

Software License Cost Analysis 2023

Summit Digital Solutions, Inc.

Confidential & Proprietary

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1. Executive Summary

This Software License Cost Analysis document provides a comprehensive review of Summit Digital Solutions, Inc.'s ("Company") enterprise software licensing expenditures, utilization metrics, and cost optimization recommendations for fiscal year 2023. This analysis covers all material software licenses supporting the Company's Peak Performance Platform and associated service delivery infrastructure.

2. License Portfolio Overview

2.1 Enterprise Software Licenses

- Microsoft Enterprise Agreement (EA-789234)
 - Annual cost: \$1,275,000
 - Seats: 425 E5 licenses
 - Coverage period: 01/01/2023 - 12/31/2025
- AWS Enterprise Support Plan (ASP-98765)
 - Annual cost: \$895,000
 - Usage-based pricing with committed spend
 - Term: Rolling 12-month commitment
- Salesforce Enterprise Edition (SF-45678)
 - Annual cost: \$468,000
 - Seats: 285 full licenses
 - Coverage period: 03/15/2023 - 03/14/2024

2.2 Development & Analytics Tools

- Atlassian Cloud Enterprise (AT-34567)
 - Annual cost: \$225,000

- Users: 325 active
- Products: Jira, Confluence, Bitbucket
- Snowflake Enterprise (SF-12345)
- Annual cost: \$675,000
- Consumption-based pricing
- Term: 02/01/2023 - 01/31/2024

3. Utilization Analysis

3.1 License Utilization Metrics

- Microsoft E5: 92% active usage
- Salesforce: 87% active usage
- Atlassian Suite: 94% active usage
- Development tools: 88% average utilization

3.2 Cost per User Analysis

- Average cost per employee: \$9,450/year
- Departmental breakdown:
- Engineering: \$12,800/year
- Professional Services: \$8,900/year
- Sales & Marketing: \$7,200/year
- Administrative: \$4,800/year

4. Cost Optimization Recommendations

4.1 Short-term Opportunities

Consolidate duplicate licenses across business units

Implement automated license reclamation for inactive users

Optimize license tiers based on usage patterns

Negotiate volume discounts for projected 2024 growth

4.2 Strategic Initiatives

Transition to consumption-based pricing where advantageous

Implement centralized license management system

Develop vendor consolidation strategy

Establish standardized procurement processes

5. Financial Impact Analysis

5.1 Current State

Total annual software license spend: \$4,225,000

Percentage of revenue: 4.83%

Year-over-year growth: 18.5%

5.2 Projected Savings

- Short-term optimization: \$385,000 (9.1%)
- Strategic initiatives: \$625,000 (14.8%)
- Total potential annual savings: \$1,010,000

6. Risk Assessment

6.1 Compliance Risks

- License audit exposure: Low
- Security compliance status: Compliant
- Data privacy requirements: Met

6.2 Operational Risks

- Service delivery impact: Minimal
- Business continuity: Maintained
- Technical debt: Manageable

7. Implementation Timeline

7.1 Q1 2024

- Complete license audit
- Implement reclamation process
- Begin vendor consolidation

7.2 Q2-Q4 2024

- Deploy license management system
- Execute contract renegotiations
- Implement optimization initiatives

8. Legal Disclaimers

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9. Authorization

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