

## How to Consolidate Functionally Identical Software and Improve Your Business

Optimizing your software is not a project that can be done "on the side". It is a task that requires a great deal of experience and sensitivity. There are three main steps to take in order to consolidate your functionally identical software:

1. **Obtain transparency and identify optimization potential**
2. **Evaluate business cases**
3. **Optimize the software portfolio**

### Step 1: Get a Handle on Your Existing Software and Identify Your Optimization Potential

You need to begin with an overview of your existing software installs. You can obtain these with **comprehensive automated inventories** for clients and server, which should also automatically detect new programs and in-house developments. Then, you must **refine that raw data using** intelligent analysis methods.

If you look at the raw inventory export of an individual client, you will find hundreds of entries. **Filtering and enhancing what is relevant** is often an intensive, time-consuming job. Not to mention, the important attributes that help you make your decisions are not readily available. For example, the **license type** (e.g. freeware or required licenses), **software categories** (e.g. security, communication, and graphics) and **software functions** (e.g. PDF writer, games, online storage, peer to peer networks, and virus scanner), as well as the **current validity** of the employed versions.

In this first analysis phase, you should identify the software that has the greatest potential for consolidation, such as those software classes with a large number of functionally identical software. And you should **identify products with overlapping functions**, which allows you to prioritize your consolidation activities according to their ongoing costs or the degree of potential savings.

### Action items:

- Gain an overview over your existing software assets
- Identify products with overlapping functions
- Prioritize products requiring action according to ongoing costs or potential savings

## Step 2: Evaluate

In the evaluation phase, you should create **concrete business cases\*** for your prioritized consolidation products. You have to consider the technical, contractual, price and training requirements for these products. Additionally, you should discuss your proposals with other departments since some may need special software features for their work. You need to know these special features and take them into account when replacing a software program.

*\*What is a business case? A business case is a decision-making tool used to determine the effects a particular decision will have on profitability. A business case should show how the decision will alter cash flows over a period of time, and how costs and revenue will change.*

### Action items:

- Create business cases to consider technical and economic effects
- Discuss software features with various departments
- Prioritize the software products you plan to consolidate

## Step 3: Optimization

Once your plans are approved, you can finally take action. One option is to replace your defined software with completely new software that has not been in the company before. This new software may be less expensive or even free. Or you can replace the software with one that is already part of your portfolio. The consideration here is not if the software is the most common version available, but rather its costs. This is also the time for you to make technical decisions, such as the rollout date of your new software. For the software you decide to keep, you can now negotiate larger volumes and better prices with the vendors. You can identify contracts you do not want to renew. And do not forget to set up trainings for new software programs for your users and even admins!

### Action items:

- Replace defined software with existing or completely new software
- Determine the rollout process and timeline of new software
- Negotiate new purchasing conditions based on larger volumes
- Train users and admins in using new software

**Learn more about how to consolidate functionally identical software and reduce costs with COMPAREX Portfolio Management Platform:**

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