



TRUSTED DATA MEANS FAST AUDITS

THE CHALLENGE

A listed Australian enterprise organization with more than 3500 users, had been using Snow License Manager to proactively ensure compliance and governance were met. A third-party independent auditor approached on behalf of Microsoft and formally demanded a review of its licensing at the third-year renewal stage.

SNOW'S CONTRIBUTION

Using Snow License Manager and Snow Inventory reporting, with a third opinion also delivered by SoftwareONE's Software Asset Management practice, the company could successfully demonstrate its true-up costs at only 5% of an initially threatened AUS \$1.7 million (US \$1.3 million) in just two weeks. The company achieved this using Snow to show it had correctly applied licensing rules in the spirit of the license terms, which hadn't required any infrastructure changes

BUSINESS BENEFITS

- Proactive approach and effort yielded compliance and risk control
- Accurate software usage reports
- Cost avoidance of AUS \$1.6 million (US \$1.2 million)
- Efficient, swift and effective audit response
- Collaborative approach between the auditor and SoftwareONE based on reliable trusted data provided by Snow.

The Australian based company proactively sought SAM expertise from an existing IT partner, SoftwareONE, in 2013. It deployed Snow License Manager and Snow Inventory to gain insight into software usage across the organization's 3,500-seat IT estate. The IT Manager explains: "We have thousands of different applications deployed across the organization and we wanted to ensure that we had no license liability and could control reputational risk.

"We had already been working with SoftwareONE on other projects and the SAM service and expertise they offered us was a fit but it was clear we needed a solution to underpin the practice. With their assistance in assessing different SAM solutions, we invested in Snow License Manager and Snow Inventory to reduce our software costs and mitigate a wide range of risks like compliance, control, reputational damage, audit threats, shadow IT emergence and more."

At roughly the same time, Microsoft approached the company requesting a true-up. But, not feeling ready for the disruption the audit and negotiation process would inevitably cause, the company elected to defer the project by 12 months.

The software vendor approached a year later – sending a letter that indicated Microsoft would appoint external auditors to perform the audit. This time the organization was well prepared, it had been using the SAM service and Snow License Manager in earnest and could quickly generate the necessary reports to demonstrate compliance.

The auditor received the Snow reports from the customer, which were delivered within a few days of the 'cease & desist' letter, and forwarded them directly to Microsoft who immediately agreed the data was acceptable.

The next stage was for the auditor to draw its own compliance opinion against the company's Snow compliance reports with the Auditor perceiving a delta at AUS \$1.7 million in under entitlement. SoftwareONE was brought in to support this discussion and explain its apportionment as the licensing partner. Thulsi Williams, SAM Analyst at SoftwareONE takes up the story: "We felt that the figures provided by the auditors were vastly different from the ones in the Effective License Position report that we had already calculated for the company. We used the data from Snow to defend our case for a much lower true-up cost."

She continues: "Having had Snow in place, meant it was easy for us to arrive at a reliable ELP and having worked with the company, we were familiar with its environment. For example, we'd already known that there were several test and development servers that we didn't need to count licenses for, as per Microsoft rules. The company also had a number of active-passive servers that were not taken into consideration during the initial audit (passive servers don't need to be counted for licensing). The auditors hadn't picked up on that because they are not familiar enough with the company's environment."



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**Thulsi Williams, SAM Analyst
SoftwareONE**



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System owner

95% COST AVOIDANCE

Thanks to the information collected from Snow, in just two weeks, SoftwareONE was able to prove to the auditor and Microsoft that the true-up amounted to approximately AUS \$100,000 (US \$76,000) – representing a difference of AUS \$1.6 million from the Auditor's original calculation. Using Snow as the trusted data source, the stakeholders could circumvent standard audit posturing and assertiveness, instead collaborating using agreed data and baselines, delivering a rare and painless audit experience for all parties.

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The company is now operating Snow License Manager for its business-as-usual SAM activities and currently engaging with SoftwareONE's Microsoft Advisory Service to help them with their agreements with the vendor going forward.

Thulsi comments, "We are now in a strong, confident position when dealing with software vendors. Compliance is extremely important considering the company is a well-known brand and cannot afford to be at risk."

The IT Manager concludes, "Next year we shall renew our agreement with Microsoft, and take our future plans and roadmap into consideration. Thanks to Snow's SAM platform we shall be able to forecast our future software needs much more accurately. The intelligence we get from Snow enables us to make informed decisions and give us a much stronger negotiating position."