



Case study - IT software licencing

25% reduction in pricing and improvement in terms on licences for Enterprise Resource Management solution

Client

- UK based client undertook a procurement exercise to source and procure licences for a new Enterprise Resource Management (ERM) solution as part of its change management programme.
- An initial Request for Proposal (RFP) exercise undertaken offered very little in terms of discounts or special terms.

Approach

In order to help shape and drive the negotiations our team set about developing a strategy, which identified a prioritised list of essential commercial terms.

- Increased levels of discounts
- Increased term of licensing agreement
- Delay in activation of the licensing
- Additional supporting for the first year
- Additional product licences provided Free of Charge

Work with preferred supplier to negotiate final terms

Identifying savings | Delivering savings | Maintaining savings

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Results

- Discount levels on licences were negotiated from 35% in the original RFP to 60%. This resulted in a significant cash saving.
- Committed discounts for future licencing requirements.
- Annual Maintenance and Support costs reduced by 16% (first year free).
- Offset of licencing start date by three months.
- Completion of the procurement exercise and negotiation on time and within the original project timescales.



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