



With Big Changes Ahead, NPI Helps Oil & Gas Company Align its Microsoft Spend



The oil and gas industry is no stranger to volatility – and its star performers are adept at weathering change. For one company’s IT sourcing team, this volatility, combined with planned M&A activity, made them rethink how to approach two of their largest Microsoft renewal agreements. Guided by NPI’s licensing and pricing expertise, the company was able to save more than \$17M on their Microsoft spend as well achieve the licensing flexibility they would need during and after M&A events.

Case Study: Large Oil & Gas Company

The Challenge:

- Needed to reduce IT costs, specifically with Microsoft, due to increased industry volatility
- Pending M&A meant fluctuations in licensing counts
- IT sourcing team needed additional resource and expertise to negotiate Microsoft EA and SCE renewals quickly and effectively

- Saved \$14M on Microsoft EA renewal, approximately 27 percent of initial contract value
- Cut Microsoft SCE renewal costs by 30 percent (\$3M) over the contract term
- Negotiated flexible licensing terms to allow for significant license count fluctuations at minimal cost to the business
- Secured discounts for future Office 365 migrations

Volatility Puts Pressure on IT Spend with Microsoft

For one large oil and gas company, Microsoft Enterprise Agreement (EA) renewals had always been a complex and resource-intensive endeavor – one they had navigated well thanks to a strong IT sourcing team. But, when faced with declining oil prices and pending M&A activity, the company decided to bring in NPI’s Microsoft expertise to help optimize licensing across their considerable Microsoft estate. The upcoming EA renewal, as well as Server & Cloud Enrollment (SCE) renewal, represented a significant part of the company’s overall IT spend – as well as an opportunity for material cost reductions.

The goals were clear: to secure better pricing for both renewals and to structure the EA for the flexibility they would need to accommodate the pending merger. NPI would augment the IT sourcing team’s efforts by providing price benchmark analysis, software license optimization expertise, licensing cost scenario modeling and Microsoft-specific negotiation optimization advisory services.

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Real data.
Real savings.



Volatile oil prices and a pending merger underscored the need for agility. Just as important as cost reductions was the ability to expand and contract licensing counts as business demand warranted.

NPI's Licensing Expertise Uncovers New Opportunity for Savings

NPI began by reviewing historical license purchase data and interviewing the company's personnel to better understand current usage profiles, infrastructure dependencies and future demand projections. Armed with this information, NPI developed various licensing scenarios for the company's consideration, modeling the cost implications and identifying the risks/rewards of each scenario.

NPI's deep Microsoft licensing expertise helped the company match the best license type to each user profile, uncover the hidden impact of virtualization and desktop infrastructure technologies, and understand the licensing implications of software assurance for product type. From here, NPI was able to establish the most desirable licensing scenario for both the EA and SCE agreements, as well as targets for more competitive and flexible pricing and terms.

Concessions and Savings from Microsoft Deliver More Agility to the Business

While the company negotiated directly with Microsoft, NPI provided step-by-step negotiation support. This partnership resulted in \$14M in savings over the term of the EA, and another \$3M in savings over the term of the SCE agreement.

The company was also able to achieve highly flexible licensing terms that would allow them to reduce license counts as the company streamlined operations post-M&A, as well as increase licensing counts at minimal cost as business demand warranted. NPI also helped secure discounts for migrations to Office 365 as the company's cloud strategy evolves.

With the bulk of its Microsoft spend cut by 25+ percent, the company continues to partner with NPI to optimize its IT spend with other enterprise IT suppliers.

About NPI

NPI is an IT sourcing consulting company that helps enterprises identify and eliminate overspending on IT purchases, accelerate purchasing cycles and align internal buying teams. We deliver transaction-level price benchmark analysis, license and service optimization advice, and vendor-specific negotiation intel that enables IT buying teams to drive measurable savings. NPI analyzes billions of dollars in spend each year for clients spanning all industries that invest heavily in IT. For more information, visit www.npifinancial.com.



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