

Case Study

Global Manufacturing

Global Manufacturing Organization Optimizes Microsoft Contract Renewal and Sees Massive Savings

Exec Summary

This customer is a global manufacturing company. Headquartered in Europe, it operates in over 80 countries around the world with over 10,000 employees working across its manufacturing plants, research & development, sales, back-office and warehouses.

Livingstone Group has a long history with this organization, and in late 2019, it engaged Livingstone on a managed service agreement in order to optimize its Microsoft estate. This included preparing for its upcoming Microsoft contract renewal.



The project

Room for future changes and innovation

The client's target from the outset was to secure cost savings on its contract renewal that would not only be beneficial commercially, but would also allow it to invest in new Microsoft products and innovations. The organization knew that the most effective way to create this opportunity was to optimize its current install base, with the help of Livingstone's Microsoft experts.

As well as cost savings, key to the client's requirements was flexibility. This would allow it to service all its complex requirements across its different sites – from warehouses to manufacturing plants – while also enabling it to adapt quickly and effectively to any future changes such as acquisitions, divestitures or a company split.



The Process

Understanding Microsoft

As a global company operating across multiple different sites, this client understandably has complex IT operations. In this instance, it would be renewing its entire Microsoft estate, from Microsoft cloud services (Office365, Dynamics365 and Azure) to on-premise data center products.

The Microsoft contract renewal was also the first the organization was undertaking as an independent entity – its previous renewal, which Livingstone had also helped negotiate, had been made under its former parent company. The outgoing Microsoft contract from the parent company represented a multi-factor of the current client size – the client therefore knew it would need guidance in order to minimize the cost impact as a standalone company and successfully navigate the contract negotiations.

During negotiations, the organization came up against challenges presented by its Microsoft account team, which did not have the expertise required to contract an agreement that would meet its requirements of flexibility and future innovation. As a result, the client found itself with only a short time frame of two weeks in which to finalize negotiations.

"With Livingstone, you're getting 30 years' experience in dealing with horrendous licensing problems that only come around every five years for organizations like ours," our client observes. "Livingstone is managing them every six months."



From an optimization perspective, this client has seen great results, both commercially and in terms of future-proofing its Microsoft estate. We are confident that, with this new agreement, the way has been paved for a successful strategic partnership with Microsoft, now and in the future"

-Microsoft & AWS Consulting Director, Livingstone



The Preparation

Structured preparation for an optimal outcome

Having already supported the organization during numerous other projects, Livingstone already had a solid understanding of the client's Microsoft estate, landscape and challenges, as well as its current and future requirements.

Working closely with the client's Procurement and IT teams, Livingstone's Microsoft experts underwent a full estate analysis and held internal workshops with all relevant stakeholders in order to gain further comprehensive insight and overview of the organization's current Microsoft estate. This included identifying usage, licenses, entitlements and risks of both on-premise and cloud products and solutions. Together with the client's Procurement team, Livingstone also assessed where room could be made to embrace new products in the future.

This structured preparation process was a key part in achieving an optimal contractual outcome for the organization, particularly within the condensed negotiation period.



The Outcome

Making negotiations a success

Using its deep knowledge of the vendor, Livingstone helped secure a more suitable Microsoft account team that fully understood the client's requirements for innovation and flexibility. During the condensed negotiation period, the organization and Livingstone were in constant communication with the new Microsoft team to ensure the renewal deadline was met and that the new contract was acceptable to both parties.

Thanks to its Microsoft experience and expertise, Livingstone was well-placed to provide accurate, independent intelligence and advice to the organization when it came time for negotiations. This included a contract benchmarking exercise, enabling the organization to confirm that it was getting the best deal possible.

An optimized and future-proofed contract At the end of the renewal process, the client saw a 25% like-for-like cost reduction – a significant cost saving achieved for the organization during its first renewal as an independent entity.

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