



“Before, gathering data for a single vendor audit cost us more than \$100,000. With ServiceNow Software Asset Management, we can save millions on compliance fines and resource costs.”

—Briana Alexander, Vice President, Process and Performance Excellence, CHS



Community Health Systems takes control of software assets, saves millions

Headquarters

Franklin, Tennessee

Employees

120,000

Geographic reach

120 hospitals in 20 US states

Impact

One of the largest hospital organizations in the US

ServiceNow solution

Software Asset Management

Challenges

- Upgrade manual software management system that provided inaccurate, outdated data
- Simplify audit process for greater efficiency and cost savings
- Automate processes on a single system to increase visibility and receive up-to-date data
- Stop overpaying for software licensing
- Develop a collaborative relationship with vendor

Community Health Systems (CHS) is one of America’s leading operators of general acute care hospitals. Through its affiliates, it owns, operates, or leases 127 hospitals in 20 states, offering a wide range of diagnostic, medical, and surgical services for inpatients and outpatients. CHS is dedicated to providing quality local healthcare and to fostering economic development in the communities it serves.

CHS had already replaced its legacy IT service desk tools with ServiceNow ITSM. According to Briana Alexander, vice president of process and performance excellence at CHS, “Just planning an upgrade of our existing tools took two years, and it would have taken us another 18 months to get there. And we didn’t have a collaborative relationship with our existing vendor. With ServiceNow, we had a far better starting point—more control over our platform and a much stronger partnership.”

Needing enterprise-wide data visibility

At the time, each hospital tracked its software assets manually using spreadsheets. As a result, CHS’s software inventory was incomplete, inaccurate, and out of date. This made it incredibly hard to challenge vendor audits, exposing CHS to compliance risk and significant fines.

Alexander says, “Each hospital ordered its own software, and we had multiple contracts with each vendor. So, when an audit came along, it took five to 10 people several months to pull together a company-wide view. That’s easily more than \$100,000 of effort for each audit. And our argument was still weak because we didn’t have up-to-date data. That was incredibly costly, both from a compliance and resource perspective.”

Joshua Willoughby, senior manager of IT service management at CHS, agrees. “We would get best-guess license information from each hospital. In one vendor audit, it took our corporate team 10 months to collect, correlate, and validate the data. We needed to automate the process, bringing all our license information to a single pane of glass. That’s why we chose ServiceNow Software Asset Management.”

Taking control of software assets

Now, ServiceNow automatically discovers and tracks 95% of CHS’s software assets. Alexander says, “Before, we didn’t have the information we needed to take control. For example, we didn’t understand all our software purchasing paths, and we couldn’t relate these back to our deployed licenses. With ServiceNow, we have the visibility we need to put policies and processes in place.”

Solutions

ServiceNow Software Asset Management

- Provides end-to-end software lifecycle management on a single platform
- Provides business insight and audit readiness

Results

- 95% of software is now tracked automatically
- 40% savings in license true-up costs
- Greater understanding of software contracts and licensing
- Strong vendor relationship with ServiceNow and KPMG

“We are seeing millions in hard-dollar savings. For example, we can see when we’re double counting licenses. So far, we’ve found 19,000 machines with this type of license overlap.”

—Joshua Willoughby, Sr. Manager,
IT Service Management, CHS

Saving 40% on license true-up costs

This visibility and control adds up to major financial benefits. Willoughby says that, “We are seeing millions in hard-dollar savings. For example, we can see when we’re double counting licenses because we have a suite and a different version of one of its components installed on the same machine. So far, we’ve found 19,000 machines with this type of license overlap. And, as a major hospital system, we regularly make acquisitions and divestitures. Now, we can see the impact of our divestitures and optimize license usage across our hospitals. By consolidating our software asset information, we can have better conversations with our vendors—whether that’s pushing back on audits or negotiating volume pricing. Overall, the potential savings are 40% of our license true-up costs.”

Building success through partnership

Relationships were another key reason why CHS succeeded. Alexander credits careful planning and close cooperation throughout the project. She says that, “We work hand in hand with ServiceNow and its partner, KPMG. It isn’t just about deploying software—it’s about transforming the way we manage our software asset portfolio. For instance, KPMG helped us inventory and understand thousands of existing software contracts, which is critical. ServiceNow is helping us to optimize our license reclamation strategies based on the asset data we’ve seen. And our CHS team has dramatically grown its software licensing knowledge. We’re really proud of that.”