



Microsoft Software Asset Management Customer Solution Case Study



Overview

Country or Region: United States

Industry: Healthcare

Customer Profile

Software Management Systems Inc. provides businesses with solutions and training that transform the challenge of software asset management into a competitive advantage.

Business Situation

During a routine software inventory, a large regional medical center discovered that it needed help in more effectively managing its large number of software titles and their complex licenses.

Solution

Software Management Systems Inc. worked with the medical center to implement a customized software asset management program.

Benefits

- Qualifies for 20 percent volume discount
- Simplifies IT administration
- Promotes best practices and HIPAA compliance
- Maximizes value through Software Assurance

Center Promotes Regulation Compliance

“By making fewer but larger purchases, the medical center qualifies for a higher-level volume license agreement, and the center’s discount has risen from 5 percent to 20 percent.”

Marsha Murry, Chief Operating Officer of Software Management Systems Inc.

Based in Redmond, Washington, Software Management Systems Inc. (SMS Inc.) helps businesses implement software management policies and comply with license agreements. In mid-2005, a large medical center conducted a routine check to make sure its IT systems were complying with medical regulations. Results revealed inconsistencies between software and licenses, and because the licenses were complex, the center contacted SMS Inc. for recommendations in managing them more effectively. SMS Inc. worked with the center to implement a customized program of software asset management (SAM). The program promotes best practices that help the center comply both with software licenses and with unrelated medical regulations. It simplifies IT administration through efficient software distribution, tracking, and reporting. And it saves money by identifying a 20 percent volume-discount opportunity.

“When I interviewed the medical center’s compliance officer and explained how SAM works, she saw right away that it would complement the center’s existing policies on medical regulatory compliance.”

Marsha Murry, Chief Operating Officer of Software Management Systems Inc.

Situation

Since 1980, the employees of Software Management Systems Inc. (SMS Inc.) have helped companies to successfully manage billions of dollars worth of software and other intellectual property assets. Based in Redmond, Washington, SMS Inc. provides efficient turnkey and custom solutions and high-quality training that transform the challenge of software asset management (SAM) into a competitive advantage. Specifically, SMS Inc. helps companies to validate software license compliance and define software management policies and procedures. SMS Inc. doesn’t sell software but is a software license expert and an outsource provider of software license management.

In mid-2005, a large regional medical center in Kentucky conducted a routine examination of its procedures and IT systems to make sure they were complying with the Health Insurance Portability and Accountability Act (HIPAA) and the Joint Commission on Accreditation of Healthcare Organizations (JCAHO). Under HIPAA in particular, healthcare providers must use stringent administrative, physical, and technical safeguards to protect patients’ medical information. These safeguards include the hardware and software that processes that information.

During its software inventory, the medical center discovered that the number of products it had to administer was large, that the software license agreements were complex, and that inconsistencies between software and licenses were difficult to resolve. The medical center already understood that software licenses are valuable, and treating software products as assets makes good business sense. To make the best use of these assets, reduce costs, and promote best practices, the company wanted to expand and formalize its existing

software management procedures, but administrative resources were already stretched thin. The medical center needed assistance and guidance from software management experts.

Solution

In October 2005, the medical center contacted SMS Inc. for advice in implementing a rigorous software asset management (SAM) program. “The first step is always a complete inventory and reconciliation of software and licenses,” says Marsha Murry, Chief Operating Officer of Software Management Systems Inc. “But the medical center was very proactive. For our initial consultation, the center’s IT staff had already prepared a report that they presented to us. That demonstrated a very committed attitude toward the whole SAM process. They were very enthusiastic about doing the job right.”

Specifically, the medical center had used Microsoft® Systems Management Server 2003 to perform an exhaustive inventory of every software title the company used. Systems Management Server 2003 is an enterprise-class software distribution and asset management solution that provides comprehensive inventory analysis, operating system and software distribution, software usage tracking, and reporting. “There are a number of different software inventory and discovery tools that we use and recommend,” says Murry. “Systems Management Server is one of the best.” Systems Management Server was an ideal choice for the medical center because the center’s IT infrastructure was based on the Microsoft line of server software, including the Microsoft Windows Server® operating system, Microsoft Exchange Server communication and collaboration software, and Microsoft SQL Server™ database.

Over the next four weeks, SMS Inc. worked with the medical center to develop SAM policies and procedures that would best meet the center's needs. "The medical center already had the beginnings of a SAM program," explains Murry. "Because they were taking steps to comply with HIPAA and JCAOH, they had a foundation for SAM without realizing it. While that gave us a good start, our approach at SMS Inc. is to be comprehensive and to encourage customers to apply best practices, so there was still a lot of work to be done." Specifically, SMS Inc. recommended the following actions as part of a robust SAM program and provided guidance on how to get them started:

- Centralize the medical center's budget authority over software purchases
- Implement a charge-back accounting process between the IT department and other departments to build value for the IT department's new purchasing authority
- Implement an organized, multistage computer and software replacement program, instead of replacing all computers at the same time when they reach a certain age
- Compile an ongoing, automatically updated electronic software and hardware inventory
- Begin using the configuration-change and configuration-management features that are already built into Systems Management Server
- Assign a permanent SAM manager to oversee policies and procedures
- Create an IT Governance Committee to function as the final authority on IT policies and strategies
- Join the Microsoft Software Assurance maintenance program to qualify for new software version rights, more-flexible payment options, additional training, and expanded support

In addition to the recommendations from SMS Inc. the medical center added a few action items of its own:

- Update the employee code of conduct to include SAM policies and issues
- Review the code of conduct during annual performance evaluations
- Give a written test to appropriate employees to make sure they understand the new SAM program

By the end of 2005, having defined a clear SAM strategy, the medical center was ready to fully implement the plan and to begin reaping the benefits of it.

Benefits

Software Management Systems Inc. helped the medical center realize significant cost savings through software asset management. The medical center saved by identifying opportunities for volume discounts. The software asset management program also simplifies the medical center's IT administration through efficient software distribution, tracking, and reporting. In addition, it promotes best practices and helps the medical center to maximize the value of its software.

Qualifies for 20 Percent Volume Discount

Many companies are reluctant to conduct a full software inventory, fearing that they will discover inadequately licensed products and will have to pay fees to bring those products into compliance. Although that is a common outcome, an unexpected benefit is that companies will often discover overlicensed products that only a few employees use. Similarly, the companies often find that they can save money by making simple changes to the way they purchase products and licenses.

By consolidating the purchases of multiple departments, the medical center benefits

“Companies are always worried about the costs associated with inventorying their software,” concludes Murry. “It’s very satisfying when I can show them how much they’ll gain from SAM.”

Marsha Murry, Chief Operating Officer of Software Management Systems Inc.

from procurement efficiency (the accounting term for buying in bulk). “Before our recommended SAM changes, the medical center did not have a centralized purchasing authority,” says Murry. “Now, instead of having each office buy one or two copies of a product, the medical center can aggregate its orders. By making fewer but larger purchases, the medical center qualifies for a higher-level volume license agreement, and the center’s discount has risen from 5 percent to 20 percent. The discount applies to both near-term and long-term purchases, so it’s a substantial and ongoing benefit.”

Simplifies IT Administration

Several of the recommendations from SMS Inc. streamline the medical center’s IT operations and use IT resources more efficiently. For example, with Systems Management Server, the medical center not only has a tool for tracking and inventorying software but also for deploying and configuring software remotely. Systems Management Server delivers software updates and business applications directly to the computers and users who specifically need them, without requiring a visit from an IT technician.

SMS Inc. also recommended that computers be replaced or upgraded in stages and with advance planning. By spreading out its replacement expenditures over time, the IT department manages cash flow better. “Windows Vista™ and new versions of Microsoft Office are coming out soon,” says Murry. “We helped the medical center begin planning for that expenditure early, identifying which employees will need upgraded hardware and software first. This avoids sudden, large outlays that can disrupt departmental budgets.”

Promotes Best Practices and HIPAA Compliance

The medical center views implementing SAM not as a singular task but as part of a broader policy of adopting high standards and best practices. Although SAM has nothing directly to do with HIPAA, adhering to best practices can help the medical center better follow certain HIPAA requirements and thus avoid future burdensome and potentially expensive administrative difficulties. “HIPAA governs IT processes that may affect the security of software,” explains Murry. “One example is the prohibition, or at least the restriction, of downloading or installing software. Unauthorized programs can potentially cause problems, introduce malicious code, and impede networks—all of which may affect the privacy and security of databases. SAM policies and procedures help avoid these problems. In this way, SAM makes HIPAA compliance easier.”

The medical center has strong incentives to follow and maintain its best practices. “Failure to comply with HIPAA and JCAHO regulations can jeopardize operating licenses and federal funds,” adds Murry. “When I interviewed the medical center’s compliance officer and explained how SAM works, she saw right away that it would complement the center’s existing policies on medical regulatory compliance.”

Maximizes Value Through Software Assurance

SMS Inc. encouraged the medical center to join the Microsoft Software Assurance maintenance program. The program includes a variety of benefits that help companies get the most out of their Microsoft software:

- Eligibility to use new releases of Microsoft software as soon as they become available
- Flexible payment options
- Access to planning and solution services
- Additional training through vouchers and e-learning programs
- Expanded technical support

For More Information

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For more information about Software Management Systems Inc. products and services, call (425) 313-9969 or visit the Web site at: www.swmanagementsystems.com

■ Enterprise licensing options

“As a matter of routine, we go over Software Assurance with our customers,” says Murry. “The medical center looked very favorably on our recommendation, and they’re looking forward to the Software Assurance program’s ongoing benefits.”

With a SAM program in place, the medical center can now focus its administrative talent and IT resources on the task it cares most about—giving patients the best possible medical care. “Companies are always worried about the costs associated with inventorying their software,” concludes Murry. “It’s very satisfying when I can show them how much they’ll gain from SAM.”

Microsoft Software Asset Management

Software Asset Management (SAM) is a process to help your company optimize your technology investments. The benefits of SAM are real and widespread. Knowing what you have, acquiring only what you need, and using your software assets effectively at every stage of their life cycle are strategic business practices that businesses of all sizes should employ to realize benefits. These benefits include cost savings, enhanced security, enhanced employee productivity and satisfaction, and more.

For additional information, including free tools and resources, visit: www.microsoft.com/sam

Software and Services

- Microsoft Servers
 - Microsoft Windows Server 2003
 - Microsoft Systems Management Server 2003

Partner

- Software Management Systems, Inc.

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Document published June 2006

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