



Oracle Licensing Mitigate Risk, Understand Compliance

Stu Kaplan

June 3, 2014

NYOUG Summer General Meeting



Company Snapshot

- ➔ Oracle experts
 - Oracle License Reseller
 - Oracle Database Technology Consulting
 - Oracle Applications Consulting
 - Expert Managed Services
- ➔ Co-founded in 2005
- ➔ Average 20+ years of Oracle expertise
- ➔ 200+ clients
- ➔ Global reach with offices in Denver, Dallas, and Northeast U.S.
- ➔ Oracle Gold Partner
- ➔ Member
 - NYOUG
 - IOUG
 - DOUG
 - RMOUG



Clients



Disclaimer

- The information presented here is a perspective and not legal advice. Customers have many different relationships with their software vendors and many times are contractually obligated by terms and conditions in their agreements.
- This information should be used only as information and perspectives. Please consult your legal team for any legal perspectives of your companies obligations regarding agreements with your software vendors.

Agenda

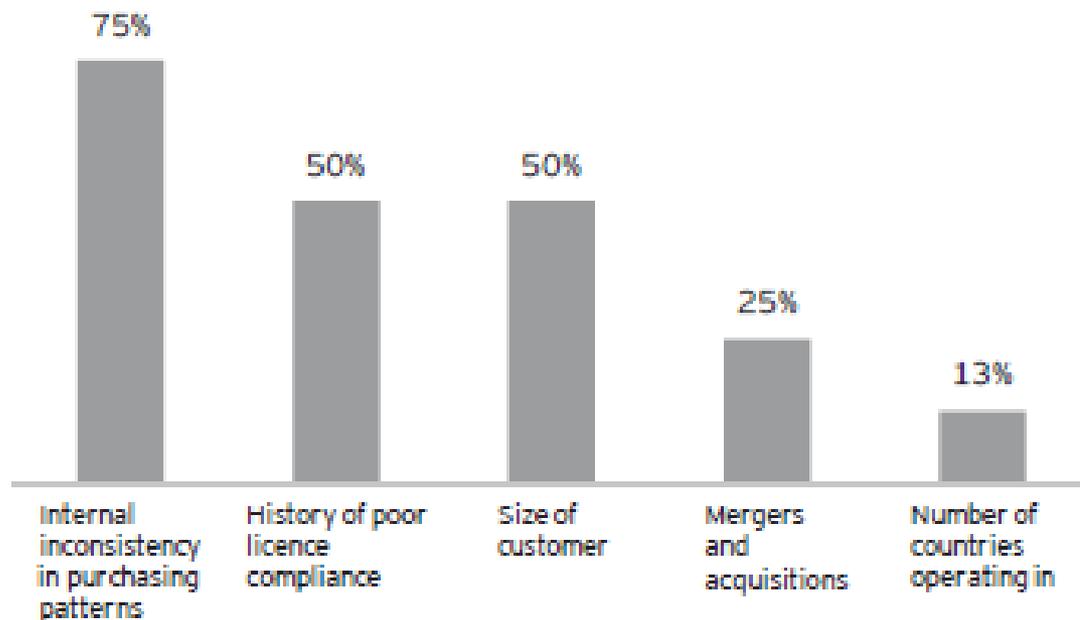
- Reasons for Oracle Licensing compliance
- Audits and compliance
 - How Vendors Select a Customer for Audit
 - Customer's Compliance Objectives
 - Why Customers Struggle to Achieve Compliance
- What to Consider
- Risk Examples
- License and Support Agreements
- Virtualization
- Licensing Strategy
- Risk Mitigation

Reasons to be compliant with your Oracle Licensing:

- Reduce risk
- Avoid penalties
- Software contracts are becoming increasingly complex
- The need to stay on track with software deployment
- Helps you be prepared for audits
- Simplifying the organization of your software licenses can positively impact your bottom line
- Reduce the time and resources required to participate in audits

How Vendors Select a Customer For Audit

How vendors select a customer for audit

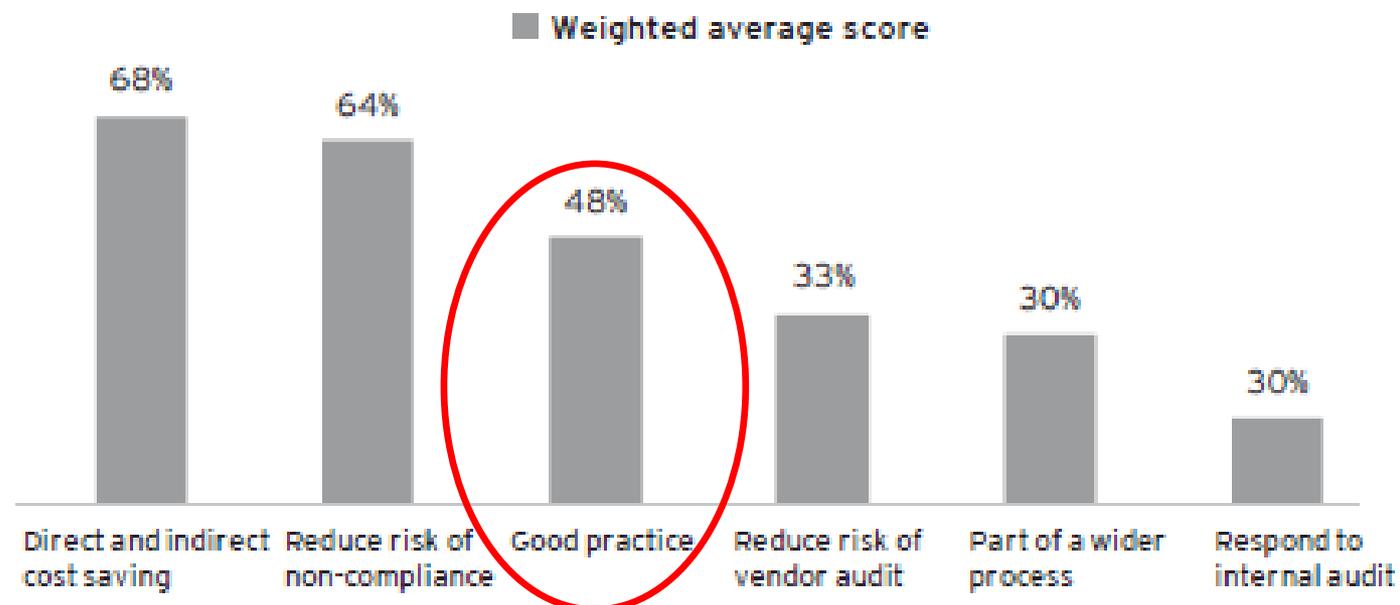


*Respondents were able to choose more than one option.

*Source: "Software compliance without tears - Monitoring customers' software usage in a complex world", Ernst & Young, 2013

Compliance Objectives

Objectives of customers' compliance programmes

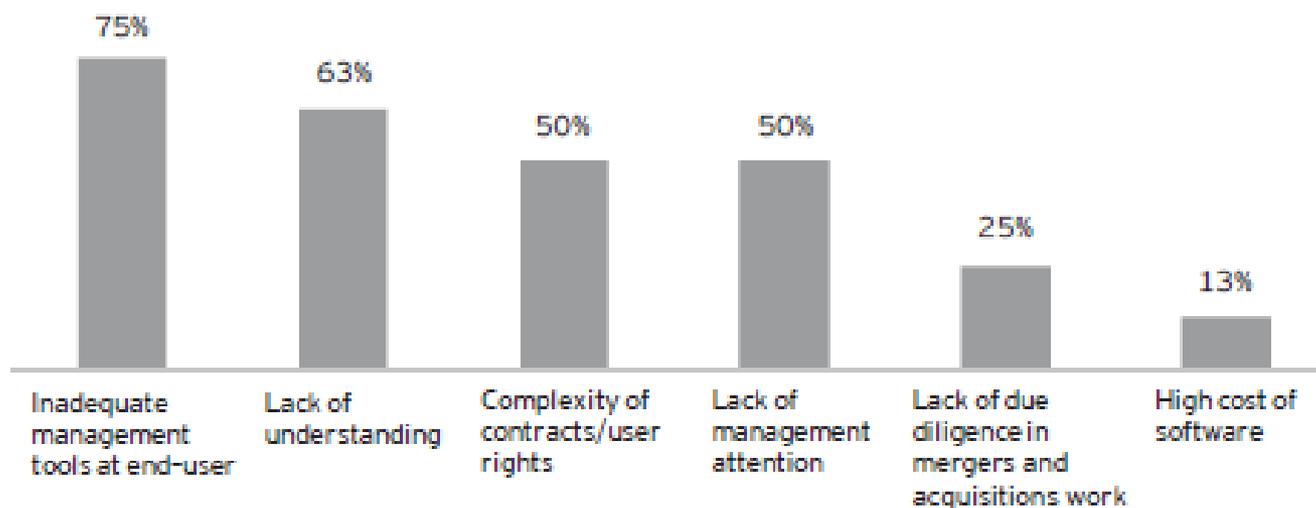


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Why Customers Struggle to Achieve Compliance

Vendors' views on why customers struggle to achieve compliance



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Lack of Understanding/Complexity

“The level of effort it takes to track software assets and manage licensing compliance becomes more and more intense every year, and it is very difficult to find ways to measure yourself. There are tools that pull data, but you need someone to focus and analyze that data and actually correlate it to licenses.”

Director of Applications for a mid-size company in the energy sector

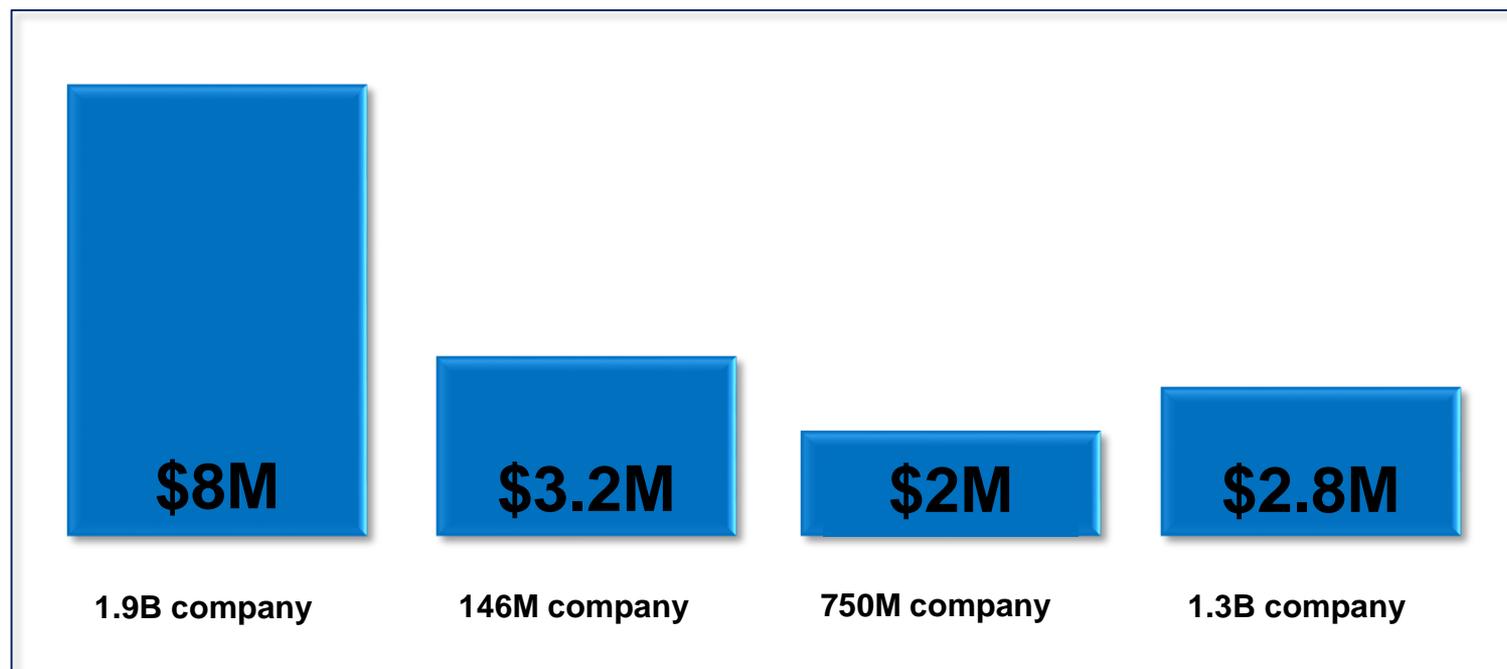
“Getting to what we're actually using, understanding what we have and what we need is difficult and entails wading through the ordering documents, the purchase orders and all of that, and it's frustrating and time consuming to really get to the bottom of what it is that we own versus what it is we'll be using.”

Senior Director of Global IT for an in-building wireless solutions provider

What to Consider

- Maintain an up-to-date software inventory, as well as license entitlement information
 - Make sure these two are reconciled
- **Develop a strategy to be prepared in case of nomination for vendor audits**
- Measure the benefits of software asset management efforts
- Prepare for new technologies

Risk Examples



License revenue reconciliation as a result of audit activity

License and Support Agreements

OLSA- Oracle Licensing and Services Agreement

Defines terms, conditions between Oracle and End User. Also, commits End User to the terms and conditions Oracle Technical Support Policies

Oracle Master Agreement/Transactional Oracle Master Agreement/ License Rules & Definitions OMA and TOMA

These documents have replaced the OLSA

ELA- Enterprise Licensing Agreement

ULA- Unlimited Licensing Agreement

Typically defines the users right to use specific quantities of specific products for a defined period of time. Usually discounted and usage must be certified at the end of the period. Typically used for deployments where it is impossible or impractical to track product usage or the IT environment is growing rapidly.

Ordering documents

Describes quantities and price. May contain licensing terms and language that augments or amends OLSA.

License and Support Agreements

Key Terms:

Common Myth “You don’t have to license TEST environments”.

Testing: *“For the purpose of testing physical copies of backups, your license for the Oracle Database (Enterprise Edition, Standard Edition or Standard Edition One) includes the right to run the database on an unlicensed computer for up to four times, not exceeding 2 days per testing, in any given calendar year.”*

“We were subject to a license audit that resulted in almost a million dollar non-compliance bill and one of the things we got nailed on was that we had test environments and we were not properly licensed for the test environments. We are not a large organization, so this was significant.”

Director of IT for a high-tech manufacturer

Virtualization

- Supported vs. Certified
- Hard Partitioning vs. Soft Partitioning
- Must license all physical cores
- Understand the risks
- Creates a unique set of requirements for licensing compliance

“Some ISVs have diminished the value and benefits of virtualization through complexity of licensing. It’s been a struggle as we’ve looked to virtualize just because of their specific licensing requirements. It took us extra time to virtualize because of the way we’re licensed, but we were able to design around those constraints.”

CTO of a data services provider

Licensing Strategy

- Develop a License Management Strategy
- Licensing Tools
- Know what you want/need
 - Understand the products and various methods of licensing
 - Understand how much you need
- Know when you need it
 - Consider consolidating purchases
- Allow enough time
 - 6-12 months isn't too long
 - Develop a licensing plan and strategy

Licensing Strategy

➤ Know what to ask for

- Don't waste time and power asking for things you will never get
- Understand your legal obligations

➤ Know what a good deal looks like

- Once you have what you need; take the deal
- Policies change frequently regarding discounts and concessions, don't rely on past history or what was offered at other companies

➤ Communicate

- Build a relationship with the software vendor
- Keep them informed

Risk Mitigation

Steps to Mitigate Risk

- Put a stake in the ground
- Get buy-in from everyone
- Conduct Software License Review
- Communication plan
 - Internal
 - External
- Develop a schedule and stick to it

Software License Review



Consult a VAR

- Deep understanding of risk and compliance issues
- Audit assistance (independent 3rd party evaluation)
- Better Value
- Licensing optimization
 - It's all about configuration
- Help navigate the sales and support environment
- Broader technology implications
 - Impact of other software
 - Virtualization
- Long-term licensing strategy

Services available

- License sales
- License review
- License inventory
- Certify Licensing tools
- Compliance
 - Current state
 - Forward compliance
- Risk mitigation
- Contracts
- Licensing strategy

Questions?

<http://dbak.poll daddy.com/s/software-compliance-survey>

<http://dbak.com/downloads/>

Contact

Stu Kaplan

Solutions Business Development Director

516-241-3259

skaplan@dbak.com

www.dbak.com

