

Case Study: **Carl Zeiss AG**

Achieving an accurate license balance and full transparency

Automated license management at the touch of a button

Manually managing all licenses for 14,000 clients is not an easy task. And it rarely leads to accurate results: it bears the risk of holding not enough – or way too many – licenses. Not the ideal solution for a company known for its accuracy. But eventually, Carl Zeiss AG managed to make its license management transparent. The solution provided by Matrix42 automates many tasks, such as independently matching licenses and installations. The license balance is available at the click of the mouse – for different departments or for the entire organization. Thus, Carl Zeiss AG can now be certain to meet compliance guidelines, while saving time and money.

Accuracy is key

Audits do not leave room for guesswork; they have to be 100% correct. Wolfgang Kassel is very aware of this fact. Being the head of sourcing & vendor management at the IT department of Carl Zeiss AG he is directly responsible for the software installed on the organization's 14,000 clients worldwide. License management is an integral part of his daily work, but up until recently it required a lot of manual work: desktops were partly installed by hand and partly by an automated software distribution system. Wolfgang Kassel recalls, "A certain group was assigned certain software, but there was no way of checking the software had really been assigned by the system." This lack of control led to software being licensed that was not even installed anywhere. Daily tasks, such as exchanging a desktop, made matters even worse.

The problem: lack of transparency

"At the end of the day, our main problem was the lack of transparency," says Wolfgang Kassel. Installation figures were only available in confusing spreadsheets, which were managed separately by the many different legal entities of Carl Zeiss AG. To generate a license balance Kassel and his two colleagues had to request the relevant data before they were able to compile it. A real Herculean task! A series of workflows provided a certain level of control: "We were able to review how many installations had been carried out and could allocate IT costs accordingly," says Kassel, "but we had no way of validating our allocation automatically or of regularly checking if the software was still installed on the desktops."

License balance without gaps

The result: incorrect licensing due to faults in the system. An unacceptable risk for Wolfgang Kassel: "There was no way around it: we had to make sure our software was licensed correctly. On the one hand we did not want to use licenses indiscriminately, on the other we did not want to pay for



We make it visible.

► Carl Zeiss AG

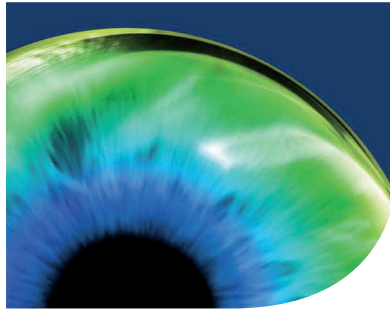
The company is a global leader in the optical and optoelectronic industries. Its products are used in medicine and research, provide the most precise measurements to the industry and set new standards in photography and film. Carl Zeiss AG is a global company with 24,000 employees worldwide. In the year 2010/2011, the company made sales revenues of 2.1 billion euros.

► Challenge

Licenses were managed manually for a long time at Carl Zeiss AG. As a result, it was never obvious how many licenses were actually needed, and the company always held too many or not enough licenses – an immense legal and economic risk. Moreover, the efforts involved in the manual management of 14,000 clients were simply not acceptable.

"Our license management is very transparent. It allows us to plan ahead precisely, which puts us in a better position to negotiate with our suppliers. And we can be certain to meet all compliance guidelines at all times."

Wolfgang Kassel, Head of Sourcing & Vendor Management, Carl Zeiss AG



more licenses than we had to, or even for the wrong licenses." A professional license management solution had to be found: every single process was put to the test and redeveloped if necessary – a huge project. The employees in the IT department reviewed all existing licenses and entered service contracts with the different vendors. "Updates and upgrades are very important to us, as they ensure we maintain the value of our investment," explains Kassel. "The next logical step therefore was to automate our license management as much as possible."

Detailed reports and sensible interfaces

Three vendors were shortlisted after the tender process and were rated carefully on the basis of a scoring scale. The company's main requirements were seamless processes with regard to the license management and an accurate overview of all licensing needs. In addition, compliance reports needed to be broken down to the company's numerous different legal entities. "Matrix42 met all of these demands perfectly well," Wolfgang Kassel explains the decision. But the company was also impressed by the diverse interfaces, for example to Microsoft Active Directory and other important systems such as software distribution, asset management and cost centers. Further commercial interfaces were tailored to the organization's needs. The tool could therefore be integrated into the existing IT landscape easily and quickly.

Intelligent assignment of licenses and installations

When implementing the Matrix42 solution, Carl Zeiss AG was particularly impressed with the License Intelligence Service (LIS). It holds a record of all major software vendors along with their metrics and license types: existing licenses are thus recognized and validated fully automatically. "We only have to enter each purchase we make – the system will recognize itself which installation the data relates to via the inventory. This works really well," says Kassel. Nowadays, the IT staff at Carl Zeiss AG knows exactly which software is installed on the desktops. All relevant data is stored in the Matrix42 license management solution, including billing details, SAP order number and service contract details. The license balance is now generated on a monthly basis without any of the effort involved before. Whenever the information is needed it is at hand within seconds.

Cost awareness

Carl Zeiss AG also benefits when it comes to the internal exchange of licenses. When an employee cancels a license it becomes available to someone else. "Because we are now able to pass costs on, we can also raise awareness for the subject among cost center managers," says Wolfgang Kassel.

Maximum compliance, minimum costs

The best result, next to flawless compliance across the entire organization, is the reduction in costs: the company only pays for the licenses it actually uses. Moreover, Wolfgang Kassel can now predict much more accurately how the actual use will change. "This allows for more precise planning," he says, "which in turn allows us to negotiate more long-term – and therefore less expensive – agreements with our suppliers."

► Solution

The license management at Carl Zeiss AG is now automated to the greatest possible extent: all installations and licenses – along with the respective invoices and contracts – are instantly available. The license balance is generated by the touch of a button. The IT staff's work is much easier now, and compliance guidelines are met at all times. In addition, the company is able to negotiate better terms when buying new licenses, as it is now able to plan ahead more precisely.

"In the past, generating a license balance meant several days of work. With the Matrix42 license management solution it is much quicker: we only hit a button to know what software we have installed."

Wolfgang Kassel, Head of Sourcing & Vendor Management, Carl Zeiss AG

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