
Software Asset Management @ F.Hoffman La Roche AG

George Arezina
Head of Software Asset Management
Group IT Procurement

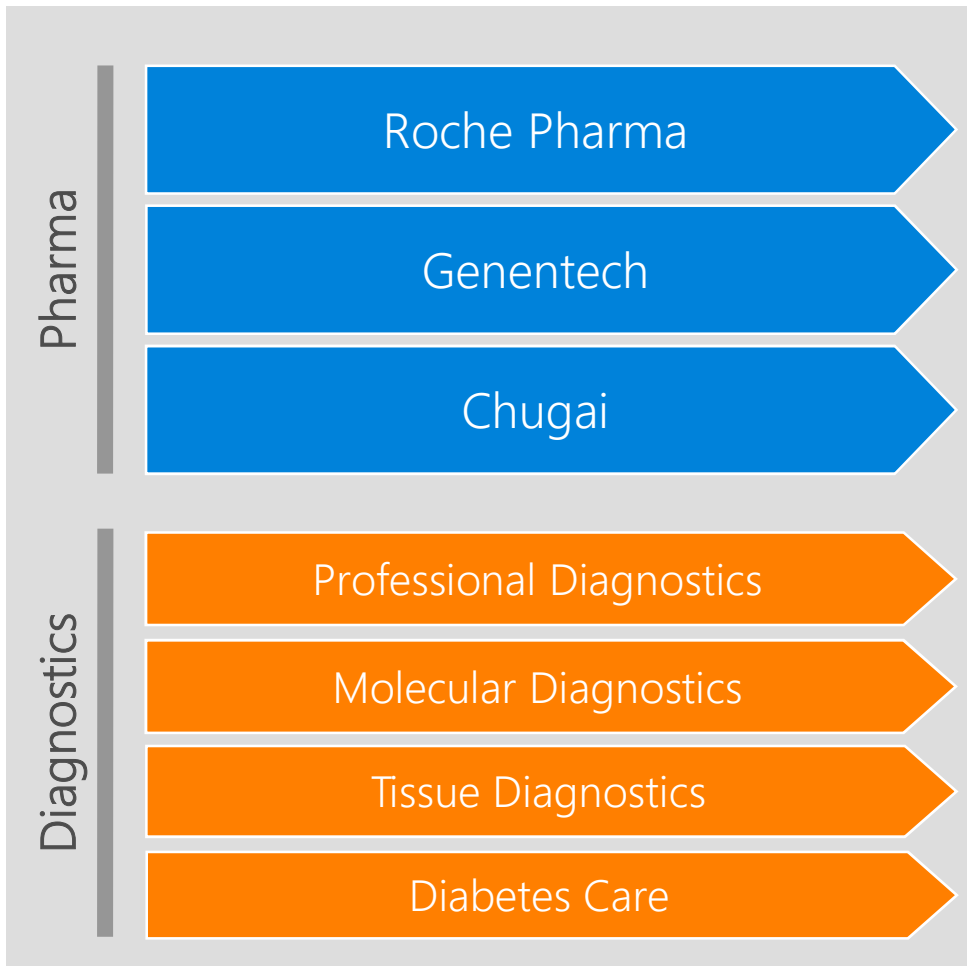


Introduction – George Arezina



- ISO/IEC JTC 001/SC 07/WG 21 "IT asset management" (Swiss Delegate)
- Head of Software Asset Management at F. Hoffman La Roche AG (Roche)
- 10+ years' SAM and software compliance experience optimizing stakeholder contracting policies and processes, establishing long-term software management strategies, and negotiating more favorable software license agreements that lower costs, reducing risk, and provide optimal flexibility.
- Former Head of Global License Operations at Deutsch Post - DHL
- Developed many software audit policies and procedures which in turn contributed to substantial savings on software costs.

Roche Group Structure



Head Quarters: Basel, Switzerland

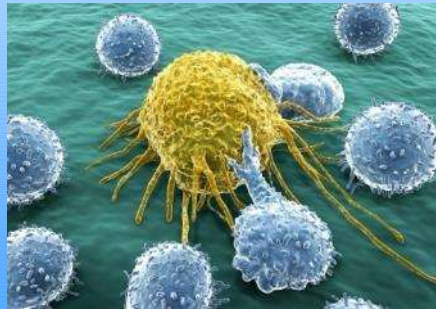
Industry: Pharmaceuticals & Diagnostics

Employees: 94,052 + 31,490

Contractors worldwide, operating in 150+ countries

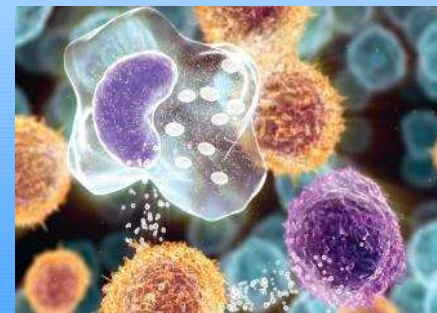
Annual Sales: \$50+ billion CHF

What We Work On



Oncology

Developing effective cancer therapies



Infectious Diseases

Developing effective treatments for life-threatening infectious diseases

Restoring sight

Ophthalmology



Developing medicines for serious brain diseases

Neuroscience



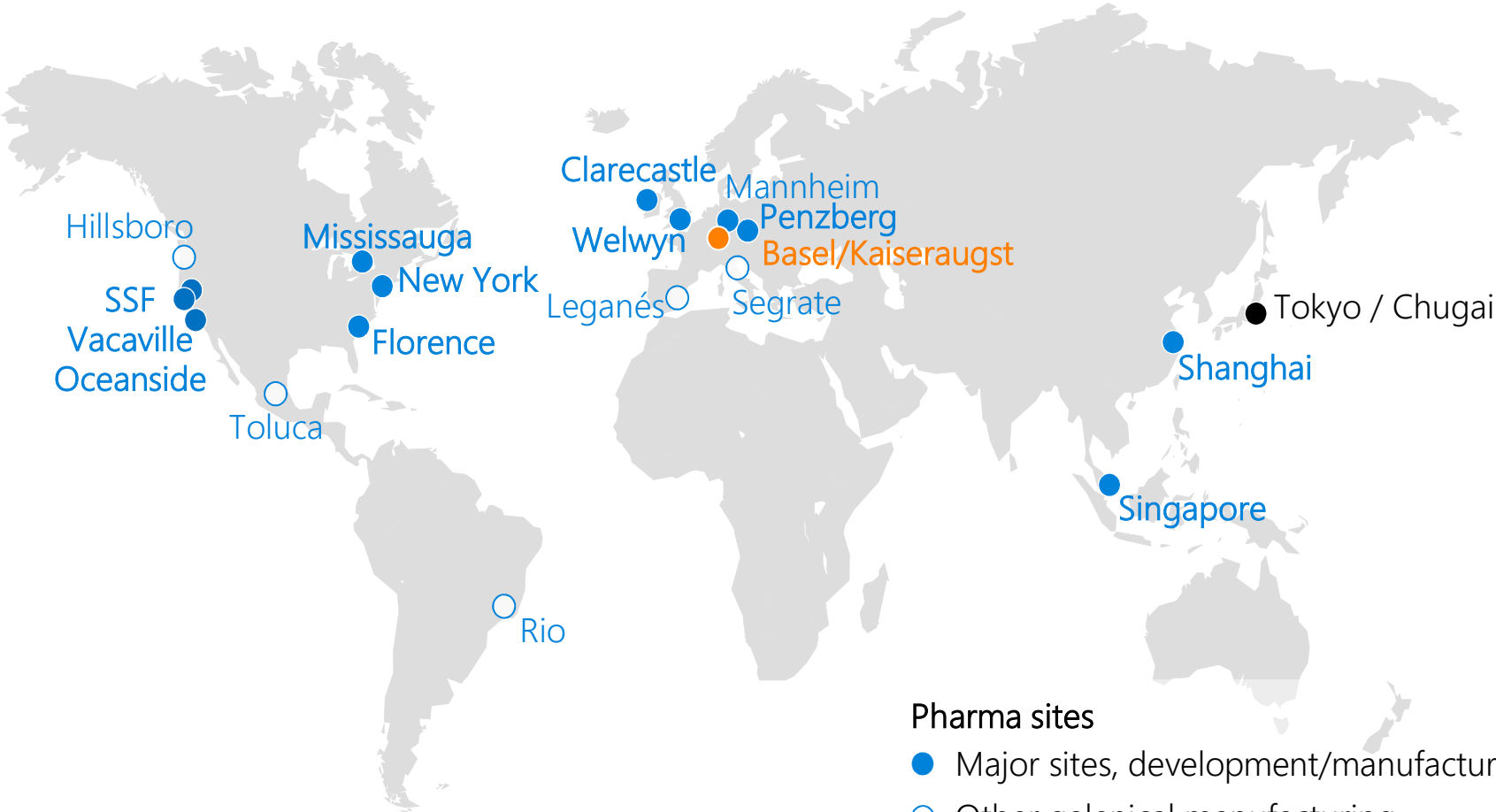
Tackling rare genetic disorders

Rare Diseases



Pharma

Worldwide presence



Pharma sites

- Major sites, development/manufacturing
- Other galenical manufacturing



Main Roche Diagnostics sites



Group IT Procurement built around Four Teams



Category Management

- Strategic partner for IT
- Develops and executes category strategies for Software, Hardware, Telecom and Services including eSourcing strategies
- Owns project portfolio and delivers sourcing projects and operational sourcing activities
- Responsible for Category savings achievement
- Responsible for Supplier Relationship Management (Top 20 Suppliers)
- Develops contract and sourcing template

IT Procurement – San Francisco

- Partner for local SSF IT organization and to ensure local focus
- Executes local projects in accordance with category strategies
- Supports Category Manager lead on major projects requiring support in SSF
- Delivers savings
- Team members dedicated but not restricted to a Category

Software Asset Management

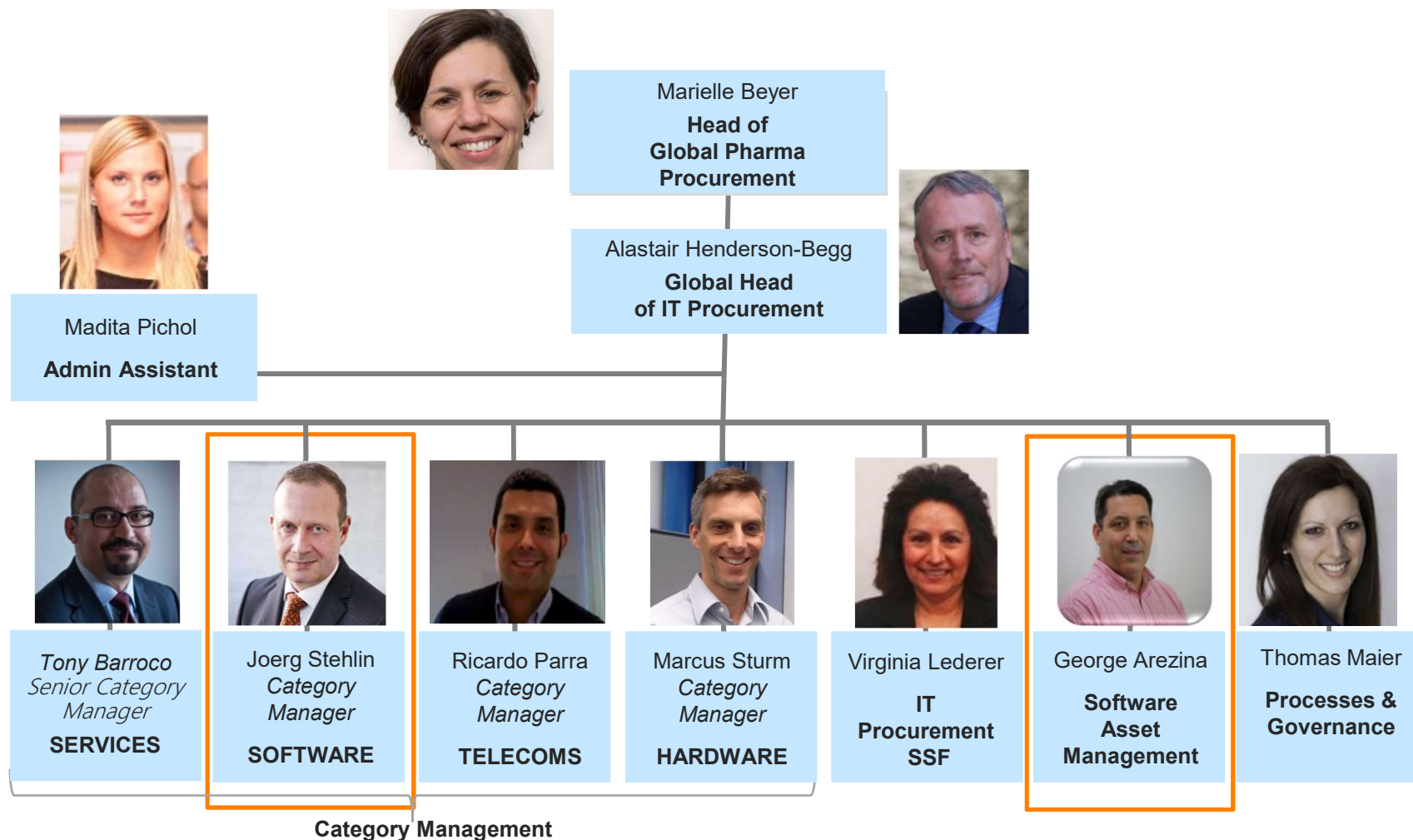
- Manage efficient use of software assets on global basis, including contractual software compliance
- Support external/ internal software audits
- Drive and implement software cleanse processes
- SAM Tool implementation

Processes and Governance

- Responsible for data reporting and KPI measurement
- Define, clarify, and align processes for all of IT Procurement. Establish quality assurance for process adherence
- Communication and internal/client education
- Oversee SSC Budapest

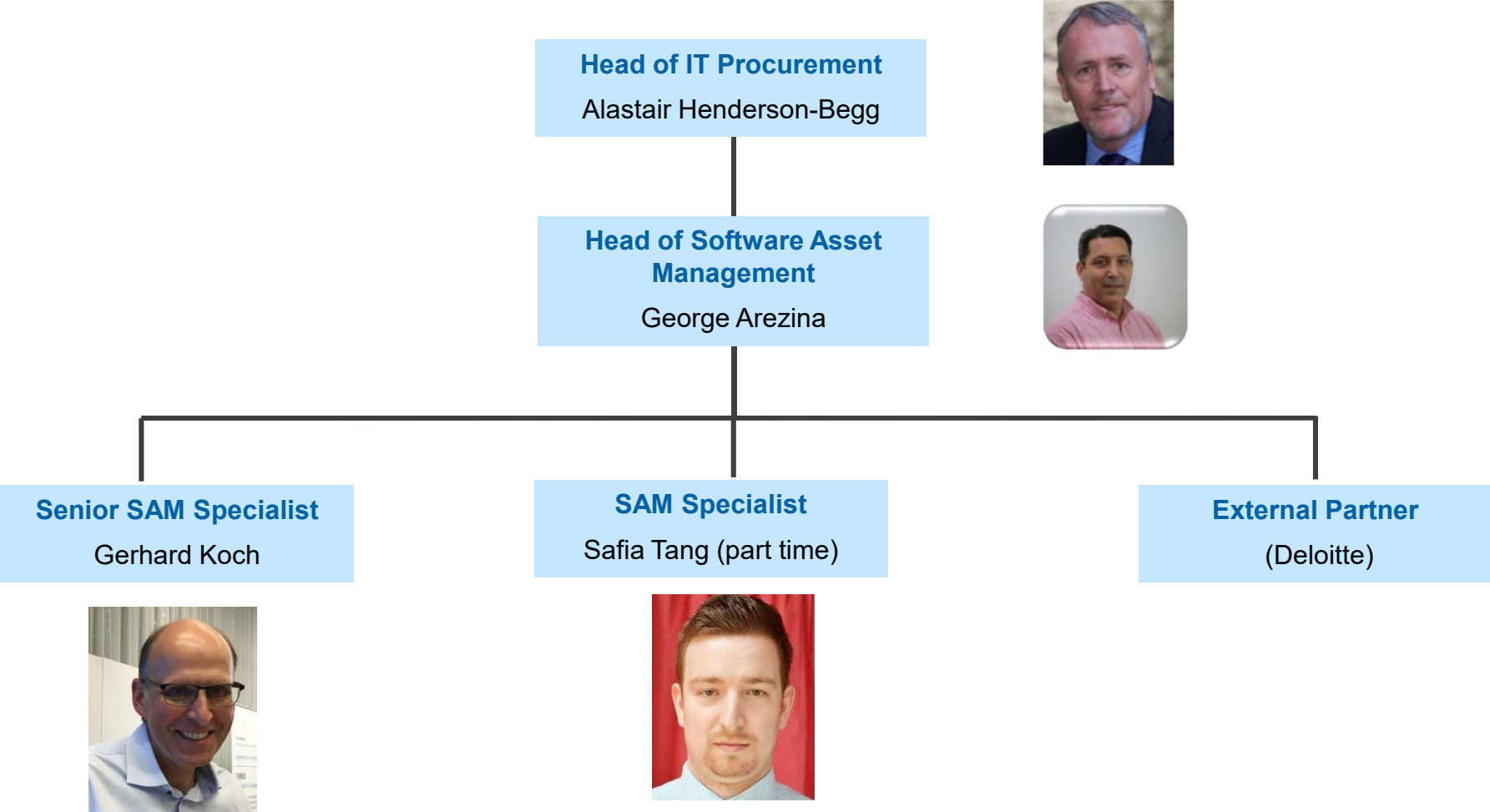


Group IT Procurement *Organizational Structure*

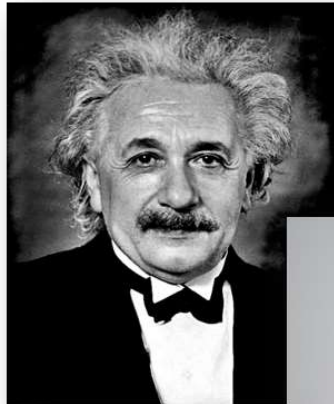


Group IT Procurement

Software Asset Management



Simple Approach to SAM?



Einstein:

„Make things as simple as possible -
but not simpler.“

$$E=mc^2$$



Arezina:

Some may believe that the complexity of
SAM can be tackled with a simple solution
– however, there is no such thing!

- People



- Process



- Technology



Software Asset Management (SAM)

A Global IT Procurement Service



The Service

- Global software license services through standard centralized processes & tools automating license control, while covering the complete license lifecycle.

Key Benefits

- Reduction of total cost of ownership
- Minimization of compliance risk & related costs
- Value defense
- Proactive management & control related to software licenses



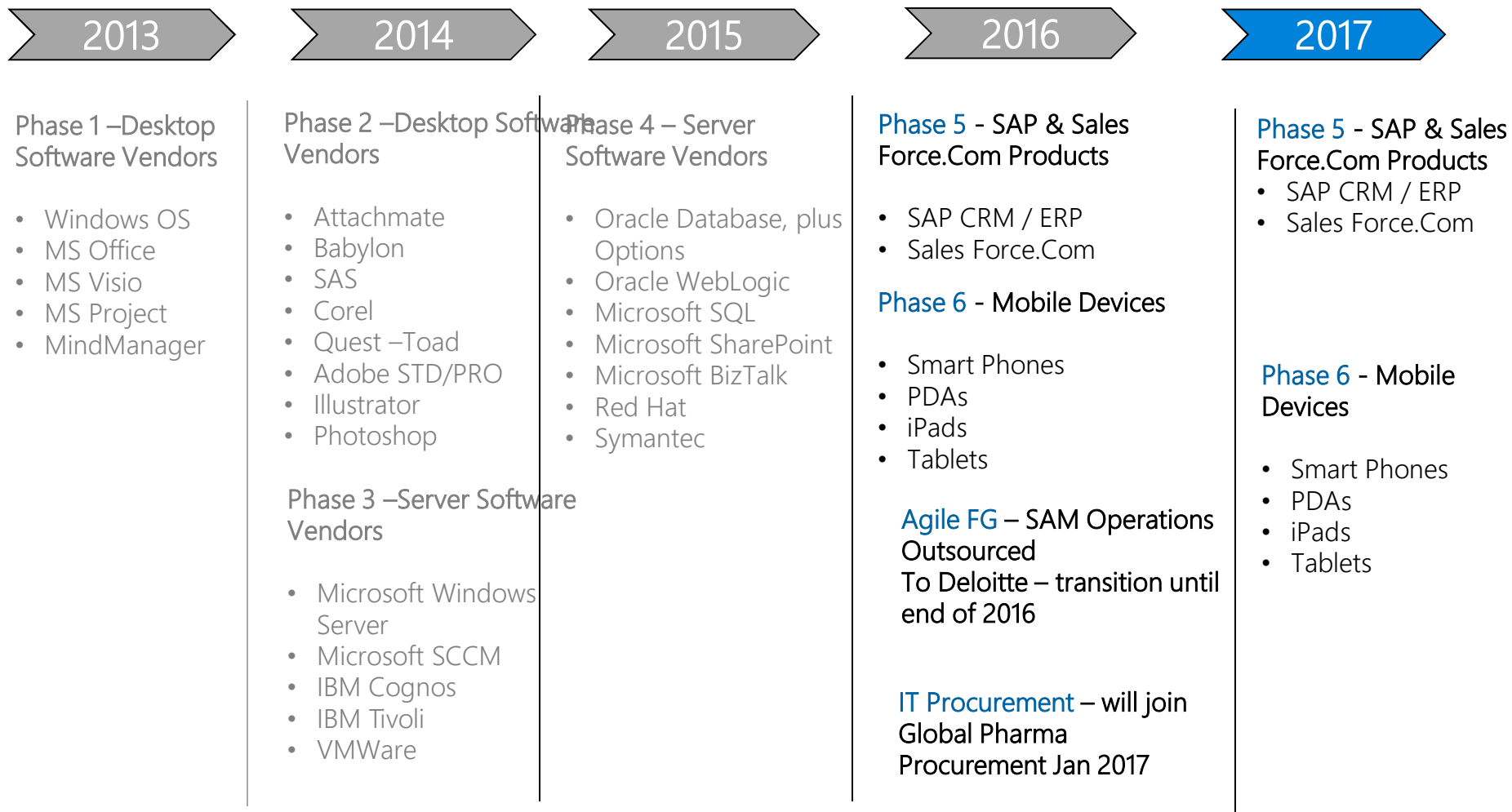
Major Achievements Since 2013

- 94.8m CHF of potential software license cost avoided
- Reduced compliance risk
- Improved operational efficiency



Software Asset Management Roadmap

based on Risk & Spend



SAM Solution at Roche



License Inventory
(Entitlements)

softwareONE
The Software Licensing Experts™

Insight

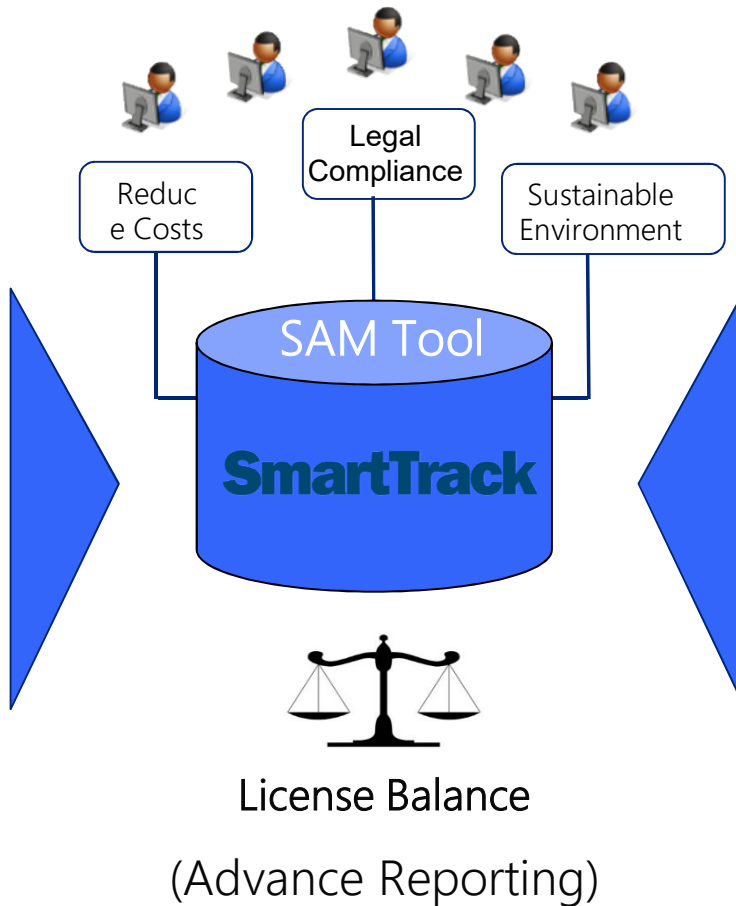
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SAP

ARIBA®

Roche

Roche Legal Entities



Installation Inventory
(Desktops, Servers)

casper

vmware

Microsoft System Center

Windows Server Active Directory

altiris

Microsoft Application Virtualization

Mac

HP Universal Discovery

Roche

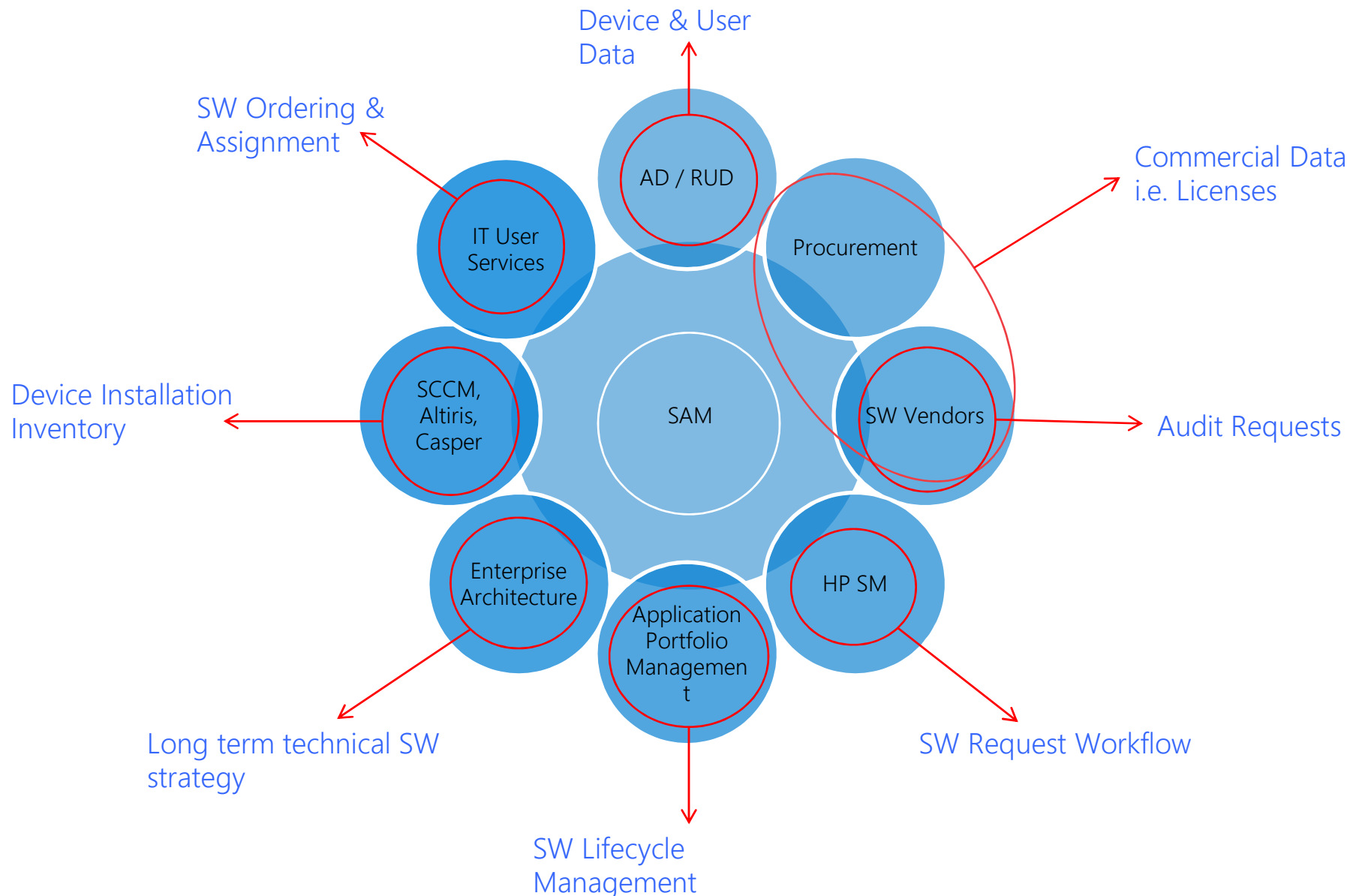
Roche User Directory

SAP Solution Manager

CITRIX

- KPI
- Dashboard
- Trend Analysis

SAM Interfaces (Tools or Processes)



SmartTrack (SAM Tool) Statistics

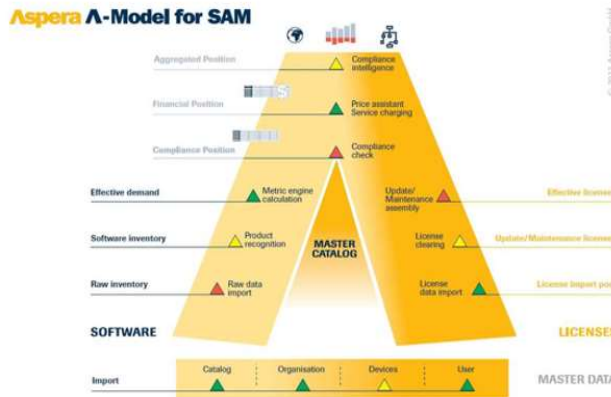


72,655 signatures
2,267 recognition rules

96 data feeds / interfaces

all Roche divisions
308 legal entities (except Chugai)
600 locations
100 countries
16,016 cost center

23,593,596 raw data inventory
3,900,180 installations



master catalog (extended catalog):
240 (102) manufactures
67,590 (571) products
440,690 (1,157) product use right

139,806 devices
319,207 users/accounts

66,336 effective license records
6,507 license records on standby (receiving inspection) for future scope

In scope:
12 Vendors
~35 products in scope

~5,000 license records processed in 2015 and
~2,000 license records processed in receiving inspection

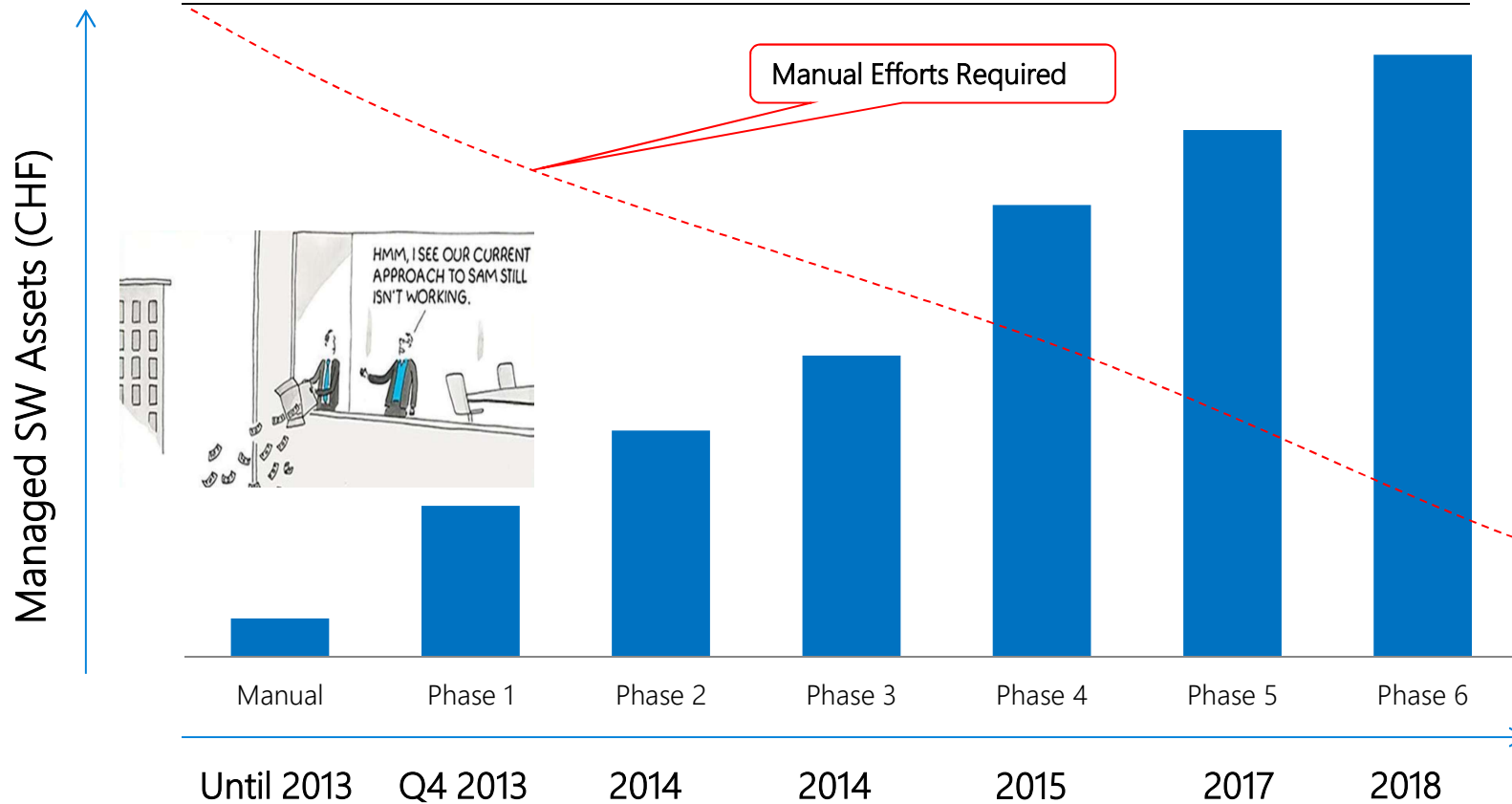
12 SmartTrack users
3 profiles

~250 support tickets in 2015
~

Managed Software Spend with SAM Tool



Annual SW Spend over 300 m CHF



- Phase 1 & 2 – Desktop Software Products
- Phase 3 & 4 – Server Software Products
- Phase 5 – SAP & Sales Force.Com Products
- Phase 6 – Mobile Device Software Products

The SAM Mandate

Group Informatics Software Licensing Policy

- The Software Asset Management team has been given the mandate to monitor and report on license compliance in Roche as stated in the «Group Informatics Software Licensing Policy»



Group Informatics
Software Licensing P

- The purpose of this policy is to state the proper and legal use of software on Roche owned computer systems and provide effective measures to ensure that software is licensed, installed, deployed, and used in compliance with supplier's or manufacturer's contract/license terms & conditions

Software Vendor Audits

Group Informatics Software Vendor License Audit Policy

The Software Vendor Audit Policy brings together the following elements;

- SAM takes the lead during an audit & acts as SPOC for the software vendor
 - Roche is seen as having one voice
- Convening of Software Audit Review Board
 - Involve relevant stakeholders
 - Regular communication
- Common understanding of accountability for remediation actions & settlements



Group Informatics
Software Vendor License



Microsoft Word
Document

An overview of SAM Achievements: 2013-2016

2013



Implemented Smart Track (SAM Tool) & configured Inventory Data Feeds

Completed Phase 1 of SAM Roadmap

Cost avoidance CHF 3.3 m



2014



Phase 2 & 3 of SAM Roadmap completed

Commenced Phase 4

Cost avoidance CHF 21.7 m

SAM Policy approved by IT Board



2015



Phase 4 of SAM Roadmap completed

Reduced compliance risk

Improved operational efficiency

>37.7m
CHF **cost avoidance**
since 2014

- 6 Software License Audits
- Total Compliance claims of 10.8m CHF with agreed settlements of 2.8m CHF

>22.6m
CHF **savings**
from the Oracle license demand, have been proactively secured for 2016-2017

2016



Outsourced SAM Operational activities

Increase SAM Maturity

SAM processes approved by GROUP IT AUDIT as adequately managed and controlled



Demand Savings YTD **31.2m CHF**

Achieved over 94m CHF Demand Savings in 4 Years

94.8m CHF avoided



Since 2013 through centralized SAM

New Head Office

- 40 Floors
- Tallest building in Switzerland



=5 floors



Awarded ITAM Implementation of the year for 2016 by the ITAMReview



ITAM Review is an online community for worldwide IT Asset Management professionals

- This year, The ITAM Review received over *200 nominations from 25 countries* for ITAM professionals, service providers, technology vendors and specialists who are progressing the industry and leading the field
- The judging criteria was
 - Innovation – pioneering technologies, techniques and/or approaches
 - Demonstrable ROI/ Value Delivered
 - Customer Satisfaction
 - Delivering Lasting Improvement/ Increase in ITAM Maturity



Speaking of the project George Arezina, Head of SAM at Roche said:

"We are extremely honoured to have been awarded the ITAM Implementation / Project of the Year 2016. The award reflects our commitment to the SAM@Roche program which enables greater licensing transparency and company-wide awareness of software license management and its benefits, along with demonstrable ROI in IT expenditures. The financial savings achieved through SAM will be used to fund future clinical trials, enabling the company to produce life-saving medications. "Doing now what patients need next."

Martin Thompson commented:

"The Roche project was successfully built and executed whilst recognising all of the critical people, process and technology elements that are essential in building a world class SAM practice. This project was led by an experienced professional SAM team who delivered enormous savings and outstanding ROI. We congratulate the team at Roche for demonstrating what is possible with SAM."



Lessons Learned

Executive Sponsorship

- When viewed simply as a compliance exercise, SAM can fall behind other more pressing priorities, therefore Executive sponsorship is important to secure organizational alignment and raise SAM awareness and buy-in.

Complexity

- Software licensing can be so complex & varied that even some vendors are not clear how their agreements are structured. Lack of understanding can lead to the belief that SAM can be achieved with a simple software application however there is no such thing as a Silver Bullet SAM Tool.
- 80/20 Rule. 80% Processes, 20% Tools.

Don't Boil the Ocean - Requirements & Scope

- Divide up the work into measurable chunks. Don't try to do manage everything at once. Know what your requirements are and be realistic about your Software scope. Start with your key software vendors first, target by software spend and by audit license risk.



Lessons Learned

Data Quality

- Older licenses, multiple procurement systems, multiple software resellers, mergers, acquisitions & outsourcing agreements can all make licensing documentation a daunting challenge. Your effective license compliance reports will only be as good as the data that goes into them. The success of data quality relies on: good data, good planning, skilled, dedicated resources to analyze and make sense of the data.

Processes & Governance

- Effective SAM requires the buy-in from a range of company-wide disciplines including IT, Legal, Procurement, Finance & other key areas. It is essential to establish the right processes & governance framework including clear roles and responsibilities to have an effective SAM Program.

Execute Project Plan & Track Progress

- Publicize key achievements along the way to ensure continued support and investment (measure savings and reduced non-compliance). Inform management & employees, eg advertise benefits of license optimization, explain risks and consequences of non-compliance. Enable a process for continuous improvement, periodically review processes, rules, tools and challenge metric and product use rights.

Software Asset Management – Awareness Video



Unlock your SAM Potential_Jan 2017.mp4

Double click to start
video

Take Home Message

Software Asset Management is complex



but with processes, governance, tools and right skill set
it is manageable





***Doing now what patients need
next***