

# LICENCE PRO

*Think outside the box*

Sale of all surplus licences after digitalisation of the organisation.

Case: Purchase of pre-owned licences

Organisation: Hospital

Number of employees: 2,200

Number of licensed seats: 2,200

Licence year: 2008 to 2016

License types present: Office Professional plus, RDS Call, Windows Server Call, Windows Server, Sql Server. Core Call. Windows XP / Windows 7

The organisation already had a complete on-premise environment. The environment consisted of thin-clients and Windows 7, with some Windows XP installations that could not be migrated.

At the time of expansion, or planning for major maintenance and changes to the infrastructure, there was no active Microsoft contract that provided for the latest version rights. This led to the following considerations.

1. Is there a need for digitisation?
2. What is the physical impact on the organisation of upgrading the infrastructure?
3. What investment is involved in hardware replacement?
4. What investment is involved in the software/licence renewal?

The organisation came to the conclusion that there was no need for them to have the latest version of the current software. The cost of updating the hardware and software would have a negative impact on the amount of disposable care and the pressure on the care workers. Therefore, the choice was made to replace hardware where necessary and to expand with software on a case-by-case basis.

1. By means of a SAM study, the actual licence position was determined.
2. In consultation with the license consultant, an RFI was set up.
3. The new software was subjected to a price and work investment study

Conclusion from the internal investigation:

- A. Purchasing new software/licence, caused extra actions for downgrading
- B. New software/licence was budget-intensive
- C. Use of existing version of software/licence was sufficient for its purpose
- D. There was a preference for direct purchase and amortisation of the investment
- E. Pre-owned software/licences gave the same rights as new software
- F. Pre-owned software/licences gave a saving of over 60% compared to new contracts with Microsoft, depending on the mix and versions of licences chosen.
- G. When buying pre-owned software/licences, provisioning could be done directly from the template.

The licence consultant and the hospital came to the conclusion that the purchase of new software by means of pre-owned licences in the correct versions immediately produced the most benefits, both financially (lower costs) and in the operational way of processing. The investment in new licences via the standard Microsoft contracts would have amounted to: €531.000,- The return for the reseller was 1,25% of the turnover.

The investment in licences via pre-owned Microsoft licences amounted to €153,000. The return for the reseller was 20,03 % of the turnover.

#### Audit by Microsoft

Microsoft decided to carry out a pre-Audit check on the delivery of the software/licences.

This was done by means of an e-mail with a link for uploading proof of purchase.

The hospital then uploaded the delivery note and the invoice from the reseller and provided the right information to meet Microsoft's requirements and no further audit followed. Officially, the end user did not have to upload anything, as the law states otherwise.

	New	Pre-owned	Saving
Turnover	€531,000.-	€153,000.-	
Brute margin	€ 6,637.-	€ 30,645.-	
% Brute margin	1.25%	20.03%	
€ Benefit reseller		€ 24,008.-	
€ Benefit hospital			€378,000.-
% Saving			71.19%

The result in terms of peace and stability was the main gain for the ICT manager and the reason for his positive attitude towards pre-owned software/licences. Fitting into the annual budget was an incidental matter for him. The peace and stability, he said, also meant the health of his own team and not disturbing the work processes of the care providers, so that they could focus on the right care for the patients instead of the problems of the ICT department.

Pre-owned software/licences ensured that care could continue uninterrupted, without annoying migrations or the need to replace the physical network. The medical equipment also received a life extension as a result.