

## WHITE PAPER

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### **Gates Corporation: A Microsoft Software Assurance Case Study**

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#### **COMPANY BACKGROUND**

Gates Corporation is a leading provider of power transmission and fluid power systems. Gates sells its products directly to automotive and industrial original equipment manufacturers, as well as to consumers through a network of approximately 150,000 distributors worldwide.

Gates Corporation is a wholly owned subsidiary of Tomkins PLC of London, England. Tomkins has an annual turnover in excess of \$5 billion and is publicly traded on the London and New York Stock Exchanges.

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#### **Microsoft Products and Solutions**

Greg Vigil, director of Global Enterprise Collaboration, is responsible for the company's collaboration infrastructure across approximately 13,500 employees and operations in 22 countries. This includes the management of approximately 6,200 personal computers and over 200 Microsoft-based servers.

The primary Microsoft products in use at Gates include:

- Microsoft Office
- Microsoft Exchange
- Windows Server Operating System
- SMS
- Microsoft Operations Manager
- SQL Server
- SharePoint
- Active Directory

Gates acquired these products via Microsoft volume licensing, with all products purchased under a three-year-term Enterprise Agreement.

### ***Microsoft Software Assurance Purchase and Benefits***

For Gates Corporation, the ability to stay current on the latest Microsoft technology, and to better predict and manage costs associated with doing so, was one of the main drivers behind the company's decision to purchase Software Assurance. Without Software Assurance, "It's easy to get behind on technology if you don't properly budget," said Vigil. "You can get into a dangerous cost equation of getting too far behind and then lose support." According to Vigil, "Gates now has a stable cost equation versus a lumpy cost equation." Before signing the Enterprise Agreement, Vigil spent time working with a local Microsoft representative to understand Microsoft's product road map, time line, and future direction.

In addition to recognizing the benefits associated with staying current, Gates has recognized several key benefits associated with Software Assurance. One benefit has been increased access to training as well as reduced training costs. Gates has deployed the Web-based training benefit associated with Software Assurance to all of its users, promoting this on a regular basis to make sure that everyone who has access to training takes advantage of it. Gates also utilizes the training vouchers associated with Software Assurance, reserving these for technical staff. If it weren't for the training benefits associated with Software Assurance, Gates would have to spend additional dollars to train end users and technical staff.

While Gates' employees have benefited from increased training, they have also taken advantage of the home use rights associated with Software Assurance. Similar to the way in which the training benefit has been promoted to users, Gates publishes a flyer for employees on a biannual or quarterly cycle that lets them know what is available.

Gates has also leveraged a relatively new Software Assurance benefit — Desktop Deployment Planning Services. Gates hopes to utilize this benefit over time to help drive down the cost and time associated with managing its desktops. The company is working with a third-party Microsoft certified partner that is helping Gates with deployment planning, including preparing for the release of Microsoft Windows Vista.

Gates has also recognized savings in support costs while at the same time having access to higher levels of support. Gates is a customer of Microsoft Services Premier Support, and Software Assurance enables Premier customers such as Gates to convert Software Assurance incident awards to Premier problem resolution, as well as offering extended 24 x 7 problem resolution. While this has been a great benefit for Gates, the only challenge has been determining whether a support incidence should be covered by Premier or Software Assurance.

## **CONCLUSION**

A key learning for Gates Corporation has been that realizing benefits from Software Assurance is a two-way street — Microsoft is responsible for keeping the program relevant with respect to its customers needs, and the customer is responsible for taking advantage of the benefits that are offered.

According to Vigil, Microsoft has done a good job with its Software Assurance offering compared with other vendors with similar offerings, primarily in providing more tools for customers within the context of Software Assurance.

However, it can be challenging to take advantage of all the tools and benefits that are offered. When Gates Corporation first signed the Enterprise Agreement with Microsoft, Software Assurance was underutilized as the company did not have anyone that could champion the benefits. Gates has spent the past year working with Microsoft to better understand the benefits that are available, and Vigil is tasked with making sure that the company takes advantage of these.

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