

Case Study

£43M Saved: How a Central Government Department Halved Its Microsoft Renewal Costs

Executive Summary

A major UK government department faced a Microsoft renewal cost that had almost doubled due to pricing uplifts and technology adoption. Livingstone validated the renewal, optimized user profiling, and negotiated amendments, delivering a total saving of more than £43M.



The challenge

A large UK central government department with more than 50,000 users received a Microsoft renewal proposal that had nearly doubled in cost. This was driven by both price increases and widespread adoption of new technologies, particularly around security and compliance.

The department, operating in a highly secure and confidential environment, had significantly under-budgeted for the renewal and lacked a clear explanation from the vendor or incumbent reseller on how best to approach mitigating the proposed uplift.

Referred by another government department, Livingstone was engaged to validate the renewal estimate, identify if a mitigating strategy could be applied and aid the development of a business case whilst also ensuring there was no impact on maintaining essential capabilities.

FAST FACTS

Client:	UK Central Gov
Size:	50,000 employees
Sector:	Public Sector
Location:	United Kingdom
Service:	Microsoft Optimization & Negotiation Service
Savings:	£43M



The solution

Livingstone began by reviewing the exit position and identifying any preferential rates that hadn't been carried over into the renewal proposal. However, it quickly became clear that further savings could be achieved through more detailed analysis of user demand and licensing allocation.

The Livingstone team:

- Assessed genuine demand at the component level, avoiding assumptions based on vendor-preferred plans.
- Mapped benefit-to-user profile per licensing component.
- Challenged the approach to product packaging, particularly in areas where no competition or benchmarking had been applied.

This deep-dive into user profiles and license usage helped the client see beyond conventional public sector approaches and tap into significant savings.



The outcome

Livingstone developed an optimised Bill of Materials (BoM) that reduced the proposed renewal estimate by ~£38M, with a further ~£5M saved through contract amendments and targeted negotiations.

This brought the total impact to **£43M**, representing **more than 50%** in cost avoidance.

Key Success Factors

- Reassessing demand across technology and user groups.
- Introducing an external perspective that challenged outdated assumptions around public sector licensing models.

Conclusion

Livingstone's independent, data-driven approach empowered this government department to rethink its Microsoft renewal strategy and delivered a transformational £43M in savings.

With deep licensing knowledge, public sector expertise, and an ability to unpick complex renewals, Livingstone continues to help government organisations do more with less.

Looking to reduce renewal risk and cost across your estate?

Get in touch with Livingstone to see how our independent advisory services can help you achieve similar results.

Contact us today.

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