

IAITAM ACE

KICKIN' ASSETS
SINCE 2002

Optimize Your Oracle
Licensing with the Power of
SAM Tools + Consulting
Expertise

Terry Divelbliss, Eracent
Cliff Jespersen, SIE Consulting Group



NASHVILLE, TN
MAY 9TH - 11TH

Today's Presenters



Terry Divelbliss

*Sr. VP, Marketing & Technical Alliances
Eracent*

*IAITAM Charter Member #0024
CSAM, CMAM, CITAD*



Cliff Jespersen

*Director, Service Delivery
SIE Consulting Group*

CITAM, CSAM



Eracent Overview

- Founded in 2000
- Total IT Management
- Foundational Data, analysis and reporting tools for ITAM, SAM, ITSM & Security
 - Enterprise Discovery and Utilization
 - Lifecycle Management and Financial Reporting
 - License Analysis and Process Automation
 - SBOM and Application Vulnerability Management
- Reduce Risks, Minimize Costs, Automate Processes



About SIE Consulting Group

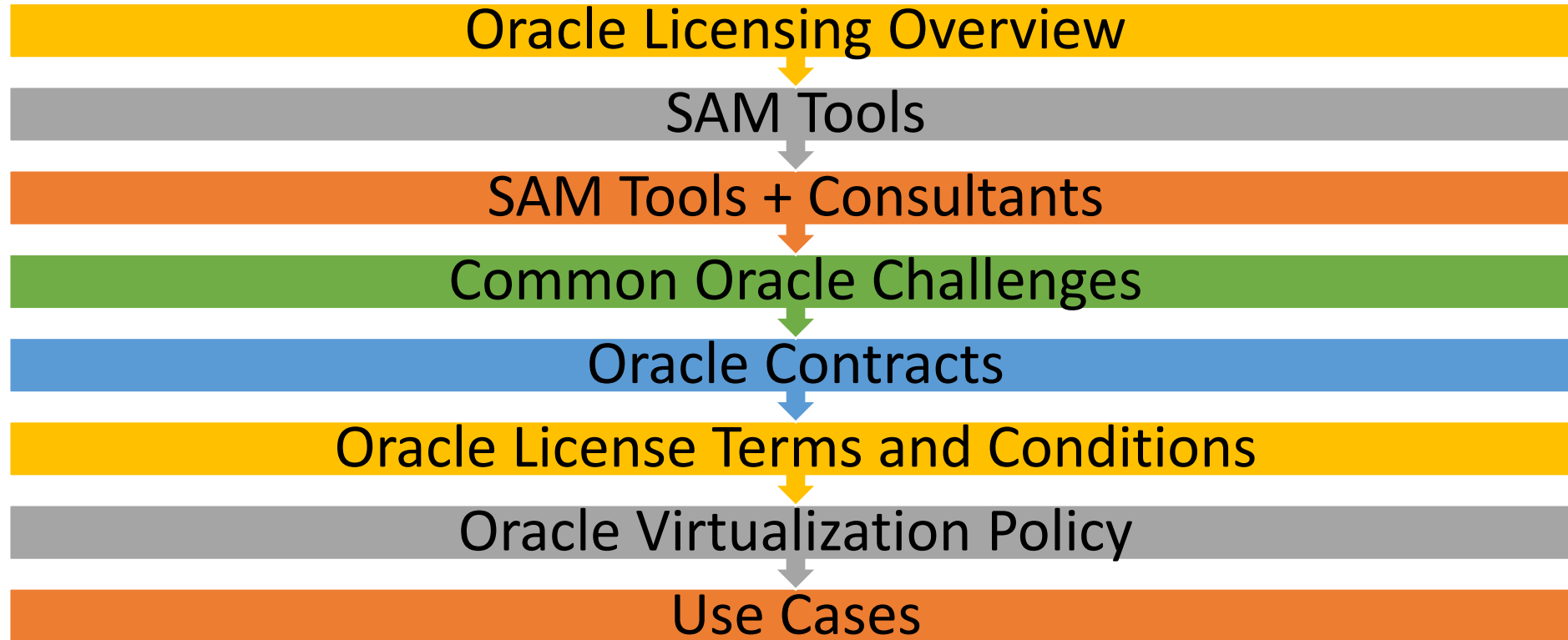


- Founded in 2012
 - Service-Disabled Vet Owned Business
- Expert IT advisory services
 - Focus: Software Asset Management (SAM)
- Industry, vendor and Tool agnostic, specialty includes Eracent
- Managed SAM Service Provider with proficiency in all major publishers and tools
- 40+ years managing Oracle licensing

Our Software Expertise	
Publishers: <ul style="list-style-type: none">• Oracle• IBM• SAP• Adobe• VMWare• Microsoft• BMC• Symantec• Cisco• Veritas• CA• HP	Tools: <ul style="list-style-type: none">• <u>Eracent</u>• ServiceNow• BigFix• Flexera• BMC Remedy• BDNA• SCCM• Splunk• PRISM• HP Asset Manager• CA SAM



Agenda



Oracle License Management



- One of the most complex and challenging publishers
- Natively developed and acquired products
- Wide variety of license models
- Regular changes to metrics and Ts & Cs



Oracle Audit Threat



- Through 2025, Oracle audits will be up 25% over 2022 levels ¹
 - On-Prem
 - Cloud Infrastructure and SaaS
 - Java
- Often catches customers off guard
- Minimizes time to react strategically
- Push for upsell opportunities
- Can negotiate the scope and financial exposure in agreement

1. - Gartner - "Take Control of Your Oracle License Audit to Optimize Costs" , Published 26 July 2022 - ID G00762528 - By Allison Adams, Melanie Alexander, Roberto Sacco



Other Oracle SAM Challenges



In-house SAM team staffing:

- Oracle license specialists are difficult to find
- Can grow in-house knowledge over time
- Brief tenure and turnover
- Good SAM staffers often get pilfered by Finance, Procurement, and other teams



SAM Tools Help – A Lot!

- Centralized foundation for strategic governance
- Detailed installation and usage data
- Procurement, subscription and entitlement data
 - Ties to users, systems, locations, business units and more
 - Base license and upgrade history
 - License key tracking
- Normalized and enriched product data
- Historical trend information
- Integration with related tools in ecosystem



SAM Tools Help – A Lot!

- A key goal is to maintain a proactive, ongoing license position
- Oracle GLAS third-party tool verification for:
 - Database
 - Fusion Middleware
 - Java
 - more on the way...



SAM Tools Help – A Lot!

- Organizations buy a tool and often expect:
 - Zero-touch, end-to-end automation of ELPs
 - Easy button
 - Miracles



- Even with tools, proper analysis requires human experience and knowledge
- Without it, audit or ELP exercises can take much longer



Strategy For Success

- Utilize a SAM tool and consultants together
 - MSP, SAM consultancy, SAM tool vendor's professional services
- Increasingly common practice
- Start both in tandem at the beginning of a project
- Leverage experience of people who have done this repeatedly
- Can provide strong recommendations from the start
- Know what has worked well, and what has not



SAM Tool + Consultants

- SAM tool implementation guidance
- Bigger-picture, strategic mindset
- Expertise in license management and position reporting
- Focused with up-to-date training
- Have completed the full cycle repeatedly
- Can be augmented by additional consultants, if needed



Other Benefits

- Transfer knowledge by osmosis to in-house SAM staff
- Recommendations for ongoing negotiations
- Suggestions for streamlining product portfolio
- Increase savings and reduce audit risk



Let's get some specific Oracle licensing advice...



Oracle Common Challenges

Cloud

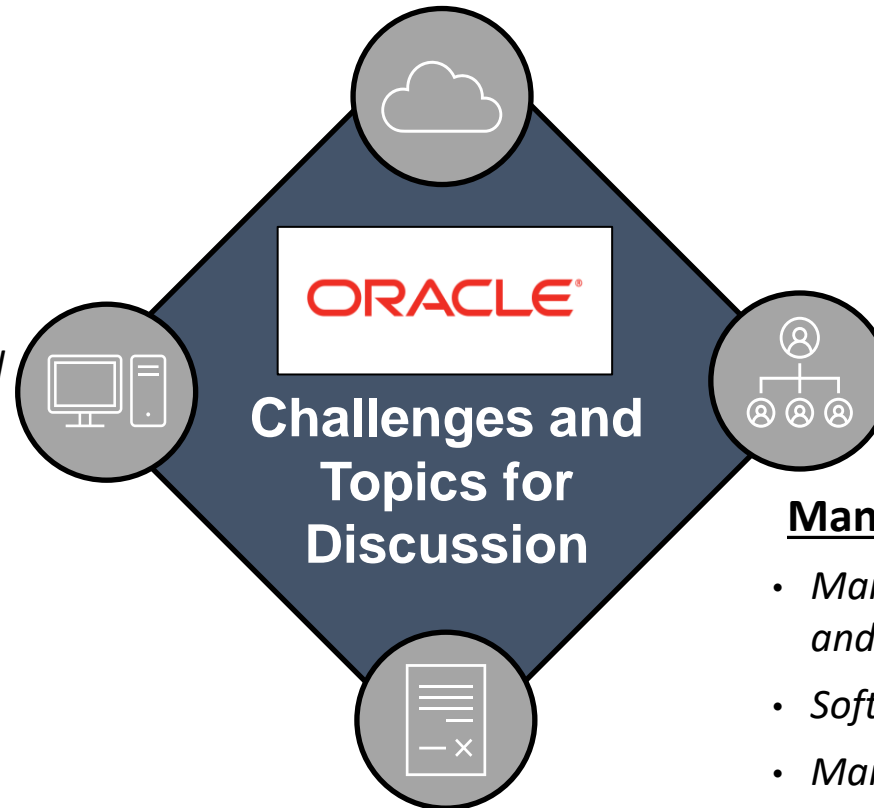
- *Licensing the cloud*

Note: Each of these categories will be discussed to understand pain points so that we can provide education and supporting material.



Technical

- *Licensing and metrics*
- *Virtual environment*



Management & Support

- *Management of Audit Terms and Reporting Obligations*
- *Software Asset Management*
- *Maintenance Subscription and Support Models*

Contract and Pricing

- *Contract Structure*
- *Pricing Models*



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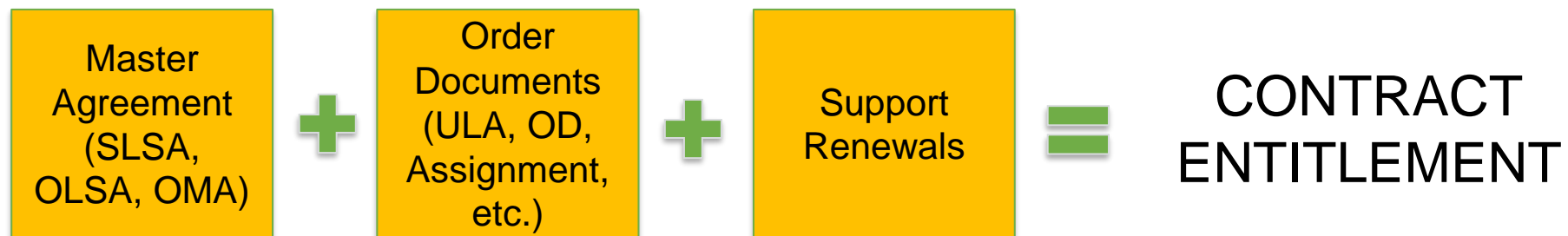
Oracle Contract Entitlement

Oracle contract estate consists of several elements:

1. **Master Agreement** - legal terms and conditions
2. **Order Document** - specific licensed products acquired
3. **Support Renewal Document** - technical support beyond the first year

In addition to the contracts there are other documents that impact your entitlement

1. URLs embedded in agreements include important terms.
2. Oracle policy documents – might not be referenced in the contract but still apply
3. (e.g., virtualization and cloud)



Oracle Contracts

Things to consider when negotiating Oracle Ts and Cs:

1. Technical Support



- Cap support fees to prevent from increasing by 4% year on year.
- Oracle does not allow partial terminations of unused software. Customers are obligated to pay for software no longer in use and support automatically increases around 4% each year.

TAKEAWAYS:

- ✓ *Ask for a 0% increase for 5 years.*

2. Fixed Pricing for Future Purchases



- **Request a Price Hold:** Request a “price hold” for specific products in the ULA. Best timing for this request is during a large purchase agreement or renewal.
- **Price Hold for Cloud:** Ask for a fixed price for adding more users to the cloud services.

- ✓ *Price Hold is key when customers anticipate they could require additional users or products in the future.*



Oracle Contracts

Key recommendations to consider when negotiating Oracle Ts and Cs:

3. Certification Clause



- Certification Clause – what cloud deployments count towards ULA exit quantities? Oracle permits deploying ULA software in a public cloud (AWS/Azure/Google) however, these licenses cannot be declared in certification.
- *“Licenses acquired under ULAs may be used in Authorized Cloud Environments, but customers may not include those licenses in the certification at the end of the ULA term” – so you can deploy them, but then you must buy them and pay support when its time to certify*

✓ *Make sure ULA deployments are done on-premise or that you only have temporary deployments in the cloud. Otherwise, negotiate usage rights in the original ULA to allow cloud deployments when you exit the ULA.*



4. Renewal Protection



- Oracle technical support renewal offer may be around 10-15% - negotiate, Oracle can go lower

✓ *Get the lower rate up front*

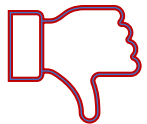


Oracle ULA and Challenges

Pros:



Cons:

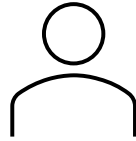


	"AS IS" ULA Renewal	New Products / New Contract ULA Renewal	Short Term ULA Renewal
Pros:	<ul style="list-style-type: none"> Maintain fixed costs for included Oracle Software Avoid audit 	<ul style="list-style-type: none"> Chance to include new products and achieve "compliance" Grow new product deployment while retiring older ones 	<ul style="list-style-type: none"> If you want to eventually exit the ULA, this gives you time to prepare for internal audit / Certification
Cons:	<ul style="list-style-type: none"> Planning to grow Oracle footprint; if not, "as is" ULA renewal is probably overpaying "As Is" renewal can be a way to pay to escape from an audit 	<ul style="list-style-type: none"> Ongoing support for legacy products Probably requires Oracle Certification 	<ul style="list-style-type: none"> May lose negotiation leverage and 6 months of your revised ULA Same contract terms as existing ULA

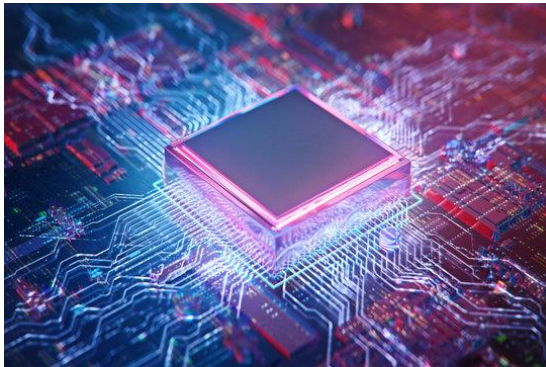


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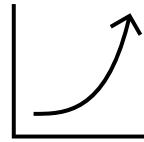
Oracle Processor License



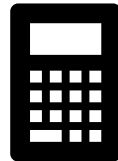
Internal and third-party users, including agents and contractors.



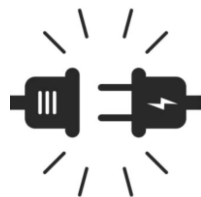
All processors where
Oracle programs are
installed and/or running.



Aggregation: All cores on multicore chips for each
licensed program are aggregated before
multiplying by the licensing factor.



Licensing: Multiply total number of cores of the
processor by a core processor licensing factor.

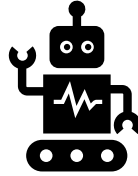


Standard Edition Licensing: A processor is counted
equivalent to an occupied socket, but each chip in
a multi-chip module is counted as one occupied
socket.

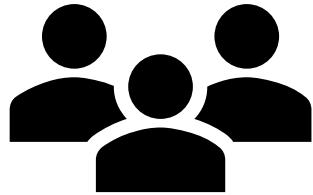


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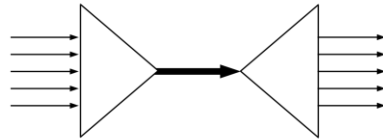
Oracle Named User Plus License



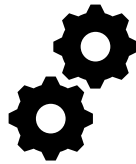
Non-Human Devices: Counted as a named user plus if they can access the programs.



Authorized individuals to use programs on one or multiple servers.



Multiplexing: Measure at the multiplexing front end if using hardware or software like a TP monitor or web server product.



Automated Batching: Allowed for data transfer between computers.



Minimums: Ensure named user plus per processor minimums are maintained for all programs, as outlined in the licensing rules section.



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Other Oracle Terms and Conditions

Environments:

- Licensing required for Production, Nonproduction, and Disaster Recovery systems, subject to noted exceptions per Oracle policy
- Development use OTN

Data Recovery:

- Failover using Clustered environment – provides right to run software on spare computer for up to 10 days
- Copying / Synchronizing / Mirroring – requires licensing on each server where product is installed
- Testing – limited right to run a copy of a Database to test physical copies of a backup up to 4 times in a Calendar year



Oracle Virtualization Policy

Soft Partitioning

- Segments the operating system using OS resource managers
- Limits the number of CPUs where an Oracle database is running by creating areas where CPU resources are allocated to applications within the same operating system
- CPU capacity can be changed easily if additional resources are needed

Hard Partitioning

- Physically segments a server, by taking a single large server and separating it into individual smaller systems
- Each separated system acts as a physically independent, self-contained server, typically with its own CPUs, operating system, separate boot area, memory, input/output subsystem and network resources
- Certain technologies approved by Oracle to limit the number of licenses required for a server or cluster of servers

“Oracle Trusted” Partitions

- For approved Oracle Engineered Systems, Oracle permits the use of Oracle VM Server (OVM) or Oracle Linux KVM to limit the number of Oracle Processor licenses required, i.e., to license a sub-capacity of total physical cores
- Oracle’s Trusted Partitions policy also requires use of Oracle Enterprise Manager



Virtualization Challenges with Oracle

Common Pitfalls

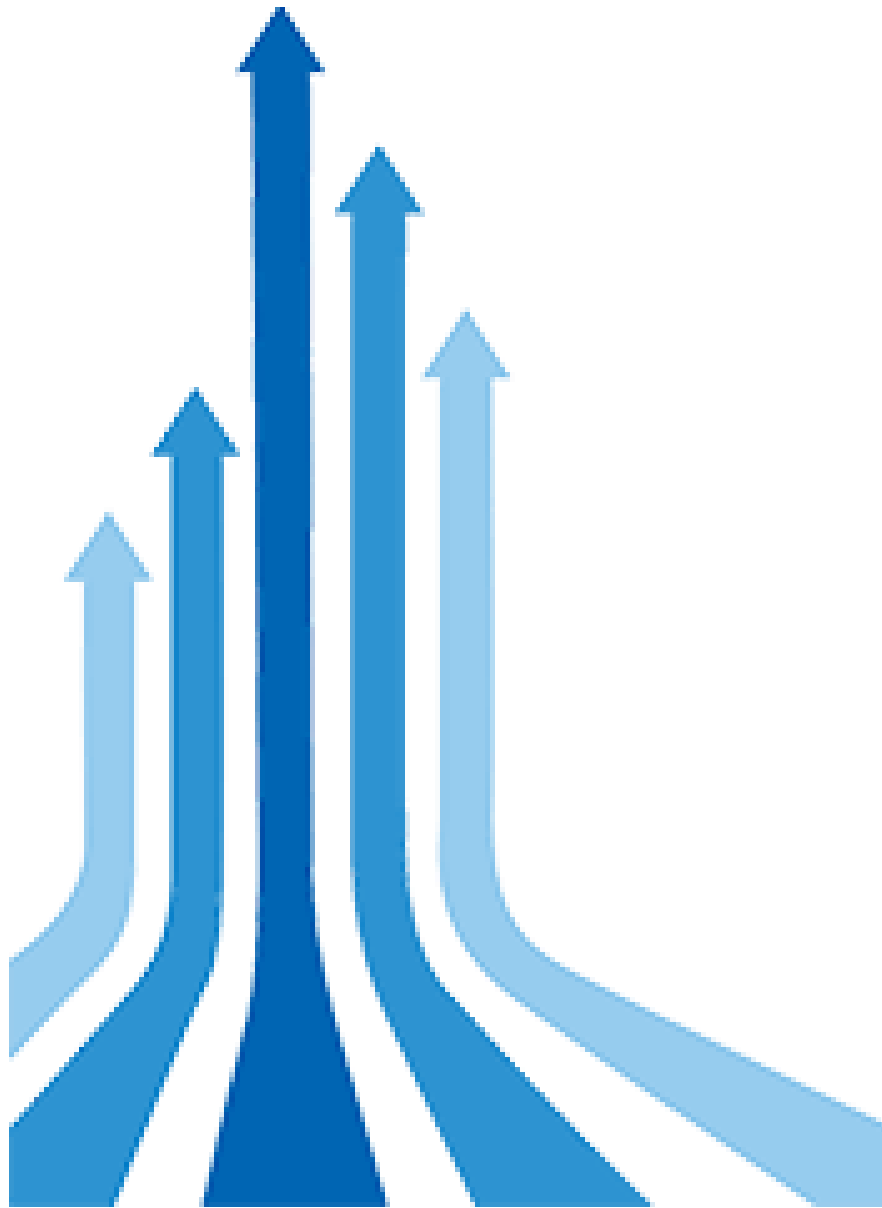
- ↓ Using an unapproved technology to attempt to reduce license requirements. Even if Oracle doesn't specifically categorize your technology as "soft partitioning", that doesn't mean it is approved.
- ↓ Adding/Removing the Physical Hosts in a Cluster can drastically affect compliance
- ↓ Adjusting the number of Clusters in a Farm can drastically affect compliance
- ↓ Upgrading your version of vSphere can affect licensing requirements across your entire environment
- ↓ vMotion can be turned off to restrict license requirements

Proposed Solutions

- ✓ Mature Software Asset Management can identify precise license requirements
- ✓ Partial Licensing of Clusters – work with your Oracle sales rep to explore this possibility
- ✓ If you intend to sign a ULA, do so before Oracle decides they need to audit you. And PREPARE!
- ✓ Create your own isolated virtualized environments to follow Oracle rules on virtualization - move all Oracle deployments to this environment to gain control



Use Cases



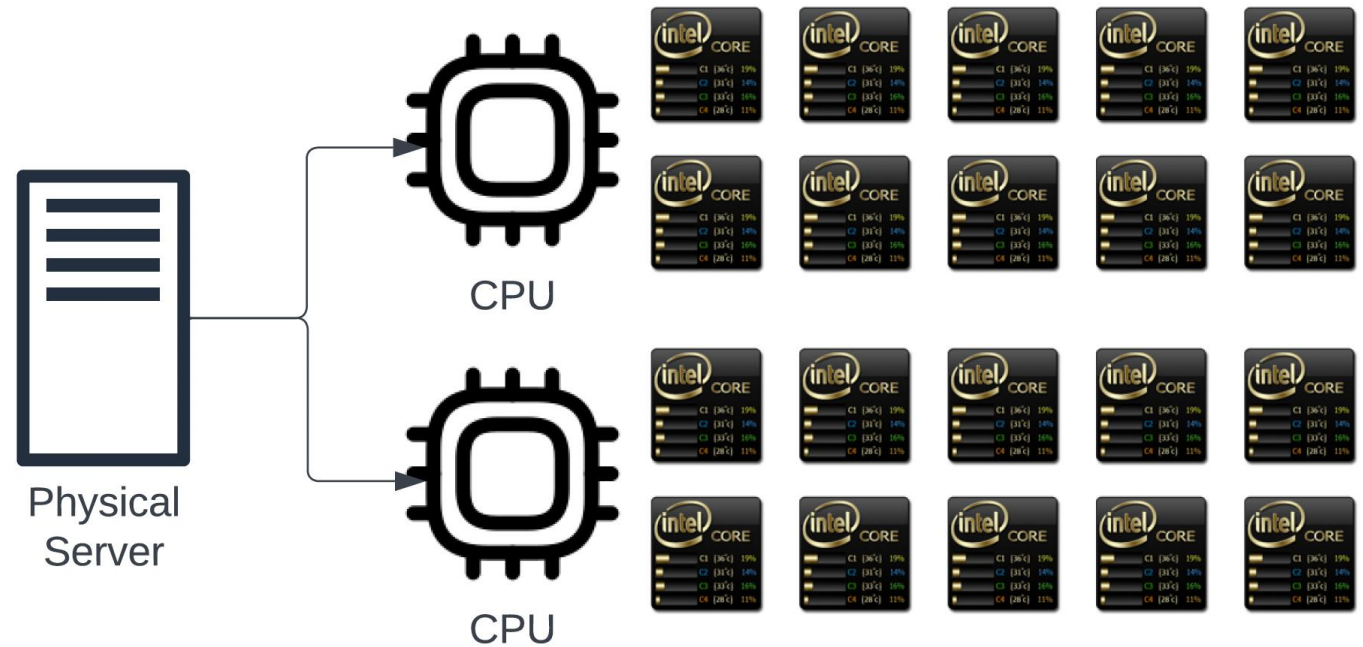
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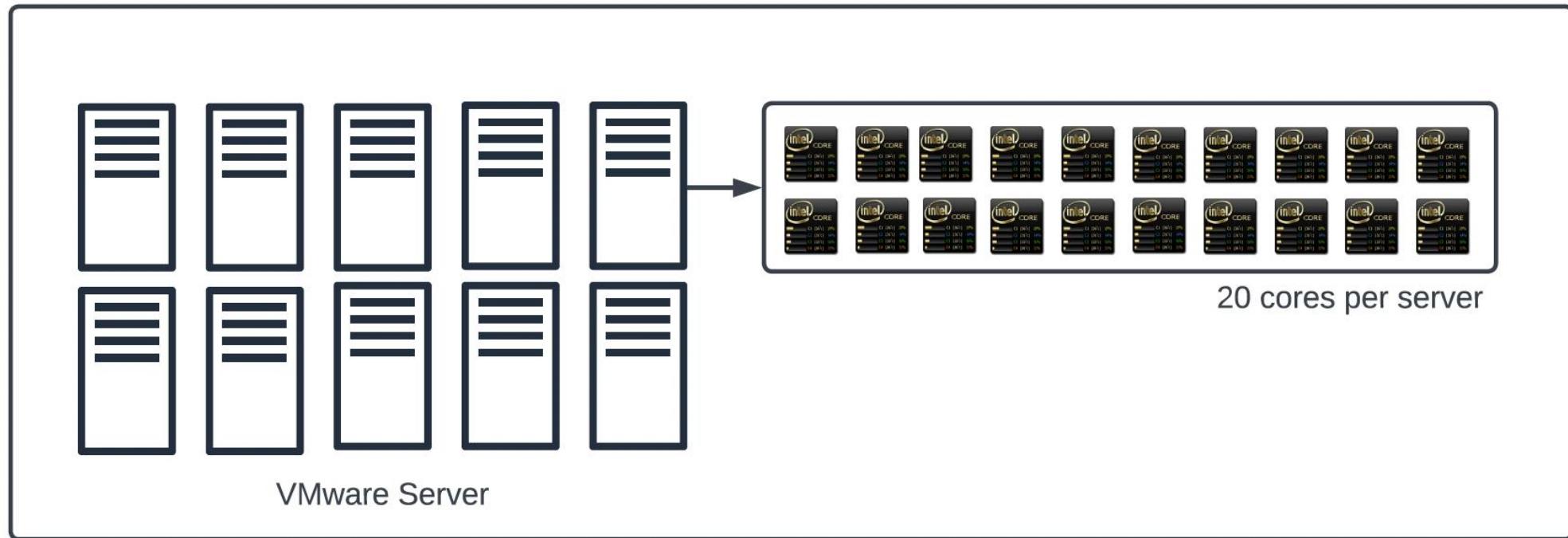
Oracle Processor License – Physical Device

- Example: Standalone physical server with 2 physical Intel-based CPUs, 10 cores per CPU, for a total of 20 CPU cores
- Processor license requirement: 10 Processor licenses
 - $20 \text{ cores} * 0.5 = 10$



Oracle Processor License – Virtual Device

- Example: Virtualized VMWare server with 2 Intel-based vCPUs. VMware instance uses vMotion, and VM is part of cluster with 10 physical servers, each with 20 CPU cores
- Processor license requirement: 100 Processor licenses
 - $10 \text{ servers} * 20 \text{ cores} * 0.5 = 100$



Summary

- The best SAM Tools still require expertise to get the most from them
- The most skilled consultants require complete data
- Successful Oracle license management requires knowledge, data and a proactive approach
- Visit Eracent and SIE Consulting Group at Booth 33



Thank You!

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