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St. James's Place Wealth Management minimizes audit risk with the help of Livingstone Group

ST. JAMES'S PLACE
WEALTH MANAGEMENT

In September 2019, Derive Logic – now part of the Livingstone Group – was appointed by St. James's Place Wealth Management to project manage an audit of its Oracle Estate.

St. James's Place was founded in 1991 and has since grown to be the largest company in its sector in the UK, with more than £115 billion funds under management. Listed on the FTSE 100, the wealth management firm now operates around the world, with more than 4,300 financial advisors – known as St. James's Place Partners – providing individually-tailored financial, investment and tax planning advice to a growing number of clients.

Many of the applications these Partners use to provide up-to-the-minute, intelligence-led advice rely on Oracle database and middleware solutions. These are business-critical applications, so it is vital that St. James's Place has complete transparency into its Oracle deployments, usage and licensing entitlement. Not only does this level of visibility help St. James's Place maximize its software investment, it reduces the financial risks of non-compliance with Oracle's complex, often hard-to-interpret contractual terms.

Specialist Oracle expertise required for the audit

In March 2019, St. James's Place appointed its first dedicated Software Asset Manager who was tasked with reviewing and refining the company's entire software strategy, including procurement, lifecycle management, optimization, harvesting, and audit defense. The company was some months into this exercise when it received a request for a routine audit from Oracle.

While the company had made major steps to ensure it was audit-ready, it also recognized that, in order to defend this inspection, it would be necessary to bring in independent, third-party support from a company with specific experience of managing Oracle audits. Derive Logic (which is now part of the Livingstone Group) was appointed for its deep technical knowledge of Oracle deployments, for its understanding of the vendor's contracts and approach to commercial negotiations, and for its proven track record of identifying and reducing risk for other companies facing similar requests.

"The outcome was hugely positive for St. James's Place. Not only did we reduce our exposure, the budget we had forecast in our scenario planning exercise was translated into a major cost saving. The team was professional, knowledgeable & collaborative. In short, working with Derive Logic & the Livingstone Group was a great experience, with a great result."

Robert Sirignano,
Software Asset Manager,
St. James's Place
Wealth Management

Understanding the risk

Derive Logic worked alongside St. James's Place's Software Asset Manager and key stakeholders from the company's Technology Operations teams, along with representatives from its strategic technology partners, to help the company meet its objective of achieving an effective licensing position.

Oracle appointed a third-party auditor to oversee the entire audit, which requested St. James's Place run a number of License Management Services (LMS) scripts in order to produce reports on the deployment and usage of solutions across all business operations. The Derive Logic/Livingstone team ran these scripts through its own platform, normalizing the data and translating the reports into usable information. This ensured that all the stakeholders involved in the audit understood which data Oracle was collecting as well as its potential impact on the company. Using this information, St. James's Place was able to define a 'worst case scenario' and apportion a corresponding budget.

"St. James's Place Wealth Management's response to Oracle's audit request was absolutely textbook. Led by Robert Sirignano, its recently appointed Software Asset Manager, the company assembled a team of key stakeholders from across the business, as well as from external consultants and suppliers. By drawing on this broad expertise, it possible to identify all areas of risk and, wherever possible, resolve any issues. It was this teamwork that helped achieve such an impressive result.

The process hasn't just enabled St. James's Place to successfully defend this audit, it has helped the company develop and introduce new and robust best practice processes, which will ensure its ongoing compliance from here forward."

Claire Cahoon, Account Director, Livingstone Group

Over the following months, the team worked systematically through these automatically generated reports, advising St. James's Place on their meaning and on how Oracle and its auditor would likely interpret the data they contained. If there were any ambiguities, where Oracle could possibly argue a case for non-compliance, it advised St. James's Place – and its strategic partner, Intellect – to review the findings and take action to close any gaps and mitigate risk.

Once every aspect of the reports was reviewed, St. James's Place provided a transparent and realized report of the findings to the auditor. The Livingstone/Derive Logic team was on hand to assist with any queries and further requests from Oracle and its auditor, helping St. James's Place achieve the best possible commercial outcome.

As a result of this process, St. James's Place was able to complete the audit with minimum risk, turning the budget that had been set aside in case of non-compliance into a cost saving.

"Having worked on Oracle audits at previous companies, I knew that – as soon as our audit request arrived – we should seek outside help to navigate us through the process. Oracle's contracts are open to interpretation & highly nuanced; all the major stakeholders in our business agreed that independent expert advisors would help us, not only work out our risk position & potential exposure, but also advise us on the practical steps we should take to reduce that risk."

Robert Sirignano,
Software Asset Manager,
St. James's Place
Wealth Management

Driving best practice

Oracle's contractual terms are incredibly complex which means St. James's Place's experience – and understanding of Oracle risk – is fairly typical. Companies are often at danger of falling into a state of non-compliance, not because they are ignoring the rules, but because the rules are complicated to understand and adhere to.

Not only was Derive Logic/Livingstone's advice crucial in improving the company's risk posture and ability to defend the Oracle audit, it also enabled St. James's Place to identify and introduce best practice processes that will help it achieve a perpetual state of compliance. With Livingstone's Group help, St. James's Place has been able to introduce new licensing best practices around the deployment of Oracle infrastructure, so that it always has a clear understanding of its licensing requirements and compliance position.

"We appointed Derive Logic – now part of the Livingstone Group – for its deep understanding of Oracle's approach to licensing & commercial negotiations. The team was able to translate the script-generated reports & explain what they meant to us in practice. More than that, it was able to give us actionable advice on how to reduce audit risk, as well as provide clear instructions on how we should manage the subsequently commercial discussions."

Robert Sirignano,
Software Asset Manager,
St. James's Place
Wealth Management

Our vision is to be the leading independent, global provider of Software & Cloud Portfolio Management and optimization services for our clients and partners.

Providing the intelligence our clients use to govern their digital transformation journey. Optimizing their software portfolio to avoid unnecessary cost and risk, whilst driving value from their software and cloud investments throughout their lifecycle.

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