

Hyperion Focus 2015

Oracle licensing process and how to stay one step ahead

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Intro

- Nymad Oracle Specialised Gold Partner
 - Founded 2011 Gary Hurlstone and Chris Jones
 - Goal to reduce cost and complexity across the Oracle stack
- Primarily consultancy and managed services
- Biggest impact services around licence compliance / optimisation – which is why we are speaking here today
- Come and speak to us over the next couple of days

Disclaimer

- Nymad works under non disclosure agreement on all licence optimisation engagements
- If you knowingly run software and gain benefit from it you should pay for it
- Only one company can provide a compliance position and that is Oracle
- It is always your responsibility to own your commercial position
- Things change...

To Cover

- Licensing approach

Hyperion



Oracle



To Cover

- Oracle's licensing approach
 - Trust based access
 - Point in time compliance position
 - Virtualisation gotchas
- Audit approach
- Typical outcomes
- Protecting yourselves
 - Mid audit
 - In advance
- SAM
 - Best practices

Audit Approach

- Who is auditing you?



Audit Approach

- Who is auditing you?
- Letter or email requesting an audit
 - Terms and conditions
 - Standard Oracle is once every 2 years but check your contracts!
- Kick off
- Data gathering
- Interpretation
- Preliminary report
- Final report
- Invoice
 - In reality commercial negotiation

Typical Outcomes



Typical Outcomes

- \$\$\$ to Oracle
- Officially licence services are non commercial
 - Targets
 - Team growth
 - High contribution to net new sales
- No grey areas
 - Lots of grey areas
- Deal agreed

Protecting yourselves – Mid Audit

- Challenge
- Challenge
- Challenge
- Audit components
 - Data – scripts, contracts, original order correspondence
 - Interpretation – vested interests
 - Declaration – never discussed

Real Scenario

- Scripts identify unlicensed products and users - Slam Dunk bill for £1.4million
 - Challenge interpretation of script results – false positives
 - Declaration of non usage of remaining products
 - Declaration around users – not accepted
 - Wrote to user base to confirm who was in post and when
- Net result \$0 and bad feeling all round
 - Client felt bruised
 - Oracle felt hard done by

Real Scenario

- Scripts identify unlicensed products EE not SE - bill for £240k
 - Client argued that whilst true it was a mistake in the install and always thought it was SE
 - Grey area but client was not budging and ready for legal fight (in a position to ditch Oracle)
- Good news! Q4
- Net result 25k on software to make it go away
 - Oracle happy, 25k net new at year end
 - Client happy, perceived £215k save
 - For me, a good result but crazy that buying something you don't need and won't use is best solution.

Protecting yourselves in advance

- Know what you have
 - Run a baseline audit using the same techniques that an official audit would
 - DR
 - Backups
 - Test and development
 - Maintain contract documentation and support renewal information
- Know how you are using it
 - What has changed since original purchase
 - M&A
 - Virtualised
 - Web facing

Protecting yourselves in advance

- Know what your commercial terms are
 - Special terms e.g. Essbase
 - View only licences as part of a bigger deal
 - Concurrent usage, user minimums, test and dev
 - Off contract agreements via email
- Have a wish list in case you are faced with making a deal
 - For example EDQ
- Have a nuclear option
 - Oracle want £10 million and won't play ball

Protecting yourselves in advance

- Optimise
- Focus on what you need
- Business process
 - Applications
 - Hardware and software
 - Operational management
- Review all components to architect the lowest cost footprint that delivers against the business SLAs

Optimisation Examples

- The use of application bundles or suites
 - Financial planning suite
 - Financial close suite
- Consolidating contracts for easy management or dropping unused support contracts
 - Be aware
 - Re-pricing of CSI's and or customer contracts
 - Loss of favourable terms
 - Licence sets
 - When acquiring technical support, all licenses in any given license set must be supported under the same technical support service level (e.g., Software Update License & Support, Oracle Communications Network Premier Support or unsupported)

Optimisation Examples

- Commodity hardware
 - Today's commodity is faster, more resilient than 5 year old Enterprise class hardware
- Virtualisation
 - Be aware licensing restrictions
- Centralised management to reduce time spent on maintenance

Software Asset Management (SAM)

- How do you approach:
 - £500k plant purchase with 5 year ROI and 10 year expected life with additional spend on servicing and spares
- How do you approach:
 - £50k hardware spend, £450k licence spend, £90k per year annual support, £50k every three years for a 3rd party upgrade

SAM – best practices

- Full visibility and control
 - Tool to measure and record ongoing
- Ensure your managers have the right skills
 - Oracle vs. Microsoft vs. IBM
- Align resource based on maximum return

Thank you!

