SUN CHEMICAL

Microsoft bill slashed from over US $500,000 to zero

COMPANY BACKGROUND

Sun Chemical is the world's largest producer of printing inks and pigments and is located in Parsippany-Troy Hills, New Jersey. Part of the Japanese DIC Group, it employs around 8,000 people and has a turnover of $3.5bn per annum.

CHALLENGE

Sun Chemical has a worldwide presence across 176 sites in 16 countries – a geographically dispersed structure that requires strong, centralized IT. However, for a long time, Sun Chemical had no dedicated Software Asset Manager at all and in 2008, it was stung with a bill of over half a million dollars from Microsoft for unlicensed software. It took a few more years of discussion and planning, but in December 2013, senior management finally made room in the budget for Snow's SAM Platform which was purchased through IT resellers Softcat.

SNOW'S CONTRIBUTION

The vast majority of the company's software budget is swallowed up by Microsoft. With Snow giving a full and accurate picture of its licensing position, the true-ups with the powerful vendor have come down to zero. Initially brought in to tighten up compliance, Snow soon proved its mettle across the full spectrum of SAM activities: license optimization, blacklisting of software and helping C-level management make long-term strategic decisions.

BUSINESS BENEFITS

- Microsoft true-up down from over half a million dollars to zero
- Optimization of subscription-based licenses
- Strategic function is making C-level sit up and take notice
- Effective blacklisting of software

SAM HERO

Stuart Hudson, Manager of Strategic Infrastructure Programmes at Sun Chemical: "When I first took over doing SAM, it was terrifying because I didn't know what was out there. But with Snow we got insight and visibility of everything. That's my favourite part. And it saves us money. Definitely it saves us money."

☼ snow

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THE CHALLENGE

Sun Chemical has a worldwide presence across 176 sites in 63 countries – a geographically dispersed structure that requires strong, centralized IT. However, for a long time, Sun Chemical had no dedicated Software Asset Manager and in 2009, with Stuart Hudson less than a year into his job as part-time Software Asset Manager, the company was audited by Microsoft.

"We have no real controls," Hudson admitted back then to the vendor. Its retort was a bill of over half a million dollars for unlicensed software, a sum that was eventually negotiated down a little but still amounted to a large sum. Hudson did what he could to mitigate the cost of Microsoft true-ups but realized that without a comprehensive SAM solution, he would be fighting a losing battle. Nevertheless, it took him another three years to persuade management that Snow would be a worthwhile investment. In 2013, through IT resellers Softcat, the company purchased 7,000 client licenses for Snow License Manager, Snow Inventory and Software Recognition Service.

> **"** *The bill after our first audit having implemented Snow was driven down from over half a million dollars to zero."*
>
> **Stuart Hudson, Software Asset Manager**

MICROSOFT = $0

First things first. How did Sun Chemical fare with Microsoft, the vendor that accounts for the large majority of its software estate? The bill for the first audit after the implementation of Snow was zero. Hudson looks back on this with satisfaction. "In effect, we had driven it down from three-quarters of a million dollars to zero through adding SAM controls – technology, people and processes, – Snow being one of them. Really, it's come down to Snow and our centralized purchasing system."

BEYOND COMPLIANCE

The push for Snow's SAM solution was driven purely by compliance, but very soon, it became much more than that. Insight into actual usage is making it easy to reallocate assets and this is bearing down on costs, particularly for Project and Visio which are now licensed on a subscription basis. "In the old perpetual license days, they were both costing us quite a lot of money," Hudson explains. "What happened when CDs were going out to sites, one person in an office would buy Project, and 20 colleagues would install it. So that was one of the reasons why when we got audited we needed to buy a lot of Project licenses."

RECLAIMING LICENSES

It was also common for departments to needlessly install the Professional version of Project, at three times the cost of the Standard version. Snow has been able to identify this wasted spend, and help tighten up the request procedure generally. "If someone requests a copy of Project or Visio, I can use Snow to work out if we've got any licenses out there that haven't been used in the last three months," says Hudson. "If I find one, I just take it away from that person and give it to someone else."

SNOW SECURITY

Any item of IT expenditure is supposed to pass through Hudson, but this of course is never 100% the case. Hudson is sanguine about this. "There's always a loophole somewhere online that people can exploit, and they will," he says. "The good thing is that if they install something, we see it in Snow." iTunes, torrents, games and gambling apps are among the software Hudson has blacklisted. Snow keeps track of this, and any unapproved software is removed.

SNOW STRATEGY

Management, initially resistant to the investment in a SAM solution, is now keen to see reports out of Snow to underpin its long-term decision making. "I'm frequently asked to look into things for budgeting purposes," says Hudson. "We've just gone through our latest budgeting cycle. Snow License Manager's trending features come in handy with that."

Annually, Sun Chemical business units pay a certain amount to IT on the basis of calculations made in Snow. However, Hudson is ready to start charging back on an individual level whenever the Finance Department gives the green light. "I've actually built all the spreadsheets to do that, using information from Snow."

Sun Chemical is considering a further investment in Snow Automation Platform and Snow Optimizer for SAP® Software. Although SAP licensing is not part of Hudson's remit, one of his regrets about his journey with Snow is that he did not insist strongly enough that the company purchase Snow Optimizer for SAP Software at the same time.

PEARLS OF WISDOM

Another of Hudson's regrets is not getting Snow earlier. "We probably wouldn't have had such a large bill in the first place." His highlight? "I get asked a question by the CIO and I can actually answer it, which is wonderful." Biggest benefit? "Being able to quickly see who's using subscriptions saves me such a headache when it comes to buying extra licenses. And it saves money too!"

As for a word of advice to his SAM peers, he says: "One thing that's great about Snow is that you don't have to know the ins and outs of all the licensing rules, such as the upgrade and downgrade rights. Snow takes care of them. However, you do need to spend time keeping your eye on what's going on in the licensing world, especially in Microsoft, where they change things from seemingly day to day."

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