

CASE STUDY

THIRD-PARTY MSP TRIGGERED \$3M IN ORACLE COMPLIANCE FEES FOR THIS ENTERPRISE SOFTWARE SOLUTION PROVIDER

INTRODUCTION

This Enterprise Software Solution Provider (ESSP) has been an Oracle® customer for over a decade. ESSP was audited by Oracle and found in violation of their license agreement. Unfortunately, some database features, Diagnostics and Tuning Pack, that ESSP did not use – and was not paying for – were accidentally turned on. ESSP owed Oracle \$200k for unpaid license fees, which was 300 percent more than their existing Oracle annual spend.

To eliminate future compliance problems, ESSP purchased an Oracle Database Appliance (ODA), which is an engineered system that includes hardware, networking, storage, and software preconfigured in an appliance. With the ODA, ESSP believed their organization was protected from future license agreement violations. However, ESSP changed its IT infrastructure. Due to hardware end-of-life, ESSP retired and replaced all their servers.

ESSP engaged LicenseFortress® to perform a Compliance and Optimization Review to ensure it was employing database best practices and not out of compliance

LicenseFortress, offers the ArxPlatform, the first and only Oracle SAM managed service that provides a financial guarantee against Oracle audit fees. On the first day of the review, LicenseFortress discovered that ESSP was again in violation of their Oracle license agreement, this time by over **\$3 million!**

ESSP outsources the management of its software environment to a Managed Service Provider (MSP). When the hardware was replaced, the MSP did not apply the Oracle license key on the new hardware. As a result, 144 cores had access to Oracle software, but ESSP had licenses for only 12. Upon finding ESSP out of compliance, LicenseFortress immediately addressed the problem by applying the key and reducing the available CPU cores.

CUSTOMER CHALLENGES

- Accidentally enabled features
- Third-party MSP violated customer's compliance

RECOMMENDATIONS

Use Custom Templates

Initially, ESSP performed a default Oracle installation, which includes all the licensable Oracle database features, options, and management packs. As is often the case, human error violated the license agreement, and ESSP paid handsomely for it. However, while ESSP disabled these packs, there was nothing to prevent someone from inadvertently turning on other unlicensed features and violating the Oracle license agreement again. To minimize this risk, LicenseFortress has created custom templates that only include licensed features. ESSP now uses these templates instead of the default Oracle templates, preventing another costly human error in the future.

Continuously Monitor for Non-Compliance

ESSP's experience with Oracle licenses clearly demonstrates how important it is to check your compliance status continuously. You can be in compliance one day and out of compliance the next and not even know it.

During the Oracle audit, ESSP discovered it had been out of compliance for some time. While the problem was rectified and the Oracle bill paid, LicenseFortress discovered that ESSP has been out of compliance for nearly two years! Initially, non-compliance resulted from accidentally turning on unlicensed features, while the second violation was caused by an oversight when replacing retired hardware.

Your IT infrastructure is constantly changing, and any misstep can create license violations. This is why your organization should continuously monitor for non-compliance. It can save you millions of dollars.

Know What Your MSP is Doing

In this case, ESSP engaged an MSP that accidentally violated ESSP's license agreement with Oracle. If any employee or third-party – including your MSP – has administrative access to your systems and inadvertently violates your Oracle agreement, you are responsible, and you will pay. This is another reason why you want to monitor for compliance issues continuously.

Conclusion

Regardless of how long you have been an Oracle customer, Oracle will audit and bill you for any license violations, which can cost you thousands, if not millions, of dollars. It makes good business sense to hedge your bet and proactively monitor your compliance because what you don't know about your Oracle licenses will hurt you!



**IF YOU OWN
THE LICENSE,
YOU OWN THE
LIABILITY.**

- Dr. Michael Corey,
Co-Founder & COO
LicenseFortress



**THIS CUSTOMER
AVOIDED A
COMPLIANCE ISSUE
OVER \$3 MILLION WITH
THE HELP OF
LICENSEFORTRESS.
OUR SERVICES
PROVIDE REAL VALUE.**

- Dean Bolton,
Co-Founder & Chief Architect
LicenseFortress

ABOUT LICENSEFORTRESS

LicenseFortress was developed in 2014 by VLSS's Founder & Chief Architect, Dean Bolton. VLSS has spent over 13 years specializing in Oracle and VMware technologies. LicenseFortress was born after VLSS was approached by VMware about a predicament that many of its customers were facing when trying to license Oracle on VMware. Oracle's aggressive auditing tactics shed light on the dire situation that most companies face when using Oracle's products, especially in a cloud environment. While some companies have been deterred from using Oracle, we believe it is a powerful tool for your business when deployed correctly. That's where LicenseFortress helps you take control of your license investment while removing the threat of being out of compliance.

JOIN THE

ARX PLATFORM

We help defend your software assets and remove the threat of non-compliance. Stop worrying about software compliance and turn your attention to challenges that really matter for the success of your business.

We work with you to resolve and certify your company's compliance. From there, we monitor your compliance 24 hours a day, 365 days a year.

We detect activity in real-time, allowing for the quickest response possible to changes that might threaten your license compliance.

And we leverage decades of technical and legal expertise to defend your compliance in a software license audit.

ANONYMITY STATEMENT

This case study is based upon a customer of LicenseFortress. LicenseFortress takes steps to properly safeguard sensitive and personal information by removing all direct identifiers - e.g., name, location, CSI numbers, etc. This step is taken to protect the identity of our customers.



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