

## Murphy E&P Gains Competitive Edge by Reducing Global Software Expenses



### Highlights

- Need to consolidate assets of merged business units
- 250 applications and subscriptions costs of \$6 million each year
- Increased insight about how and where resources were being used
- Total cost savings reached \$1,388,550 within first 2 years of use



### Business Overview

Murphy Exploration & Production (E&P) has five global offices in addition to its retail division, which includes more than 1,300 gas stations. When the company merged two of its large business units, including domestic and international interests, the IT department was tasked with consolidating technology assets and developing strategic goals to streamline business processes and reduce costs.

### Business Challenge

Most IT departments struggle with servicing the needs of the organization while staying within budget. Often IT is viewed as a cost center, rather than a strategic resource. The reorganization, which merged several domestic and international business units, created new challenges for IT including:

- Companywide centralization and consolidation of all IT assets
- Executive-level support for IT strategies by appointing business “champions”
- Increased communication about how and where resources were being used

To achieve these new initiatives, a director-level position was created to support the Houston-based Upstream Exploration business unit. Jason Daigle was selected to oversee the entire Geoscience exploration application portfolio, which was comprised of more than 250 individual applications and data subscriptions totaling \$6 million in annual maintenance and support.

As the newly-appointed director of this initiative, Daigle established a single-point-of-contact (SPOC) process to improve communications between software vendors and Murphy E&P internal contacts. There was still a need for internal stakeholders to understand and manage all software procurement, evaluation, implementation and harvesting of licenses.

### Open iT Solution

Daigle began looking for a proven software license monitoring solution to help track software usage on both Windows and UNIX platforms. The solution needed to track and report concurrent usage at both the application and user levels, and have the ability to automatically release application licenses during extended periods of inactivity.

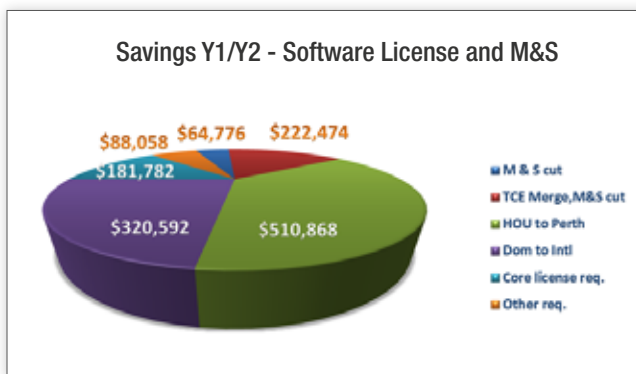
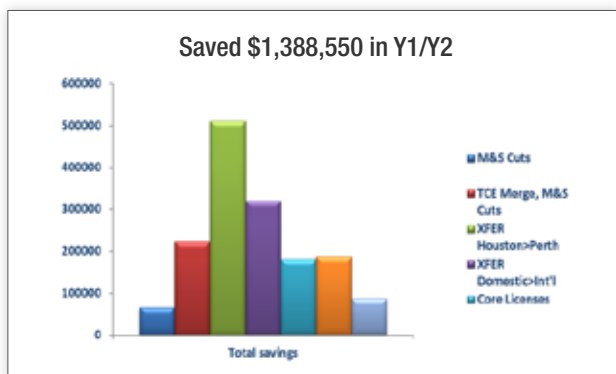
Murphy's IT team evaluated available solutions and found Open iT LicenseAnalyzer fit all their criteria. The company opted for a 35-seat end user license with an initial investment of \$43,000 USD, including annual maintenance and support, plus implementation and training assistance. LicenseAnalyzer allowed them to use their existing hardware infrastructure.

Murphy's geological and geophysical divisions, which contribute approximately \$23 billion in annual revenue, require the use of expensive software applications. Annual maintenance and support costs upwards of \$6 million and consists of more than 250 individual applications and data subscriptions. The IT director aimed LicenseAnalyzer's capabilities toward the costly applications used by the Geology, Geophysics, and Reservoir Engineering (GGRE) division to begin looking for cost savings. Initial reports provided detailed information about which applications and end users were actively using the GGRE subsurface applications including access denials, usage and surplus license reports. Activity was tracked across two regions and separate operating systems to provide a complete view of usage and activity levels.

## Results

Within the first year of implementation and use, Daigle was able to use the reports to make informed decisions about the company's software portfolio to take actions including:

- Transferring underutilized software to other global subsidiaries where they were needed
- Discontinuing maintenance and support for applications that were not fully utilized
- Reducing capital expenditures by cancelling purchasing requests in instances where overall usage was low or non-existent – used opportunities to coach staff on using software more efficiently
- Identifying surplus licenses within business units to avoid purchase of unnecessary software
- Merging domestic and international license servers and applications to reduce annual costs by more than \$220,000
- Monitoring license usage to identify where additional licenses were needed



The license usage reports helped the Murphy E&P IT team track usage with great detail to share licenses within the organization, eliminate unnecessary purchases of new software and add reduce annual maintenance and support costs at a global level. Within the first two years of use, Murphy's total cost savings reached \$1,388,550. The 32x return on investment prompted Murphy's leadership team to use LicenseAnalyzer companywide to meter software use worldwide. Global data is centralized on Houston-based server, and business units now receive concurrent reports. Currently, 80 percent of the company's upstream software applications are tracked and monitored.

The Open iT solution also helped Daigle transition from local area network (LAN) software agreements to wide area network (WAN) agreements so they can be managed at global level to improve the company's negotiation strategies. The WAN agreements help standardize license portfolios, allowing business units to leverage a common application server. Murphy has begun testing Open iT's LicenseOptimizer, which allows application licenses to be automatically released if unused by another user for an extended period of time.

## About Open iT, Inc.

Open iT provides advanced hardware & software usage reporting and optimization solutions. Our customers use Open iT software and services to reduce IT costs, increase performance and support business process improvements. Open iT software enables fully customizable usage reporting, granular chargeback for hardware and software usage, and automated, industry-leading license harvesting capabilities across Windows/Unix/Linux platforms. Open iT metering and optimization solutions equip Software and IT Asset Managers with advanced usage metering for desktop licensed applications across more than 30 supported license managers, as well as other installed software and web applications not using license managers.

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