

Case Study

Manufacturing

Livingstone Helps Leading International Manufacturer Optimize Oracle Contract & Realize 35% Savings

Exec Summary

This Livingstone client is an international manufacturing company, primarily producing steel. Located in Europe, it also operates across North America and APAC, servicing 70 countries globally and employing tens of thousands of staff across its operations.



The challenge

Oracle Estate

Livingstone was first engaged by this client through referral to help optimize and consolidate its Oracle software and hardware estates across multiple data center sites. In particular, the client was looking to upgrade its Oracle databases to the latest version of the product and to avoid extended support costs, and re-platform on Exadata machines.

Similar to many Oracle customers, this client recognized that it did not have the understanding or knowledge in-house to identify the best deal for its product requirements or to effectively negotiate with the vendor and achieve optimum cost savings. The client knew it needed to gain a better understanding of its Oracle estate, in order to recognize where savings could be made and costs optimized. Also, senior stakeholders realized that they needed to outsource external expertise to address these issues.



The Analysis

Laying the groundwork

Livingstone's team of Oracle experts came on board to provide technical and commercial advice – including on pricing, terms and conditions, contract types and structures, and risk remediation – both before and during negotiations.

As a first step, Livingstone's team reviewed the current commercial offering from Oracle and compared it to the client's requirements and actual consumption needs. By undertaking a thorough analysis of the client's current Oracle estate, including collecting information on licensing, entitlements and usage across all seven data center sites, it was clear to Livingstone's team that Oracle was proposing products over and above what the client actually needed.



The Process

Benchmarking contracts and navigating negotiations

With all the relevant information on current consumption and future needs in hand, and thanks to the team's in-depth knowledge of and experience with Oracle, Livingstone's experts were able to present the client with benchmarked pricing and appropriate recommendations that would reduce contract spend.

"Having assessed the client's product usage & requirements, & were able to help them achieve their desired outcome by being by their side during negotiation, our deep industry knowledge & experience helped us to achieve huge cost savings & reduced support fees"

-Oracle Practice Lead, Livingstone



This included optimizing licenses across its Oracle databases by identifying which should be renewed and which were redundant and incurring unnecessary support costs.

The client was presented with four scenarios which included different levels of achievable multi-million-dollar savings and various contract flexibility, depending on its desired strategy. Livingstone's team worked with the client through each option, eventually determining which would be the best outcome in terms of spend commitment, requirements and cost savings.

Livingstone's team was then actively involved throughout the negotiation process with Oracle, providing the client with expert advice on how to best negotiate with the vendor. Livingstone was able to instruct where to make contractual concessions and outlined an optimized cost-savings deal, in the end securing the client significant savings.



The Outcome

Huge cost-savings and a continued relationship

The outcome Livingstone's team was able to achieve matched the client's requirements for reduced initial investment and associated annual support costs, whilst also far exceeding the client's expectations – the organization realized a significant multi-million-dollar cost saving of 35% reduction on their initial capital investment with further savings on the total cost of ownership over following four years.

Savings were realized through optimizing support fees, benchmarking hardware and software requirements, removing channel margins and through Livingstone's thorough understanding of how best contract with Oracle to get the optimum usage from purchase.

Senior stakeholder support, including from the CIO, CFO and CPO, was critical to the success of this engagement, enabling Livingstone to seamlessly put its proven methodology into practice. This support, along with the success of the Oracle engagement, has led to a continued and renewed relationship, with the client, which led to the client also contracting Livingstone to advise in the optimization of an SAP renewal to achieve a similar outcome.

"Navigating contracts & discussions with Oracle, particularly when looking to reduce license fees & support costs, can be challenging. With Livingstone's team of experts on the job, we were able to advise this client on appropriate spend"

Enabling you to control and optimize your investments in software and cloud.

e info@livingstone-tech.com
w livingstone-tech.com

