

# Data#3

#### ABOUT THE COMPANY

The company provides energy services to support families, communities and businesses across Australia. Technology plays a key role in the company's business objective to continue providing energy services as a safe, sustainable energy provider. Data#3's on-site Software Asset Management consultants seamlessly act as a part of their team.

### **OBJECTIVE**

After learning about an impending audit of software licensing, the company enlisted Data#3's help to gain a clear view of their position.





## **FUN FACT**

Through 2022, in any given month, over 30% of the growing expenditure on software and cloud services will be unused.

Gartner (2018). Software Asset Management for the Cloud: Consumption Management and Optimization Take Center Stage, [Online] Available at: https://www.gartner.com/en/ documents/3894124/software-asset-management-for-thecloud-consumption-mana



Data#3 knows that it can be difficult to manage everything. and we want to help our customers by providing the governance and education they may need to get the best outcome they can possibly get for now, and into the future

Peter Taylor, National Practice Manager for Software Asset Management (SAM).



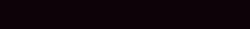
## APPROACH

The company wanted to draw on the expertise of Data#3's SAM specialists to ensure compliance with stringent vendor requirements.

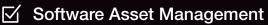


## BENEFITS

- Installation of IBM Licence Metric Tool (ILMT).
- Best-practice IBM Licensing measures in place.
- Ability to respond effectively to IBM software audit.
- Avoided financial and reputational damage.
- Raised awareness of the need to manage software licences appropriately.
- A clear view of software assets and obligations.



## **TECHNOLOGY**







### The Background

The company provides energy services to support families, communities and businesses across Australia. Technology plays a key role in the company's business objective to continue providing energy services as a safe, sustainable energy provider. Data#3's on-site SAM consultants seamlessly act as a part of their team.

The audit was unexpected. Without prior experience of the audit process, the prospect was daunting for the IT team, but knowing their Data#3 colleagues were familiar with the process was reassuring.

### **The Challenge**

With a significant investment in IBM software, the company understood that they held appropriate licensing for their environment. While IBM has a reputation for being tough on software licence compliance, Data#3's National Practice Manager for Software Asset Management (SAM), Peter Taylor, knew it was important for the company's staff to gain an understanding of their compliance methods.

For the company, IBM wasn't a vendor they were familiar with in terms of entitlements and contractual requirements, but after an internal discussion it was clear there was some uncertainty surrounding their situation.

Informing the company's senior management of the audit was going to be difficult since the initial assessment did not give sufficient clarity over the IBM software in use. It was vital to prepare for a very complex audit procedure and, moreover, to ensure strong governance in this matter.

Initially, they wanted to assess their contractual position prior to the audit to give management peace of mind that the business was doing the right thing. The saving grace was the presence of on-site SAM specialists from Data#3.

With an existing relationship with Data#3, they knew they could turn to their consultants for guidance to understand their current situation including any contractual obligations.

It emerged that a key piece of technology, contractually mandated by IBM, had not been deployed. Overlooking installation of the IBM Licence Metric Tool (ILMT) could have opened the Company up to a significant compliance risk if they were found to be at fault. It was time for some detective work to establish the facts.

"At this point, Data#3 recommended leveraging the expertise of our IBM consulting partner, Navigate Clear, to help us with the implementation of ILMT aswell as support the customer through the audit," explained Taylor.

#### **The Outcomes**

It became apparent that when IBM technicians had installed the hardware in question, ILMT software had not been installed to manage sub-capacity for Processor Value Unit (PVU) licensing requirements.

"There were many different types of software in the environment, with a lot of them based on hardware and CPUs. They each had different requirements for reporting," said Taylor. This omission had not been picked up by the company's staff, who believed everything the IBM technicians had installed was in order. Once alerted, the Data#3 team were quick to install the software, giving the company a clearer picture of their compliance situation.

The audit process was lengthy and demanded a considerable amount of time and focus from the company's team over a period of seven months. In itself, this could have carried a significant financial burden, but smart collaboration with Data#3 and Navigate Clear showed the value of strong IT partnerships.

During those months, auditors would send questions to the Company, and then, based on responses, would send follow-up questions as they worked methodically to determine compliance. Finding the answers was often far from easy.

"The company's staff spent days trawling through the mailboxes of ex-employees to find emails from IBM engineers relating to the hardware, as they initially set it up. The environment hadn't changed from the set-up that was established, and they were able to frame that contractually to show they had acted correctly,"

Taylor recounted.

Having an experienced team to handle the situation made it possible to work through the process and answer queries about a complex situation. It was essential to take a calm and reasoned approach, with advice from experts in software licensing.

"By collaborating with Navigate Clear, we were able to provide the company with guidance on how to respond to IBM and provide advice at each stage to get the best outcome," said Taylor.

"The company's statements were substantiated by the emails they retrieved from the IBM engineers who performed the installation, and once the auditors saw this, they were satisfied that the appropriate actions had been taken."

While the company is careful to meet its contractual obligations and act as a 'good corporate citizen', the experience of the audit highlighted some opportunities to improve processes. Where previously compliance was handled by different areas of the business, measures have been put in place to oversee software licensing. Additional training has also been provided to the business.

The audit gave the company a real immersion into IBM's compliance regulation, enabling them to put in place safeguards and the team is now very aware of compliance needs.

Additionally, the company's staff now receive regular reports thanks to the ILMT software now installed. This monitoring is a necessity in a complex, ever-changing environment.

#### Conclusion

Embarking on an audit is daunting, but it can be made less stressful by having a very clear view of compliance obligations and working with an experienced Software Asset Manager.

Receiving confirmation that the company had cleared their audit was the reassurance they needed to restore confidence in their environment.

It was also clear that what began as a rather complex experience, has better positioned the company for any future audits while equipping staff with a much deeper understanding of their environment and software in use than they had before.

"Data" 3 knows that it can be difficult to manage everything, and we want to help our customers by providing the governance and education they may need to get the best outcome they can possibly get for now, and into the future," concluded Taylor.

## Data#3

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