

Maersk Oil Gains 2109% ROI by Proactively Managing their Software Assets



Highlights

- Global O&G company needed to reduce costs of high-end software applications
- Open iT was selected for its ability to analyze usage data on a global scale
- Dashboards and detailed reports helped management negotiate vendor agreements
- Exploration & Production (E&P) software costs were reduced by nearly 40%
- Automatic harvesting of inactive licenses helped company achieve 2109% ROI

Company Overview

Maersk Oil is an international oil and gas company with a 2016 entitlement production of 313,000 barrels of oil equivalent per day, with production from Denmark, the UK, Norway, Kazakhstan, the U.S. Gulf of Mexico and Algeria. Exploration and development activities are on-going in Angola, Kenya, Brazil, Kurdistan Region of Iraq and in the producing countries.

Business Challenge

The rapid decline of oil and gas prices prompted Maersk Oil to manage and control costs in a more efficient manner. Like many technologically advanced companies, Maersk relies on high-value software applications to gain a competitive advantage. These applications are often underutilized due to lack of detailed information about how, when and by whom they are used. Several years prior, Maersk Oil implemented a software license management tool, but it focused on license administration with limited capabilities for analyzing licensing optimization and usage.

Maersk Oil established an internal initiative, Software License Optimization and Entitlement (SLOE), to increase visibility levels for the management and administration of software licenses across the company. The SLOE's mission would extend far beyond the current downturn in oil prices to help the company achieve higher levels of operational productivity.

Simplification Specialist Claus Moller was assigned to lead the initiative by looking at business processes in detail to identify tasks, workflow and other areas where applications could be used more efficiently. Moller's background as a Global Subsurface Portfolio Manager and E&P Simulation Specialist provided core knowledge about the applications in use and experience working with vendors. E&P application vendors were also making changes to their licensing models. It was an optimum time to analyze and review usage patterns for negotiation purposes.

Open iT Solution

The SLOE team completed a proof of concept of Open iT's Usage Metering and Optimization Software, which was selected for its ability to analyze and optimize high-end applications with exceptional precision. Open iT's solution included business intelligence (BI) dashboards to visually analyze and track application usage data, active vs. inactive time spent using each application, and enable automatic harvesting of licenses that were checked out but inactive. It was the only metering and optimization solution that integrated with independent software vendors data to support pay-per-use agreements. Open iT's unique approach to license optimization benefits both the end user to improve efficiency levels, and contract negotiations by enabling scalable vendor agreements.

The embedded dashboards and reports provided Maersk Oil management with detailed insights that were previously impossible to see prior to using Open iT. Examples of these reports include:

- Heatmaps – Reports indicate maximum usage per application by the hour
- Concurrent Users – Reports on the daily number of concurrent users to see how often key features are used, including potential cost savings based on usage count

- LAN vs. WAN – Simulates various license agreements including global concurrent, local concurrent and named user agreements to determine how many licenses are needed
- License Distribution – Track which applications are being used by location and sub-groups
- Productivity Levels – Identify instances where users check out a license without using it and is held inactive for a certain period of time

With out-of-the-box reports, the Maersk SLOE team was able to analyze global trends and drill down into details by department and user levels to evaluate and prepare new vendor agreements. Within just a few weeks of reviewing the newly-acquired data, the company was able to detect underutilized software and usage patterns that were previously unknown.

With a more complete and accurate view of where and how often high-end applications are used, Maersk Oil was able to renegotiate its vendor agreements. The company pursued a more scalable agreement with one of its top providers to better align the number of software licenses with end users while leaving room for expansion as market conditions improve. The Open iT usage reports were used to negotiate a consumption-based agreement. This offered stability for both parties.

Maersk Oil also adopted additional functionality within the Open iT software to automatically harvest inactive licenses. With a new pay-per-use agreement, this automated harvesting allowed Maersk Oil to stop paying for software that was not being actively used.

Results

Use of Open iT's solution has helped Maersk Oil increase the maturity level in managing E&P software assets, reducing the costs by 39% of one of their key application. Within the first year of the implementation, Maersk Oil achieved a 2004% return on their investment of Open iT. The solution also meets labor union and strict European privacy law requirements.

The cost savings and increased efficiency resulting from the use of Open iT gained favorable response from Maersk Oil management. The optimized and cost-conscious approach to software applications will help sustain the company through the downturn and provides a competitive advantage as the industry anticipates a strong recovery.

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Sometimes you need to address complex issues to find simple solutions. Working with Open iT has helped us navigate the inner workings of our high-end software applications to monitor availability and activity levels – something we haven't been able to do up to this point. It helped us make data-driven decisions to negotiate with vendors without impacting active users working on high-priority projects.
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Claus Moller, Simplification Specialist
Maersk Oil

About Open iT, Inc.

Open iT's flexible software management tools can greatly enhance the service value and business viability of any company seeking to deliver the best available IT solutions to its clients. We provide advanced hardware & software usage reporting and optimization solutions. Our customers use Open iT's tools and services to reduce IT costs, increase performance and support business process improvements. Open iT software enables fully customizable usage reporting, granular charge-back for hardware and software usage, and automated, industry-leading license harvesting capabilities across Windows/Unix/Linux platforms. Open iT metering and optimization tools equip Software and IT Asset Managers with advanced usage metering across license managers such as FlexNet, IBM LUM and Sentinel/Abaqus, in addition to other applications and web applications not using license managers.

Get Started

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