



# HMO Saves \$1.8 Million on Microsoft Renewal with Emerset

**Company:** \$4 billion Health Maintenance Organization with 35,000 employees and over 4 million patients.

**Hardware:** 25,000 desktops & laptops, 2,400 servers

**The Result:** Saved \$1.8 million

“Being guided through the entire Clear Licensing® protocol saved us time and money and kept the entire team focused on the outcome of the negotiations. Emerset’s ability to understand our business and examine what our situation will be six years in the future made it easy to take tough decisions and justify them both to Microsoft® and to our own managers.”

## THE COMPANY

National Health Maintenance Organization (HMO) with 35,000 employees and over 4 million patients. Assets are located in 14 hospitals, 1,300 clinics, 400 pharmacies, 37 children’s clinics, and 39 women’s healthcare sites.

## MICROSOFT PRODUCTS INVOLVED

- Office Professional Plus®
- Windows Professional Operating System®
- Core CAL & Enterprise CAL
- Windows & System server transition to per Processor metric
- VDA
- Forefront® for Exchange
- Project® Professional
- BizTalk® Server
- Microsoft® Dynamic® CRM
- SQL® Server transition to per Core metric
- Windows RDS®
- Visio® Professional

## PROCESS

During the nine years this HMO has held a Microsoft® Enterprise Agreement Subscription (EAS), additional products were introduced, changing the scope and significance of the EAS which started with a basic platform of Microsoft® Office, Windows® O/S upgrade, and Core CAL.

Emerset was brought in several months prior to renewal deadline, in order to conduct a complete analysis of the organization’s current and future use of Microsoft® products based on Emerset’s proprietary Clear Licensing® methodology, to ensure that they would be purchasing the best package for the organization moving forward, that met their needs both financial and technologically.

The process began with a gap analysis to calculate any exposure to Microsoft® and the additional costs expected if the client decided to exit or renew the agreement. Then Emerset helped the client evaluate alternative agreement options beyond those that Microsoft® was likely to offer, including the possibility of exiting the agreement, or renewing for two three-year periods.

The next stage was to examine and compare the product licensing aspects, such as Core user CAL vs. device CAL licensing, SQL per-Core licensing vs. continuing with CAL server licensing, virtual server licensing (planned consolidation aspects) and Enterprise CAL (validation of the financial benefits of the Enterprise CAL compared to purchasing individual components). A benchmark analysis was also conducted, based on Emerset's vast experience with companies in the same business sector and of comparable size.

At this point, Emerset prepared a comprehensive document that was critical to the negotiations' success: a summary of the current installed base, planned project, results of the gap analysis, financial analysis, and the negotiation strategy and tactics. In addition, the team members were briefed and allocated roles in the negotiation process, resulting in a well-prepared team of professionals. Emerset continued to work closely with this team, supporting and guiding them from the background throughout the negotiation process.

Once a final agreement was reached, Emerset validated all proposed terms and conditions against a pre-defined checklist, before the final signing, ensuring that nothing was lost in the final stages of the agreement.

A post-agreement check conducted by Emerset ten days after the agreement was signed confirmed that all licensing details had been updated correctly on Microsoft's® Volume Licensing Site (MVLs). All Software Assurance Benefits were validated and monetized in order to quantify their real value for the client, encouraging the organization to use these valuable benefits to their fullest.

## Bottom Line Savings: \$1.8 Million

Emerset's Clear Licensing® Methodology has been developed through over a decade of practical experience gained from the planning, negotiation, and implementation of software contracts by leading licensing experts in the IT market. It has helped to conclude hundreds of successful agreements and has created a vast repository of benchmark data to provide clients with accurate comparable data to help achieve an optimal agreement.