$9M in Microsoft EA Savings Helps Managed Healthcare Solutions Provider Recommit to Cost Control

When it comes to providing healthcare solutions for underserved populations, an unwavering commitment to efficiency and cost control are key – especially in areas like IT where spend is growing at a record pace. To counter rising Microsoft costs, one provider turned to NPI for license and cost optimization assistance in advance of a complex Enterprise Agreement renewal. The partnership paid off – to the tune of $9 million over the EA term.

Case Study:
Healthcare Solutions Provider

The Challenge:

- Needed to identify savings opportunities and align asset utilization for upcoming Microsoft true-up and EA renewal

- Wanted to structure renewal to allow for flexibility to adopt Microsoft's cloud services with minimal risk

- Discovered a 10 percent over-deployment rate across multiple Microsoft investments, including Office, Windows, SQL, Project and others

- Right-sized Microsoft EA renewal resulting in $2.4 million in savings for the first year and approximately $9 million in savings over the three-year term of the agreement

- Negotiated flexibility for client to migrate from on-premise to Office 365 at their own pace with minimal cost and operational impact

Staying Ahead of Rising Microsoft Costs

Providing healthcare solutions for underserved populations in the current healthcare environment is no easy task. It requires a systemic commitment to innovation and cost control – a commitment that one managed healthcare solutions provider understands very well. Backed by 30+ years of experience, the company is renowned for delivering solutions that maximize health outcomes while reducing expenses. In fact, controlling costs is a mission-critical objective – one that directly impacts its ability to serve its millions of members.

With IT spending on the rise, the company sought ways to immediately reduce spend on its current information technology deployments while embracing new cloud-based technologies that would deliver long-term cost and operational improvements. To get started, it turned to NPI to identify savings opportunities with one of its largest vendors – Microsoft. With an Enterprise Agreement renewal in the near future, the company wanted to identify areas where it could optimize asset utilization, reduce support expenses and cautiously deploy Microsoft's cloud offerings.

NPI

Real experts.
Real data.
Real savings.

NPI Finds, Eliminates Overbuying and Negotiates Greater Cloud Flexibility

NPI began its Microsoft spend assessment by first analyzing asset utilization within the organization across more than 5,800 users. This discovery process indicated the client had over-deployed several core Microsoft investments including Office, Windows, SQL, Project, Visio and Enterprise Client Access Licenses (CALs) by approximately 10 percent. NPI also profiled organizational use of Microsoft assets to fully understand how they were being used across the company. This was key to NPI's assessment, as the company had previously engaged in a full platform Microsoft Enterprise Agreement across all devices and users rather than opting for a more customized, profile-based agreement.

Following this assessment, NPI experts helped the client right-size the EA to reflect actual usage across the organization, and realign the company's licensing under Microsoft's new Server and Cloud Enrollment (SCE). NPI also helped the company secure flexible contract terms that would allow it to take a "toe in the water" approach to Microsoft's cloud services. Under these terms, the company could migrate to Office 365 and, if needed, convert back to on-premise licenses.

NPI Cuts Microsoft Spending by 30 Percent

The client's partnership with NPI delivered immediate and long-term cost reductions. NPI's deep Microsoft licensing and pricing expertise resulted in an optimized EA renewal that will save the company $2.4 million in the first year of the EA term, and an estimated $9 million over the three-year agreement. By achieving a cost reduction of nearly 30 percent with its largest IT vendor, the healthcare solutions provider emancipated significant funds that can be redirected toward new innovation and cost-reduction projects.

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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