SLM COST TAKE-OUT: ADVANCED APPROACH DELIVERING RAPID COST REDUCTIONS

To address these challenging times, SoftwareONE offers a unique software savings program to help IT executives show quick wins in the areas of software cost reduction, cost avoidance and overall risk reduction.

Software Lifecycle Management (SLM) – combining digitized procurement and SAM for an enhanced customer experience

Even from a purely theoretical point of view, SLM is an incredibly complicated subject because a large number of commercial and technical issues are closely interlinked. Factors such as changes in strategy by software manufacturers or ever changing business requirements make SLM even more complicated.

This is where we put our experience to good use: throughout our 30+ years, SoftwareONE has carried out thousands of projects around the world within the areas of Software Asset and Lifecycle Management. These projects are end-to-end, covering all processes from procurement and license management to spend management, on-premises and cloud infrastructure.

The idea behind Cost Take-Out

We have analyzed these projects from the point of view of cost reduction and cost avoidance. The result: there are large numbers of levers corresponding to the breadth of the SLM landscape with which our customers are able to leverage to save costs in a timely manner.

However, knowing all these parameters and being able to identify them quickly – regardless of customer size or complexity of his environment is the essence of decades of experience. SoftwareONE now puts this experience into the service of its customers in a completely new consulting service, the Cost Take-Out program.

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SLM Cost Take-Out focuses on increasing operational effectiveness through substantial savings within the software end-to-end value chain. The SLM Cost Take-Out program consists of the following 3 phases:

(Figure 1)

Phase 1 – Cost Take-Out Diagnostics

For 1-3 days, we analyze the situation in the company by interviewing stakeholders and relevant data such as software consumption, broken down by manufacturer. For this purpose, we use, The Diagnostic, a platform that optimally supports and accelerates the determination of the maturity level as well as the data analysis and makes the results and status visible in clearly arranged dashboards. (See Figure 1).

Phase 2 – Cost Take-Out Selection

We compare the results of the analysis with our approaches to saving and avoiding costs, which have proven successful in previous projects. Using the knowledge gained in Phase 1 combined with our Cost Take-Out Hypothesis Database, we determine potential savings initiatives. From this we generate an action plan. This takes a maximum of one day.

Phase 3 – Cost Take-Out Execution

Phase 3 is all about action – both SoftwareONE and the customer will drive together the realization and tracking of the agreed initiatives. The duration is completely flexible and depends on the requirements of the customer.

Between 2-15% savings – immediately!

Savings plans are usually designed for one year. In all Cost Take-Out projects carried out so far – through contract analysis and process optimization – we have noted between 2-15% savings in all areas of software expenditure in a very short time.

Cost Take-Out: Quick wins or milestones for holistic, sustainable optimization?

It is entirely up to the customer to decide whether a short-medium or long-term effect is to be achieved, or whether only a specific area is to be optimized:

› Many customers want to implement savings in all areas. They know that 30-40% of all investments and costs in the IT area are unnecessary and have set their savings target at this level.

› Other customers only want to focus on Software as a Service (SaaS) from selected software vendors such as Microsoft, Oracle, SAP or others.

› A third group, in turn, wants to establish a Software Lifecycle Management (SLM) program and sees short-term savings as an internal decision-making aid.