

# KPMG and Flexera Software



## Software asset management (SAM) and license optimization: How to manage your Software as a Service (SaaS) applications

SaaS is a software distribution model in which a third-party provider hosts applications and makes them available for their subscribers. In SaaS models, the user does not pay for the software itself. Instead, it works like a rental. The subscribers have the authorization to use it for a period of time and pay for the software that they are using.

SaaS involves giving up direct control of some of your data—accurate and useful reporting is therefore important to simplify the application management and the license administration. There are still compliance risks of SaaS licensing, and the subscriber is very much dependent on what is provided by the SaaS vendor in terms of monitoring and usage reporting. SaaS licensing models are still in their infancy, and it can often be a challenge to determine the accuracy of billing for usage and consumption. In some cases, even the SaaS provider might be misreporting.

To address some of the complexities and challenges associated with accurately managing SaaS license usage and consumption, many companies are turning to KPMG LLP (KPMG) and Flexera Software.

### **KPMG and Flexera Software—a unified team of specialists**

Together, KPMG and Flexera Software are helping companies gain better control and visibility of usage and consumption of their SaaS applications while increasing the business value they gain from their SaaS provider. Our subject matter professionals have the licensing and Flexera toolset skills that are required to help manage usage and consumption of SaaS applications while helping minimize potential compliance risk.

Because we approach each engagement with a common goal, our clients have the advantage of

working with a unified team executing an integrated project plan. Based on this approach, KPMG and Flexera Software can point to a growing portfolio of successful client engagements, strong references, and case studies where we have helped our clients gain visibility into usage and consumption of SaaS applications while reducing potential compliance risk and helping optimize software spend by managing SaaS applications in Flexera toolset.

### **Helping our client find success**

Our large pharmaceutical industry client is using various SaaS applications and was struggling with keeping track of the consumption. This resulted in lots of manual work in order to calculate a license position in addition to validating the accuracy of the billing for usage. As such, they wanted to integrate their SaaS applications usage with FlexNet Manager Suite (FNMS) to be able to optimize the SaaS usage and licenses.

Working together, KPMG build customized adapters made available by the SaaS provider. KPMG was able to retrieve license consumption data and import regularly into FNMS to provide a single pane of glass view of SaaS license consumption alongside traditional applications.

Our client was very pleased with the solution we provided. We helped them establish an accurate license position for in-scope products and are currently discussing future applications and vendors. We enabled our client to renew subscriptions based on actual usage and were able to help optimize and reclaim inactive users for cost avoidance. Going forward, they will be able to get an updated license position for each SaaS application and look into trend analysis.

## Our approach for SaaS applications and Flexera integration engagements

KPMG and Flexera Software can help your company integrate with SaaS providers using APIs. APIs allow batch scripts to use the cURL libraries to retrieve live consumption data on the FNMS Beacon Server as XML files, or written to a staging SQL database. The engagement begins with a look at specific vendor license agreements and spend as well as (SAM) processes to identify how the SaaS applications and licenses currently are being managed. We will then set up the custom-built APIs to provide accurate reporting in FNMS to help optimize license usage on an ongoing basis. Clients can benefit from improved consumption accuracy and a greater realization of their software usage.

In addition, we can help develop a program to monitor software license compliance within the organization by leveraging the Flexera Software toolset. Clients can benefit from automated, tailored reports and alerts that allow them to proactively monitor license positions for the SaaS providers. These will provide early warning flags highlighting potential compliance exceptions along with options for addressing the issues. This vastly reduces wasted time spent on manually responding to software license audit requests.

If an organization needs to develop, refine, or revamp its existing (SAM) process and governance, then KPMG can help. Engagements for improving process efficiency begin with an assessment of the current approach by profiling existing (SAM) operations; understanding existing roles, responsibilities, and technology; and identifying gaps against leading practices. Then, we recommend a strategy and work plan for reaching a high-level future state of process efficiency—both in the (SAM) function itself and in related areas that interface with (SAM), including procurement, finance, and IT operations.

KPMG understands the complexity and challenges around SaaS licensing and reporting, and we help clients get accurate SaaS application usage. We will customize and build adapters to pull in the consumption data to help optimize license usage on an ongoing basis, resulting in a greater realization of the software investment. This integrative approach enables clients to:

- Take ownership of cloud licensing
- Identify and manage opportunities and risk
- Reliable SAM/usage/consumption tracking tool
- Create a governance model for cloud licensing.

## Customized integration

FNMS in parenthesis for Enterprises is a next-generation (SAM), license compliance, and software license optimization solution. The suite provides entitlement-based license management and software license optimization to enable organizations to optimize ongoing software licensing costs and proactively monitor license compliance risks. It is used by thousands of enterprises to gain control of and optimize software spend while reducing the time and effort required to manage the software estate.

KPMG is able to use batch scripts, the cURL commando line utility, an SQL server staging database, and the FNMS Business Importer to import license consumption using APIs. Using a batch script to execute all of the components, the import from the Flexera Beacon Server is being developed. Once data is saved locally, the FNMS Business Importers are used to create and update license allocations in FNMS.

KPMG has implemented SaaS data collection for clients seeking to manage applications, developing authentication, retrieval, and staging queries for each SaaS provider's environment.

## Benefits with KPMG and Flexera Software

With KPMG and Flexera Software, organizations using SaaS applications can:

- Get a complete overview of active subscribers, renewal dates, and purchase history
- Associate all Purchase Orders with Master Subscription Agreement (MSA)
- Have a full user repository
- Get an accurate license position directly into FNMS
- More easily reassign and reharvest user subscriptions.
- Have built-in reports showing User License Detail
- Automatically calculate financial impacts of shortfall or availability of user licenses.



Some or all of the services described herein may not be permissible for KPMG audit clients and their affiliates or related entities.

#### **Talk with KPMG**

If your organization needs to get better insight in managing SaaS applications, we can help. For more information, please visit [read.kpmg.us/flexera](http://read.kpmg.us/flexera)

[read.kpmg.us/flexera](http://read.kpmg.us/flexera)



For more information please contact:

**Michael S. Adams**  
**Managing Director, CIO**  
**Advisory**  
**T:** 614-249-2323  
**E:** [madams@kpmg.com](mailto:madams@kpmg.com)

**Nicholas Brescia**  
**Alliance Director**  
**T:** 571-635-4115  
**E:** [nicholasbrescia@kpmg.com](mailto:nicholasbrescia@kpmg.com)



The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act upon such information without appropriate professional advice after a thorough examination of the particular situation.

© 2020 KPMG LLP, a Delaware limited liability partnership and the U.S. member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. All rights reserved. The KPMG name and logo are registered trademarks or trademarks of KPMG International. NDP061840-1D