

Straight talking: License this software

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Many organisations unknowingly overspend on software license agreements and maintenance. This is typically a result of organisations struggling to understand and manage complex licensing and pricing models, across multiple vendors.

Technology changes also complicate licensing and are difficult to predict. For example, the growing popularity of virtualisation and increasing employee mobility mean IT departments are under further pressure to keep up to date with the different types of software licensing and patterns of usage.

At the same time, the issue of compliance is ever more present as audits by third party firms such as the Business Software Alliance and the Software and Information Industry Association are becoming more and more frequent, in response to the large amount of unlicensed software being used globally.

However, despite the high financial costs associated with non-compliance, not to mention the potential negative publicity, most organisations today struggle to adequately track and manage software licence usage.

The end result is that few organisations today accurately know what software they are running, how much they have paid for it, who and how it is used - and, in fact, if it is ever used at all.

This lack of visibility into licensing has significant implications on software purchasing decisions and can lead to compliance problems. Some organisations, in order to contain software costs, may purchase too few licences, leading to users not having access to the applications they need or using them without a licence.

Other organisations may overcompensate and buy extra licences - which they don't need - to make sure they are covered.

All this can lead to unnecessary support and software update fees.

A high proportion of organisations use manual techniques to track software licences, which are prone to error as well as being costly in terms of resources. This also only tells half the story - manual records may report what software is deployed but not if it is under- or over-utilised, for instance.

Using effective software licence management tools is essential for centralising licensing operations and obtaining accurate, granular usage data to properly track and report on licence usage. This not only puts organisations in a stronger position when renegotiating software contracts but also reduces the management burden on IT.

To manage software licences, some organisations have invested in software asset management (SAM) tools from companies such as BMC Software, CA, HP and IBM. However, while traditional SAM solutions can look at what software is installed, where and by whom, they may fall short on determining how software applications are being used.

The 'how' dimension is addressed by compliance monitoring tools from companies such as Acresto (formerly part of Macrovision) and Safenet, which supply technology to software publishers. Such tools continually monitor software usage and in some cases this technology can be used by publishers to enforce licensing.

Products such as Acresto's FLEXnet Compliance Monitor use a non-intrusive agent to collect data from applications, and can be configured to support a wide range of license models. This enables publishers to proactively manage entitlements as well as create flexible licensing models for their customers based on usage.

Meanwhile end-user organisations can also use licence-monitoring solutions to reconcile application usage with entitlements, thereby potentially minimising time-consuming physical audits, preventing over-deployment of software

and gaining an accurate view of their application usage.

For organisations to gain the most value from such compliance monitoring tools, their software suppliers should already have enabled their products with third-party licensing technology.

The legal and financial risks, as well as the negative publicity of non-compliance, cannot be ignored. Because of this software licence management is an issue that should be a priority for board-level executives as well as IT managers.

To stay ahead of the game and avoid the extra work and costs associated with compliance testing, Quocirca recommends organisations should move to centralised software purchasing to gain a better handle on their software assets.

As a first step to ensuring compliance, they should then identify the software applications which are the highest value to the organisation and aim to understand how this software is actually being used.

By using a compliance monitoring system, organisations can gain an ongoing insight into usage and then use this information to optimise software spending and negotiate favourable terms with software vendors.

Finally, organisations should self-audit periodically to ensure that software purchasing and licensing policies are being adhered to. Ultimately, conducting such proactive audits means organisations can demonstrate and maintain compliance in the event of an external software audit.

About Quocirca

Quocirca is a primary research and analysis company specialising in the business impact of information technology and communications (ITC). With world-wide, native language reach, Quocirca provides in-depth insights into the views of buyers and influencers in large, mid-sized and small organisations. Its analyst team is made up of real-world practitioners with first hand experience of ITC delivery who continuously research and track the industry and its real usage in the markets.

Through researching perceptions, Quocirca uncovers the real hurdles to technology adoption – the personal and political aspects of an organisation's environment and the pressures of the need for demonstrable business value in any implementation. This capability to uncover and report back on the end-user perceptions in the market enables Quocirca to advise on the realities of technology adoption, not the promises.

Quocirca research is always pragmatic, business orientated and conducted in the context of the bigger picture. ITC has the ability to transform businesses and the processes that drive them, but often fails to do so. Quocirca's mission is to help organisations improve their success rate in process enablement through better levels of understanding and the adoption of the correct technologies at the correct time.

Quocirca has a pro-active primary research programme, regularly surveying users, purchasers and resellers of ITC products and services on emerging, evolving and maturing technologies. Over time, Quocirca has built a picture of long term investment trends, providing invaluable information for the whole of the ITC community.

Quocirca works with global and local providers of ITC products and services to help them deliver on the promise that ITC holds for business. Quocirca's clients include Oracle, Microsoft, IBM, Dell, T-Mobile, Vodafone, EMC, Symantec and Cisco, along with other large and medium sized vendors, service providers and more specialist firms.

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