

Data#3 Customer Story

J. Blackwood & Son

*J. Blackwood & Son Achieves License
Optimisation and Cost Advantages with
Licensing Consulting Services from Data#3*

Data#3 | Blackwoods

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Testimonial

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Infrastructure and Cloud Services,
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Objective

As J. Blackwood & Son embarked on a phase of organisational change, it sought to leverage its existing investment in Microsoft licensing while transforming to meet future requirements.

Approach

An upcoming license renewal prompted J. Blackwood & Son (Blackwoods) to investigate what licensing option would best align to forecast business needs. The business were looking to ensure licensing was optimised to support changing requirements and to pass greater autonomy to affiliates they had previously managed centrally. As a trusted Microsoft advisor, Data#3 was able to demonstrate knowledge of the many, complex licensing considerations, develop an understanding of Blackwoods’ business goals and deliver a clear view of the optimal path forwards via its Licensing Consulting Services.

Solutions & Services

- ✓ Licensing Consulting Services
- ✓ Microsoft Licenses

Benefits

- Access to a wider range of Microsoft technologies at reduced costs
- A flexible licensing solution aligned to current and future business needs
- Ability to approach Microsoft audits with confidence
- Beneficial legacy entitlements made available for affiliates
- Enablement of the in-house IT team to make confident, informed decisions about a major business investment

Project Highlight

The Blackwoods team is empowered to efficiently identify and quantify opportunities and risks within their Microsoft portfolio while making informed and confident decisions to protect their largest technology investment.

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The Background

From small beginnings more than 140 years ago, the renowned J. Blackwood & Son expertise (Blackwoods) and service has led the business to emerge as Australia's largest provider of industrial and safety supplies.

As the largest of four businesses within the Wesfarmers Industrial and Safety group, Blackwoods has traditionally taken the lead in technology acquisition. Now, as the other businesses' technology environments have matured, Blackwoods has taken a key role in fostering their growing independence. When a major Microsoft licensing renewal approached, Blackwoods wanted to give each business control of its future agreements, without sacrificing legacy entitlements.

The Challenge

While Blackwoods is an expert in industrial and safety supplies, they also take risk very seriously within their own organisation. This means not only complying with regulations in areas such as workplace health and safety, but also managing risk in key business areas such as IT. Complying with software licensing requirements is just one element that Head of IT Infrastructure and Cloud Services, Adam Barlow, must factor into his planning.

“Exposure in the form of license compliance gap is a key risk, and without the right process, we also could be incurring costs for licensing that we may not be utilising to its fullest,” said Barlow.

Under a previous enterprise agreement contract, Blackwoods acquired Microsoft licenses on behalf of a group of four affiliated businesses within the Wesfarmers Industrial and Safety group (WIS). With strategic changes underway, when the renewal approached, it came time to give each of these businesses control of their own individual contracts, without losing advantageous legacy entitlements.

“Wesfarmers Industrial and Safety consists of Blackwoods and other companies. The Enterprise Agreement covers all businesses in the group, and we have been moving from a centralised IT services across the business to a point where each business is independent, so some of the complexity we faced with license renewal was ensuring allocation of sufficient licenses to each business unit as part of the process,” explained Barlow.

The combination of these structural shifts, and the changes in Microsoft licensing that had been introduced in the three years since the last contract was negotiated, meant that a thorough review was needed. Barlow wanted to ensure that each of the businesses came away with the best outcome.

“Blackwoods has been undergoing a rationalisation and optimisation program for IT infrastructure services, as well as modernising our end user compute fleet, and moving to Microsoft 365. We also have a large Enterprise Resource Planning (ERP) program running, which is moving from a very old in-house developed ERP to Microsoft Dynamics 365, so that's a huge amount change for an organisation of our size. The environment looks completely different today to three years ago when the Enterprise Agreement was signed. All those changes must be factored in, as they have implications on our licensing needs.”

With comprehensive IT management experience under his belt, Barlow had experienced several license audits from providers such as Microsoft, something he said would be “highly stressful” to embark on without a clear understanding of the environment.

“I have been through audits in the past, and they could be painful if you were unprepared or under-licensed. I talked to Data#3 to make sure that there would be minimal impact on the Blackwoods team, who were too busy working on other projects to spend months going back and forth collecting data. We had tight timelines, and Data#3 were incredibly receptive of that.”

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IT Outcome

Having dealt with complex licensing situations many times before, Barlow was aware of the advantages that come with enlisting specialist help. Blackwoods enjoy an excellent relationship with Microsoft and knew that as the software giant's largest Australian partner, Data#3 had the capacity to delve more deeply into the current and planned use of Microsoft technology. They chose to use Data#3's Technology Intelligence Solution, which provides a methodical review of the way the business's users consume technology.

The business's current technology use was mapped against the desired business outcomes, then a detailed proposal outlined a recommended licensing structure that would best suit Blackwoods in the coming years. The gathered intelligence supported Blackwoods to make the most informed decision possible when renewing a major investment, which represented ~\$600K in cost savings when compared to the cost of just renewing the licenses that were due to expire.

“The Data#3 team engaged with our in-house IT team and gathered a lot of data in a four-to-eight-week process. They collected data about our environment, information about the current state, our future technology strategy, and our business direction requirements. Then, the team went away and crunched data, and came up with possible licensing models. There was a process of refining these models based on our review and input, and we settled on the most viable option for us. This process enabled us to play out different scenarios and make decisions around the structure of a new agreement,” described Barlow.

“For example, one option may leave us an amount better off, where an alternative model offered greater capability. We looked from both optimisation and cost perspectives and made sure we had the much-needed flexibility with licensing to achieve our strategic outcomes. Where we had project requirements coming up or rationalisation or consolidation, that was taken into account.”

The knowledge of Data#3's specialist licensing team proved especially useful when it came to unravelling the complex situation of a contract that covered the four WIS companies. Blackwoods opted for an agreement that gave each business greater control of its technology decisions, while preserving legacy licensing entitlements.

“It still exists under the same agreement, but everyone has their own allocation, and more autonomy in terms of how they leverage their licenses going forward. Data#3 played a big part in working through the reconciliation of licenses and getting the right agreements set up,” commented Barlow.

“There was optimisation where we were able to identify where some savings could be used to offset against other things, for example, where changes had been made in our infrastructure footprint, we were able to optimise licensing, and this helped to offset costs related to our new ERP platform. It was really helpful.”

The Technology Intelligence Solution gave Blackwoods visibility of Microsoft licenses, including any that were unused. This knowledge will be especially useful the next time that the business faces a software audit, something that Barlow said will be *“straightforward and relatively painless”* without any surprises.

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Conclusion

A deeper understanding of the way that technology is consumed by Blackwoods' users has proven a valuable exercise. With the highly skilled Blackwoods IT team kept busy navigating structural changes to the business, as well as managing the impact of a global pandemic, investigating license usage is one less thing to fit into a hectic schedule.

“An organisation like Blackwoods has quite a bit of complexity, and timeframes were tight to complete our license renewals. The Data#3 team did a comprehensive briefing on their findings, helped us to complete negotiations with Microsoft, then they assisted with the mechanics of getting the renewal completed. They were very helpful in facilitating us working with the Microsoft licensing team assigned to our account, and getting agreements pulled together, and accommodated minor changes to quantity, to make sure everything was covered,” highlighted Barlow.

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Understanding the implications of changing licensing options, and knowing the best match for specific business needs, is something that Barlow said would require a daily focus. This knowledge is powerful when it comes to managing costs and getting the best value for what is, to most organisations, one of the most sizeable IT outlays.

“Data#3’s strength is that they are extremely knowledgeable about Microsoft licensing and the software asset management process, and the modelling they did was excellent, despite our state of transition at the moment meaning our roadmap has many variables, making it quite a challenging analysis. They were able to be flexible and adapt to all variables we were inputting into the plan. Data#3 worked with us to bring common sense to the situation, and they did a great job of data gathering without a lot of hand holding from us,” recalled Barlow.

“Data#3 are more versed than we can ever be about the licensing options available. It was important to get an independent view. A highlight was the comfort that the decisions we were making around enterprise renewal were the best we could make at the time, we had no outstanding risk with licensing. The ability to find optimisation to help with our overall IT costs has been worthwhile, and we got a good outcome for the business.”

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Data#3 and Microsoft

Since 1994, Data#3 has combined forces with Microsoft to help our customers adapt and grow. Today, we are Microsoft's largest Australian business partner with the highest level of competency across the Microsoft ecosystem. Our hundreds of accredited consultants are ready to help our customers deliver the digital future; from enhancing productivity and collaboration with Microsoft 365 and the latest Surface devices, to transforming business processes with Dynamics 365, to ensuring our customers get the most value from Azure cloud. Our scale and expertise enable our unparalleled support to customers selecting, deploying, managing and securing Microsoft applications, products and devices.

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