



Software Licensing “Gotchas” and How to Manage Them

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September 25, 2012

Presenter

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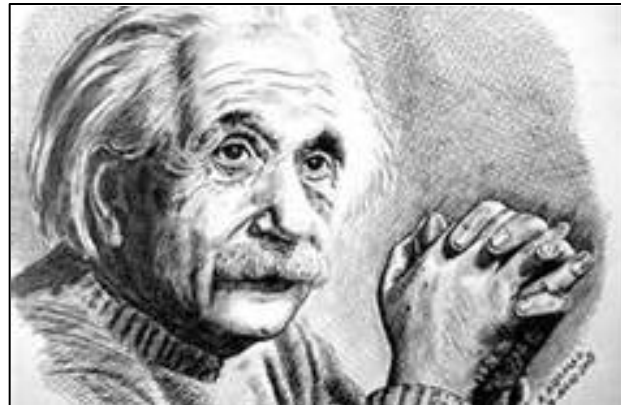
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Do you need to be a mathematical genius to figure out your software licensing?



What are the big contributors to software compliance issues?

Vendor

Dissolution of license keys

Revolutions in technology leading to frequent changes in license models and metrics

End-User

Lack of clear understanding of contract terms, licensing metrics and nuances

Lack of robust Software License Management processes and practices



Categories of Software Licensing “Gotchas”

- Contract Scope
- Licensing Models
- Product Use Rights
- Product Dependencies
- Server Virtualization
- Disaster Recovery



Contract Scope

Geographic
Limitations

Mergers &
Acquisitions
Impact

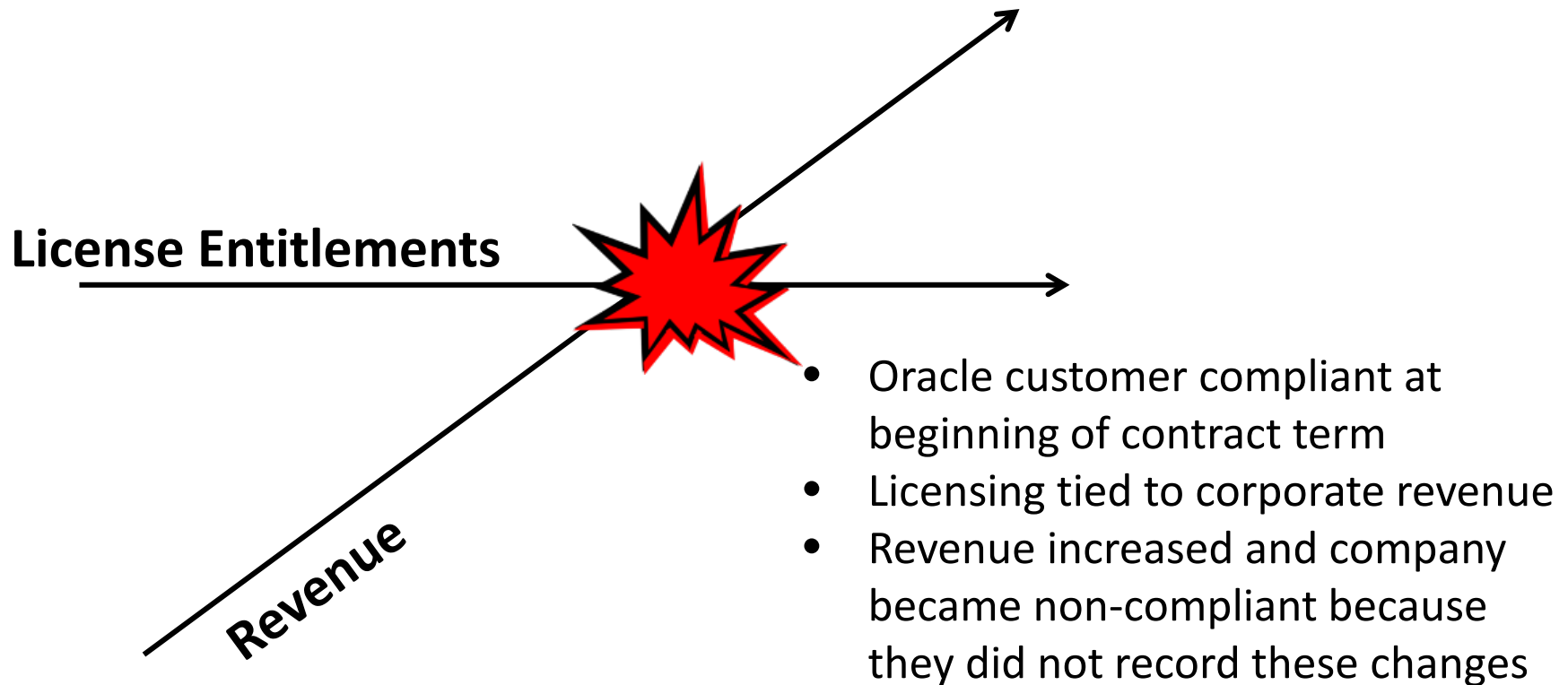
Employee
Increase

Revenue
Increase



Contract Scope “Gotcha”

Software Licensing Tied to Revenue



Licensing Models

User-based

Server-based

Capacity-based

Resource-based

Bundling



Licensing Models “Gotcha”

Bundling

**WebSphere
Process Server 7.0**
Supporting Products:

Product A

Product B

Product C



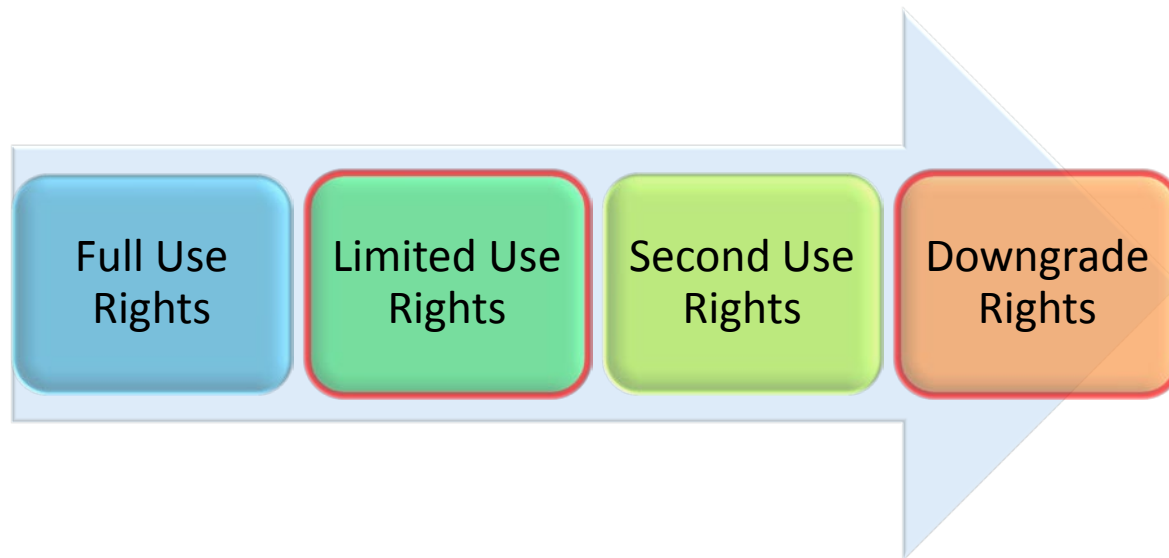
**WebSphere
Process Server 8.0**
Supporting Products:

Product X

Product Y

Product Z

Product Use Rights



... can reduce licensing costs



Product Use Rights “Gotcha”

Limited Use Rights

**Fortune 500
Pharmaceutical
Company**

- Identified cost avoidance of \$2.4M due to Bundling and Limited Use Rights

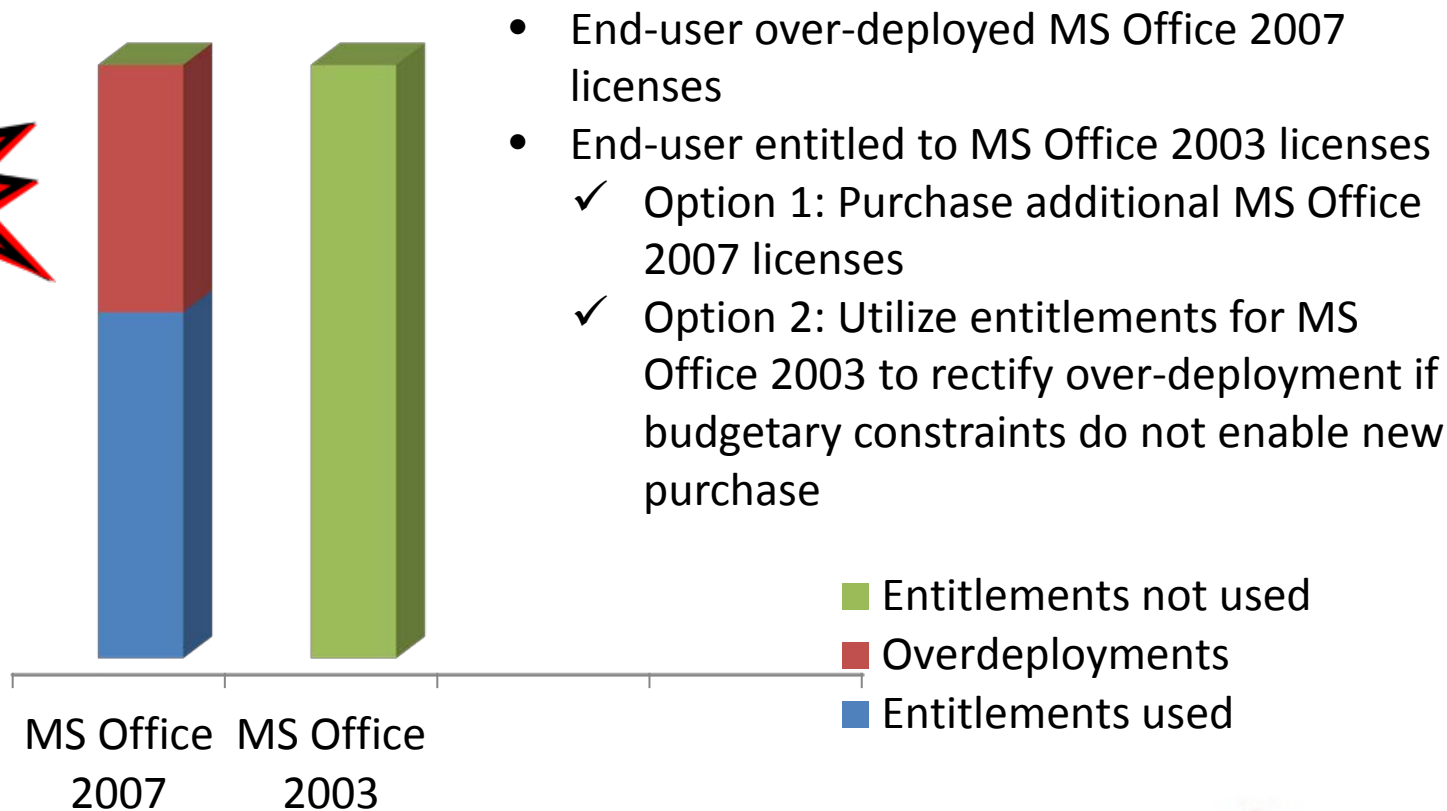
**Fortune 500
Telecommunications
Company**

- Identified cost avoidance of \$7M due to Bundling and Limited Use Rights



Product Use Rights “Gotcha”

Downgrade Rights



- End-user over-deployed MS Office 2007 licenses
- End-user entitled to MS Office 2003 licenses
 - ✓ Option 1: Purchase additional MS Office 2007 licenses
 - ✓ Option 2: Utilize entitlements for MS Office 2003 to rectify over-deployment if budgetary constraints do not enable new purchase



Product Dependencies



➔ Specific license types can be dependent upon having entitlement to a base license or other products

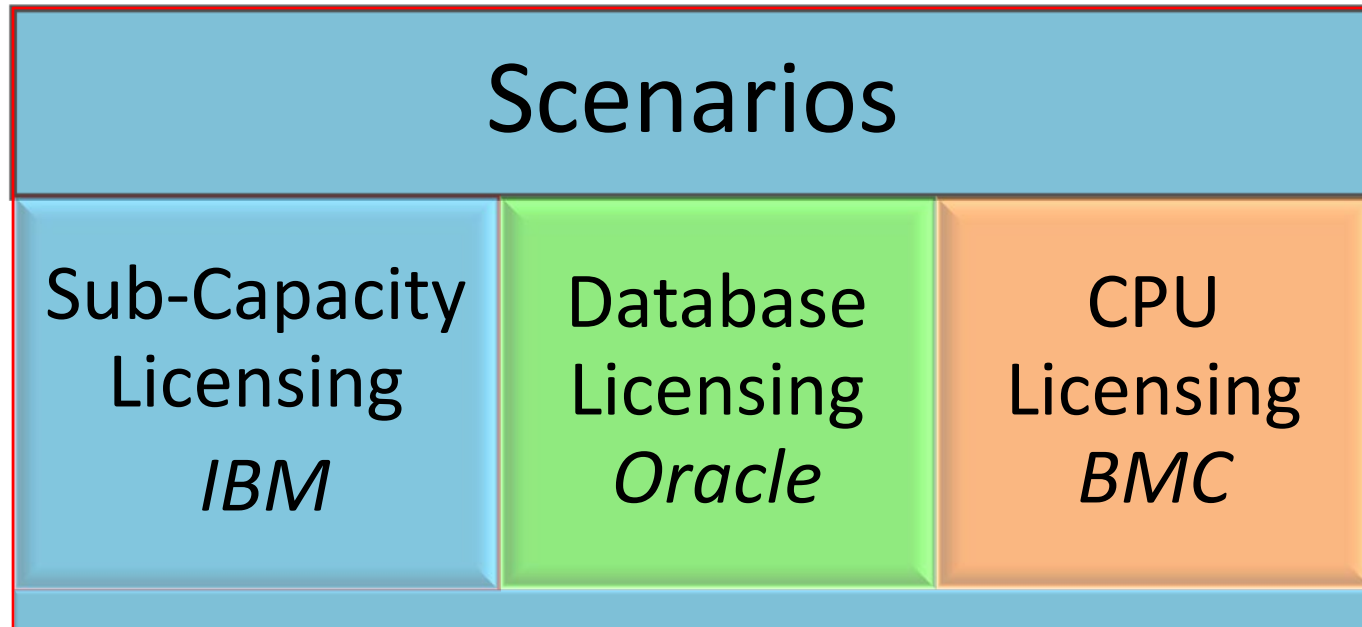
Example: Oracle DB options/extensions require Oracle DB as the base product

➔ Bundled products have specific Limited Use terms

Example: IBM's DB2 is bundled as part of certain WebSphere products, with deployment and access restrictions



Server Virtualization



Server Virtualization “Gotcha” Sub-Capacity Licensing - *IBM*

Requires separate agreement, quarterly reporting
and use of ILMT

Not all technologies or products are supported

Movement within virtual farms can impact licensing

Without sub-capacity agreement, must license entire
server or cluster



Server Virtualization “Gotcha” Database Licensing - *Oracle*

Virtualization has a significant impact
on Oracle DB license counts


Understand how Oracle views CPU Binding. Which
applies to you - hard or soft partitioning?

Financial difference between
hard and soft partitioning



Server Virtualization “Gotcha”

CPU Licensing - *BMC*



For some products,
full physical machine must be licensed

If virtual machines reside in farm,
entire farm must be licensed

When licensing physical machine or farm,
processors must be counted rather than cores

Disaster Recovery

Understand software publisher contract definitions
for Disaster Recovery

IBM is based on workload
Oracle is based on frequency of use

Understand your own internal Disaster Recovery
configurations/utilization



In Conclusion...

- ✓ Gain deep understanding of your contracts and the licensing models, metrics and nuances
- ✓ Employ ITAM license analysts and contract specialists as an integral part of your ITAM process
- ✓ Provide ITAM data analysis to the vendor management team interfacing with your software publisher

... and avoid software licensing “Gotchas!”



Who is Siwel Consulting?

Top tier provider of IT solutions involving hardware, software and services

Founded in 1992; headquarters in New York; 350+ employees; woman-owned business

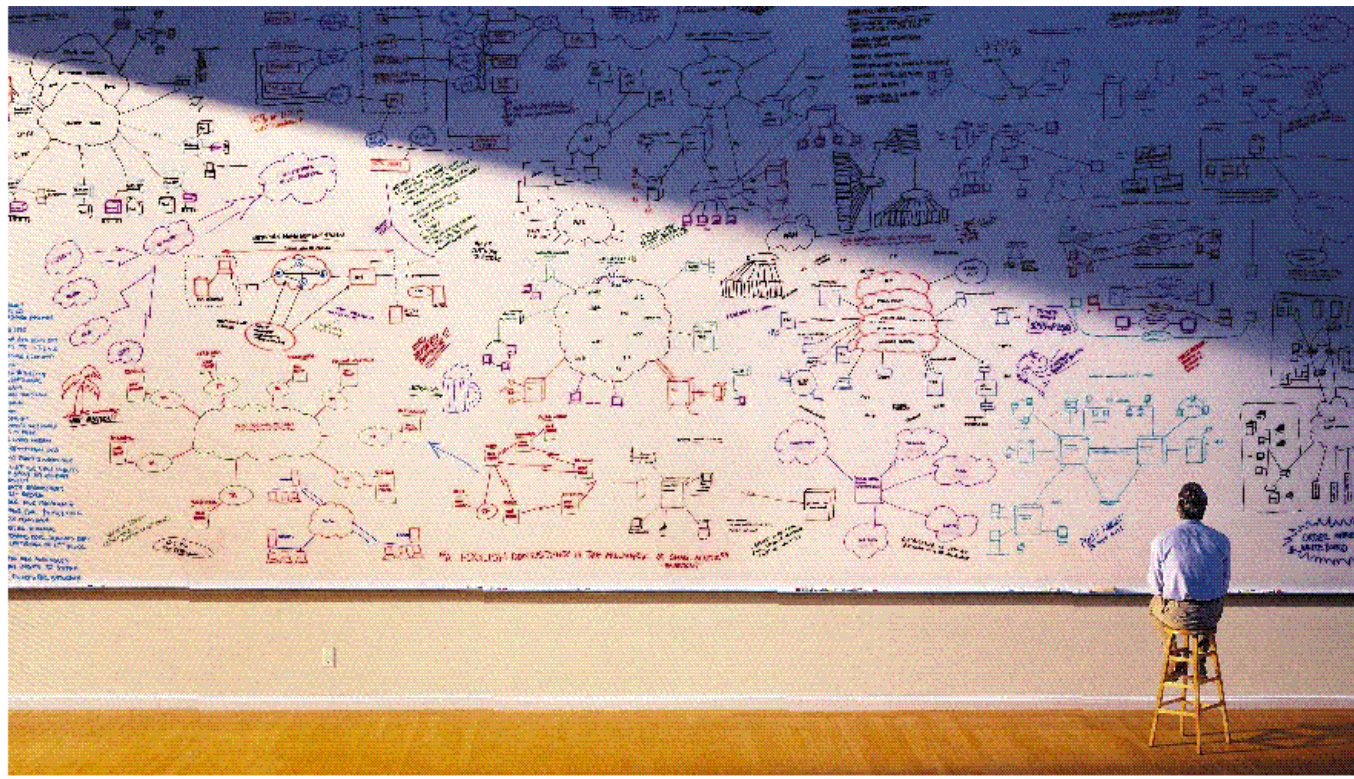
14 years of ITAM leadership;
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Service Fortune 50, Enterprise and Mid-Market clients

Manage \$3.5+ billion deployed software licenses



Questions From Our Audience?



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Featured Speaker

Wednesday October 17
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