



## Pricing Benchmark Report

Powered by NET(net) Federated Market Intelligence (FMI)<sup>TM</sup>

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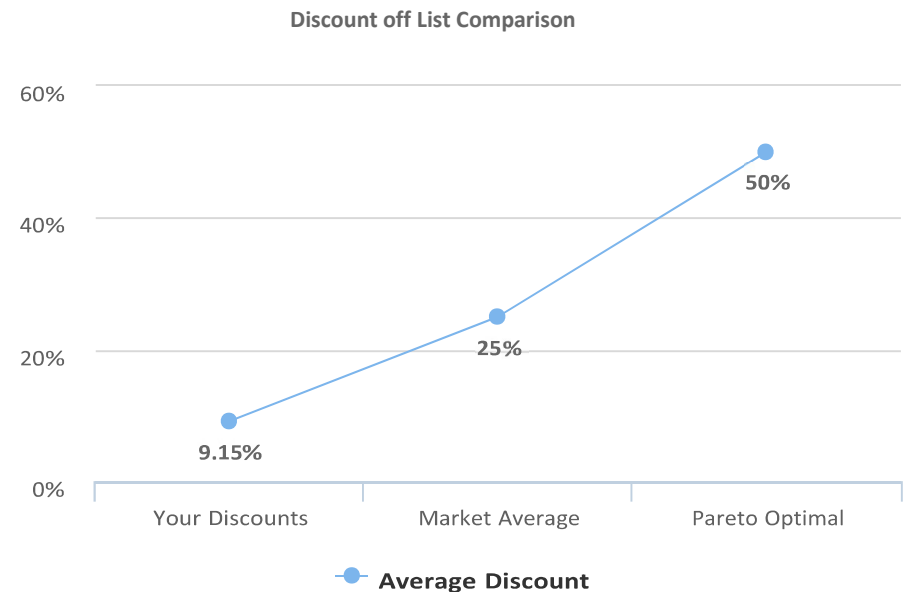
*Assessed The I. T. Source for CLIENTNAMEREMOVED on 01 Nov 2017*

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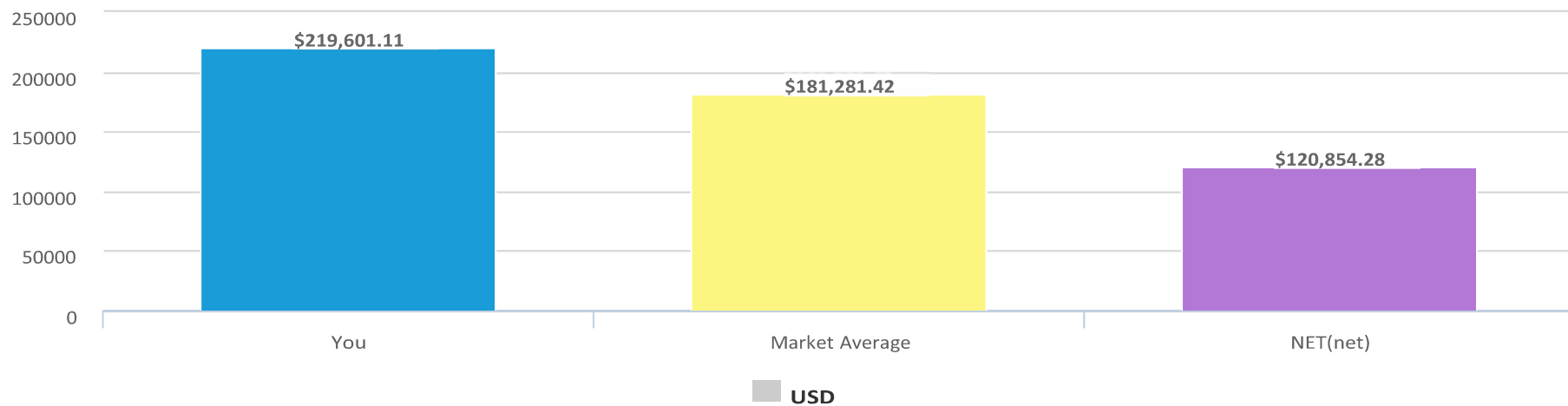
## EXECUTIVE SUMMARY






CLIENTNAMEREMOVED is an existing client of NET(net) and we were engaged on 23 October 2017 to provide a Pricing Benchmark Report (PBR) that leverages NET(net)'s specific expertise in VMware license options. NET(net) was provided with information relating to the current spend on VMware for CLIENTNAMEREMOVED. The scope of this report is to provide the applicable consulting and advisory support, optimization and negotiation services (as required) and technology-enabled services of NET(net)'s WIN (win) platform for the purpose of assisting CLIENTNAMEREMOVED in optimizing its value parameters and investment structure for VMWare, and retaining the strategic importance in their ongoing agreements, investments and relationships.

This effort is mainly focused on the pricing that CLIENTNAMEREMOVED had received from a re-seller (I. T. Source) to provide various VMware solutions. The desire for “quick validation” and “value” recommendations were limited by the amount of time allocated, but are expected to have the direct benefit of defining recommendations and methods from short to midterm purchasing recommendations associated to the main VMware spend. NET(net) believes that discounts are currently **significantly sub- optimized**, even compared to current market averages which hover around 25% for this size of a transaction (although we have commonly seen discounts of 10 and 15% respectively), but especially when compared to our Federated Market Intelligence (FMI), which indicated market optimized discounts in this case would be around 50%, although we have seen discounts into the mid 70%.



### NET(net) Federated Market Intelligence (FMI) Comparison



	Currency	Value	Value Difference	% Difference
 Your Cost	USD	\$219,601.11	--	--
 vs. Market High	USD	\$199,409.56	(\$20,191.55)	-10.13%
 vs. Market Average	USD	\$181,281.42	(\$38,319.69)	-21.14%
 vs. Market Low	USD	\$163,153.28	(\$56,447.83)	-34.6%
 Market Optimized	USD	\$120,854.28	(\$98,746.83)	-81.71%

Over Baseline Period

### You Pay

Deal	2017	2018	2019	Total
CLIENTNAMEREMOVED, IPC Business Unit Analysis	\$73,200.37	\$73,200.37	\$73,200.37	\$219,601.11

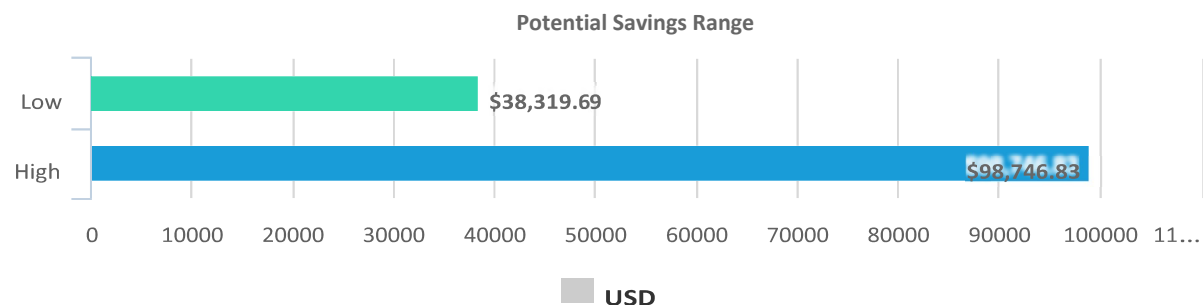
### Market Pays

Deal	2017	2018	2019	Total
CLIENTNAMEREMOVED, IPC Business Unit Analysis	\$60,427.14	\$60,427.14	\$60,427.14	\$181,281.42

### NET(net) Clients Pay

Deal	2017	2018	2019	Total
CLIENTNAMEREMOVED, IPC Business Unit Analysis	\$40,284.76	\$40,284.76	\$40,284.76	\$120,854.28

## COMPARISON



### Comparison

#### OUT OF MARKET (Low)

Deal	2017	2018	2019	Total
CLIENTNAMEREMOVED, IPC Business Unit Analysis	\$12,773.23	\$12,773.23	\$12,773.23	\$38,319.69

#### AWAY FROM OPTIMAL (High)

Deal	2017	2018	2019	Total
CLIENTNAMEREMOVED, IPC Business Unit Analysis	\$32,915.61	\$32,915.61	\$32,915.61	\$98,746.83

## ANALYST COMMENTARY

The analysis is based on information provided by CLIENTNAMEREMOVED. The Spreadsheets which outline the departmental spend have been saved to the WIN (win) Database and they show that the IPC Business unit represents approx. 21% of the spend for CLIENTNAMEREMOVED. The Benchmark was performed using the IPC Business Unit data. Any decisions made and / or strategy chosen is based on this information. The inability for CLIENTNAMEREMOVED to consolidate separate BU based purchases indicates, in and of itself, that consolidation of spend and coordination of purchases indicates an opportunity to achieve higher volume-based discounts.

It can be seen from the report on the current spend that over the term of the agreement the spend on VMware is sub optimized compared to the market indicators NET (net) has seen from previous client engagements. Even with the significant improvements that NET (net) should achieve if we were to engage with the reseller (I. T. Source) it was still felt that further improvements to the deal could be achieved. It can also be seen in the discount ranges outlined in the report that there is still significant disconnect between what has been achieved currently with CLIENTNAMEREMOVED, what the market could achieve (based on our FMI) and what NET (net) has achieved in the past. It is therefore our recommendation that further discounts should be sought from either this re-seller, or alternatively Team Health could engage with a different provider to further leverage savings. There are also potentially further savings which could be achieved, which your NET (net) analyst would be happy to discuss with you should you wish to extend the agreement to the negotiation phase with the suppliers.

	VSPHERE WITH OPERATIONS MANAGEMENT			VSPHERE		
	Standard	Enterprise	Enterprise Plus	Standard	Enterprise	Enterprise Plus
<b>Features</b>						
vSphere Monitoring*	*	*	*			
Capacity Optimization*	*	*	*			
Operations Visibility*	*	*	*			
Hypervisor	*	*	*	*	*	*
vMotion*, Storage vMotion and X-Switch vMotion	*	*	*	*	*	*
High Availability and Fault Tolerance	2 vCPU	2 vCPU	4 vCPU	2 vCPU	2 vCPU	4 vCPU
Data Protection™ and Replication†	*	*	*	*	*	*
vShield Endpoint™	*	*	*	*	*	*
Virtual Volumes and Storage-Policy Based Management	*	*	*	*	*	*
APIs for Storage Awareness	*	*	*	*	*	*
Content Library	*	*	• (*Template Deployment)	*	*	• (*Template Deployment)
APIs for Array Integration, Multipathing		*	*		*	*
Distributed Resource Scheduler™ and Distributed Power Management™		*	*		*	*
Big Data Extensions		*	*		*	*
Distributed Switch™			*			*
Storage DRS™			*			*
I/O Controls (Network and Storage) and SR-IOV			*			*
Host Profiles and Auto Deploy			*			*
Flash Read Cache™			*			*
Cross-vCenter and Long Distance vMotion			*			*
vGPU†			*			*

**Duration:**

- 1 year / annual
- 3-year commitment – 12-15% reduction

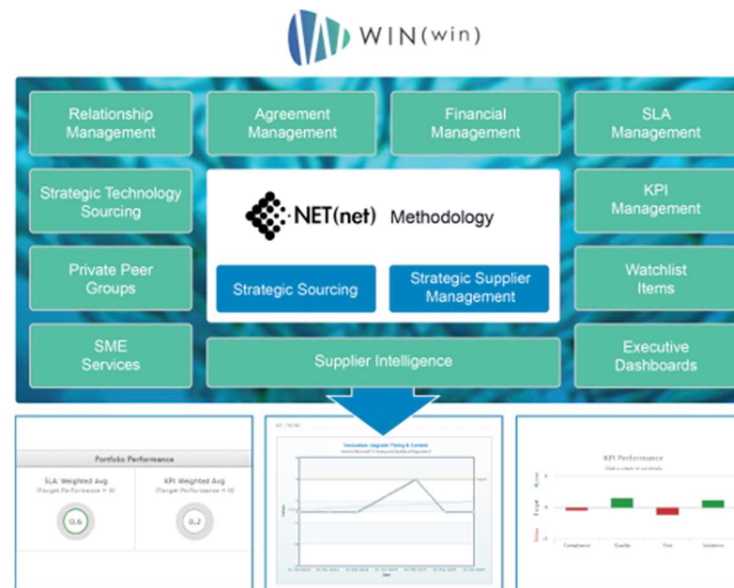
**Best way to deal with VMware is:**

- Consider contracting vehicles from VMware. There are certain agreement types available where starting discounts should be 50% with any purchase and greater than 70% discounts are available for deals with values over \$1M At the end of the Agreement
  - - Carefully consider your support options for non-production instances
    - Differentiate systems between local and global
      - Supplement global entitlements with local licenses purchased per region
    - Commit to longer term support arrangements when that is a clear business strategy
    - Evaluate the business reasons for license versions as there may be more cost effective ways to furnish the organization with licenses.
1. We can only conclude that this VMware spend is sub-optimally priced as your costs are below even low-end market average prices.
  2. The one-off nature of prior purchases indicates potential for an optimization of spend based upon consolidation and should include an assessment of 3-year demand plan.
  3. For VMware a negotiation that includes some "leverage" is likely the best course of action to achieve the recommended high-end savings target. As a current client, and knowing CLIENTNAMEREMOVED's current resource constraints, the optimization and negotiation of VMware as a "full service" engagement is the most likely method by which CLIENTNAMEREMOVED can achieve higher savings and value. NET(net) suggests that CLIENTNAMEREMOVED "opt in" to the use of NET(net) for deal execution.

To summarize there is scope in this deal to obtain significant savings for CLIENTNAMEREMOVED for this purchase. It may also be prudent to investigate the rest of your IT landscape to ascertain if there are savings which could be recognized there too. As there is a significant delta in the proposed savings for this deal, if NET (net) were to investigate your IT spend patterns for your other providers this could also reduce your cost base considerably.

NET(net) has developed the world's first Technology Enabled Business Process as a Service (TEBPaaS) exclusively designed to source and manage the strategic supply chain. Within the WIN(win) platform:

- Clients either in conjunction with NET(net) or on their own, can strategically manage the performance of supplier agreements, investments and relationships.
- Clients can also research, evaluate, and source new investments, or analyze, vet, and select improved options for existing deals, and they can do this in a secure and collaborative environment that leverages an industry best business process to ensure an objective, evidence based and fully auditable outcome is reached.
- Clients can further proactively manage key tasks, events, alerts, issues, notices, obligations, milestones, and reporting requirements; track progress towards company goals; quantify the value lost, at stake, or captured; and monitor trends over time with a series of notifications and dashboards.



All of this is built around NET(net)'s proven Strategic Sourcing and Strategic Supplier Performance Management methodologies, which are widely recognized as industry best.

#### About NET(net)

NET(net) is a global disruptive industry force for good and has the experience you want, the expertise you need, and delivers the performance you deserve to help you save money and improve value. NET(net) is the world's only fully technology-enabled consultancy exclusively specializing in full service optimization of the technology supply chain, bringing clients and suppliers together to create winning markets and winning relationships.

We help clients:

- **Find Value** in their technology & professional supply chain through benchmarking and strategic sourcing efforts designed to align client need to supplier capabilities while leveraging our objective, evidenced based processes to deliver optimized supplier investments.
- **Get Value** in a custom marketplace created through bespoke supplier negotiation assistance, leveraging our federated market intelligence, resulting in improved commercial arrangements and strengthened terms and conditions in the contractual agreements.
- **Keep Value** in their organization through proactive industry best strategic supplier performance management of the agreement, the investment and the relationship, resulting in more sustainable business partnerships designed to deliver long term sustainable business value.

With clients around the world in nearly all industries and geographies, and with the experience of tens of thousands of field engagements, we have helped our clients capture hundreds of billions of dollars of incremental value.





### About WIN(win)

WIN(win) brings buyers and sellers together to create winning markets and winning relationships. The WIN(win) platform is the world's only fully technology-enabled and automated business process for both strategic sourcing and strategic supplier management of the technology supply chain and is available to everyone from do it yourselfers – looking for a tool to improve their own performance, to business executives – looking for an outsourced and fully managed performance based solution, and is offered via a subscription or a monthly service fee. We welcome communications relating to WIN(win). Email us at [info@winwinit.com](mailto:info@winwinit.com), visit us online at [www.winwinit.com](http://www.winwinit.com), or call us at +1-866-203-8774 for further information.

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