

## CUSTOMER SUCCESS

# Small Manufacturer Avoids a Big Oracle Bill

## The Challenge: Small Oracle Investment

Founded in the mid-1800's, this small manufacturing company is a recognized industry leader that has always outpaced its competition by continuously developing innovative, pioneering products. While strong on the manufacturing side, the organization had little in-house IT expertise, so engaged a third-party to support their systems. Unfortunately, a miscommunication between the manufacturer and third-party IT service left an operational gap: no one



was watching how the Oracle® database licenses were being deployed. This problem came home to roost when the manufacturer received a notice of audit from Oracle late in 2017.

From the start, the manufacturer realized it could not manage an Oracle audit without the right expertise and engaged LicenseFortress® for assistance. At the time of the audit, the manufacturer was running their databases in a VMware® environment and spending under \$15,000 a year in Oracle licenses.

## The Solution: Enter LicenseFortress

The LicenseFortress team initially performed a LicenseFortress health check to measure the organization's risk. LicenseFortress was developed in response to continued customer requests for assistance with buying, allocating, and managing Oracle licenses in a VMware environment. Today, LicenseFortress is the first and only Oracle license management service that guarantees you won't pay back-license, back-support, or audit fees, saving you thousands, even millions of dollars. LicenseFortress is priced according to the size of the environment, making it affordable for small and large organizations alike.



For this engagement, LicenseFortress reviewed the company's Oracle license contract and inventoried

the VMware environment to validate its use of Oracle licenses. There was good news and bad news:

- Good News: The customer was in the middle of a hardware upgrade, which unbeknownst to them, would have invalidated their Standard Edition licensing and resulted in the need to buy new Enterprise Edition licenses at a cost of over \$1 million. LicenseFortress recognized this issue and provided alternative hardware options to avoid the compliance issue.
- Bad News: The manufacturer did not realize that their development and test environments counted for licensing purposes and thus was not properly controlling them. Conservatively, this would have cost them \$70,000 in new Oracle licenses.

## Turning Bad News into Good News with LicenseFortress

But with LicenseFortress, even the bad news turned into good news. Once the assessment was completed, LicenseFortress formulated a remediation plan, which included re-architecting the VMware environment and reconfiguring how the testing and development environments were handled.

**The LicenseFortress team stepped in to handle the Oracle audit, allowing the in-house team to stay focused on their day to day jobs. They provided evidence of compliance and negotiated directly with Oracle License Management Services (LMS) on the customer's behalf.**

In the end, the LicenseFortress team was able to complete the audit with no adverse finding and no

additional payments required.

LicenseFortress also identified support costs that the manufacturer no longer needed to pay Oracle. This amounted to a 25 percent savings.

**The bottom line: The manufacturer paid \$8,000 for the license health check, which took two weeks to complete, saved the company \$3,500 annually, and avoided compliance issues that could have cost the company millions.**

As part of the engagement, LicenseFortress spent considerable time educating the organization on Oracle licensing issues in the testing/development environments. Today, the manufacturer continues to use LicenseFortress to manage their Oracle license compliance.

### Lesson Learned

No matter the size of your organization, you can get big bills if you do not use Oracle products properly, even if you have been a customer for years and years.

**This manufacturer had been an Oracle customer for almost 10 years, running only three databases and paying less than \$15,000/year for their Oracle licenses. Regardless, this organization almost rang up a \$1 million fine.**

The lessons here:

- Even a small investment in Oracle can have a great impact on your bottom line if you are out of compliance. LicenseFortress can quickly determine your compliance status and remediate any issues.
- It is important to know how to properly use your Oracle licenses. LicenseFortress provides training and on-boarding assistance to help your database and system administrators understand

Oracle licensing issues.

- Some service providers assess your risk on a periodic basis (e.g., annually), which is an outdated process that leaves you exposed. With LicenseFortress, your risk is assessed in real time, all the time, so you can immediately address any issues.
- A license health check requires minimal effort on the part of the customer. All work is offloaded to LicenseFortress, including the Oracle negotiations.
- “Putting your head in the sand” and ignoring these lessons learned will only make the problem worse.

For this organization, LicenseFortress prevented expensive fines, optimized the environment to eliminate the need to buy more licenses, and continues to manage and prevent compliance issues.

## 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 their 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.

We help customers optimize their licenses by making sure they are using 100% of what they already purchased, retiring unused licenses to reduce support costs and eliminate compliance risks. These changes result in an average savings of \$2.9 million (USD) per customer. That is 125% more than traditional software license consultants. To learn how LicenseFortress can help your organization save more money on Oracle licensing, contact us today at [info@licensefortress.com](mailto:info@licensefortress.com) or [book a demo](#).

## 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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