THE AUDIT EXPERIENCE AND BEYOND

EXECUTIVE VIEWS ON THE KEY FACTORS BEHIND A SUCCESSFUL ENGAGEMENT

MINUTES OF THE ORACLE LMS STEERING COMMITTEE
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**LICENSE MANAGEMENT
SERVICES**

Oracle OpenWorld is many things to many people, but to me it represents an opportunity to bring together a senior, experienced, and knowledgeable audience for frank discussions on licensing and asset management. More than the discussions, however, it's also a chance to continue a narrative that began with the advent of the LMS Steering Groups over four years ago —a narrative that has now become truly international, having taken in locations ranging from São Paulo and Mexico City, to Utrecht and Lisbon.

As for the collective outputs from each session, yes there is the shaping of best practice, and exploring, defining and (most importantly) sharing a host of views on what we as a discipline can do to develop compliant and cost-effective license structures. But there is also the chance to look forward, and for Oracle customers to detail their expectations for how my organization can evolve its approach and the services we offer.

This last point I think is particularly important, which is why I'm pleased to be able to report that, following feedback from previous sessions, we have redefined some of our services in 2015. This includes the introduction of a new service—True-Up—which enables customers to engage with Oracle LMS in a "safe environment," and to hold discussions outside of an audit agenda. Such a development is vital for ensuring open, two-way channels between vendor and customer, and for maintaining the customer-centric approach to compliance that I'm committed to delivering.

As for the session on the day, hopefully by reading on you'll get a flavor of the topics discussed under the banner headline of "exploring the audit experience." As always, if the content raises questions, or inspires you to seek closer engagement with Oracle LMS— or at least to better understand what we can offer—then please get in touch.

Kind regards,

Jonathan Koop
Global Vice President, Oracle LMS

DELIVERING A
SUCCESSFUL AUDIT

KNOW YOUR DATA

The initial discussion centered on the preparations and actions that organizations can introduce to ensure the "numbers tally" prior to any audit. According to one attendee, the logical starting point was usage data: "If you don't have this in an up-to-date and trusted format then you're in trouble. And trying to fix it in when you're in the middle of an audit is not the ideal move, due to the obvious restrictions on time and resource. It's essentially the process of getting to know yourself, what you do, when you're doing it, and all the tools involved. In other words the discovery piece, and making sure we have regular balances in place to avoid any unwanted surprises."

For another attendee, the process began after a particularly disruptive audit: "four years ago another of our key IT suppliers conducted an audit that left the business hindered for months afterward. This led to a firm commitment to avoid such pain again in the future, which is why we've instituted change across our entire license management function. We now have two people dedicated to the task of maintaining a library of our license usage."

As to the principal cause of the problem, for one attendee there was no need to look beyond the IT department: "Unlike our so-called business users, IT have all the freedom they want to install any licenses considered 'of interest'. These are then brought into a test environment and played around with. The trouble starts however when these same guys forget to remove everything when they're finished. This was the cause of an audit my organization had to endure a few years ago. Since then, we've reached agreement and paid up against all outstanding costs. Still, I know the same challenges exist because the underlying behavior has remained the same."

IMPORTANT DISCOVERIES

Oracle LMS has a renewed emphasis on improving and enhancing the discovery tools currently available, and part of the discussion focused on the audience's experiences with data discovery and tools.

Understanding the importance of maintaining accurate usage data is one thing, yet actually bringing it all together is another. As one attendee stated: "We do experience challenges when trying to assess usage data from different areas of the business. If there was only one infrastructure it would be easier, but we are a company with multiple infrastructures spread across multiple locations that are all managed independently. This is why we're searching for that one tool that can provide all the necessary data on what's being run on every platform, to offer one trusted source of the truth."

According to another attendee: "the reality is that there's not a huge number of discovery tools available. What tools exist are generally comfortable detailing what I have installed and am using. This provides a basis for greater transparency, but it doesn't support our bid to be more proactive when it comes to balancing out our license entitlements."

MAINTAINING A STRATEGIC FOCUS: SOFTWARE ASSET MANAGEMENT (SAM)

FOLLOWING THE SCRIPT

As for scripts, one attendee suggested: "It would be really useful as part of the audit process for Oracle to provide scripts for downloading key data fields into tables. This immediate access to scripts would help us run the discovery phase better, especially as they would be Oracle-certified. Currently we write our own scripts, which means bugs and a constant need to provide fixes. Again, this is not helping us deliver a more proactive license management capability."

Such a suggestion, however, was met with a word of warning from another attendee: "I think it's a question of how far do you go. LMS have scripts that you can run at any time but if I run the scripts, I don't want users coming to me and saying that the scripts are 'going too deep,' and that they are 'uncomfortable in providing all this information.' In other words, there has to be a line between what is considered part of the process and what goes beyond it—an understanding of how much information is needed to fulfill an audit process without intruding too far into a person's job. A good example of which is security, and appreciating different dependencies on the database that cannot legally be compromised."

QUANTIFYING THE EXPERIENCE

What of the experiences generated by software audits? For one attendee it was important to: "Separate out the audit experience from the actual outcome of the process. For me, the audit experience was overall a negative one due to problems caused by our own internal procedures. As for the outcome, we were determined to be as transparent as possible, which I believe influenced the spirit of the overall engagement and led to an amicable resolution."

Another attendee agreed, stating: "Oracle were very flexible in terms of how we worked together. I'd be honest and say that we came to the realization that we didn't understand software licensing. Mistakes were made and we traded up. Instead, we started with the statement that 'these are the facts,' and Oracle did a great job in identifying a workable solution. Since then we've made changes to how we manage our software assets, with a real focus on education to make sure there is no repeat of the situation."

CREATING THE BUSINESS CASE FOR SAM

Previous Steering Groups have highlighted the challenge that some customers have in generating a compelling business case for funding a more proactive and consistent SAM capability. The question was therefore, what progress is being made, and what advice is there for customers considering the move?

For one attendee, it's about quantifying the risk: "Our approach is to consider all the mistakes people typically make when it comes to licensing. Next we combine the number of these wrongdoings with a price, and maybe even add in a penalty to the number, so that we can easily piece together a total value for the business case. Plus, if you know yourself, if you have reliable master data on what you're using, what licenses you have, and what your compliance status is, then you can move toward license pooling—which for us, as a decentralized company, is our ultimate goal."

QUANTIFIABLE BUSINESS BENEFITS

Clearly a huge motivator is also to avoid shelfware, and to reduce overall spend on licenses. Yet, as one attendee explained, real savings can be achieved in a relatively short timeframe: "I was brought in to pull license information together from five different divisions. Over time we found that the process gradually coalesced into one, and from it emerged an enhanced ability to recycle licenses. As a result we were able to save about $500,000 last year just in reallocating licenses in response to shifting business demand. That's real money that can be tracked on the profit and loss sheet. Better still, it was relatively easy."

For another attendee, any business case depended on securing executive support: "It's essential for driving this type of change. Without it, any initiative will die a death, or at least lose consciousness until an audit occurs. Then all of a sudden people will get behind it to find a fix, but ultimately, it needs to be a continual process." "Every executive," added another attendee, "will see the move to SAM as a cost, and we all know what happens with cost, which is that it gets removed when savings are needed. In my organization, the CTO, CIO, and CFO are constantly disagreeing as to who should shoulder the bill."

ABOUT ORACLE LMS

Oracle LMS actively counteracts licensing complexity with an approach focused on two primary outcomes:

We help organizations proactively maintain compliance with Oracle licensing models and their contractual obligations to remove any financial, operational or legal risk.

We quickly develop comprehensive insights into the deployed estate to reduce inefficiency, duplication and redundancy, and align licensing requirements to actual business need.

LMS can also help you gain a more centralized and coordinated view of your Oracle estate in order to make more informed business decisions.

We can help you master the intricacies of maintaining, migrating and upgrading your Oracle assets to remove a significant barrier to aligning business demand and IT supply.

Future Steering Groups are continually being planned. For more information, and to book your seat at the table, please email **lms-global_ww@oracle.com** or visit **www.oracle.com/goto/lms**

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