# KPMG

# Microsoft License Optimisation

## Software Asset Management
## Business Advisory

**Microsoft is the world's biggest software company.  It's practically impossible to run a business today without Microsoft software. Microsoft licensing is complex, and it's been subject to a significant amount of change as Microsoft converts its traditional 'on-premise' offerings to being increasingly future-proofed 'Cloud' solutions.**

## Microsoft Licensing

Microsoft has established a global initiative around Software Asset Management ("SAM"); to support Microsoft customers in setting up and maintaining strong internal controls and processes to stay in compliance with its licensing agreements. In practise this means that nearly every Microsoft customer is asked to perform an annual self-assessment and correspond-ing license true-up.

Most Microsoft customers treat their 'true up' as a relatively cooperative activity, however, there are many Microsoft customers experience the true-up as more of an audit.

In many cases there is significant scope to optimise licenses and we help clients to this by better leveraging licensing terms around O365 tiers, software assurance terms, and MSDN categories.
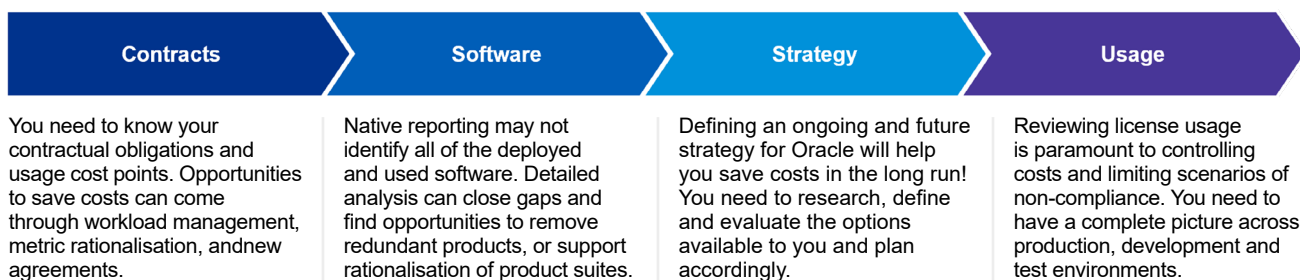
## ... and unmanaged software introduces risk.

At the heart of our service is the insight provided by our Microsoft Effective License Position (ELP). Conceptually its simple, what's deployed vs what's entitled, but without the correct expertise and targeted effort, organisations find it very challenging to create this type of analysis and reporting.

The majority of our effort goes into gathering the requisite data needed to prepare your ELP, that means collecting contracts and inventory, analysing that detail, and contextualising though discussions with product owners and supporting systems data.

The ultimate commercial value of our service is found in our License Intervention Plan which outlines the risks and opportunities inherent in your consumption of Microsoft software, the mechanisms you can apply to limit spend and ensure compliance, and the value attributable to each intervention.

### Day to day Microsoft license management is a wide ranging discipline

| Contracts | Software | Strategy | Usage |
|---|---|---|---|
| You need to know your contractual obligations and usage cost points. Opportunities to save costs can come through workload management, metric rationalisation, andnew agreements. | Native reporting may not identify all of the deployed and used software. Detailed analysis can close gaps and find opportunities to remove redundant products, or support rationalisation of product suites. | Defining an ongoing and future strategy for Oracle will help you save costs in the long run! You need to research, define and evaluate the options available to you and plan accordingly. | Reviewing license usage is paramount to controlling costs and limiting scenarios of non-compliance. You need to have a complete picture across production, development and test environments. |

### Microsoft Server Licensing

Microsoft Windows Server license requirements are well known but still difficult to calculate due to the variety of different editions  available, Microsoft have different restrictions and different benefits that many companies fail to leverage due to an absence of license knowledge and the resultant challenge of trying to apply Microsoft terms to large and diverse infrastructure scenarios.

To obtain the best license allocation and corresponding commercial benefits from your licenses a detailed view of your environment is required.  We'll determine what's deployed, where, and we'll help optimise by establishing things like the best cluster allocations and host setup based on your license entitlements and ongoing requirements.

The thoroughness of our work is an excellent foundation for detailed planning around software assurance commitments and extended support requirements.

### Microsoft  Hybrid Benefits

Certain Microsoft products include an 'Azure Hybrid Benefit' that enables portability of perpetual / on-premise entitlement to Azure cloud. This benefit is not applicable to any other cloud provider environment.

By maintaining active Software Assurance, you might have a shortcut to the Azure cloud. Azure Hybrid Benefit reduces Windows Server and SQL Server software fees in Azure. This requires careful allocation against optimum Azure resources. It also requires ongoing governance to maximise cost benefits and avoid breaching terms.
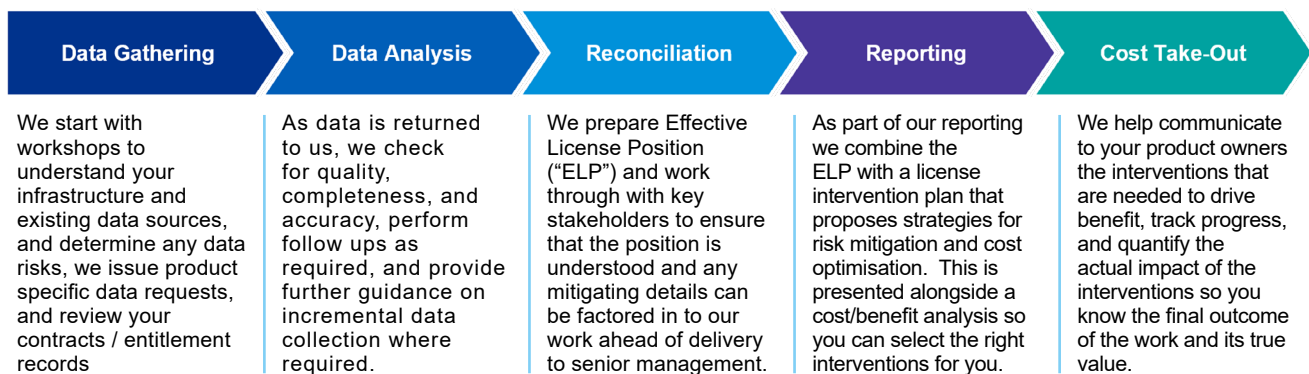
By leveraging this Azure Hybrid Benefit, it is possible to achieve costs savings of up to 42% per Windows VM in Azure and up to 75% for SQL Server VM.

# Microsoft Cloud Economics & Software Asset Management

Our Cloud Economics reviews help our clients gain a complete view over their IT infrastructure with the purpose of identifying which parts of the IT estate are suited to re-hosting and re-platforming, should be refactored, or simply retained. You'll better understand the impact of Cloud migrations through the lens of different cloud subscription plans, migration time, migration complexity, and the impact of each on different environment types.

We'll inventory your IT landscape and perform data analysis across a variety of domains with emphasis on IT asset classification, software usage, and hardware consumption. The resulting analytics is then used to identify potential cost savings, compliance risks, and corresponding cloud consumption scenarios.

Deliverables can include: Cloud Readiness Report, Azure readiness Report, guidance on prioritisation and benefits, TCO Analysis, Environment Analysis, Software Optimisation Options, and Cyber Security checks..

| Data Gathering | Data Analysis | Reconciliation | Reporting | Cost Take-Out |
|---|---|---|---|---|
| We start with workshops to understand your infrastructure and existing data sources, and determine any data risks, we issue product specific data requests, and review your contracts / entitlement records | As data is returned to us, we check for quality, completeness, and accuracy, perform follow ups as required, and provide further guidance on incremental data collection where required. | We prepare Effective License Position ("ELP") and work through with key stakeholders to ensure that the position is understood and any mitigating details can be factored in to our work ahead of delivery to senior management. | As part of our reporting we combine the ELP with a license intervention plan that proposes strategies for risk mitigation and cost optimisation. This is presented alongside a cost/benefit analysis so you can select the right interventions for you. | We help communicate to your product owners the interventions that are needed to drive benefit, track progress, and quantify the actual impact of the interventions so you know the final outcome of the work and its true value. |

## Things to think about

| | Yes | No |
|---|---|---|
| Is your user account management and joiner-leaver process fit for M365 and other user-based products? | | |
| Do you have a full view of software deployed in your virtual estate including cost and risks? | | |
| Do you have a clear view of Microsoft deployed across production, non-production and DR estates | | |
| Are you able to manage and monitor compliance of your (hybrid-) cloud centrally and seamlessly? | | |
| Will you be able adapt to technology changes and understand the impact on software spend and complian | | |

## Did you respond 'no' to any of these questions? Would you like to turn them into 'yes'?

Our Oracle services are just one part of our SAM suite of services, all designed to help you connect your SAM capability across your IT and business functions. Our expert SAM consultants are on hand now to help you achieve and exceed your SAM ambitions. Get in touch to discuss more ways we can support your journey.

### SAM as a Service
Software is a major part of IT spend, but it's difficult to track and manage. KPMG has teamed up with Flexera to provide an end to end, SAM managed service. It combines Flexera's market leading tooling for technology asset management and KPMG's expertise in software licencing. We offer a customised service which will evolve with your business.

### ITAM Tooling Support
An IT Asset Management tool (ITAM) is a powerful way to automate the management of technology assets and to drive efficiency but without careful configuration and continuing management it can be hard to ensure that your solution is complete and accurate. We provide highly experienced ITAM practitioners to assist you in developing and maintaining your tool to accelerate time to value

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