

WHY WAITING FOR AN ORACLE AUDIT IS THE WRONG APPROACH

eBook



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IN A GIST

If you head up IT and your organization is an Oracle customer, are you sleeping well at night? If you are monitoring your Oracle licenses, you can sleep soundly. And if you are not tracking your licenses, you will be losing more than just a few nights of sleep. In fact, you may be in for the shock of your career!

As an Oracle customer, there is nothing more certain than an Oracle audit. Keep that in mind if you are sitting around and doing nothing awaiting the inevitable audit. There are zero reasons to sit around and wait for an audit and seven reasons why you should prepare NOW.

REASON #1 – SOFTWARE IS MORE COMPLEX THAN EVER

Understanding the proper way to license Oracle software is not easy even when your

Information Technology (IT) infrastructure is under one roof. But in today's cloud-enabled world, a typical organization's infrastructure is expanding from an on-premises environment to a hybrid environment to a full cloud environment, making it more difficult to understand how to license your software. Many organizations rely on their in-house staff to be license experts, but this puts an additional burden on a team that is already spread too thin. It also introduces risk if your IT team is not trained to configure and utilize Oracle software to maintain compliance properly.

With the complexity of today's world, managing software license usage is a job best left to the experts. Many organizations have paid unexpected, but hefty fees to Oracle. Their costly license compliance issues could have been avoided had these organizations:

- Trained their IT team on software licensing and best practices
- Configured their Oracle software correctly

- Had access to license experts for routine questions
- Used a Software Asset Management tool that continuously monitors for problems

REASON #2 – ONE SIMPLE MISTAKE CAN COST YOU MILLIONS

Even a small company can make huge mistakes when it comes to software license compliance. Recently, LicenseFortress worked with a small manufacturer that paid Oracle less than \$15,000 a year for their licenses. The company had developed plans to change their IT environment and engaged LicenseFortress to assess the project. Fortunately, LicenseFortress discovered that the proposed change would create a multi-million-dollar license compliance obligation! LicenseFortress alerted the company about the problem and saved them millions. Read the full use case here >>>

Don't be fooled even if you are a small Oracle customer. It can still cost you dearly if your team makes even a single mistake regarding license usage. And if your organization is a big Oracle customer, there is a risk of paying out even higher fees when you rely on your in-house technical team to be Oracle license experts.

REASON #3 – YOU OWN THE SOFTWARE, YOU OWN THE MISTAKE

It is common in today's world for an organization to share the responsibility of its corporate infrastructure with a managed service provider. But, this too introduces risk. For example, if your managed service provider uses Oracle on your behalf and violates your Oracle agreement, you are responsible for paying any additional costs incurred as the owner of the license.

REASON #4 – YOU DO EVERYTHING RIGHT AND CAN STILL FAIL AN AUDIT

Your organization can do everything right and still be found out of compliance. For example, a software patch may turn on an unlicensed

feature. Or, your Database Administrator (DBA) can do something as simple as issue a SQL statement, not realizing it invokes a feature or option that you did not buy. It is incredibly easy to fall out of compliance – and the longer you stay out of compliance, the larger the bill.

This is why it is crucial to have continuous license compliance monitoring in place that can detect and deal with problems immediately. If you wait till Oracle License Management Services performs an audit, the problem will be a lot more expensive.

REASON #5 – YOU ARE GUILTY UNTIL PROVEN INNOCENT

Most companies are surprised to learn the licensee (your organization as the owner of the license) has the burden of proof to show that your organization is complying with Oracle's license terms. Waiting until Oracle License Management Services shows up at your door is NOT the time to start preparing for the audit.

REASON #6 – YOUR ULA DOES NOT PROTECT YOU

If you have ever played the blackjack table, you know that when the dealer shows an Ace, the house offers you insurance. In fact, the dealer stops the game until every player either buys the insurance or refuses it. While buying insurance can seem attractive to the players, the casino would not offer insurance if it were not to its advantage.

Oracle offers a ULA because they know it's to their advantage over the long term. Most customers enter into a ULA and then assume that they don't have to worry about license usage anymore. But that's only true if the customer keeps renewing ULA after ULA, with the price increasing each time. If you don't know your Oracle utilization during a ULA, how can you evaluate whether you're getting a good value out of the ULA? How can you tell whether you should renew or not?

If you don't want your organization trapped in a continuous ULA renewal stream that gets more and more expensive, you must manage and monitor your Oracle licenses from day one of the ULA.

REASON #7 – YOU JUST WENT THROUGH AN AUDIT AND YOU ARE "ALL SET"

Too often, we hear from companies we are "all set." We just went through an audit, and everything turned out fine. When we get a chance to dive a little deeper into the conversation, we are often finding out that everything is not all set. Companies are paying for additional licenses and under the impression that their compliance issues have been rectified. Most of these companies believe that a software audit is one and done.

Well, think again.

When we audit customer's current compliance, we uncover customers have millions in potential audit fees, \$2.9 million on average to be exact.

Software licensing is increasingly more complex and requires an expert to ensure optimization and compliance. Relying on Oracle to recommend licensing solutions will not be in your organization's best interest, and will often result in costing you more than what is necessary to remain compliant.

THE BOTTOM LINE

License compliance mistakes can be very costly for large and small organizations alike. Large enterprise software vendors, such as Oracle, are increasing the frequency of their audits, which means NOW is the time to prepare. Most software compliance issues can be easily avoided with proper installation and monitoring. And if you are out of compliance, the sooner you identify that, the easier it is to mitigate your financial exposure.

ABOUT LICENSEFORTRESS

If you are concerned about an Oracle audit, have received an Oracle audit notice, or currently in the middle of an Oracle audit, contact LicenseFortress today.

LicenseFortress is an integrated solution combining our proprietary software asset management tool, LicenseFortress Discovery, with our team of technical license experts, to provide customers with the only guaranteed solution on the market. Contact us or book a meeting to discuss your project.

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