



## Microsoft Customer Solution Customer Solution Case Study

### Costs and Ensures Legal Compliance

#### Overview

**Country/Region:** Germany

**Industry:** Manufacturing

#### Customer Profile

VESTOLIT operates polyvinyl chloride (PVC) production plants in Europe. The company has built a market-leading position in PVC for window frames, floor coverings, tarpaulins, and underbody coatings.

#### Business Situation

The company software and licensing administration had become very complex. As a result, administration was costly and did not guarantee legal compliance.

#### Solution

An independent consultant's evaluation of VESTOLIT's situation and needs resulted in the introduction of a thorough inventory check and a new licensing model.

#### Benefits

- 15 percent reduction in costs
- Simplified administration
- Improved legal compliance
- Online inventory checking
- Employee compliance

“By analysing and optimising our licence processes, we have achieved clear savings of approximately 15 percent.”

Heinz-Josef Wolters, Chief Information Officer, VESTOLIT

VESTOLIT is a leading European manufacturer of polyvinyl chloride (PVC). Continually improving operations is central to the company's long-term strategy. During 2002, VESTOLIT began exploring its software licensing practices. It discovered that licensing arrangements were so complex that it could not ensure legal compliance. Lengthy and costly processes were required every time the company needed new software. Deciding which new licence models were required was also difficult and often added to the complexity. An independent consultant, T&A SYSTEME, introduced a licence hire model that reduced complexity, simplified and improved administration, and cut costs by 15 percent.

## Situation

VESTOLIT is one of Europe's largest manufacturers of polyvinyl chloride (PVC). It employs about 700 people and is a market leader in the production of PVC for window frames, floor coverings, tarpaulin fabrics, and automotive underbody coatings. The company is committed to continuous improvement across all of its operations, and during 2002 it began examining the sourcing and administration of software.

VESTOLIT has built an IT structure using leading products from suppliers such as Microsoft, Citrix, and Novell. The need for a flexible IT infrastructure increased as the business grew. But the company's software licensing administration was so complex that it became increasingly difficult to ensure legal compliance.

The PVC manufacturer had a large number of licensing models that had followed in the wake of business units being spun off from the group structure. Each unit had made its own licensing arrangements. As a result, when new software was required it became an expensive and time-consuming process to establish whether unused licences were available or whether existing licences were valid for updates.

At the same time, the multitude of available licensing options meant that deciding on the most appropriate model was difficult. As a result, VESTOLIT commissioned independent licensing consultancy T&A SYSTEME to examine its licensing models and develop a solution.

Heinz-Josef Wolters, Chief Information Officer, VESTOLIT, says, "We wanted licensing reform in order to reduce administrative burdens and costs, and ensure legal compliance. We also needed to provide access to current products at any time, without having to go

through the entire sourcing procedure each time."

## Solution

T&A SYSTEME launched a licence management project with an inventory review of all licences. It also traced and validated licence update paths, and within a few days all certificates and agreements had been documented. Using a central management system, the IT department had already established what software was sitting on which machines. As a result, T&A SYSTEME was able to carry out spot checks of the data within a few hours.

The review revealed over-licensing for operating systems. Mirko Hennekes, Project Leader for Licence Management, T&A SYSTEME, says, "This was a surprise for VESTOLIT, but in our experience it is very common. A lot of companies are throwing away money because of over-licensing. The reason for this lies mainly in a lack of transparency. Some companies take the view that it's better to have too many licences than to have too few. But others don't have enough, which can bring other problems. Licensing is often not a priority for many companies, but it really is in their best interest to address the matter."

The second phase of the project focused on assessing precise software requirements, and analysing sourcing and administrative processes. This was necessary in order to develop a customised licensing model to meet VESTOLIT's specific needs.

T&A SYSTEME established who was using what software and whether they really needed it. It also determined time frames for product changes and discontinuation of support for individual software products. These factors were measured against the long-term IT strategy of VESTOLIT, and

resulted in a detailed specification of required software for the coming years. During the second part of this phase, T&A SYSTEME also analysed the processes used for sourcing and administering licences and software. The intention was to uncover weak spots.

Based on the results, T&A SYSTEME developed several potential implementation routes for a licence hire model. The licence hire model, for corporate customers, is based on requirements-driven software sourcing methods. The consultant also provided detailed budget planning, modified service instructions, and process definitions.

## Benefits

### Fifteen Percent Cost Savings

With the new corporate licensing hire model, annual installments have improved price transparency and budget planning. Software costs have been lowered through order bundling and discounting agreements. Wolters says, “By analysing and optimising our licence processes, we have achieved clear savings of approximately 15 percent.”

### Simplified Administration

T&A SYSTEME introduced an online tool to access an up-to-date licence inventory. Wolters says, “The administrative work has been vastly simplified. We have instant access to a licence inventory, and both administrators and relevant departments are benefiting from requirements-driven software sourcing methods. Now, we only implement new software if it addresses compelling requirements.”

### Legal Compliance

VESTOLIT passed on the licensing data and documentation to Microsoft. As a result, Microsoft issued a licence management certificate. This confirms that the use of software at VESTOLIT is in accordance with Microsoft® licensing conditions. Wolters says,

“Knowing that we are accurately addressing the Microsoft guidelines and have legal compliance certainly brings peace of mind.”

### Employee Compliance

Employees are sometimes reluctant to give up software, even if it is not essential. Because T&A SYSTEME is an independent consultant, VESOLIT found it easy to uninstall unnecessary software. Hennekes says, “Employees don’t volunteer to give up software. But it was easy for the IT department of VESOLIT to limit the large number of unused applications. The IT department pointed out to employees that the decision was based on the verdict of an external consultant.”

## For More Information

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For more information about T&A SYSTEME products and services, visit the Web site at: [www.systeme.de](http://www.systeme.de)

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