SOFTWARE LICENSE CONTROL

OVERVIEW
A proactive method for software asset management allowing companies to fully leverage existing licenses, facilitate volume discounts, enable the standardization of software and reduce software support costs.

EXECUTIVE TEACHING
To effectively manage software licenses, centralize the most actionable contract terms to create proactive triggers but for efficiency decentralize expertise and responsibility using part-time Software Owners who respond to the triggers and who are recruited from throughout the organization.

COMPONENT TEACHINGS
- Centralize contract metadata for proactive reporting and creation of action triggers.
- Define the role of software owner.
- Integrate the software owner’s duties into the right enterprise processes.

COMPANY SNAPSHOT
Bristol-Myers Squibb Company
Industry: Pharmaceutical
2008 Sales: 20,597
Employees: 30,000
Bristol-Myers Squibb is a global biopharmaceutical company committed to discovering, developing, and delivering innovative medicines that help patients prevail over serious diseases.
Bristol-Myers Squibb centralizes global software requisitioning, implementing a review process for all software requests, enabling the Software Asset Management Team to decline unnecessary software purchases.

- A Software Asset Management (SWAM) team accounts for events across the software lifecycle (purchase, terms, etc.)
- A group of distributed Software Owners supports the SWAM team by being responsible for financial projections and compliance.

Elements of Bristol-Myers Squibb’s Centralized Software Requisitioning

Three centralized decision paths

1. Applications Portfolio
   - Top 25 Strategic Software Vendors
     - Are we taking advantage of all capabilities offered by our strategic vendors?
   - Opportunities for application consolidation

2. Maintenance Renewals
   - SLA-based Risk Criteria
     - What would be the risk to the company if it failed to renew a maintenance contract?
   - Opportunities to reduce maintenance spend

3. Software Purchase Request
   - Inventory View
     - Does this request duplicate functionality provided by a license we already have?
   - Opportunities to reduce new license purchasing
Bristol-Myers Squibb uses 20 metadata fields in a central software management database to proactively manage software licenses. The data concisely summarizes key clauses which can trigger action.

- The Software Management Database provides the information needed to make informed decisions about renewal, levels of support needed, utilization restrictions, and other strategic ownership decisions.

### BRISTOL-MYERS SQUIBB’S METADATA FIELDS FOR SOFTWARE LICENSES AND CONTRACTS

<table>
<thead>
<tr>
<th>Metadata Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agreement type</td>
<td>(master license agreement, addendum to existing contract, consent letter, discount agreement, ...)</td>
</tr>
<tr>
<td>Original manufacturer/publisher name</td>
<td></td>
</tr>
<tr>
<td>Current manufacturer/publisher name</td>
<td></td>
</tr>
<tr>
<td>Significant business partner—yes/no</td>
<td></td>
</tr>
<tr>
<td>Governing law/jurisdiction</td>
<td></td>
</tr>
<tr>
<td>Effective date</td>
<td></td>
</tr>
<tr>
<td>Initial term</td>
<td></td>
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<tr>
<td>Expiration date</td>
<td></td>
</tr>
<tr>
<td>Current expiration date (in the case where an original agreement is extended)</td>
<td></td>
</tr>
<tr>
<td>Product list</td>
<td></td>
</tr>
<tr>
<td>Term type (fixed, auto renewal, perpetual)</td>
<td></td>
</tr>
<tr>
<td>Do country restrictions apply</td>
<td></td>
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<tr>
<td>Do site restrictions apply</td>
<td></td>
</tr>
<tr>
<td>Are there third-party usage restrictions?</td>
<td></td>
</tr>
<tr>
<td>Are there third-party notification requirements</td>
<td></td>
</tr>
<tr>
<td>Prior notice for third-party notifications (number of days)</td>
<td></td>
</tr>
<tr>
<td>Prior notice for changes (number of days)</td>
<td></td>
</tr>
<tr>
<td>Prior notice for termination (number of days)</td>
<td></td>
</tr>
<tr>
<td>Linkages to other contracts</td>
<td></td>
</tr>
<tr>
<td>Storage location of original signed contract</td>
<td></td>
</tr>
</tbody>
</table>

**Software Management Database**
Bristol-Myers Squibb creates a Software Owner role and designates “Software Owners” across the enterprise (~90 total).

- Being a “Software Owner” typically takes around 5% of an FTE’s time.
- Things a Software Owner is expected to know,
  - Strategic direction of the software.
  - Lifecycle of the software.
  - The vendor’s needs.
  - What opportunities the vendor has within Bristol-Myers Squibb.
  - What competition exists that can be leveraged during negotiations.
- Software Owners may be chosen from any part of the IT organization where knowledge about the software or vendor naturally resides, sometimes even from the business.

**ROLE DESCRIPTION FOR SOFTWARE OWNERS**

**SOFTWARE OWNER RESPONSIBILITIES**

- Ensure that the records for your software products are up-to-date in the Software Management Central Repository
- Track software installation and usage to ensure license compliance
- Monitor installed software and usage
- Reconcile installed software to purchased software
- Budget for SW Maintenance/License renewals
- Co-terminate all renewals per vendor to reduce the number of POs being issued and leverage total expenditure for greater discounts
- Partner with GP (Global Procurement) to identify and act upon opportunities for cost savings
- Collaborate with Business Clients and GP on new purchase requests to ensure that existing licenses are used before new ones are purchased

**Various Locations for Software Owners**

**Roles Supporting the Software Owners**

**Software Support Expert(s)**
The Technical Specialist or Manager who understands the licensing rules for the particular vendor and can report on the use of the licenses.

**Business Client(s)**
Determines business need for the software.
Software owners support the activities of other organizations at key points in those organization’s workflows.

- Software owners review weekly utilization reports for the software they own.
- They help the organization proactively reharvest underutilized licenses and also proactively reach out to vendors when a license needs to change or be updated.
- Bristol-Myers Squibb uses Novell Zenworks Asset Management to track software utilization on the desktop, SCCM for Windows, and OpsWare for Unix. It uses Crystal Reports to generate its weekly reports.

**PROCESS TRIGGERS FOR SOFTWARE OWNER ACTIVITY**

1. **Software Asset (SWAM) Management Team (Seven FTE)**
   - Runs Weekly Reports from the Software Database
   - Checks Reports Under The Products They Are Responsible For

2. **Portfolio Governance Project Management**
   - Weekly Meetings Where SWAM Team Learns of Changes to Software
   - Participates in Change Review of Software They Own

3. **Global Procurement**
   - Negotiates Vendor Licenses More Than $50,000
   - Acts as Domain Expert for Vendors and Software

**Fields in Weekly Software Utilization Report**

- Product Name
- Serial Number
- Site
- User ID
- Product Manufacturer
- Department
- Install Date
- User E-Mail
- Reharvestable
- Cost Center
- Last Scan Date
- User Name
- Company Asset Tag
- Country
- Last Usage Date
Bristol-Myers Squibb experiences measurable improvement in key software management performance metrics.

- An 11% decline in overall software expense.
- A shift from 1% yearly growth in desktop software to a 2% yearly decline.
- A 13% increase in software reharvested.

RESULTS

Software Expense

Desktop Installer-YOY

Before | After
---|---
11% | 1%

Software Reharvesting

Before | After
---|---
13% | (2%)