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# Your complete IBM renewal guide

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This guide will help you to prepare for your renewal by providing key tips and advice as you navigate the complex process.



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## How to navigate the complex IBM estate

You're not alone if you're struggling to navigate the IBM estate. IBM is one of the most complex vendors to manage from a commercial, procurement and SAM point of view. With a breadth of products across hardware, midrange, mainframe and distributed environment software, there are often multiple stakeholders across IT and the enterprise adding to the challenges.

When it's time to renew your IBM contract, it's important to be sure of the broader processes and principles involved. With a detailed understanding of your deployments and entitlements along with smart allocation and management of your software, you could see a substantial reduction in costs and exposure to risk.

This guide will help you to prepare for your renewal by providing key tips and advice as you navigate the complex process.

# How to prepare for your IBM renewal

When it's time to renew your IBM estate and enter contract negotiations there are four key questions to answer:

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## What does your current agreement look like?

Does it mirror what you would like to see in the future or is there a compliance problem you need to solve with a new negotiation?

\*You need to know your current Effective Licence Position (ELP) to show where you're at now as this forms the basis of contract negotiations.

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## What does your current usage look like?

Have you had an increase or decrease in usage which is going to increase / decrease your costs dramatically?

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## Are there any implications with your current position?

If so, what would you like to renegotiate?

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## What does your technology roadmap look like for the period of time you are going to be negotiating on?

\*You need to provide quarterly ILTM/ sub-capacity reporting and it helps to have a future roadmap, heading into negotiations.

By answering these key questions, you will then have a solid understanding of your current position, how your agreement is structured and what your future plans should be, leaving you in a much stronger position for negotiations.

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## Steps for renewal

When planning your renewal strategy, it's important to ensure your IBM estate is optimised, future proofed and audit ready. We recommend a two-phase approach:

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**Phase one** should focus on a foundation analysis that looks at your licence position, both virtualised and mainframe, what you have deployed in your estate and future capacity needs.

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**Phase two** ensures you have an optimal solution which analyses contractual and commercial terms. Creating an initial Effective License Position (ELP) is a crucial step in the renewal process where you'll need to gather all deployment information. This will tell you what your current position is and may help you identify whether you can technically optimise your license position.

\*We suggest working with a trusted partner to gather the regular intelligence required to fully understand the usage of defined products across your software and cloud estate, including any options or management packs deployed (which may also be licensable). That partner will assess your contracts to determine existing licensing entitlements, allowing you to have full visibility of any non-compliance or surplus licensing.

Other important steps to take to ensure you are in the best negotiating position include researching vendor prices and licensing for changes, assessing your current and planned future consumption, looking at new technologies and taking stock of any compliance issues.



### Did you know?


IBM is usually a top 3 vendor, by spend, in most enterprise customers and has a history of roll-over deals and lots of unused legacy products in contracts. IBM licensing is complex and IBM is continuously adding more complexity.

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## Who should be involved?


It's vital to engage and empower key stakeholders and individuals within your organisation to ensure your IBM renewal is conducted in the most streamlined and effective way possible. It's important that these people are onboard and engaged with the process and pivotal to the renewal's project success.

### IBM product owners



The first and most obvious selections of your SAM team are the IBM product owners and the Procurement team, who will be able to identify the correct products needed and then ultimately purchase this solution. However, other departments and SAM team members are needed to ensure you're buying not only the right solution but to also ensure the very best deal for the business.

### Finance and procurement teams



Your Finance team would be the next logical department to engage for any substantial purchase, not least a major IT renewal. Coupled with the Procurement team who will be well versed in understanding the structure of the commercial deal and the background to previous purchases and the state of your current IBM estate.

On the subject of commercial deals and ultimately contract negotiation your Legal team will need to sign off on the purchase agreement to ensure everything is compliant and rubber stamped from a legal point of view.

### The decision makers



Reverting back to the core of the SAM team will be the IBM product owners, it will be these decision makers who will define the IBM requirements at the pace of your business.

Many factors will be at the forefront of this team's decision-making process but notably what IBM technology you're currently using and what your plans are for the future that will affect how this may change and the products you renew.

This team is investing in the day-to-day use of the technology and how it really works for the business. Your IBM product estate and, ultimately, your selection of products within your renewal needs to be driven by actual business requirements, not by just a number which may, quite rightly, be the objective of other departments.

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## Working with a trusted partner

An extension of your internal team and the final piece of the SAM team puzzle would be a trusted IBM partner, like Livingstone.

Your partner will help you to navigate the process in a transparent fashion, visualising and demonstrating areas such as the total bill of materials and best practices so that you can understand the finer details of the deal from the total revenue spent and where savings can be made. They will also help your team to analyse and understand what you're getting for your budget in a non-complicated, easy to digest way.

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## How Livingstone can help save you time and money

Are you still struggling to navigate the complex IBM Landscape?



We can help.



At Livingstone we **help our clients optimise their IBM estate** to avoid unnecessary cost and risk, while driving value from their investments throughout their lifecycle.



Working closely with our clients we help them **understand their current position**, figure out what the implications are for their existing agreements and help them negotiate future agreements.



We have an in-depth understanding of IBM licensing, IBM commercial structures and IBM contracts and we have **a strong track record** of delivering proven savings that average **38%**.

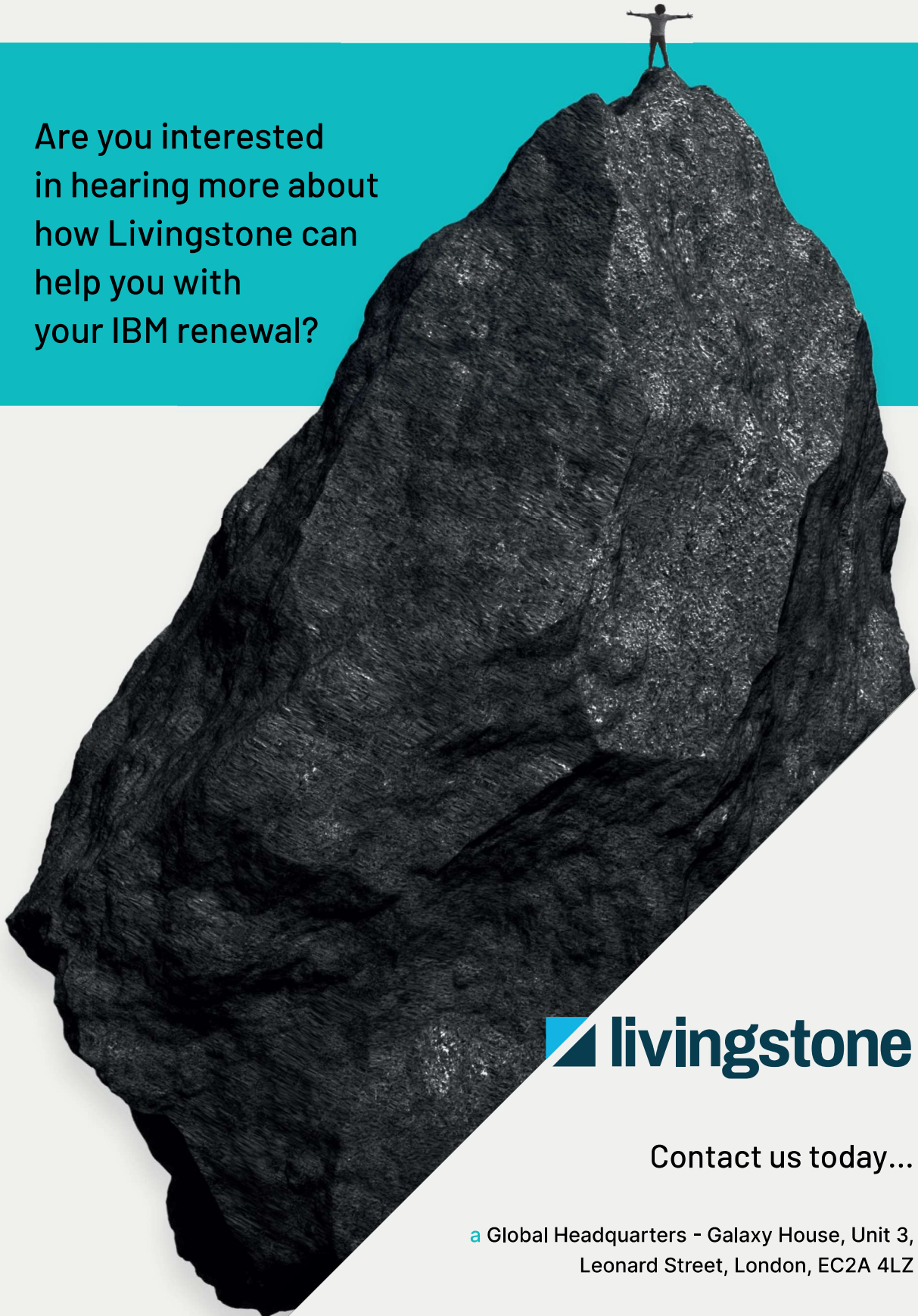


Our client base includes many Fortune **500 companies**, public sector and mid-market organisations in over **20 countries**.

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Are you interested  
in hearing more about  
how Livingstone can  
help you with  
your IBM renewal?



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