



# Software Asset & License Management ROI

Organizations of 1000 employees can potentially save \$177,634 per year by using a software asset and license management solution such as VIZOR. This document details how the most popular features in VIZOR help organizations achieve such savings with examples supported by independent Gartner, Deloitte and Forrester statistics.

## Save \$85,935 annually

### 1. Software Request Portal

*20 Minutes per request X (2 requests per employee X 1000 employees) = 667 hours saved*

*667 Hours X  $\frac{54,000 \text{ IT Support Technician Salary}}{1856 \text{ annual working hours}}$  = \$19,406 saved*

### 2. Control Shadow IT

*\$1,200,000 (Software Budget for 1000 employees) X 2% Software Budget (Shadow IT) = \$24,000 saved*

### 3. Automating Employee onboarding

*3.5 Days ( 1000 employees X 22% turnover rate X 30% productivity loss) = 231 working days  
or \$40,279 of lost productivity*

### 4. Notification of renewals – Avoid late renewal penalties

*\$1,200,000 (Software costs) X 5% = \$60,000 Maintenance cost*

*\$60,000 (Software Maintenance costs) X 15% = \$9,000 value of late renewals*

*\$9,000 (Late renewals) X 25% = \$2,250 fines avoided*

# How VIZOR Saves You Money

## 1. Software Request Portal

Organizations of 1000 employees can save 667 hours or \$19,406 per year in staffing costs by automating the manual activity of processing employee software requests. Employees or their managers can request software applications or cloud services using VIZOR's software request portal. Requests pass through pre-defined provisioning and multi-level approval processes, minimizing workload while improving efficiency of request fulfillment.

IT spends an average of 20 minutes per software request. This includes replying to emails, chasing approvals and coordinating provisioning actions. With an average of 2 requests per employee per year, an organization of 1000 employees would process 2000 requests per year, totalling 667 hours. Based on an average IT Support Technician salary of \$54,000 and 1856 annual working hours, \$19,406 in staffing costs can be saved or relocated to other projects by utilising VIZOR's software request portal<sup>3</sup>.

*"Where SAM hasn't become a strategic priority, companies either aren't focused enough on the significant financial and operational benefits or they haven't felt the sting of a vendor audit."*

- Deloitte & Touche LLP

*20 Minutes per request X (2 requests per employee X 1000 employees) = 667 hours saved*

$$667 \text{ Hours} \times \frac{54,000 \text{ IT Support Technician Salary}}{1856 \text{ annual working hours}} = \$19,406 \text{ saved}$$

## 2. Control Shadow IT

Gartner states that 2% of software spend isn't authorised by IT<sup>2</sup>, this is generally referred to as shadow IT<sup>4</sup>. VIZOR manages software subscriptions and the approval and provision of SaaS applications and cloud infrastructure enabling IT to keep track of all software spend. VIZOR's central license repository, software request portal, financial cost discovery and support for auto-renewing subscriptions ensures previously unmanaged Shadow IT spend is accounted for.

*\$1,200,000 (Software Budget for 1000 employees) X 2% Software Budget (Shadow IT) = \$24,000 saved*

### 3. Automating Employee onboarding

A Forrester study found that new employees wait an average of 3.5 days for all the resources required to start the tasks of their job<sup>8</sup>. VIZOR's onboarding and role-based provisioning functionality ensures new employees have the IT hardware, software and privileges they need from day one. Assuming employees can work while waiting for their assets, employees will still lose about 30% productivity. As a result, VIZOR saves 47 weeks of lost productivity for an organization of 1000 employees.

Mercer states that the average employee turnover rate in the US is 22%<sup>5</sup>. According to the Bureau of Labor Statistics (BLS)<sup>6</sup>, the median wage for workers in the United States during Q3 2018 was \$857 per week.

$$3.5 \text{ Days } ( 1000 \text{ employees } \times 22\% \text{ turnover rate } \times 30\% \text{ productivity loss}) \\ = 231 \text{ working days of lost productivity}$$

$$\$857 \text{ per week } \times 47 \text{ weeks } ( 231 \text{ working days } ) \text{ of lost productivity } = \mathbf{\$40,279}$$

### 4. Notification of renewals

Large enterprise software vendors often charge a premium for late maintenance renewals. The premium or fine varies between vendor and the period elapsed. VIZOR helps organizations to avoid late renewal penalties by tracking maintenance renewals providing timely email alerts and reminders before they are due. The example below assumes that 50% of total software spend is allocated to maintenance renewals and 15% of renewals incur a late penalty free. Penalty fee calculated using Symantec's late renewal premium of 25%<sup>7</sup>.

$$\$1,200,000 \text{ (Software costs)} \times 5\% = \$60,000 \text{ Maintenance cost}$$

$$\$60,000 \text{ (Software Maintenance costs)} \times 15\% = \$9,000 \text{ Value of late renewals}$$

$$\$9,000 \text{ (Late renewals)} \times 25\% = \mathbf{\$2,250 \text{ fines avoided}}$$

#### References

1 - Gartner, "Cut Software Spending Safely with SAM." 2 - Deloitte, "Software Asset Management: Time for a Reset" 3 - Glassdoor, "US IT Support Technician Salary" 4 - Gartner "IT Budget" 5 - Mercer, "North American Employee Turnover: Trends And Effects" 6 U.S. Bureau of Labor Statistics, "Usual Weekly Earnings Of Wage And Salary Workers Third Quarter 2018" 7 Symantec "Discontinuation of 30 Day Late Renewal Grace Period" 8 Forrester "Total Economic Impact™ Study"

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