

Corporate growth is often achieved through mergers and acquisitions with other organisations.

With this comes the requirement to quickly integrate “best of breed” technology assets to facilitate the operation of the combined entity & realise efficiencies. This helps achieve a successful merger/acquisition and provide a platform for future growth and competitive advantage.

However, in many mergers/acquisitions, Software Assets easily overlooked even though software is commonly the second or third largest item in the IT budget. Software Licensing can become a nightmare with licenses being forgotten, not transferred and/or new licenses being purchased unnecessarily. Consequently, the IT budget needed to support a merger/acquisition may be inadequate leading to a poorly managed IT integration. To mitigate this risk, the respective IT departments must engage early in the process to review & verify their systems & Software Assets to enable potential costs & efficiencies to be determined.

The following activities should be undertaken to obtain an accurate view of potential software gains & costs:

- Educate your negotiation team on the software acquisition & transfer process
- Request lists of all software contracts, end-user licence agreements, vendor licensing portals & logins and, if necessary, supporting invoices from the organisation being acquired
- Request & review all software license entitlements (e.g. releases, editions, technical support) from the organisation being acquired or have it request their entitlements from vendors or publishers
- Perform a full software inventory on the potential acquisition (document & summarise in a [SAM Workbook](#))
- Determine the “best of breed” IT systems to be used by the combined entity. Software bundle license agreements and support & maintenance renewal dates may influence this
- At an early stage, identify any termination notice periods for any software whose use might be discontinued.
- Perform a GAP Analysis of required software deployments versus software entitlements
- Determine any additional costs due to software licensing shortages

If you may merge (or have just merged) with or acquired another organisation, [The SAM Club](#) can help you plan for and deliver on the IT benefits of the combined entity. [The SAM Club](#) can help:

- Review software purchases of both organisations to understand what software is licensed

- Determine what software is installed and assess the new combined IT environment to understand your total software deployments
- Ensure license agreements align with deployments and make any necessary adjustments. You may find efficiencies with the combined entity and be able to realise some residual value ~~with~~ from redundant Microsoft Licenses
- Transfer Software Assets from one legal entity to the other using vendors' processes
- Estimate immediate & on-going software costs
- Review support & maintenance renewal dates & costs & co-term to simplify future administration
- Create a SAM strategy that optimises licenses with future IT plans as the combined entity evolves

It will be next to impossible to account for all software licenses during this process. However, a goal of 80% license accountability should be achievable due to the actuality that this will probably represent a small number of software publishers. Normally the remaining 20% of the software will be specialised software, small applications, shareware, or freeware, some of which may be removed once the merger/acquisition has been completed.

#### **About The SAM Club:**

Established in 2010, The SAM Club provides an independent software asset management (SAM) service to assist Heads of IT manage their software licensing.

The SAM Club covers all vendors licensing and working with our clients on procurement of new software & renewals of existing software. We have an extensive contact base to ensure our clients receive competitive quotes as well as introductions to specialised technical services as required.

The SAM Club is independent; we do not resell any software so our advice is always unbiased.

Contact us at: [info@thesamclub.co.uk](mailto:info@thesamclub.co.uk)