

Case Study | Government Ministry

Livingstone Group helps public sector organization optimize contract position and achieve significant savings



This Livingstone Group client is a central government organization based in Europe, with hundreds of thousands of employees working across numerous agencies and public bodies.

Livingstone was initially engaged by this client several years ago to help deliver transformation support while the organization was undergoing an IT strategy change. It was looking to implement an innovative technology solution to support its needs and requirements while also reassessing how it deployed and managed its infrastructure. As part of this architecture transformation, the organization realized that a large portion (40-60%) of the costs involved included software licensing and so turned to Livingstone for expert guidance on how to optimize these costs.

Livingstone worked alongside the organization's program delivery and commercial management teams and ultimately delivered an optimized ITAM model that saw millions in savings and helped the organization reassess its financial and strategic approach to software and licensing. Due to the success of this initial project, the organization then asked Livingstone to help it optimize and renegotiate the upcoming renewal of a Microsoft contract that spanned the entire organization.

Making savings, meeting technical objectives and consolidating contracts

Considering the complexity of the organization's operations and how it is structured, Livingstone's mandate to assess, optimize and renegotiate its Microsoft contract across the organization as a whole was a huge undertaking.

Livingstone first set about validating and assessing the technical needs of the organization, looking at each operational area and its unique set of cloud and software requirements. This initially proved challenging as the Livingstone team needed to liaise with numerous stakeholders across each agency to assess their needs. They discovered that each had technical objectives to meet, but that these weren't necessarily aligned to a single optimized licensing strategy.

Another challenge the Livingstone team faced was the multiple Microsoft contracts with varying end-dates and contents that were scattered across the organization. One of the key goals set for Livingstone by the organization was to consolidate these into a single contract, reducing overall costs and streamlining the licensing processes.

"We have enabled this client to optimize its software and cloud position while also realizing huge savings. As a public sector organization, realizing these savings was particularly important to the client"

Head of Optimisation
Delivery Services,
Livingstone Group



The challenge here was to bring each agency together. Prior to Livingstone's involvement, each agency was operating and negotiating their own contract, with little cross-agency collaboration, and with limited experience of engaging vendors at the required level. In addition, the IT teams, while they had the technological expertise, couldn't assess the wider commercial view. There were also multiple commercial teams speaking to the same vendor. This overall approach wasn't delivering the outcomes or the benefits that matched the organization's service, scale or deployment requirements.

An optimized BOM and improved communication

Livingstone helped the organization to standardize and optimize a software licensing and cloud strategy which could then be consolidated into a single, core, enterprise-wide cost-effective contract framework. This meant that all operational areas would be following the same structure and that the individual areas that were operating off a separate contract, could join onto this core framework once their current contract came to an end.

With an overall view across each agency and by working closely with the IT and commercial teams, as well as relevant stakeholders, Livingstone was able to assess the organization's current Microsoft software and cloud usage and see where changes and cost-savings could be made. This information then enabled Livingstone to map out an optimized Bill of Materials (BOM) for the overall organization that accommodated its large and varying demand, while also making savings.

Through this optimization process, Livingstone also saw that there was a great opportunity to bring all stakeholders across the organization together and centralize the software licensing and negotiation process in a way that would drive the collective enterprise benefits for everyone. The organization established a central intelligence function that promoted cross-organization communication and shared-learning. Livingstone's experience and knowledge were also a fundamental part of this function, and meant the organization as a whole could evaluate requirements and develop a technical and operational strategy together, with the centralized team in place to validate and finalize contract dependencies.

Streamlined negotiations

Livingstone's team also helped the commercial team put together a contract negotiation strategy that would give them an agile agreement with Microsoft – one that both met their needs today, and was also flexible enough to meet future requirements.

Thanks to Livingstone's deep industry experience and knowledge, its team of experts was able to give the organization an optimized view from across the marketplace which helped the commercial team to understand the concessions they should be asking for during negotiations. Coupled with the optimized BOM and improved internal collaboration, the organization was on track to achieve the best possible outcome by providing the business cases necessary to support their required contract outcomes.

Livingstone also delved into how the organization transacted with its reseller partner and defined what a good reseller contract and service delivery proposal should look like.

“We knew this would be most effectively achieved by providing its IT and commercial teams with a strategic ITAM framework that would ensure ongoing optimization and savings. The teams have readily taken to this approach and witnessed its benefits, and we look forward to our continued work together.”

Head of Optimisation
Delivery Services,
Livingstone Group



Massive savings and a continuous service

In its Microsoft contract, the organization has realized over \$30m in savings, equivalent to 20% net savings, in addition to the 30% preferential public sector discount already available.

Livingstone's dedicated team also supported the inwards migration of the individual operational entities that sat outside the main, overarching contract. Through the first 18 months of Livingstone's agreement with the organization, action was taken to onboard these entities onto the new commercial framework as their own existing contracts expired.

The benefits of the new contract have been far-reaching across the organization. Individual agencies have realized the strategic and commercial benefits of contract optimization, and have been able to adopt the technology and service use cases provided by the new contract framework. Livingstone has also undertaken further work to optimize vendor strategies, from mission-critical mega publishers to smaller, individual vendors. Livingstone continues to help the organization align and deliver better strategic alignment from vendors, as well as drive and support transformation, optimization, cost-savings and centralizing of contractual agreements.



Our vision is to be the leading independent, global provider of Software & Cloud Portfolio Management and optimization services for our clients and partners.

Providing the intelligence our clients use to govern their digital transformation journey. Optimizing their software portfolio to avoid unnecessary cost and risk, whilst driving value from their software and cloud investments throughout their lifecycle.

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