

## HOW TO GUIDE

# The No Stress Guide to Oracle Audits

## Abstract

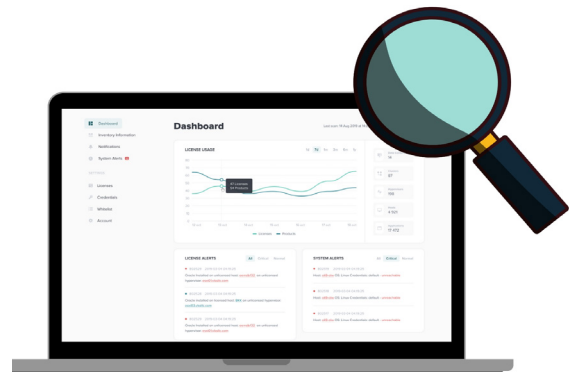
An Oracle® audit can be time-consuming, expensive, and stressful. This paper describes the best practices, third-party expertise, and tools that not only make an Oracle audit less stressful, but also eliminate Oracle back-license costs, back-support costs, and audit fees.

## Introduction

It's inevitable — like death and taxes — and about as enjoyable. If you buy an Oracle® license for any of their products, you will be audited. It may be called a “license review,” but do not kid yourself, it is an audit and comes with all the pain and fines that any audit brings.

Don't be in denial about this because it just might cost you your job. Many organizations audited by Oracle have had to pay millions of dollars in back-license fees. You are the head of IT. You are responsible if this should happen. Many a CIO or VP of IT have been fired for less.

Oracle initiates an audit for a variety of reasons. Perhaps you changed your IT environment recently — a definite red flag for which Oracle will come knocking soon if they catch wind of it. Another reason for an audit is something as innocent as a call to your Oracle representative with a license question or to ask about purchasing another



product. Or it is just “your turn,” which, believe it or not, is the reason that Oracle provides in most cases when asked. Many vendors, including Oracle, initiate audits if it looks like they may not reach their revenue goals. The fact is, an audit can happen at any time, for any reason or for no reason. That is why it's inevitable.

So, how do you prepare for the inevitable? There are two approaches, one that involves engaging a licensing expert and one that does not. While best practices for both are discussed here, your life is easier when you partner with a licensing consultant using a Software Asset Management (SAM) solution such as LicenseFortress®, which offers unique features and unrivaled protection. Yes, it costs more than doing it yourself, but it more than pays for itself in minimizing and even eliminating back-license fees for products and support, fines, and auditing costs.

## SCENARIO A: AN ORACLE AUDIT ON YOUR OWN

### The Oracle Product Purchase

You purchase your Oracle products and on-going support, and begin deployment. When you buy the software, you rely on Oracle, your own judgement, and that of your IT staff to identify the products and number of licenses required. You continue to rely on your staff to ensure software is installed in accordance with the license agreement. You may even rely on an Oracle representative to provide you with some direction and answer questions to help with deployment. Relying on Oracle is not a recommended approach, as you may be paying for products and support that you do not need.

### Expanding Your Oracle Deployment

Your organization is growing, you are upgrading your hardware, you are starting to virtualize, more users need Oracle licenses, and you are developing new applications. Couple these events with the fact that anyone in your organization can download any Oracle product at any time, and you find that it becomes increasingly difficult to track license activity. Despite this, you still rely on your IT staff to ensure software use is in compliance with the license agreement. You assume your staff is tracking:

- How many licenses you have
- Whether you need all these licenses and that they are being used
- Whether you have bought the Oracle products you truly need
- Whether you are paying for products you do not need
- Whether you are under-utilizing the licenses you have
- Whether you are overpaying for what you have

Think about it. *When was the last time someone provided you with a report that answered these questions?* And if you do have a report, are you sure it's correct?

You should be performing your own audits at least once a year, or when any of the following events occur, whichever happens first:

- Purchase new Oracle products and/or licenses for existing products
- Renew your support agreement
- Virtualize your environment, especially if you plan to use or are using VMware vSphere®
- Develop new applications running Oracle
- Upgrade or otherwise change your hardware
- Migrate an Oracle database to a new server

You should also be sure to obtain and review the license agreement and IT infrastructure of any organizations that you merge with or acquire.

### The Request for a License Review Arrives

The dreaded request for a license review (audit) arrives. Take the following steps.

#### Step 1: Relax

The general terms of an Oracle licensing contract specify that Oracle may audit your use of their programs upon 45 days written notice. The audit should not unreasonably interfere with your normal business operations. So, you have the time to relax and fully prepare yourself for the audit. Here's what to do:

- Confirm that the request is from Oracle LMS (License Management Services), an Oracle account manager, Oracle partner, or another third party acting on behalf of Oracle.
- Agree to cooperate with Oracle's audit and provide reasonable assistance and access to information.

- Immediately ask Oracle to identify one point of contact and the specifics on the review scope and timetable.
- Stop everyone in your organization from communicating with Oracle on any issues. Also, put a stop to any and all sales activity and make sure your Oracle sales representative knows that all sales discussions are on hold. This is important as plans for future Oracle purchases can be used as a point of negotiation.
- Do not provide any information on your IT infrastructure, Oracle products and licenses, or any other vendor products and licenses without consulting with your legal team.

## STEP 2: Find and Review Your Oracle License and Services Agreement

Your Oracle contract governs not only what licenses you purchased, but the terms of usage, including such specifics as failover, testing, and named user minimums. It is critical to have this document; otherwise, you should assume that you have the least rights available under Oracle's most current agreement.



## STEP 3: Inventory Your Oracle Products and Licenses in Use

First, verify your compliance by conducting an internal inventory. If you have a Software Asset Management (SAM) system, you can validate your deployment of Oracle workloads. If not, get one.

## STEP 4: Do NOT Show Your Cards

Do not run Oracle's automated reporting and send it to Oracle without knowing exactly what the results mean – because that will lock in your audit.

**This is crucial: if you are out of compliance, the reporting will show it, and it's incredibly difficult to negotiate with Oracle going forward.**

Even if you already conducted an internal audit and believe your deployment is in compliance, carefully review your results before presenting anything to Oracle.

## STEP 5: Consider Professional Assistance

Work and negotiate with Oracle directly and hope for the best. However, unless you and your team have extensive experience negotiating with Oracle, you are at a decided disadvantage. Assuming you don't have the confidence or expertise to deal with Oracle in a licensing dispute, it's best to consider engaging a license management service such as LicenseFortress. It is not too late.

Our second scenario discusses the same process when you use a Software Asset Management (SAM) solution, such as LicenseFortress, from the start. But, first, let's explain what a licensing manager does and the unique value proposition that LicenseFortress offers.

## LicenseFortress — The Industry's Leading Oracle Expert

There are many licensing consultants that can assist with an Oracle audit. These firms review your IT architecture and project plan. This can minimize your initial license purchase, ensuring you buy only what you need, when you need it.

However, be aware that most licensing consultants do not have the technical staff to analyze the results of an Oracle audit and aid in the negotiations.

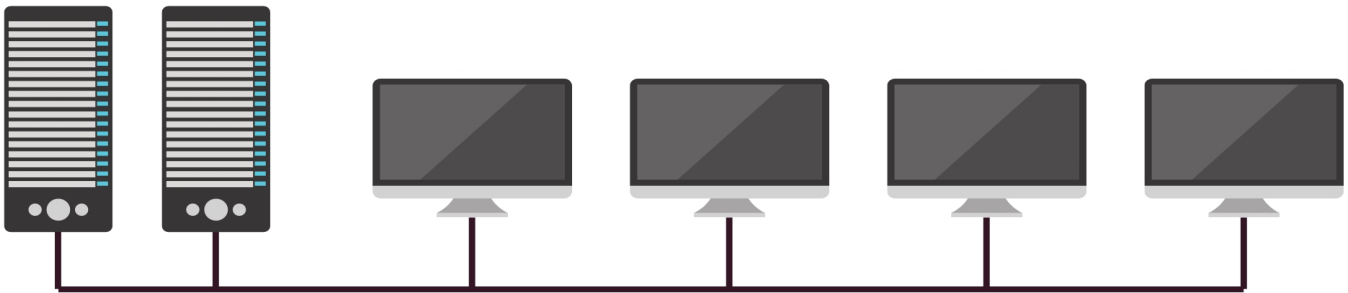
In addition, they do not have the technical capabilities to re-architect a solution or implement restrictions to prevent license compliance issues.

LicenseFortress, in contrast, is the industry's leading expert on licensing Oracle technology.

LicenseFortress has both Oracle Certified Masters (OCM) and VMware Certified Design Experts (VCDX) on staff. Only a few hundred people in the world hold each of these certifications. Everyone at LicenseFortress holds at least one certified professional certification, and continuing certification is tied to promotion and job retention.

In addition, LicenseFortress is the first and only Oracle software license audit protection service with a guarantee. Even if you have already received an audit notice, LicenseFortress can still be put in place to protect yourself from audit liabilities.

Oracle expertise plus a guarantee is what makes LicenseFortress truly unique and especially valuable.



## LicenseFortress — The First and Only Oracle License Management Service

LicenseFortress is the first and only Oracle license management service that guarantees you won't pay back-license, back-support, or audit fees. It eradicates expensive audit liabilities, optimizes your software assets, and better manages and prevents compliance issues.

The LicenseFortress team reviews your Oracle license contract and inventories and analyzes your environment to validate your use of Oracle licenses. When deficiencies surface, LicenseFortress formulates a remediation plan for review and executes the plan upon request. To ensure continuous

compliance, LicenseFortress conducts a quarterly review to identify new risks. You can view all licensing information, on-going compliance reports, and remediation plans via the LicenseFortress web portal.

LicenseFortress guarantees its services. When Oracle issues an audit notice or notice of license review, LicenseFortress immediately engages with Oracle on your behalf and, if required, provides legal representation from a top legal firms, in the US and around the world, with insurance backing.

## SCENARIO B: AN ORACLE AUDIT WITH LICENSEFORTRESS

### Engage an IT licensing consultant

Even before you purchase any Oracle products, you should engage an IT licensing consultant. LicenseFortress offers the best combination of Oracle expertise and license management service.

### The Oracle Product Purchase

Purchase LicenseFortress when you buy your first Oracle product. If you already have one or more Oracle products, buy LicenseFortress NOW! Either way, LicenseFortress provides your organization with:

- **License review** — LicenseFortress amasses and evaluates your licensing to fully understand your IT environment and identify non-compliance.
- **Support for any environment** — LicenseFortress reviews licenses in any environment — physical, virtual, and cloud — including VMware®, Red Hat™ OpenStack, Oracle Virtual Machine (VM) servers, Microsoft Hyper-V®, Oracle-on-Oracle, and soft/hard/trusted partitioning.
- **Customer portal** — View and monitor your inventory of current license consumption, remediation plans, and quarterly compliance reports via your personalized customer portal.
- **Access to licensing experts** — You have on-going access to LicenseFortress experts. Just pick up the phone and talk to an architect.
- **Training and on-boarding assistance** — LicenseFortress provides training and on-boarding assistance to help your Data Base Administrators (DBAs) and system administrators understand Oracle licensing issues.
- **Complete protection** — LicenseFortress completely protects your Oracle license environment, eliminates the fear of unknown liabilities, and eradicates costly compliance fees.
- **The LicenseFortress Guarantee** — LicenseFortress guarantees its services. When

Oracle issues an audit notice, LicenseFortress responds to Oracle correspondence on your behalf. Unlike other SAMs, LicenseFortress uniquely offers legal representation and insurance backing at no additional cost.

### Expanding Your Oracle environment

As your organization grows and your hardware and IT environment changes, LicenseFortress provides:

- **Real-time license monitoring** — LicenseFortress configures proprietary monitoring tools into your environment to monitor license utilization in real time and immediately catch non-compliance issues to minimize compliance liability.
- **Management and optimization** — LicenseFortress continuously manages and works with you to optimize your license purchases and utilization, including license recycling, harvesting, and renewals.
- **Quarterly compliance reports** — LicenseFortress performs a full internal audit of your Oracle systems every quarter to identify audit risks that need to be addressed before Oracle issues any formal notices.

### The Request for a License Review Arrives

The request for a license review (audit) arrives. At this point, you should take the following steps:

#### Step 1: Relax

Let Oracle know that LicenseFortress will be your point of contact for the audit. Then sit back and relax.

#### Step 2: Continue to Relax, LicenseFortress Does the Rest

LicenseFortress manages the audit on your behalf. LicenseFortress performs all the steps you and your IT team otherwise would need to do. Meanwhile, you and your IT team spend time on other business-critical work, all the while confident that LicenseFortress will eliminate any potential license compliance fees or disputes.

# Comparison of Steps to Support an Oracle Audit With/Without LicenseFortress

WITHOUT LICENSEFORTRESS	WITH LICENSEFORTRESS
<p><b>Step 1: Relax</b></p> <p><b>Step 2: Review Oracle License Agreement</b></p> <p><b>Step 3: Inventory Oracle Products</b></p> <p><b>Step 4: Do Not Show Your Cards</b></p> <p><b>Step 5: Consider Professional Assista</b></p>	<p><b>Step 1: Relax</b></p> <p><b>Step 2: Continue to Relax</b></p>

## Conclusion

While customers like Oracle products and the performance they offer, they do not like dealing with the company. According to InfoWorld, “Oracle is at least as well-known for its aggressive licensing tactics as for its namesake database technology, and a recent dispute (Mars vs. Oracle) makes it clear that that reputation isn’t entirely unfounded.” Gartner has also gone on record noting that a growing number of users express dissatisfaction with Oracle’s “draconian pricing and auditing policies.”

With Oracle software, the burden is always on customers to make sure they are following their license agreements. In many cases, an organization falls out of compliance by accident. As pointed out by Computerworld, customers “may use just one Oracle product and think they’re using it correctly, but then Oracle comes along and says, ‘no, you’re using it wrong — you owe us a million bucks.’”

LicenseFortress heads this off at the pass. With over a decade as a leading Oracle and VMware consulting organization, LicenseFortress offers both licensing expertise and a management service that will:

- **Reduce your software costs** — Optimize your licenses by using all the licenses you buy, consolidating licenses, and recycling/harvesting licenses you are not using.
- **Reduce your compliance costs** — Stop deploying more than what you purchased and minimize or even eradicate compliance costs that can cost many hundreds to many millions of dollars.
- **Provide peace of mind** — Avoid unknown liabilities and enjoy peace of mind knowing that you will never have to pay Oracle back-license, back-support, or audit fees.

For more information on LicenseFortress, visit <https://www.licensefortress.com/>.