

# The Future of the IT Organisation

## Keeping tabs on software licences pays dividends

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It was good to read [Stephan Glathe's letter](#) on software licensing ([Computer Weekly](#), 23 January).

I regularly meet companies that have not kept a close eye on software licence requirements, some of which waste hundreds of thousands of pounds on maintenance and support costs for licences that could be shelved.

I agree that there is enormous value in maintaining a cohesive record of all software licences purchased and their associated annual costs. It is what you then do with this information that counts.

As a company's software needs change over time, suppliers should be commercially targeted to meet those needs.

Three lessons can prove invaluable in ensuring that software licence and maintenance costs are kept low. One is avoiding automatic annual contract rollovers. This forces suppliers to engage with the buyer, who is then able to negotiate.

The second lesson is to have regular reviews of support usage, so the buyer can assess whether the purchased level of support is still required. There is no point having 20 people waiting to fix problems if you never have any. Traditionally, support calls are high in year one, dropping off as bugs are ironed out.

And thirdly, termination clauses for maintenance should include repayment of unused parts of the maintenance. If you terminate a contract, it is unfair to expect that you still pay for the rest of the year's maintenance and support.

These are just some of the ways that companies can keep software licence and support costs low. In my experience, the effort required to track changing software needs is more than amply rewarded.

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