



SAM at Stora Enso

Software Asset Management Seminar

Helsinki 2011-05-10



The presenter

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Software Asset Manager at Stora Enso since April 2009.

Worked with IT in different positions since 1991, previous position was IT Manager at Wasabröd, Part of Barilla Group.

Johnny Westholm

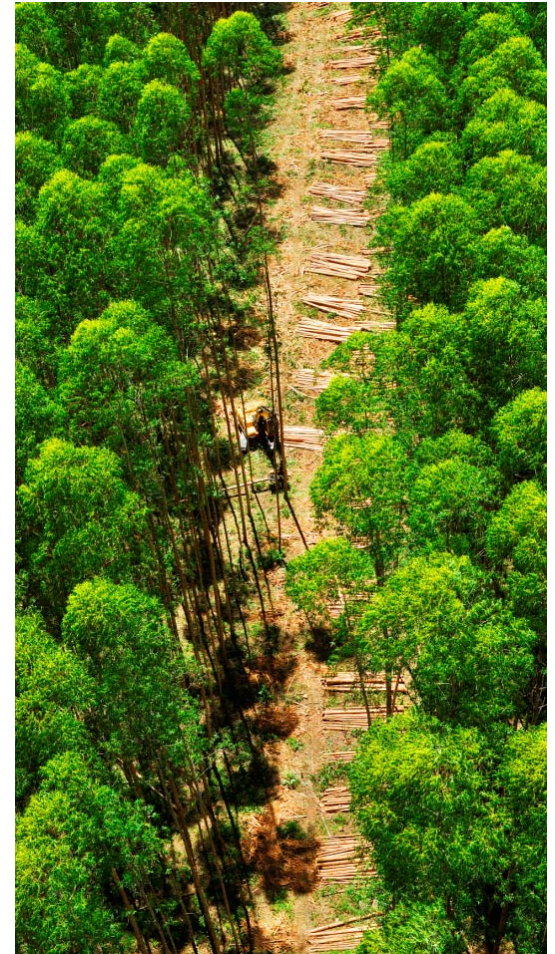
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Topics

- Stora Enso in brief
- Our story
- Why SAM?
- Pitfalls





Stora Enso in brief

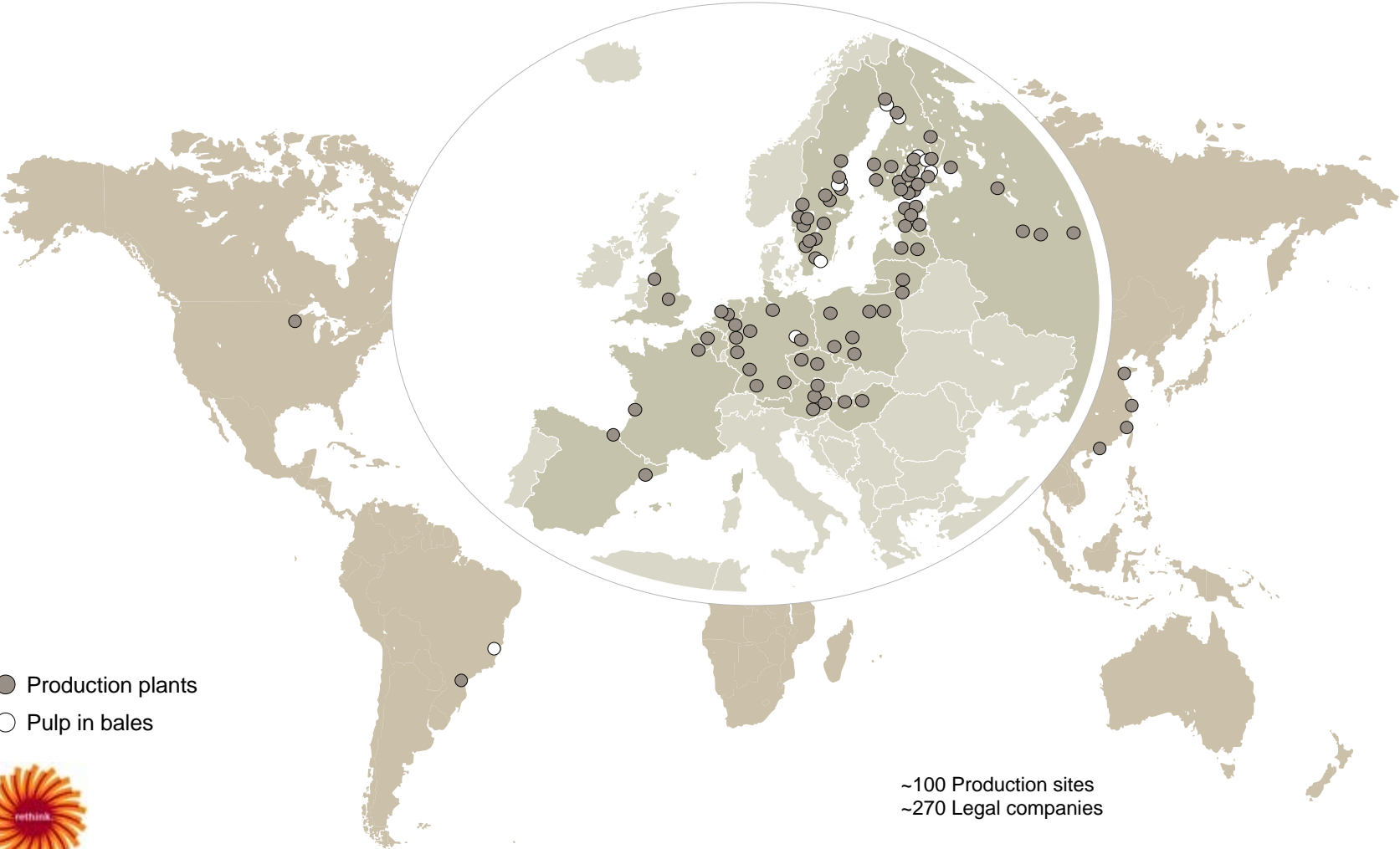
Stora Enso in brief

Stora Enso is the global rethinker of the packaging, paper and wood products industry. We always rethink the old and expand to the new to offer our customers innovative solutions based on renewable materials.

- Approximately 26 000 employees in more than 35 countries worldwide
- Sales 2010 EUR 10.3 billion
- Operating profit 2010 EUR 754.1 million
- Market capitalisation EUR 6.1 billion
- Shares listed on Helsinki and Stockholm stock exchanges



Production plants



~100 Production sites
~270 Legal companies



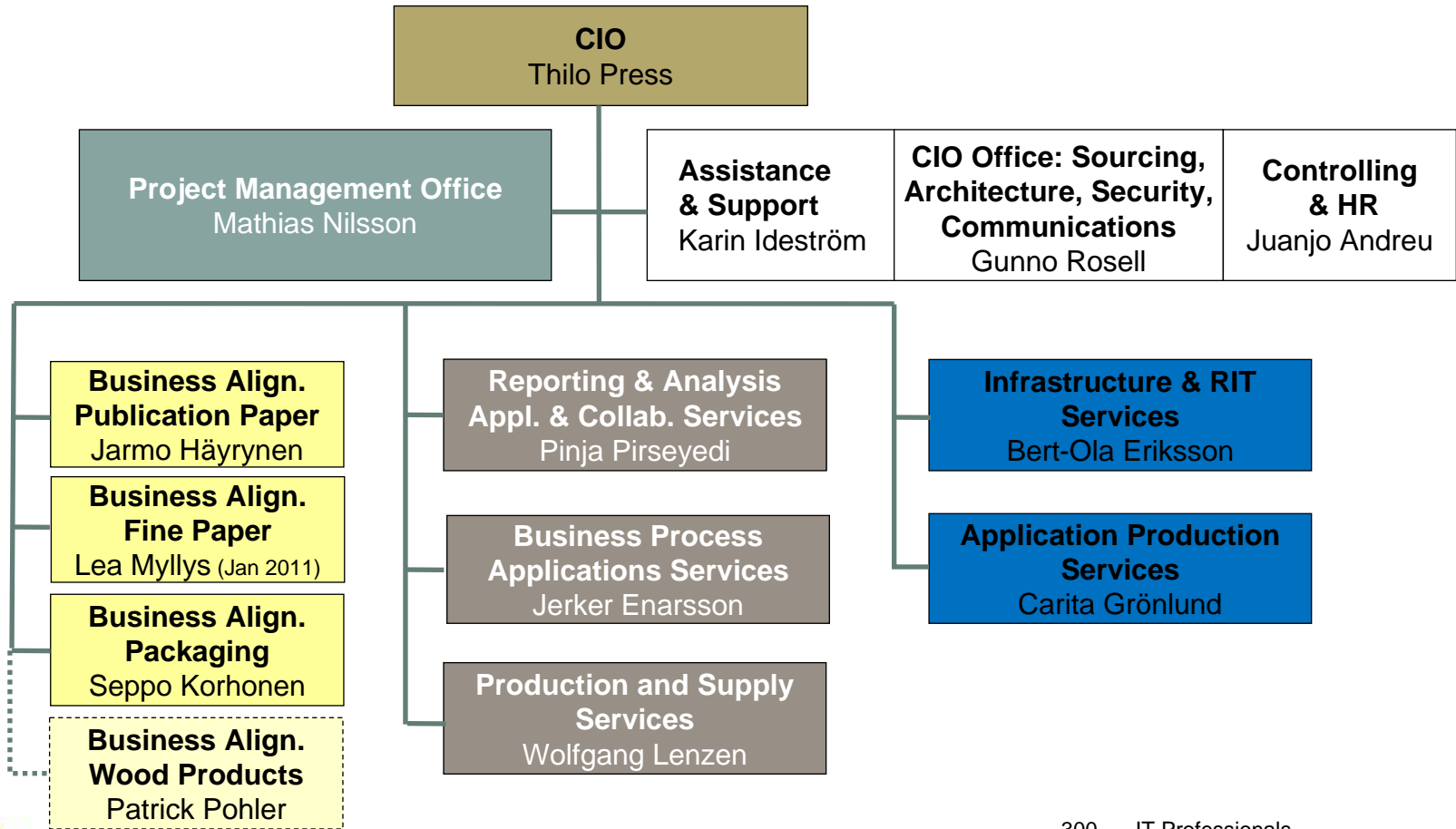
Our promise – vision and mission

Vision: Today we as a company, people and planet face new challenges never before seen. The world needs a new approach to materials.

Mission: We will win with solutions based on renewable materials.



Business Information Services



~300 IT Professionals





Our story

Our story

How did it all start?

An external audit triggered an internal pre study regarding implementation of Software Asset Management.

The pre study delivered definitions of a set of processes and a recommendation to add a dedicated resource for SAM and a Tool.

In the beginning of 2009 a Software Asset Manager was hired and “turbo charged” with additional external Licensing Specialist and SAM Consultancy resources (Crayon).



Our story

Audits

Audits present a rich source of information which can and should be used when planning a SAM implementation.

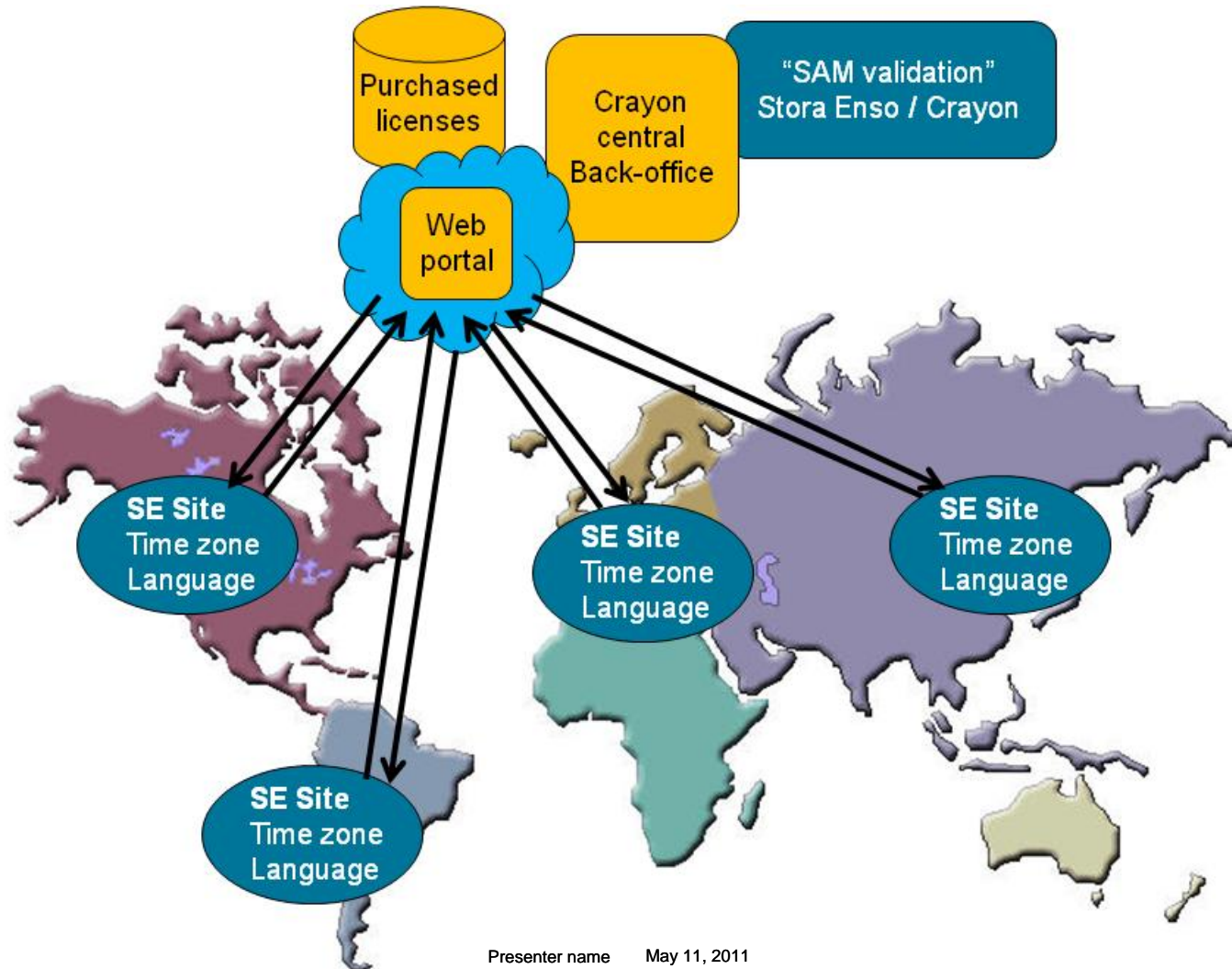
SAM Maturity Assessment is a standardized method. The results can be used to:

- understand where to start.
- measure progress.



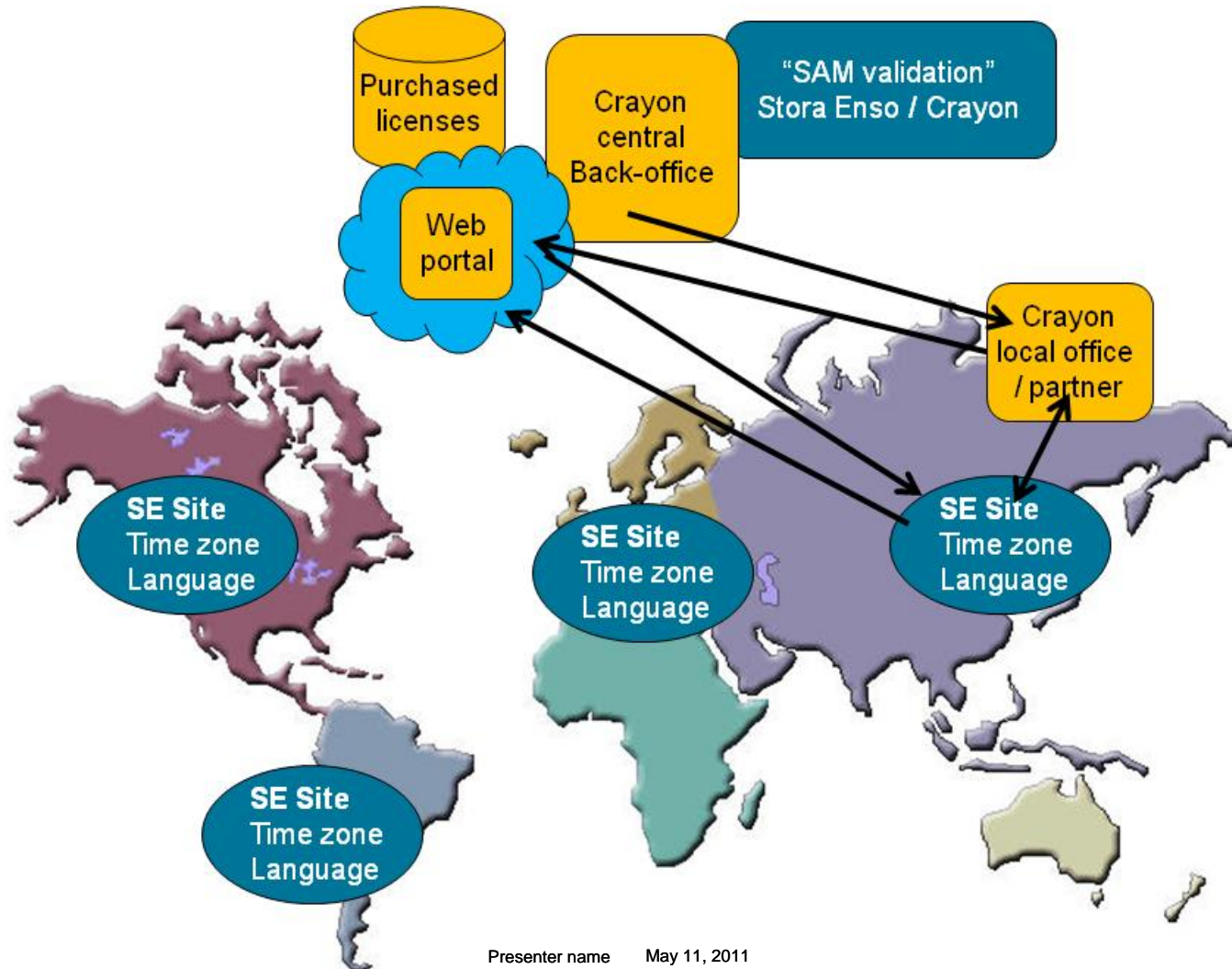
Our story

Centralized but local purchasing



Our story

Centralized but local purchasing



Our story

Defining responsibilities



Accountability for Software License Compliance

- The LEGAL responsibility to guarantee that license agreements are followed rest with the **Managing Director** of each company.
- Since Software Licensing is tightly linked with IT operations, Stora Enso internal OPERATIONAL accountability for Software License Compliance is carried by the IT organization (Stora Enso Business Information Services).
- OPERATIONAL accountability for Software License Compliance follow the "chain of command" in the IT Organization. The first level delegation is made to **IT Service Managers** and local **IT Managers**.

Accountability for Software License Compliance / Johnny Westholm



Accountability for Software License Compliance

Each accountable provide and secure:

- **Definition of area of accountability.**
Which systems, software, users, machines, geographical area, legal unit, operational unit,...
Any "interfaces" where accountability is shared with another accountable.
- **Full control on what is used¹ and what is owned and the balance between.**
Ability to measure, control and show what is used.
Control of owned licenses, supported by valid (accepted by the supplier) "proof of license" documents.
Regularly updated balance statements.
- **Ability to, typically within 30 days from request, provide documented proof of the compliance status.**

¹The definition of "used" in this context is depending on the definition of how a license is "consumed" in each software products "Terms & Conditions" or "Product Use Rights".

Accountability for Software License Compliance / Johnny Westholm

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Why SAM?

Why SAM?



Turn local software into company assets



Drive IT standards



Sign contracts based on actual company needs



Spread costs within the organisation and create local incentives for cost savings



Avoid piracy and illegal application usage (and related penalties)



Re-harvest software at end of PC life cycle



Pay for what you use – not per installation and avoid unnecessary software investments



Become legally compliant

Why SAM?

- **Licenses cost a lot of money!**
Gartner: up to 20% of the IT budget.
- **Licensing is complicated!**
Licensing specialists are needed! You need to build internal competence or purchase external.
Beware! License sales reps are mostly NOT licensing specialists! Their “promises” are not valid when their colleagues from the Compliance Team audit you.
- You are therefore most probably buying too many, too few and wrong licenses!
- Licenses are “lost” because they are treated as consumables!

Why SAM?

Real case: Audit

Audit by software vendor

Remedy fee negotiated to **280 k€** Internal effort estimated to more than 1 000 hours.

Company A and B: The software was deployed as standard to all computers.

Company A: Higher version deployed vs owned + double quantity.

Company B: Misunderstanding of license type owned (owned device based, acted as if user based or concurrent).

Company C: Unlicensed access to the software via Citrix. Probable misunderstanding of how the owned license could be used. Device based license can not be used to license access via Citrix (requires Named User or Concurrent User licenses).

Company D: Most probably simple one-by-one over installation. Installations made without corresponding license purchase or license documents have been lost.

Company E: Many license documents (box licenses) found but not enough to cover all installations.

Company F: No license documents reported.

Very old product! Only few percent of the installations were actually used/needed.



Why SAM?

Real case: Metering reveal potential to re-use.

Microsoft Project

432 of 954 installations (45%) were not used last 6 months.

A license may be transferred from one computer to another after 3 months.

Asset value (Box license price) of not used installations: **259 k€**

Many of the **used** installations are used only to view already produced project plans. Freeware viewer or print to pdf are in these cases valid alternatives to full installation.

Standard or Professional (600 or 1100€)? Do the requester and/or purchaser know the difference in functionality?



Pitfalls - challenges

Pitfalls - challenges

The ocean of complexity: Where to start? Competence, processes, policies, tools, models, standards, organization, financing, Software Publishers...?

Buying a “Tool” does not provide a quick fix!

Processes, knowledge, people and TIME and EFFORT is needed.

Outsourcing and external resources can do a lot for you, but not everything.

The responsibility is still yours! Make sure that all involved understand the scope of the delivered service.

The sweet taste of low hanging fruits:

In a large organization one resource can probably be picking low hanging fruits for years (quick wins, case by case). They may taste sweet, but compete on resources and delay the structured approach.





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