

Case Study | Education Services

International Education Services Organization Secure Optimized Salesforce Contract to Achieve Huge Savings



This Livingstone Group client is a major global education services organization, operating across North America, Europe and Asia Pacific. The organization has thousands of employees working across different departments.

This client is a long-standing Salesforce customer and was looking to effectively renegotiate contract terms and achieve significant cost savings for two major imminent renewals. A key goal for the client was to also have greater control of its spend. Having previously experienced a challenging Salesforce renewal, the organization conducted a search to determine providers of Salesforce negotiation and audit services and spoke to an industry research firm that recommended Livingstone. Having seen that Livingstone's industry experts had years of experience negotiating Salesforce contract renewals, and after a competitive proposal and presentation process, Livingstone was awarded educationthe engagement.

Internal & external challenges

To be able to negotiate effectively with Salesforce, the Livingstone team first needed to establish an accurate picture of the client's Salesforce estate and have a clear understanding of its licensing, entitlement, and usage position. The challenge was that the organization had a very distributed, multi-layered licensing buying model, with very little centralized control across the group's global reach. As a result, the client had a lack of visibility into its existing estate as well as what was being spent and where.

The client was also facing hurdles in its relationship with their Salesforce account team. The organization knew therefore that it would need additional guidance on how to best engage and communicate with the vendor when it came time to negotiate its renewals.

Estate analysis & vendor communications

With a six-month lead time, Livingstone's team was able set to work, conducting a thorough analysis of the client's Salesforce estate. This gave them enough time to forensically assess its licensing and entitlements, and to create a clear picture of usage and the client's future business needs. In addition, this process revealed that, like many Salesforce customers, the client had a significant amount of shelfware in its estate that was incurring unnecessary costs and risks.

“The savings achieved in this engagement are very impressive, but the true value is the knowledge and experience that the client can take forward and use in their relationship with Salesforce”

SaaS & Salesforce Practice Leader,
Livingstone Group



With its expert understanding of the vendor, Livingstone also recognized the importance of establishing a better executive relationship with Salesforce. Knowing that Salesforce responds well to executive, senior involvement, Livingstone cultivated key support and brought on board the client's CFO to be a main point of contact between the vendor and the client. Livingstone coached the CFO and other executive members of the team through specific negotiation best practices to maximize the optimal outcome, helping to build a stronger relationship between the two parties.

Optimization, benchmarking & global collaboration

With a clear picture of the client's current Salesforce position, and with senior stakeholder support, Livingstone's experts were then able to advise on how the organization could make optimized changes to its estate, such as where shelfware could be removed and where licensing could be made leaner. In addition, to provide the client with accurate and realistic predictions, and to ensure it would secure an optimized deal at renewal point, Livingstone benchmarked the client's contract against organizations and other customers with similar size spends and budgets.

Throughout the engagement, Livingstone worked closely alongside the IT and Procurement teams from across the client's entire business, as well as senior stakeholders. This global effort and collaboration proved crucial to building a more accurate picture of usage, entitlements, and future requirements, furthering Livingstone's insight and ability to make optimization recommendations.

Significant cost savings & negotiating contractual concessions

During negotiations, Livingstone acted in an advisory capacity, providing real-time insight to the CFO and other stakeholders on how best to communicate with Salesforce to secure an optimal deal.

In the end, the organization secured a new four-year optimized renewal with Salesforce, including pricing and contractual concessions that avoided any increases that can be typical with Salesforce renewals. The client achieved over \$1 million in cost savings and, with an optimized estate and better understanding of its licensing, entitlements and usage, now has better control of its spend today and in the future.

Going forward, Livingstone is looking to proceed with the client on a managed service basis, including providing cloud optimization services for another mega vendor.

“The best practices that Livingstone implemented provide a solid foundation of intelligence, and a solid and productive relationship with Salesforce, as well as allowing the client to stay in a strong position for their next contract renewal”

SaaS & Salesforce Practice Leader,
Livingstone Group