

Cost control without productivity monitoring can backfire

Software Licensing: Single License

Industry fact.

Printed Circuit Board designers spend an average of 2.7 hours a week waiting for a license and other computing environment issues.

Paul Kril, I InfoWorld

Industry objective.

Software license cost account for an average of 17% of an IT budget within a company. Because of that large budget item, many companies have been seeking ways to lower that budget without affecting availability of the licenses or the productivity of users.

While many large companies have dedicated people or even groups that are charged with effectively managing software licenses, in smaller companies, it's often the user[s] or their manager who makes licensing decisions. But, you can learn from how those large companies handle their licenses: They never let their power users want for a license.

“I look at the number of users and the demand for the product. From the results of that analysis, I determine the number of licenses that we will buy. In our strategy, some heavy users get a personal license.”

Keevin Foster, Procurement Group, John Deere

How this affects you.

The overall cost of designing and producing the PCB is, on average, 31% of all costs. Clearly, proper management of software licenses can lower those costs. On one hand, each license costs the company money annually. On the other hand, an inadequate number of licenses can leave PCB designers and engineers idle. While it might seem that sharing a license is a power user “for a couple of hours” is a good solution, in fact smart companies realize that is the quickest way to lose productivity. Power users need a dedicated license to maximize output. Consider:

- Idle engineers: at a national average cost of \$121/hour, you can't afford to have designers surfing the web while waiting for a license to free up.
- “Idea start-up time”: Designers have an overall plan and a set of steps in their mind. When disrupted, that must be reconstructed. It could take 10-20 minutes to get “back in the groove” and return to productivity.
- Loss of job satisfaction: Job satisfaction surveys always have the same factor near the top: Do I feel productive? When engineers don't feel productive due to obstacles in their way, their job satisfaction goes down. The result is lower productivity and even changing jobs. And, nothing eats into productivity faster than having to interview, hire and train a new employee.

So, when do you add licenses?

If...

- You have power users sharing a license
- You are missing deadlines due to idle designers
- You have employees disgruntled because they are interrupted



Then...

It's likely that your company is being penny-wise and pound-foolish. With software licenses costing \$4000-\$10000 per year, it doesn't take much idle time to break even. If you are sharing 1 or 2 licenses among users and are experiencing instances of license unavailability, it may be time to add a license.

What if you could...

- Reduce your actual PCB design costs by as much as 3% per year
- Reduce development time by 3-5%
- Provide greater job satisfaction to employees at no net cost
- Get better designs when engineers are focused rather than interrupted

What you can do.

First, consider providing dedicated licenses to power users to maximize efficiency. Next, determine if there are any other license bottlenecks.

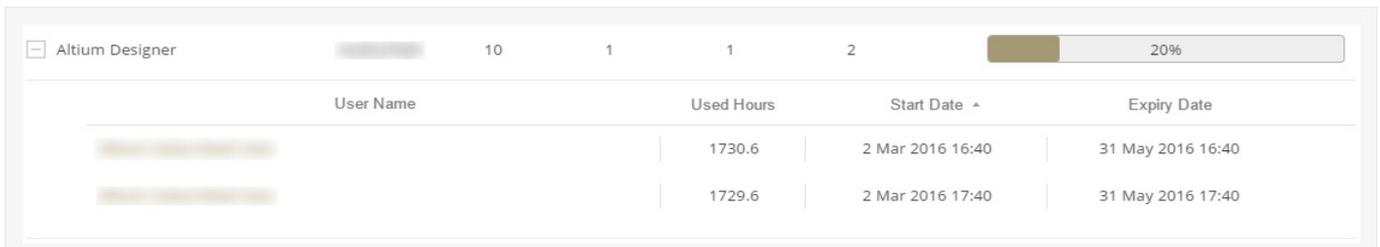
Consider: If a license costs \$5,000, the breakeven time for engineers waiting for a license is just 15 weeks at the 2.7 hours per week average and an average burdened salary of \$121,000 per year (\$121.47/hr). If you have your own data, plug it in and find your breakeven for adding a license based on your average downtime.

[EMEA Numbers: Average burdened salary in Europe: \$86,900 (€77050), which is €50.31 per hour. License cost: \$5000 (€4433). Breakeven: 36 weeks)

You can monitor license usage using Altium Designer's Dashboard, which can give you insight into the number of licenses and types, active users, and real-time data.

What is it?

The Altium Designer Dashboard allows you to look at the status of all licenses and their usage...even a single license. Using the Dashboard can not only identify license usage, but trends so that you can predict when another license purchase will allow you to seamlessly keep productivity at a maximum.



The screenshot shows a dashboard for 'Altium Designer' with a progress bar at 20% usage. Below the bar is a table with columns for User Name, Used Hours, Start Date, and Expiry Date.

User Name	Used Hours	Start Date	Expiry Date
[Redacted]	1730.6	2 Mar 2016 16:40	31 May 2016 16:40
[Redacted]	1729.6	2 Mar 2016 17:40	31 May 2016 17:40

Real-time usage.

With real-time usage reports, you can observe how each license is used, when the peaks are, and predict when you need to add licenses to prevent downtime. Reports can be generated to track a number of statistics important to license decisions. Also available is a detailed look at individual user patterns.

Reports.

A wide variety of reports can be generated to give you the precise information you need to manage licenses to maintain the highest usage with the lowest cost...the definition of Productivity.

ABOUT ALTIUM

Altium LLC (ASX: ALU) is a multinational software corporation headquartered in San Diego, California, that focuses on electronics design systems for 3D PCB design and embedded system development. Altium products are found everywhere from world leading electronic design teams to the grassroots electronic design community.

With a unique range of technologies Altium helps organisations and design communities to innovate, collaborate and create connected products while remaining on-time and on-budget. Products provided are ACTIVEBOM[®], ActiveRoute[®], Altium Designer[®], Altium Vault[®], Autotrax[®], Camtastic[®], Ciiva[™], CIIVA SMARTPARTS[™], CircuitMaker[®], CircuitStudio[®], Codemaker[™], Common Parts Library[™], Draftsman[®], DXP[™], Easytrax[®], NanoBoard[®], NATIVE 3D[™], OCTOMYZE[®], Octopart[®], P-CAD[®], PCBWORKS[®], PDN Analyzer[™], Protel[®], Situs[®], SmartParts[™] and the TASKING[®] range of embedded software compilers.

Founded in 1985, Altium has offices worldwide, with US locations in San Diego, Boston and New York City, European locations in Karlsruhe, Amersfoort, Kiev, Munich and Zug and Asia Pacific locations in Shanghai, Tokyo and Sydney. For more information, visit www.altium.com. You can also follow and engage with Altium via Facebook, Twitter, LinkedIn and YouTube.