

# Success Story: Fortune 500 Company

## Optimizes SAP Spend

**Customer Profile:** A Fortune 500 company with products in more than 100 countries and revenues in excess of \$10 billion.

**Challenges and Needs:** The company faced a number of challenges with management of its SAP software investment. As with other major software vendors, management of SAP licensing is complex and involves a number of user based license types. The company was unable to track how employees were using SAP software, which led to excessive purchases of higher cost licenses. They also had an excessive administrative burden for managing SAP licensing due to their manual processes. Furthermore, they were unable to accurately chargeback usage costs to cost centers or forecast future needs.

**Solution:** The company selected FlexNet Manager® for SAP® Applications from Flexera Software to gain control of SAP license management and spend.

**Benefits:** By implementing Flexera Software's Software License Optimization solution, they now have visibility into SAP software usage that allows them to know exactly what license types they need for their organization. Their administrative overhead related to SAP license management has been reduced **by more than 90%**. In addition, their chargeback mechanism is now much more accurate and fair and they have the ability to accurately forecast future SAP software licensing needs.

License management for major software vendors such as SAP, Microsoft, Oracle and IBM is complex, which makes the manual process approach highly problematic. SAP licensing involves a number of user based license types with different price points and usage profiles for each and the descriptions for each type are vague, making it hard to determine which users fit into which category. It requires the ability to track usage details to understand whether the right license type has been allocated to each user. The company, which has a significant investment in SAP software and tens of thousands of users, lacked the ability to track usage of these critical applications. As a result, they had no alignment of SAP user based license types to actual usage, which led to excessive purchases of higher cost Professional and Limited Professional licenses. The company wanted to take the guesswork out of their SAP license management process and gain control of their software spend.

SAP license management and license compliance reporting had become a substantial administrative burden for the company. They generated the SAP License Administration Workbench (LAW) report each year and then spent months reviewing and correcting the data via a time-consuming manual process. At the end of the day, however, the LAW report only tells them how many of each type of license they own, not whether they have the optimal types for their user community.

Another problem was their inability to accurately forecast future needs for SAP software. Without accurate usage data, they couldn't do any trend analysis. Nor could they accurately charge back software usage costs to cost centers based on the actual license types being used, which was one of their requirements going forward.



*"With FlexNet Manager for SAP Applications, we have been able to get detailed usage information and optimally select the SAP license types required by our organization. Flexera Software's solution has also allowed us to reduce our SAP license management overhead by more than 90%."*

- IT Manager



## Selected FlexNet Manager for SAP Applications

The company selected FlexNet Manager for SAP Applications from Flexera Software to gain control of SAP license management and to optimize spend. They looked at a couple of other solutions, but selected FlexNet Manager for SAP Applications in part because the Flexera Software product proved that it would help streamline their SAP license management processes. It also works within the SAP environment, providing access to data on SAP package (engine) usage, which is not available to tools that run externally. Another key factor in their decision to choose the Flexera Software solution was the product's ease of use.

FlexNet Manager for SAP Applications is part of the **FlexNet Manager Suite for Enterprises** solution that helps organizations maintain license compliance and optimize licensing for more than 140,000 software products, including those from IBM, Microsoft, Adobe, Symantec, Cadence, Autodesk and many more.

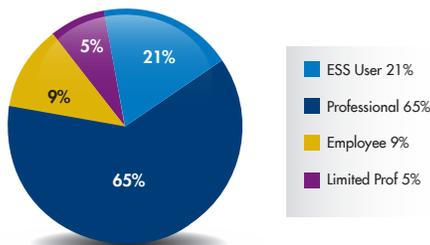
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## Automatic Selection of Optimal License Types

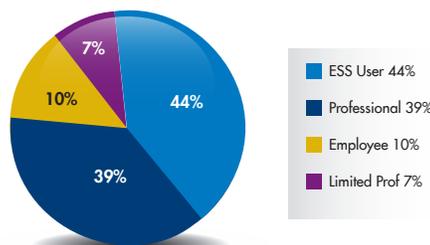
The Flexera Software license optimization solution tracks usage of SAP software and provides detailed reports that enable organizations to see how each employee is using SAP applications. It automatically determines the most appropriate user based license type for each person, based on extensive usage analysis. The company has set up rules and user profiles in the product that help them accurately measure SAP license consumption.

As shown in the charts below, using FlexNet Manager for SAP Applications, the company has been able to **reduce the number of high cost Professional User licenses by about 40%**. The Employee Self Service (ESS) license, the least costly type, was the only license category to go up in number. Using a one-time license exchange option in their contract, the company was able to re-align their user license types to fit their actual usage.

### SAP LAW Report



### FlexNet Manager for SAP Apps



License Type Restructuring from High Cost Professional Licenses to Low Cost ESS Licenses  
[Based on actual usage data]

## Reduced Administrative Burden and Other Benefits

FlexNet Manager for SAP Applications enables the company to centrally administer their SAP software in a much more automated manner, which has helped them reduce license management overhead by about 90%. The annual SAP audit report that previously took weeks or even months to create now can be done in a matter of a few days.

Flexera Software consultants worked with the company's team to help them develop strategies for negotiating with SAP. They have been empowered to negotiate key contract terms that will give them more flexibility, such as 'parking' rights for unused software and 'conversion' rights that will allow them to exchange excess license types for other required types in the future.

It has out-of-the-box reports of usage by cost center that are used at the company for internal chargeback. Now, they do chargeback by actual license types used in each cost center, rather than just as a percentage of total use.

The information provided by the Flexera Software solution allows the company to have fact-based discussions with SAP at renewal time and ensures procurement of the appropriate license types and quantities going forward.

### Conclusion

FlexNet Manager for SAP Applications has enabled the company to gain control over one of their key software investments. They are now able to:

- Reduce administrative overhead for SAP license management by 90%
- Reduce the number of high cost Professional User licenses by about 40%

- Track usage and automatically optimize user license types for their organization
- Implement a more accurate and fair internal chargeback mechanism to their cost centers for SAP software
- Accurately forecast future SAP software needs

"FlexNet Manager for SAP Business Suite provides the information we required to overhaul our SAP licensing structure and align our license types with actual usage," said an IT manager at the company. "The product takes the guesswork out of the process. Going forward, we will use the Flexera Software solution to help us understand exactly what is needed for our new SAP contract."

### 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](http://www.flexerasoftware.com)



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