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International Retail & Wholesale

Major international retailer restructures it's mega vendor licensing with Livingstone

Exec Summary

Livingstone has been working with this major international retail group for many years.

With stores around the world, a rapidly growing online business, as well as logistics hubs and manufacturing operations, the company has understandably complex IT operations. Oracle's database and middleware solutions play a central role in these operations. In all, it uses around 30 different Oracle products, including Oracle Retail, which underpins the fulfillment of thousands of online orders each week.

Digital transformation program spurs change in licensing strategy

Over recent years, the retail group has been undertaking a comprehensive digital transformation program to merge the IT operations of three previously siloed business divisions. Not only has this consolidation already delivered efficiency gains, it provides the retailer with a platform to enhance its future instore, head-office and back-office operations, as well as its online-only businesses.

As part of this ongoing program, the client is continuously assessing its software and services portfolio to ensure it is delivering maximum value to its overall business operations and this is where Livingstone plays a strategic role.

In particular, Livingstone has benchmarked the retailer's Oracle deployments, usage levels and licensing entitlement, a baselining process that has provided the retailer with unparalleled visibility into its Oracle estate, including areas of underutilization, overspend and further potential consolidation.

Livingstone has also helped validate that the client is compliant with Oracle's complex and sometimes hard-to-interpret licensing requirements, ensuring that it was always in a state of 'audit-readiness.'

Managed services key to retailer's ITAM Tool implementation

Another key component of the retailer's strategy was the implementation of an IT asset management (ITAM) platform from Flexera. Unlike reporting tools based on one-off scripts, Flexera's solution tracks software usage in real-time, boosting efficiency and proactively identifying utilization trends. This granular level of reporting is also powerful during audits and contract negotiations.

Working closely with the client the Livingstone team has played a key role with the configuration and integration of the Flexera platform. While tracking software usage is a standard, out-of-the-box feature, the retailer recognized it could leverage the solution to gather far deeper insights, thereby maximizing its investment in the tool. The Livingstone team configured the solution to track metrics around Oracle database licenses and, more particularly, licensing spend, providing the retailer with a far clearer idea of the cost effectiveness of its Oracle estate.

Today, as part of its managed service contract with the client, Livingstone manages and interrogates the information gathered by the Flexera tool to help ensure that usage always matches entitlement, and that licensing spend is fully optimized.

Exiting the ULA to drive costs savings

This major retail client made the decision to exit its Oracle universal licensing agreement (ULA). While convenient, it recognized that the terms of the ULA meant it was paying more than was necessary. With more accurate information at its fingertips, it was confident it could get better value for money by negotiating new terms, achieving costs savings through more effective optimization and mitigation procedures.

Furthermore, ULAs can be difficult to manage. The organization wanted to seize control of its estate and spend, bringing everything back in-house, and under the management of its own team.

Audit defense and a broadened portfolio

As is often the case, the client's decision to quit its ULA triggered an audit request covering all aspects of its Oracle estate. Armed with an up-to-the-minute data on usage, an accurate overview of its entitlement, plus a clear strategy about its future Oracle requirements – the retailer was in a strong position to both defend this audit and negotiate favourable commercial terms for future licenses

""This major retail client took a bold & highly strategic approach to its ITAM strategy. In order to exit its Oracle agreement, it first needed to understand both its current and future usage, while the ITAM team also needed to convince its senior management team that the benefits of this approach would outweigh the risks associated with being audited"
–Livingstone

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