Success Story:

Zollner Optimizes Management of SAP Licenses and Contracts with FlexNet Manager for SAP Applications

Customer Profile:
As an electronic manufacturing system provider, Zollner develops and manufactures products on behalf of customers in the automotive sector, industrial electronics, aerospace & defense, measurement technology and telecommunications, among others. Production orders range from individual components to complete systems. The approximately 9000 employees of the system provider support their customers during the entire value-added chain: from customer-specific development and design at the beginning of the product life cycle via prototyping and serial production (including supply chain management and materials management) to after sales service.

Challenges and Needs:
As a contract manufacturer, Zollner must be able to react very flexibly and reliably to changing demands. This challenge can only be met by technological sophistication, innovation and, above all, by robust IT support. Business and IT strategies must be coordinated, closely linked and put into practice with precision. Since 2006 Zollner is using SAP Business Suite whose modules are among the most valuable and most frequently used applications in the organization. However, using software such as SAP can also lead to high licensing costs, due to the complex nature of SAP licensing and the difficulty in selecting the most optimal named user license type for each user.

When Zollner implemented SAP Business Suite, the company noticed during contract negotiations that license and contract management can become complex, especially as Zollner is not only working with permanent employees but also with temporary staff, which makes license management even more complicated. By not knowing exactly which SAP licenses are in use in the company, who is doing what with each system, and what type of license corresponds to each person's job profile, organizations risk expensive and unexpected true-up bills, which increase the cost of their investment in SAP software.

Solution:
In order to meet the contract challenges and to develop a license management system that is simultaneously tailored to internal conditions and economics, management at Zollner decided to introduce license optimization software which was meant first and foremost to save license management resources and to support the creation of an internal chargeback model, as well as manage SAP true-ups. In other words, the system was to gather and analyze the data needed for internal chargeback and contract compliance.

Benefits:
Zollner not only stays in compliance with its SAP license agreements, reducing audit cost and risk, but also avoids spending money on licenses that are not needed. The company is also able to better plan its future requirements for additional license purchases. "The same monthly reports on usage also form the basis for forecasts of license requirements," Hacker notes. "As a result, we always know whether we have to purchase additional licenses, and how many are needed of each user type." These forecasting figures form the basis for budget planning for the coming years.

So, it is not only during monthly reporting that Zollner benefits from FlexNet Manager for SAP Applications, but also during the annual evaluation and optimization of SAP licenses. Flexera Software streamlines the process of SAP true-ups and creates the necessary transparency for a more accurate performance of this task.

The Director IT summarizes his experience with Flexera Software in one sentence: "SAP license and contract management with FlexNet Manager for SAP Applications is worth it." Zollner is able to save by not having to purchase and maintain at least 20 to 30 licenses a year. "In addition, we can save costs due to our internal chargeback process that is based on FlexNet Manager for SAP Applications data."

"The licensing model offered by software vendors such as SAP is usually very rigid," says Günther Hacker, Director IT. *"However, our business model requires a certain measure of flexibility. Our business being production-centered means, for example, that an employee might use the SAP system only once or twice a day, but the license in question still cannot be used for more than one person."*

For Zollner, license management with the help of Flexera Software provides two important benefits. "With the help of FlexNet Manager Suite reporting, we can, on one hand, use the data that this product collects each month to guarantee accurate and proper licensing within the scope of the contract, which means we are always in license compliance; on the other hand, we can carry out internal chargeback of software expenses," the Director IT.

Günther Hacker
- Director IT
Zollner

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FlexNet Manager®
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Finding the Right Solution

"We did not have to look for long," Hacker states. "After a brief search and a recommendation, we came across Flexera Software." FlexNet Manager for SAP Applications was introduced during a one-day workshop and after a detailed study of the documentation, the decision was quickly made in favor of the license optimization software. By using FlexNet Manager for SAP Applications, a core component of the FlexNet Manager Suite for Enterprises, the contract manufacturer can centrally monitor and analyze its SAP license usage. The software provides insight into SAP usage and recommends the optimal named user license type for each user to avoid over spending on licenses and maintenance.

Implementing FlexNet Manager for SAP Applications

Installation and configuration of the software was seamless and only required two to three man-days for the Zollner team and the Flexera Software experts. "FlexNet Manager for SAP Applications is self-explanatory and user-friendly and comes with very detailed documentation," the project manager stresses. "If new systems are added, all that is needed is to run a transport request to integrate the systems." When Zollner later upgraded the SAP installation by adding HCM (Human Capital Management) and PPS (Production Planning and Scheduling), Hacker's team had already been able to accumulate enough of its own know-how not to need any external support. "A well-designed user interface contributes favorably to user friendliness," says Hacker. "It makes it possible to show the systems that are linked to the software, current values related to the user and evaluations in a very structured and clear manner."

Chargeback of Software License Cost

SAP usage data, collected for each user by FlexNet Manager for SAP Applications (e.g. CPU time, role authorization and module usage) gets incorporated into monthly reports and passed on to the Zollner chargeback team. This enables the company to allocate proportional costs to SAP users who generate a large system load over a certain period of time and charge less to those who have used SAP less in the same period of time. "This kind of flexible, performance-based allocation of costs has a very positive effect on the efficiency of various areas of the company," underlines the Director IT.

Continuous Compliance

In order to maintain license compliance, monthly processes are in place that allow the tool to perform a comparison between actual use and the targets laid down in the SAP contracts, and determine an accurate license position. The software also monitors unused licenses and ensures that users are classified correctly; it also detects and allows the removal of duplicate users. The software provides transparency in the classification of licenses. "We have set up a classification strategy which, with the help of the parameterisable set of rules contained in FlexNet Manager for SAP Applications, facilitates the most efficient licensing in each case," Hacker states. "In this way, the process of managing SAP licensing can be automated and optimized."

"We have developed an internal model for chargeback of software expenses which is based on the information gathered by FlexNet Manager for SAP Applications and, after evaluating system utilization, enables us to carry out performance-based cost allocation," says Hacker.

Günther Hacker

About Flexera Software

Flexera Software helps application producers and enterprises increase application usage and the value they derive from their software. Our next-generation software licensing, compliance and installation solutions are essential to ensure continuous licensing compliance, optimized software investments and to 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**