



▼ SAM Project Provides Railway Manufacturer with Legal Security and Better IT Management

“The biggest advantage of the SAM project is the legal security. We have regained control.” - Michael Thamm, CEO, Bochumer Verein

For the last ten years, railway component manufacturer Bochumer Verein, based in Bochum, Germany, had outsourced the administration of its IT department to another company. Upon resuming control of the department, Bochumer Verein needed a way to verify that its software licenses were in good legal standing.

The company had only fragmentary paper records and no processes to track ongoing license fluctuations. The company turned to Insight Enterprises for help. The Insight Software Asset Management consultation helped Bochumer Verein to assure the legality of its software licenses, achieve total license visibility, improve IT management, and lower costs.

Situation

Founded in 1842, Bochumer Verein is a component manufacturer for the rail industry in Germany and other countries around the world. The company manufactures process parts for the train industry, including wheel sets and axles, and manufacturing rings for the construction industry. Bochumer Verein is part of the Georgsmarienhütte Group of companies, all of which have as a common goal to continually find new applications for steel, cast iron, and aluminum. Based in Bochum, Germany, Bochumer Verein employs nearly 600 people and has yearly revenue of €120 million (U.S.\$161 million).

In 2004, the company resumed management of its IT processes after having outsourced this function to another company for ten years. During the time that the IT responsibilities were outsourced, the company had little visibility into its software assets. The only information Bochumer Verein had about what software was installed on its computers and the legal status of its licenses were some fragmentary records on paper. “We pretty much took things over practically from scratch. We had figures only: this is how many licenses we have, and this is how many we use. But there was no system to verify this, no method to track our licenses,” says Michael Thamm, CEO of Bochumer Verein. The company’s main server product is Microsoft® Exchange Server 2003, and its main client software is Microsoft Office 2003 and 2000. “We only deploy Microsoft products—on the servers, as the operating system, and also on the clients,” says Thamm.

Customer Profile

Railway component manufacturer Bochumer Verein was founded in 1842 and is based in Bochum, Germany. The company, which is part of the Georgsmarienhütte Group of companies, has 600 employees.

Business Situation

Bochumer Verein resumed management of its IT department after 10 years of outsourcing it. Because of poor software license tracking practices, the company was not sure that its software licenses were up to date.

Solution

The company turned to Insight Enterprises for help conducting an in-depth Software Asset Management (SAM) and optimization project.

Benefits

- » Legal security
- » Total license visibility
- » Better IT management
- » Lower costs and increased efficiency



Shortly before Bochumer Verein resumed management of its IT department, Microsoft performed a license review for its parent company, Georgsmarienhütte Group. “At that point, we thought we ought to get our license situation more transparent as well,” says Thamm.

Bochumer Verein began to search for a company that could help it to assess its license contracts and assure their legality. “Important for us was the subject of legal security—knowing what licenses were being used. Especially after changing our IT service provider, many questions were asked about those issues—what licenses were installed, where were they, were any employees installing things themselves,” Thamm says.

“We needed to rectify, let’s say, the ‘uncontrolled growth’ that had mounted over a period of time, to be able to determine the actual status quo. We needed to obtain legal security that we use only the products that we have purchased.”

Solution

The parent group of Bochumer Verein, Georgsmarienhütte Group, had sought Software Asset Management (SAM) expertise from Software Spectrum—a company that has since been acquired by Insight Enterprises. “The company was recommended to us, and we approached them,” says Thamm.

Insight is a leading provider of a broad range of IT computing products, software, and advanced IT services. It helps companies in over 100 countries around the globe enable, manage, and secure their IT environments.

Insight has offices across Europe, including Ismaning/Munich, Germany. The Bochumer Verein SAM project began in June 2006 with Insight conducting a two-day workshop. The workshop gave Insight a chance to understand how the customer had historically bought and managed its licenses and to assess its general environment.

“Every customer is different in that respect,” says Alfred Mevenkamp, Senior SAM Consultant at Insight Enterprises. Then, says Mevenkamp, “We told the customer how the project would work, how many internal resources it would require from Bochumer Verein and Insight, and how much cost and time it would incur.”

The first step was to divide the software asset management team into subteams,” says Mevenkamp. The History team was responsible for finding all invoices of purchases. The Inventory team was responsible for using the software inventory analysis tool to find out what software was installed and in use on clients and servers.

“For customers who need it, we provide an inventory tool. In this case, the customer already had one,” says Mevenkamp. Bochumer Verein used a tool called LANDesk Inventory Manager, which runs on the Windows® operating system, to perform a comprehensive software inventory.

Next, Insight provided Bochumer Verein with a report showing how many licenses were installed, and how many were being used. Mevenkamp says, “The customer was shown a status for every product the customer had. We also made suggestions for how to reduce a positive or negative gap.” Next, during the license reconciliation phase, Thamm says, “We had time to make decisions and adjustments, to find any additional invoices we might have missed.” When Bochumer Verein concluded that phase, Insight created the final report following a final reconciliation. “In the report you will find, for example, what licenses are lacking. The customer is then able to buy exactly these licenses,” says Mevenkamp.

In December 2006, the companies concluded the project with a final report revealing the licensing figures. “We were not too far from our goal,” says Thamm. “Based on the 250 workstations, maybe 10 percent were overlicensed—so 20–25 workstations.”

Part of the reason for this low figure is that employees were no longer using programs that were once heavily used. For example, the company used Microsoft Office Access™ a lot in the past. “We bought a huge amount of suites. Then eventually we stopped using them as much. So effectively, many people in the company were given Access licenses, although they never used them.”

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Michael Thamm,
CEO, Bochumer Verein

“The customer now uses the insights and know-how gained to manage IT more efficiently.”

Alfred Mevenkamp, *Senior SAM Consultant, Insight Enterprises*

In every company, says Mevenkamp, “There is overlicensing as well as underlicensing, at the same time. Bochumer Verein was underlicensed for some products and other products were bought beyond their use, and so were overlicensed—and both issues are considered.”

After purchasing the needed licenses, Bochumer Verein is considering consolidating different versions of a program to a single version—for example, one version of Microsoft Office instead of the two it now has. The company stays up to date with licensing changes by running its inventory and reconciliation tools quarterly.

Benefits

The Insight SAM assessment provided Bochumer Verein with software license legality and transparency, while improving IT management and lowering costs. “The huge benefit,” says Thamm, “is that we know where we stand with our growth structures.”

We know that we are legally secure with our licensing, and we are able to say where we have been underlicensed or overlicensed in order to then be able to rectify the situation.”

Legal Security

The project has given Bochumer Verein the legal assurance that it needs to provide manufacturers with proper licensing documentation and to move forward with confidence. “The biggest advantage of the SAM project is the legal security,” he says. “We have regained control,” says Thamm

Total License Visibility

Before the SAM assessment, Bochumer Verein had no idea how many software licenses it owned; now it has complete visibility. “Every manufacturer has the right to conduct an audit,” says Mevenkamp. “Some customers try to do their inventories manually and fail, on a regular basis. It is necessary to have some specialized knowhow.

For example, we have a system that compares the technical software inventory with the commercial inventory—because often the technical product is called something entirely different than what it says on the product’s license.” The system lists all global manufacturers, all product names, all product versions, and the historical update phases. “Such a knowledge-base system provides a level of accuracy and visibility that a manual assessment could not,” says Mevenkamp.

Better IT Management

The SAM project also provided Bochumer Verein with better IT management practices. The company now runs a tool to reconcile its software licenses every three months, and it continually reviews the efficiency of its purchase practices. “The customer now uses the insights and know-how gained to manage IT more efficiently,” says Mevenkamp. “For example, the customer is able now to buy only what is actually needed, rather than buying on gut instinct, or simply buying because it’s a new year. The transparency is important.”

About Insight

Insight is one of the world’s leading, single-source providers of top named brand business-to-business IT solutions and services. We help companies control their IT spend by easing the burden of selecting, purchasing and managing software assets throughout their lifecycle.

For over two decades, Insight has been delivering value-driven technology solutions globally through sales and operation centres in North America, Latin America, Europe and the Asia-Pacific region. Customers include large, multinational enterprises from the Fortune and Global 500, as well as mid-sized organizations from a wide variety of industries. No matter what your business size, we understand your needs.

Small and medium businesses enjoy the benefits of personalized customer service including pricing quotes, volume licensing, notification of licensing renewals, and efficient product delivery to maximize your cost savings. Strong relationships with more than 3.700 software publishers representing a 80.000 products portfolio and a high level of certifications know-how make Insight a “Trusted Advisor” and preferred partner. Whether you need local service or a global solution, an Insight representative is available in your city or region, ready to assist. As part of our Software Asset Management (SAM) strategy we offer a comprehensive portfolio of solutions and Professional Services. For more information please visit www.de.insight.com

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