



IPR-INSIGHTS CASE STUDY

The more SAM,
the more insights

'Experts of IPR-Insights belongs to the most outstanding professionals of their specialty. Their competence was also proven during the audit performed at our company. Thanks to the professional cooperation of IPR-Insights we can be certain now that we succeeded to harmonize our software asset management processes with legal requirements and expectations of software vendors.'

Péter Nagy, Chief Technology Officer, evosoft Hungary Ltd.

Summary

Customer name:
evosoft Hungary Ltd.

Industry:
IT-services, software
development

Provided services:
**Software Asset
Management (SAM)
audit**

Results:

- *Revision of SAM regulations and processes taking into consideration SAM international standards, ITIL SAM best practice recommendations and the ISO 19770-1 standard, which had been localized to Hungarian with the professional support of IPR-Insights*
- *Harmonization of SAM regulations with SAM processes, bringing them into agreement with legal requirements and expectations of software vendors, elimination of discrepancies and risks reported in a detailed audit study*
- *Management decision on recurring software audits in the future*

evosoft Hungary Ltd., a wholly owned subsidiary of evosoft GmbH, which belongs to Siemens AG, is considered to be the market leading software house in Hungary. As one of the most important strategic partners of Siemens AG, evosoft provides solutions particularly to energy service providers and for clients acting in the field of industry, healthcare and infrastructure. In 2012 the revenue of this dynamically growing Budapest seated company exceeded 13 billion HUF and



new affiliates were opened in Miskolc and in Szeged. As a result of the successful acquisitions the number of personnel has been increased by 50% up to 600 employees, thus currently 500 software-developers are employed at the company.

Business Situation

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As a software-development company, evosoft uses a wide range of software on a daily basis from operating systems through office applications up to development tools.

'Our developers can decide on their own which tools they use during projects. Therefore we established an environment, in which IT and financial departments receive a detailed and precise overview about software usage, and have the opportunity to supply and account it in accordance with licensing terms', said Edit Arnhoffer, evosoft's Head of IT. 'That's the reason why SAM processes were elaborated by us years ago and all of the tools were implemented in order to manage our wide and varied software portfolio.'

The implemented system is SMOscan, a software-inventory tool from the German softwaremanagement.org, which is being used company-wide at Siemens-group. The tool supports monitoring software usage and registering licenses simultaneously. evosoft developed its own software request management tool for SMO, and also uses SAM Web Tool application. SAM processes are being managed by a dedicated License Manager at the IT department.

'As a software developer company, we were always intent on compliant software usage but minor defects may always happen even despite of extraordinary diligence', said Péter Nagy, CTO of evosoft. 'It occurred to us that the tax office or other authorities may have totally different approaches than we have, and this might lead to serious consequences at our side. Therefore we decided to hire an external consultant to perform an audit of our SAM processes, and chose IPR-Insights, the best known expert of the topic.'

The Solution

In the course of the audit IPR-Insights examined SAM regulations and their execution by interviewing all concerned participants of SAM processes.

Experts of IPR-Insights applied the international SAM standards during the audit. They took into consideration the recommendations of the



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ITIL SAM best practice guide and the ISO 19770-1 standard, which had been localized to Hungarian with the professional support of IPR-Insights, as well as the requirements and needs of evosoft.

Interviews were conducted in 2 or 3 weeks at the end of 2012. Then experts of IPR-Insights presented the findings of the audit to the IT officers of evosoft in a detailed study which established that aspects of software usage are dealt with appropriate diligence at evosoft, and the company intends to adopt legal software asset management in a well-organized manner.

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Achieved Results

Among other things the audit highlighted that sometimes the otherwise properly functioning processes are no longer in line with the regulations previously made, and there are cases where regulations do not dispose of queries that may affect SAM and software compliance.

'Processes determined in the regulations were overwritten or rather improved by practice in case of returning of licenses for instance', said Edit Arnhoffer. 'Employees leaving the company or changing their assets had to return licenses by regulations, but these free licenses were not reported in all cases. Thus we changed our practice and implemented a standard one-year assignment policy, so all license assignments that won't be renewed by the colleagues after a year will be terminated automatically. We included this practice into our SAM regulations and we intend to reduce the period of standard license assignment to 6 months.'

Experts of IPR-Insights drew evosoft's attention to the fact that although enterprise license agreements between Siemens and some software vendors allow unlimited installation of certain server software product versions, SAM regulations and SAM processes have to be extended to the previously uncovered server environments at the time of the planned version upgrades.

Another advice has been given by the consulting company regarding the reliable measurement of software usage in dynamically changing environments, like test-networks or systems for educational purposes, where diverse software products may be deployed on weekly or even on daily basis.



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'According to our company's profile and to the current trends on the market, we usually prefer volume license programs to buying FPP when we purchase new licenses. Volume license programs mostly offer cost efficiency and continuous software maintenance', said Péter Nagy. 'Contracts usually include license fees of perpetual licenses and maintenance fees for a year. Previously the first had been booked by us as CAPEX while the second as OPEX, but the experts of IPR-Insights drew our attention that software maintenance fees shall also be booked as CAPEX if the maintenance period is longer than one year. Thus this procedure will be followed by us in the future.'

After receiving the final study of the audit, evosoft determined actions regarding the necessary modifications of SAM regulations and SAM processes in course of a consultation with the experts of IPR-Insights. New versions of SAM regulations are already in place and after applying minor modifications and putting them into praxis the company plans to request further revisions from IPR-Insights.

'Based on the experience of the current audit, we are going to perform yearly reviews of SAM processes, SAM regulations and their execution either in-house or by involving external specialists', said Edit Arnhoffer. 'Considering the rapidly changing conditions, demands and environment in these days we are absolutely convinced of feasibility and usefulness of this practice.'

'Our major goal was to eliminate all the risks caused by eventual under licensing of software while avoiding over licensing, which may cause extra costs', said Péter Nagy. 'The audit, which have cost only a minor part of our yearly software budget, helped us a lot to reach this purpose. Experts of IPR-Insights belongs to the most outstanding professionals of their specialty. Their competence was also proven during the audit performed at our company. Thanks to the professional cooperation of IPR-Insights we can be certain now that we succeeded to harmonize our software asset management processes with legal requirements and expectations of software vendors.'