

## **USING STRATEGIC LICENSE MANAGEMENT TO MAXIMIZE YOUR SOFTWARE ROI**

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### **KEYWORDS**

License Management, software ROI, maximize ROI

### **ABSTRACT**

Budget is typically prioritized and allocated based on the profitability of any given sector, and IT spending has always been susceptible to the cold calculations of cost control procedures and policies. Software investments are often considered intangible and their business value is difficult to prove. As a result, IT leaders usually get a budget that is inadequate to effectively carry out initiatives.

One issue that compounds the problem is that, too often, new software license purchases and upgrades are simply based on estimated headcounts, thus resulting to overspending. Companies may have the expertise to determine which financial metrics are critical for cutting down unnecessary expenditures, but they often lack resources to identify usage issues, such as how frequently applications are utilized. Without an accurate usage report to measure the effectiveness and returns of the software investments, organizations often waste money by buying more licenses than they need, and renewing more licensing contracts than they are actively using.

Analyzing the business impact of technology usage is crucial in making prudent decisions to justify IT projects, reduce costs and achieve greater ROI. Utilizing usage data reports provides not only a more structural approach to cost management, but it can also help companies gain more control and visibility to fully use IT assets and serve the enterprise.

Software usage data can help engineering and simulation application managers analyze trends, forecast future costs more accurately, and improve budgeting. Business units appreciate transparency, and having a centralized usage metering mechanism in place will contribute to

better valuation of IT investments. It will enable organizations to measure how much and how often software assets are used, which will allow business leaders to know if the assets are being used efficiently.

Understanding actual software usage helps companies to identify over-licensing of software, which will allow them to make informed decisions to cut surplus licenses and unnecessary maintenance and support, or increase licensing where needed. Armed with accurate data on software usage, these organizations can plan and budget more proactively.

Incorporating usage metering tools into an organization's strategic license management program can have a fast ROI, providing substantial cost savings.