

## Data#3

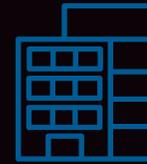
# Data#3 Helps Resource Customer Prepare for Transformation with Software Portfolio Management Solution

**A Data#3 Customer Story**

# Data#3

## ABOUT THE COMPANY

The resources industry accounts for six of Australia's top ten goods, and provides a substantial contribution to the nation's economy<sup>1</sup>. As a service provider to the industry, the customer operates on a 24/7 basis, so it is essential that chosen technology providers can maintain pace.



## OBJECTIVE

This Data#3 customer sought to inform a digital transformation strategy by prioritising software investments that aligned to the overall organisational goals.



## FUN FACT

**91%** of organisations are engaged in some form of digital initiative.



## COMMENTS

“Our greatest strength is our customer-centric focus. Our Licensing Consulting Services are not about selling software, but rather augmenting our clients to ensure they're making informed software decisions, minimising waste and maximising returns.”

Paul Crouch, General Manager NSW & ACT, Data#3 Limited



## APPROACH

In today's changing world, organisations must embrace modern technology to survive. With a goal of realising operational efficiencies and improved digital experiences for all stakeholders, this customer prioritised digital transformation into each IT decision. With software maintenance renewals due, there was an opportunity to consider alternative solutions. The customer issued a request for quote, evaluating responses from several potential providers. Frustrated by prior experiences of empty promises of 'value-add services' that evaporate once the purchase order was received, this client selected Data#3's Software Portfolio Management service to help them make the right licensing choices.



## BENEFITS

- Simplified software budgeting
- Limited IT resources were enabled with more time to focus on strategic activities
- Clear visibility of software assets
- Greater digital transformation readiness
- Better prepared stance for future software market shifts
- Positive return on a two-year investment within the first quarter
- Savings above \$124,000 in the first year



## TECHNOLOGY

- ✓ Software Portfolio Management



Gartner (2020), Digitalization Strategy for Business Transformation, [Online] <https://www.gartner.com/en/information-technology/insights/digitalization>



## The Background

The resources industry accounts for six of Australia's top ten goods, and provides a substantial contribution to the nation's economy. As a service provider to the industry, the customer operates on a 24/7 basis, so it is essential that chosen technology providers can maintain pace.

Working methodologies have significantly evolved within the resources industry over just the last few years. This evolution is not restricted to work sites; management, logistics and trade have all evolved significantly, when compared to the methods of only five years ago. In this rapidly changing environment, the customer was aware of the key requirement to leverage their technology to constantly reinvent its service offerings.

## Challenging the Status Quo

The emergence of cloud has ushered in a wealth of new opportunities for businesses. Whether streamlining processes, enabling mobility, or inventing completely new services, the digital transformation choices are endless. However, this unlimited variety comes with its own requirements: without expert management the flood of applications can create difficulties for IT departments to maintain budgets, and can blow out spending as a result. Software is fundamental to the customer's ongoing success, yet poor visibility of its software position made it difficult for management to fully understand what was happening in the business.

The customer's small IT and procurement teams play a key role in supporting the around the clock maintenance of the customer's business. Juggling licensing and maintenance requirements was a time-consuming process.

*"When an organisation is dealing with a lot of vendors, it takes a lot of time as you manage information such as banking details, expiry dates, and agreement terms and conditions. Streamlining to a single partner can reduce overheads and provide a better financial outcome for the business,"* said Data#3 General Manager, Paul Crouch.

*Like most businesses, as the customer fought to keep pace with technological change, varying staff and teams had added software licenses for many purposes, which resulted in an often-confusing situation. Without a clear view, the IT team was hesitant to cancel software that had no clear use, in case it affected seemingly unrelated operations, like "a game of software Jenga."* With renewal dates misaligned, contract arrangements were inconsistent making it difficult to budget. The situation was a distraction that hampered the path to digital transformation.

Software maintenance renewal was due, but faced with a tangled web of contracts and times, the customer decided it was time to take a step back and seek help to assess the situation.

*"They had renewals coming in from companies they had never heard of, and then they were being told they were no longer supported. If budgeting was hard, administration was almost impossible; something as simple as a vendor name change in their commercial systems, triggered a spectacular amount of paperwork."*

With many high-profile hacks against other organisations made possible by unpatched software, knowing that the business depended on out of support software was a wake-up call.

*"Fortunately, the customer knew that the risks posed did not meet their security profile, and this understanding motivated a need for digital transformation."*

## The Outcome

Commencing work immediately, the Data#3 team firstly established a baseline position, documenting every software license in place. This initial exercise gave the customer new insight into the inner workings of the organisation, and helped the IT team to understand ways to efficiently adapt and grow, in a tumultuous business landscape. Without this insight into the organisation, the digital transformation would be rendered slower, and less effective.

Next, the licensing specialists evaluated both short-term and long-term commitment periods, negotiating with vendors on behalf of the customer, to secure more favourable agreements. By obtaining renewal incentives, the customer was able to achieve early savings of \$40,000. Further spend optimisation resulted in an additional \$15,000 in savings for the customer.

*"The Data#3 team contacted each business and arranged a better deal well ahead of the renewal times. In doing this, the customer had the assurance they would be supported, as well as continuing to reduce costs,"* explained Crouch.

That behind-the-scenes work, using Data#3's Software Portfolio Management ("SPM") service, involved analysing requirements throughout the business, then exploring investment options to assess their suitability. Because most software has multiple purchase possibilities, the Data#3 team evaluated and forecasted the impacts of each alternative, presenting the customer with a report outlining which choice best matched their business requirements. Such decisions are now based on trusted, data-driven insights.

Where the standard software reseller approach profits from chaos and a lack of clarity, the SPM fee for service model thrives on order, clarity and collaboration, creating the ability to realise operational efficiencies. For the customer, the greatest efficiency came from consolidating the number of software partners they dealt with, so that instead of an impossible juggling act, they could deal with just a few, and maintain a clear, consistent view of when renewals were due. Once the customer had chosen their preferred licensing options, transactions were conducted with a low, transparent margin, so they always knew that they were getting the best deal available. A cost savings of \$124,000 was created in the first year- a sizeable amount in an organisation with an annual IT budget just over \$850,000.

*“Software is the highest non-human expense in most IT departments, but with the improved visibility of the environment, the customers’ IT team can now conduct an annual review of their software landscape and make changes as needed. The flexibility to adapt and change can also lead to substantial cost savings for the business,”* said Crouch.

The clarity that the customer gained has made it easier to forecast annual budget allocation for software licensing. The accurate records make it possible to track spending and usage, and see where duplicate solutions can be consolidated.

Where previously there was an overlap of some licenses, this has been streamlined so that every part of the business has the functionality required, removing overspend and technical support effort.

*“A key focus for the customer was to have the right partner, one who would empower their business to maximise the value of their technology investment and provide the software needed to enable digital transformation,”* explained Crouch.

With the Data#3 team of licensing consultants handling negotiations and researching market trends, the customer’s IT group has escaped a sizeable administrative burden. No longer bogged down with keeping across the details and managing a complex software portfolio, the IT team can now concentrate on their key function: empowering the business with technology.

Moving forward, the customer feels confident to be collaborating with a partner who helps them think differently about their software investments, guiding the business in a commanding and advantageous position.

*“Businesses that are facing similar challenges with their software environment and looking for a way forward, should consider leveraging a software subject matter expert to ensure you are maximising the return on your software investments. Doing this can reduce costs, significantly simplify software budgeting and remove an administrative burden,”* said Crouch.

*“The time of your staff is important, so finding a software partner like Data#3 who can deal with a broad range of vendors on your behalf, allows your staff to focus on higher priority tasks that matter most.”*

In addition to saving time and money, the availability of Data#3 licensing specialists as part of the extended team means that someone is proactively identifying opportunities and mitigating risk within the software portfolio. The agreement also provides the customer with an ongoing priority service on all licensing enquiries, quotes and orders.

*“Our greatest strength is our customer-centric focus. Our Licensing Consulting Services are not about selling software, but rather augmenting our clients to ensure they’re making informed software decisions, minimising waste and maximising returns,”* concluded Crouch.

<sup>1</sup> Austrade, (2020) Australia – a solid trade performance. [Online] <https://www.austrade.gov.au/news/economic-analysis/australia-a-solid-trade-performance>

## Data#3

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