



BUSINESS VALUE WITH CA

CUSTOMER PROFILE



Computer Associates®

Computer Associates International, Inc. (CA)

Islandia, NY

ca.com

Industry

Software

Annual Revenue

\$3.1 billion

Employees

15,000+

CA Products

- Unicenter® Argis® Portfolio Asset Management

Key Benefits

- Expected reduction in annual IT hardware lease costs by as much as 5%
- Annual saving of \$107,000 in unnecessary licensing fees
- Reduced over-purchasing of software licenses by \$160,000
- Negotiated a \$50,000 reduction in equipment buyout costs
- Helped ensure software licensing compliance

Computer Associates Saves More Than \$300,000 in Phase One Using Unicenter® Argis® Portfolio Asset Management

Anticipates Additional Savings in the Next Phases

“Unicenter® Argis® Portfolio Asset Management keeps us current on the status and location of our leased equipment, saving us the unnecessary expenses of contract buyouts and increased rates associated with expired leases.”

— Kathy Morstadt, Senior Analyst
Computer Associates International, Inc.

A Global Leader in Developing IT Solutions

From its worldwide headquarters in Islandia, New York, Computer Associates International, Inc. (CA) provides powerful solutions that help companies optimize their business processes and secure their IT infrastructures. The Procurement department at CA is responsible for managing the ownership life cycle of all CA's IT and business assets — from mainframe servers to wireless devices. And, for a department with approximately 28 employees worldwide, that represents a tremendous amount of paperwork.

What You Don't Know Can Cost You

For many years, CA Procurement maintained its hardware and software contracts in disparate spreadsheets and varied filing systems. Detailed information on the leased equipment, such as lease start and end dates, lease schedule numbers, equipment serial numbers and company contacts, was often missing. One result of this, in many cases, was lost or untracked equipment forcing unnecessary buyouts. Not knowing lease expiration dates led to continued payments at the original rate instead of allowing a renegotiation of more favorable pricing. Monthly reporting was a time-consuming and inefficient process requiring hours of manual reconciliation. Restrictive terms and conditions specified in the contracts were not outlined in internal spreadsheets or files. This oversight contributed to unnecessary costs by allowing automatic renewals at the original rate and late term notice payments for hardware no longer required. While this is a common scenario in the business world, it effectively relinquishes oversight of contract terms to the vendor. And — as CA discovered — this is where costly errors can creep in.

Another area where businesses lose money is in the purchasing of equipment and software that they don't really need. “When a new request for equipment or software was sent to CA Procurement, the buyer would automatically process the purchasing of the asset,” explained Kathy Morstadt, a senior analyst in CA's

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- Integration with entire service management solution
- Depth of contract and vendor management capabilities
- Strength of financial management capabilities

Key Unicenter Argis Portfolio Asset Management Features

- Centralized, scalable and easy-to-use solution
- Proactive management of contracts
- Web GUI provides secure, convenient access

Key Business Processes

- Human resources
- Accounts payable
- Procurement
- Contract and vendor management

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Procurement department. “Without a centralized repository to track assets, we had no way of knowing if we already had equipment or software that may have been available to reallocate.” This is especially true for software licenses. When an employee leaves the company, any software that was allocated to that person is removed from the PC, but original media and license key information were not always recovered. This made it difficult and often totally impossible to reallocate the license to a new employee.

Taking Control With Unicenter® Argis® Portfolio Asset Management

Fortunately, to address these problems, CA Procurement needed only to look as far as its own product line. With the help of CA Global Information Systems (GIS) — a department devoted to providing CA employees and customers with custom business and support solutions — CA Procurement deployed Unicenter Argis Portfolio Asset Management. Unicenter Argis Portfolio Asset Management enables users to manage detailed ownership information throughout the asset life cycle, from planning and requisitioning to retirement and disposal.

CA Procurement began its phase one rollout by tracking lease contracts for IT hardware and office equipment. This included assets such as mainframe servers, tape drives and data storage systems, as well as fax machines, photocopiers and mail postage systems. Unicenter Argis Portfolio Asset Management stores both an image of the original paper contract and raw data related to the terms of that agreement. This enables end users to search the system using a wide range of attributes, including vendor, asset name, serial number and contract expiration date. Out-of-the-box reporting features provide fast analysis of the data, enabling CA to make informed management decisions. And, with the Unicenter® Argis® Portfolio Asset Management Web GUI, secure, role-based access is provided to the system through CA’s intranet.

“Once CA Procurement has entered the initial data, that information is made available through the Web to the manager responsible for the assets,” explained Morstadt. “The manager then updates the system any time an allocation change occurs. This shifts responsibility and accountability to our end-user community.”

Immediate Savings Through Asset Reports and Invoice Reconciliation

Unicenter Argis Portfolio Asset Management reports provide CA Procurement with fast, easy access to detailed asset payment information and contractual obligations. In the early stages of the rollout, CA Procurement began tracking its software licensing agreements. During research of license agreement data, CA Procurement identified a \$100,000 discrepancy between what the company was paying in database licenses and the contract terms originally negotiated by a different department. Inclusion of another agreement revealed duplicate vendor invoicing of a \$7000 annual fee that was had been approved by two different company contacts. Now, with Unicenter Argis Portfolio Asset Management, scanned copies of the original contracts, terms and conditions, and payment records are readily available to for viewing by all managers and departments.



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IT Environment

- Application server: Microsoft Windows 2000
- Database server: Microsoft Windows 2000
- Database: Microsoft SQL Server (700 MB)
- Number of assets tracked: Approximately 6,000
- Number of legal documents tracked: Approximately 300

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Proactive negotiating, enabled by use of the Argis workflow notifications, resulted in a recent equipment buyout cost savings of \$50,000 by allowing ample time for Procurement to review end of lease options. By utilizing the Argis Web interface to allow remote managers to reconcile and update office equipment assets, 23 missing fax machine leases were terminated, saving \$12,000 in remaining payment obligations. The centralization of software licenses in one repository has allowed CA Procurement to recover over \$160,000 in reusable software licenses with the implementation of the Unicenter Argis Portfolio Asset Management integration to the HR software to track employee terminations.

In addition to these cost savings, the automation of CA's asset and contract data has increased worker efficiency and streamlined business processes. "Our monthly invoice and reporting process now takes considerably less time with the help of centralized data, web access for updates by remote offices and the invoice reconciliation wizard," said Morstadt. "What's more, utilizing Unicenter Argis Portfolio Asset Management to track current license ownership and allocations has provided the company the ability to increase its proactive efforts to maintain software compliance."

"By eliminating redundant assets, strengthening contract negotiation and compliance, and reconciling invoices, CA has already realized substantial cost savings. And this is only the beginning. Using a best practices savings estimate, CA expects to reduce its annual \$10 million IT hardware lease spending by 5% or more. And we expect to capture additional savings in future phases by implementing best practices and tracking additional IT hardware and software with Unicenter Argis Portfolio Asset Management," said Raymond Lasak, a Project Manager at CA GIS.

More Benefits on the Horizon

Riding on this wave of successes, CA GIS plans to expand the system to serve CA's Regional Business Centers and its Corporate Development department. These groups are currently using homegrown systems and spreadsheets to track assets. "These data sets are decentralized and not integrated with our other systems," explained Lasak. "By transitioning to Unicenter Argis Portfolio Asset Management, these groups will soon reap many of the same benefits as CA Procurement."

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