



How to save costs
through ISV costs and
migrate ISV products

Checklist – saving ISV costs

Ever growing license costs, and potentially predatory ISV vendors increasing prices regularly can put you into a challenging situation.

techforge provides expertise and guidance on how to stay ahead technologically and not get locked in commercially.

- It is possible to consolidate, or even migrate certain products to other products, especially when the cost starts to become very high. ISV vendors like to increase the price yearly. Some even like to triple the price.
- Previous analysis is imperative before attempting to remove or exchange certain products. Dependencies & usage need to be cleanly evaluated.
- The below checklist will hopefully assist you in making sure you don't forget anything



Checklist ISV cost saving Getting Started

1. We recommend to create a clear overview of which products are installed on the environment first. The initial stance is to assume usage based on what is installed. **Scope creep occurs when incorrect assumptions are made based on usage and requirements!**

Therefore, **generate reports** from the environment to have a clear basis.

2. Once you have a full list of all installed products. You should start mapping them to yearly support and license costs.

Attention: Some products are grouped in packages! Check your licenses with the procurement team thoroughly!

3. Now you can start evaluating functionality. Start interviewing users and administrators. Don't just talk to one person. The administrator sometimes does not know how the product is being used. Many products allow report generation to identify usage! It can be very helpful.

You can also active enhanced "logging" for certain products for a day or two, to identify all the functions and users which are utilizing the products.

Checklist ISV cost saving Preparing Properly

1. Once you are pretty sure about how the products you want to replace or decommission are used. You should craft **requirement documents**. Requirements make it easier for other vendors and technical staff to evaluate integration, migration and replacement possibilities.
2. Start doing research and reach out to other vendors. Talk to your tech team to see if the functionality that is required is maybe already available in another installed product. The cheapest way is to move to something you already have. In many cases there is a large overlap of product functionality, especially for automation/monitoring & productivity tools.
3. Ask the tech team and users to come up with a few test scenarios, and document them (test cases). Together with the requirement document these will lay the foundation for evaluation of other products.
4. Provide the requirements documents and the test cases to other vendors, they will recommend you different products. It's best practice to evaluate at least 2-3 other vendors.
5. Do proof of concepts (POCs). Don't just buy a license. You are not only interested in the product, but also the vendor and how they will support you. Doing a proof of concept is a great way to get to know the new potential vendor, they might even be able to offer services to migrate to their product.
6. Ensure that whatever you choose, that you will not become locked in. There is always a chance that the new vendor might become commercially hostile. So always make sure that you can replace those products as well, if you have to.

Checklist ISV cost saving

How to execute

1. Set yourself a timelimit and a clear goal. Making sure the vendors can perform and will achieve clearly defined results. A good vendor will work with your test cases and your requirement specifications. It will also help them size the work more accurately. And will make it easier for them to provide a quote.
2. Include all stakeholders in the POC's. End-users, administrators and the tech team. The worst that can happen is that your team will become unhappy with the new tooling. Its especially important to explain to your team why they might potentially lose valuable functionality or have to change. They don't necessarily want to change.
3. Once a vendor has quoted, feel free to negotiate, they all give you 5-10% at least.
4. The cost of migration needs to be clearly calculated as well. Having a solid business case to replace certain products with cheaper products, or consolidating, still means that you will to migrate functionality. This incurs cost as well.
5. Most likely you will need to ask for money internally, and have to sell the migration project. Make sure you are prepared with a solid use and business case.
6. When negotiation a migration contract with vendors, ensure that clear timelimits are set for the vendor and that the scope is very clear. **Danger: Ambiguous scope can result in strong misunderstandings! Make sure the scope is very clearly articulated.**

Checklist ISV cost saving Decom and Save

1. Ensure that you have a potential fixed-price component. The vendor will charge you more, but they are on the hook to get it done. It's also a good idea to have a contract framework, which includes a time and material component. There are always out of scope items. It will make it easier for you to include forgotten scope in the T&M component if you really need to. This way you dont have to renegotiate.
2. Migrate your products and roll them out! Make sure you allocate a good program manager and ensure you get good tech staff to help in the execution of the vendor.
3. Decommission old products only, once you have rolled out the new product successfully!