

## Case Study

# Global Bank Gains Extra €130M Beyond Renewal Deal

## Microsoft Optimization and Negotiation Service

### Executive Summary

A major European bank was struggling with the complexity and cost of Microsoft licensing amid rapid global growth. The customer already had a renewal strategy with almost €100M below list price negotiated. Livingstone provided strategic BoM Optimization leading to a best in class negotiation advisory resulting in a further ~€130M in savings,.



### The challenge

A leading European-based global financial services company with ~130K employees faced significant challenges in managing its Microsoft licensing agreements.

With a global presence, the bank was experiencing issues common to global enterprises:

- decentralised procurement,
- rapidly shifting demands,
- regulatory constraints

Additionally, key stakeholders were directly engaging with Microsoft on innovation projects, complicating licensing strategies and increasing risk. Despite previously securing almost €100M in reduced renewal rates, the bank recognised there was still untapped opportunity for improvement.

### FAST FACTS

<b>Client:</b>	Major Bank
<b>Size:</b>	130,000 employees
<b>Sector:</b>	Banking & Financial services
<b>Location:</b>	Europe
<b>Service:</b>	Microsoft Optimization & Negotiation Service
<b>Savings:</b>	~€130M



## The solution

Livingstone was brought in to provide expert support and find further improvement. First, the Livingstone team assessed renewal consumption and requirements from the exit contracts, validating the bank's estimates and identifying gaps in commercial and contractual improvement.

Livingstone then used the opportunity matrix to pinpoint key areas for data collection and improvement to develop a strong alternative Bill of Materials (BoM) optimisation and BATNA development (Best Alternative to a Negotiated Agreement).

This approach was a shift from previous C-suite-led negotiations. After working closely with C-suite stakeholders, a new approach was agreed between all parties.

This new approach improved leverage, enabled scenario planning, and introduced tiered negotiation improvements, maximising flexibility around critical exit clauses like the NTE (Not to Exceed) clause.



## The outcome

Livingstone's strategic intervention resulted in an additional **~€130M** in negotiated impact, on top of the **~€100M** the client had already secured.

This phenomenal result was achieved through a blend of licensing optimization and targeted strategic sourcing advisory.

## Key Success Factors

- Strategic communication and alignment with C-suite stakeholders
- Generation of a compelling BATNA/BoM that was viable but by default generated additional negotiation leverage
- Tight control over negotiation phases and improvement tiering.

## Conclusion

Livingstone's deep licensing expertise, proven negotiation methodologies, and hands-on engagement with executive stakeholders delivered outstanding value for one of the world's largest banks.

This case highlights how even mature IT procurement organisations can unlock major savings with the right strategic partner.

## Want to uncover hidden value in your Microsoft agreements?

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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