

Optimizing IBM Licensing and significant cost savings at a healthcare organization

42% SAVINGS
ANNUALLY

Noventiq's IBM experts delivered significant **cost savings of 42% annually** through strategic license optimization, while simultaneously **preventing compliance penalty of €1.6 million** by ensuring adherence to IBM's Sub-Capacity conditions.

Project Overview

Customer Profile

A national healthcare organization with a limited IBM software landscape seeking to identify potential cost savings within their IBM software portfolio.

Situation

The organization was incurring substantial annual Subscription & Support (S&S) fees for their IBM software products. They needed expert guidance to determine if savings were possible despite their limited IBM software landscape and to ensure compliance with IBM's licensing conditions.

Objective

To analyze the organization's IBM contracts and licensing position, identify potential cost-saving opportunities, and ensure compliance with IBM's Sub-Capacity licensing conditions to avoid financial exposure.

Conclusion

Noventiq's IBM experts delivered significant cost savings of 42% annually through strategic license optimization, while simultaneously preventing compliance penalty of €1.6 million by ensuring adherence to IBM's Sub-Capacity conditions.

Annual Cost Savings
42%

**Prevented potential
financial exposure**
€1.6 million

Project Description

Challenge

Identifying optimization opportunities within a limited IBM software landscape while ensuring license compliance.

- Initial skepticism about finding meaningful savings given the limited IBM software portfolio
- Lack of clarity around IBM's complex licensing conditions
- Potential financial exposure due to non-compliance
- Excessive annual spending on Subscription & Support fees
- Need for improved IT asset management processes for IBM products

Solution

Implementation of comprehensive IBM software optimization strategy focused on contract analysis and usage-based license right-sizing.

- Conducted detailed analysis of IBM contracts and annual Subscription & Support fees
- Shifted organizational focus to proper IBM software housekeeping
- Introduced proven methodology (including audit agreement approach) applicable for other software publishers
- Identified underutilized software products
- Clarified Sub-Capacity conditions for InfoSphere software, determining ILMT was not required

Outcome

Achieved 42% reduction in annual costs while establishing robust IBM license management practices and ensuring full compliance.

- Clean Auditor Report with no findings
- Annual **savings of €85,000 (42%)** on IBM renewal costs, reduced from €204,000 to €119,000
- **Discontinued S&S** for five underutilized software products
- Identified two additional products with potential for further cost reduction in future renewals
- Prevented **financial exposure of €1.6 million** regarding PVU Sub-Capacity conditions
- Eliminated duplicate licenses across the organization
- Established clarity on Sub-Capacity licensing requirements for InfoSphere software
- Implemented reusable methodology applicable for optimizing other software publishers



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