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Telefónica UK -
Benefits of a **Version 1**
SAM Managed Service



VERSION 1



A three-year contract was awarded by Telefónica UK to Version 1 for a SAM Managed Service from a tendering process based on cost optimisation expertise, industry reputation and a proven methodology.

Telefónica UK is a telecommunications services provider in the United Kingdom and is branded as O2 for the consumer market. The following Customer Success Story outlines the components of a Version 1 SAM Managed Service, with the demonstrable benefits delivered to the customer.

The Customer's Challenge: Effective Management of IT Assets

The rapid pace of change in the Information Technology sector including the introduction and maturity of Multi-Sourcing, Virtualisation, Cloud, XaaS, IoT, etc., has meant the licensor's terms and conditions and license grants have become more difficult to decipher as to how they will support the potential usage profile.

With external expertise, Telefónica UK are able to obtain an independent view on whether:

- Telefónica future use cases and strategies are licensed;
- Telefónica will require further investments in licensing;
- Telefónica will need to find alternate vendors/products whose license models are more commercially attractive.

By having this capability, Telefónica UK minimise the risk of unexpected costs if and when software vendors elect to undertake a license review / audit of Telefónica UK's use and mature the management of entitlement rights against usage. Telefónica UK concluded that the management of software assets is a complex discipline requiring skills and expertise outside Telefónica UK's core business and the decision was made to invite tenders for a SAM Managed Service.

Solution

A three-year contract was awarded to Version 1 for a SAM Managed Service from the tendering process based on cost optimisation expertise, industry reputation and a proven methodology. The key components of the service include an execution tier based on a proprietary technology, the delivery of new and optimised processes all underpinned with a consultancy service backed by years of deep industry experience. The service enablers were delivered in partnership with Telefónica UK using a blend of the Version 1 methodology and the Telefónica UK project execution framework.

Benefits

The primary benefit for Telefónica UK is one of governance to underpin the corporate SAM Policy, support business transformation and growth whilst simultaneously seeking to comply with the various licence agreements entered into. The enforcement of SAM processes and best practice, coupled with the leverage of Version 1 expert advice has minimised unnecessary costs and optimised complex contracts yielding significant licence, subscription and support savings.

Leading Global Software Vendor 'True Up'

The licence agreement between a leading global software vendor and Telefónica UK makes provision for a 'true up' to accommodate any increments to the software estate on an annual basis. The true up is a contractual mechanism for retrospective payments to be made for the consumption of software.

The commercial construct of the agreement includes the acquisition of perpetual licenses, any support and maintenance and finally any software subscriptions.

The Version 1 SAM Team were involved in the calculation of the effective license position for the software vendor as part of the annual contractual true up.

How did the Version 1 SAM team approach this?

The SAM team worked collaboratively with Telefónica UK stakeholders and the software reseller to analyse software product usage data extracted from the Telefónica UK software management tools.

The iterative process of analysis, querying, verification and assignment of licenses to devices, processors and users took a period of around 3 months in elapsed time to complete. Once



complete, the effective license position calculated was used as a vehicle to declare the precise details of which incremental software product purchases were required.

Real Difference, Delivered

When the analysis was completed and shared with Telefónica UK there was a verification to establish that the original true up position had been overstated meaning a lesser quantity of licenses and support were required than anticipated.

Once the declaration was made to the leading global software vendor and verification was received regarding the final payment required to true up, the process to raise the purchase order and contract amendment was initiated.

The support and advice from the SAM team in collaboration with the various technical teams resulted in a significant cost avoidance (the difference between the reseller recommendation and the agreed true up advised by Version 1).

In Summary

The Version 1 SAM Team are a trusted adviser and through this contract with Telefónica UK are delivering favourable governance and optimisation outcomes.

About Software Asset Management at Version 1

Our independent and experienced Oracle and Microsoft licensing consultants (covering all aspects of enterprise licensing) provide expertise to customers globally, ensuring customers get the best value from their assets. The scale of Version 1 means we also have technical consulting experts to provide a one-stop shop for moving to the Cloud. Talk to our Software Asset Management and Licensing experts to learn more about taking control, quantifying risk, and identifying and optimising opportunities: version1.com/sam



To find out how to take control of your Software Assets, contact us:

www.version1.com

