimization solution used by hundreds of enterprises to gain control of hardware and software assets, maintain license compliance and reduce spend.

About Flexera Software

Flexera Software helps application producers and enterprises manage application usage and increase the value they derive from their software. Our next-generation software licensing, compliance, security and installation solutions are essential to ensure continuous licensing compliance, optimize software investments and future-proof businesses against the risks and costs of constantly changing technology. Over 80,000 customers turn to Flexera Software as a trusted and neutral source for the knowledge and expertise we have gained as the marketplace leader for over 25 years and for the automation and intelligence designed into our products. For more information, please go to: **www.flexerasoftware.com**

Next Step:
For more information, visit: **www.flexerasoftware.com/FNMEA** or **contact a Flexera Software representative.**