LICENSEFORTRESS®

CASE STUDY

A SECOND OPINION FROM LICENSEFORTRESS SAVES CUSTOMER $8M

INTRODUCTION

ABC had six VMware clusters – one cluster to support middleware, another to support the Oracle database, and a third cluster for all non-Oracle software. It also had the same cluster configuration to support Disaster Recovery (DR). In both the production and DR environments, ABC kept their Oracle workloads restricted to those six environments.

However, the third-party consulting firm found ABC Company in violation of its license agreement. The third-party consulting firm was following Oracle Policy not contractual obligation when determining the proper way to license Oracle software. This is the same policy that Oracle License Management Services (LMS) would use when determining the proper way to license Oracle software. It is well documented by Gartner research that Oracle enforces policy as if it were a contractual obligation. The result is many customers are over licensed and paying way too much for their Oracle software.

CUSTOMER CHALLENGES

- Complex virtualized environments
- Oracle Policy v. Contractual Obligation
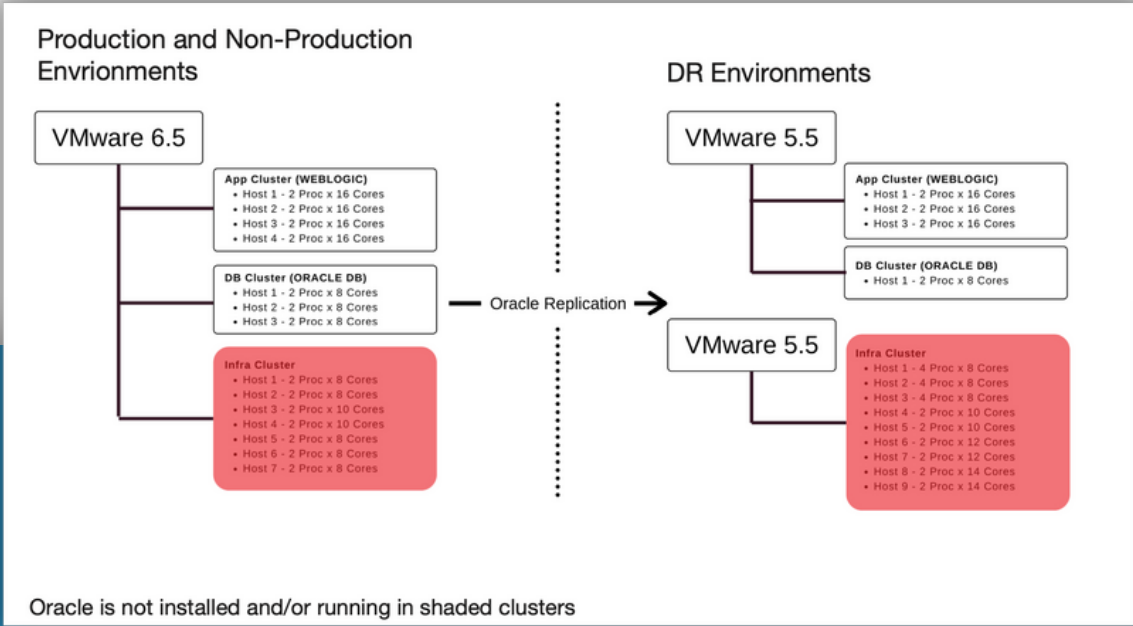- Consultant lacking technical & legal expertise

ABOUT THE CUSTOMER

With over 1,000 employees, ABC Company is a global provider of cloud-based administration software. In November, Oracle started an audit of ABC Company's databases, and middleware and the company decided to engage a third-party license consulting firm to get an objective assessment. The third-party firm found that ABC was out of compliance and owed $57 million in back licenses and fines.

Naturally, the terms of the Partitioning Policy are overwhelmingly lucrative for Oracle. Following Oracle's virtualizing licensing policy: ABC would need to count all the physical cores of all the physical ESXi hosts in all the vCenter Server Instances, even if your organization is not running Oracle across the entire VMware environment. Based on this position, ABC Company's total core count was 306. The details are depicted in Figure 1.

Figure 1

Production and Non-Production Environments

VMware 6.5

App Cluster (WEBLOGIC)
- Host 1 - 2 Proc x 16 Cores
- Host 2 - 2 Proc x 16 Cores
- Host 3 - 2 Proc x 16 Cores
- Host 4 - 2 Proc x 16 Cores

DB Cluster (ORACLE DB)
- Host 1 - 2 Proc x 8 Cores
- Host 2 - 2 Proc x 8 Cores
- Host 3 - 2 Proc x 8 Cores

Infra Cluster
- Host 1 - 2 Proc x 8 Cores
- Host 2 - 2 Proc x 8 Cores
- Host 3 - 2 Proc x 10 Cores
- Host 4 - 2 Proc x 10 Cores
- Host 5 - 2 Proc x 8 Cores
- Host 6 - 2 Proc x 8 Cores
- Host 7 - 2 Proc x 8 Cores

→ Oracle Replication →

DR Environments

VMware 5.5

App Cluster (WEBLOGIC)
- Host 1 - 2 Proc x 16 Cores
- Host 2 - 2 Proc x 16 Cores
- Host 3 - 2 Proc x 16 Cores

DB Cluster (ORACLE DB)
- Host 1 - 2 Proc x 8 Cores

VMware 5.5

Infra Cluster
- Host 1 - 4 Proc x 8 Cores
- Host 2 - 4 Proc x 8 Cores
- Host 3 - 4 Proc x 8 Cores
- Host 4 - 2 Proc x 10 Cores
- Host 5 - 2 Proc x 10 Cores
- Host 6 - 2 Proc x 12 Cores
- Host 7 - 2 Proc x 12 Cores
- Host 8 - 2 Proc x 14 Cores
- Host 9 - 2 Proc x 14 Cores

Oracle is not installed and/or running in shaded clusters

The third-party firm concluded that ABC was out of compliance and owed $57 million in back licenses and fines, and recommended they settle with Oracle by purchasing an Unlimited License Agreement (ULA) for $8 million. See Figure 2.
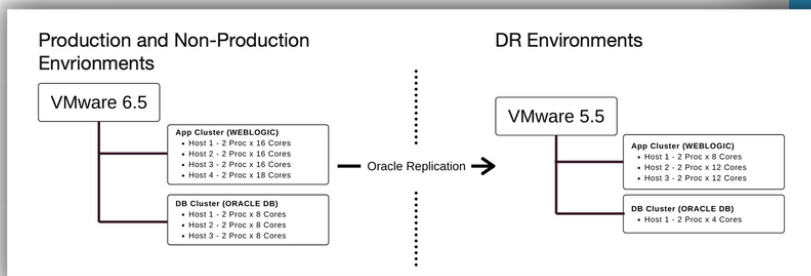
Figure 2

Product Group	Product Family	Product Name	Entitlement Metric	Quantity	Deployment Metric	Quantity	Surplus Licenses	Non-Compliance	Compliance Cost
Database	Database	Database Enterprise Edition	Processor	28	Processor	306	0	278	$16,110,100
Database	Options	Advanced Security	Processor	28	Processor	306	0	278	$5,087,400
Database	Options	Database Vault	Processor	28	Processor	0	28	0	$0
Database	Options	Partitioning	Processor	28	Processor	306	0	278	$3,900,340
Database	Options	Real Application Clusters	Processor	24	Processor	0	24	0	$0
Database	Options	Advanced Compression	Processor	0	Processor	306	0	306	$4,293,180
Database	Management Packs	Diagnostics Pack	Processor	28	Processor	306	0	278	$2,543,700
Database	Management Packs	Tuning Pack	Processor	0	Processor	306	0	306	$1,866,600
Database	Management Packs	Data Masking and Subsetting Pack	Processor	0	Processor	306	0	306	$4,293,180
Database	Management Packs	Database Lifecycle Management Pack	Processor	0	Processor	306	0	306	$4,479,840
Database	Integration	Golden Gate	Processor	28	Processor	306	0	278	$5,935,300
Middleware	Application Server	WebLogic Server Enterprise Edition	Processor	0	Processor	306	0	306	$9,333,000
								Total	$57,842,640

SOLUTION

Before making any payments, ABC Company's Board directed its executives to engage another consulting firm and reached out to LicenseFortress for a second opinion.

LicenseFortress analyzed the same scripts that the previous consulting firm had analyzed and found no issue with the VMware configuration that ABC Company had set up. See Figure 3.

Figure 3

In addition, LicenseFortress found two minor compliance gaps totaling $200k:

- Unlicensed usage of Tuning Pack
- DR environment was not licensed for WebLogic

Processor: shall be defined as all processors where the Oracle programs are installed and/or running.

Programs licensed on a Processor basis may be accessed by your internal users (including agents and contractors) and by third party users. The number of required licenses shall be determined by multiplying the total number of cores of the processor by a core processor licensing factor specified on the Oracle Processor Core Factor Table which can be accessed at http://oracle.com/contracts. All cores on a multicore chips for each licensed program are to be aggregated before multiplying by the appropriate core processor licensing factor and all fractions of the number are to be rounded up to the next whole number.

Figure 4

Product Group	Product Family	Product Name	Entitlement Metric	Entitlement Quantity	Deployment Metric	Deployment Quantity	Surplus Licenses	Non-Compliance	Compliance Cost
Database	Database	Database Enterprise Edition	Processor	28	Processor	~~306~~ 28	~~0~~	~~278~~ 0	~~$16,110,100~~ $0
Database	Options	Advanced Security	Processor	28	Processor	~~306~~ 28	~~0~~	~~278~~ 0	~~$5,087,400~~ $0
Database	Options	Database Vault	Processor	28	Processor	0	28	0	$0
Database	Options	Partitioning	Processor	28	Processor	~~306~~ 28	0	0	~~$3,900,340~~ $0
Database	Options	Real Application Clusters	Processor	24	Processor	0	24	0	$0
Database	Options	Advanced Compression	Processor	0	Processor	0	0	0	~~$4,293,180~~ $0
Database	Management Packs	Diagnostics Pack	Processor	28	Processor	~~306~~ 28	0	0	~~$2,543,700~~ 0
Database	Management Packs	Tuning Pack	Processor	0	Processor	~~306~~ 28	0	28	~~$1,866,600~~ $170,800
Database	Management Packs	Data Masking and Subsetting Pack	Processor	0	Processor	0	0	0	~~$4,293,180~~ $0
Database	Management Packs	Database Lifecycle Management Pack	Processor	0	Processor	0	0	0	$4,479,840 $0
Database	Integration	Golden Gate	Processor	28	Processor	~~306~~ 28	0	0	~~$5,935,300~~ 0
Middleware	Application Server	~~WebLogic Server Enterprise Edition~~ WebLogic Server Standard Edition	Processor	8	~~Processor~~ Socket	~~306~~ 14	0	6	~~$9,333,000~~ $73,200
								Total	~~$57,842,640~~ $244,000

RESULTS

ABC Company made the right decision to bring in an outside consultant and not rely on an Oracle audit. Unfortunately, the company learned that "all consulting firms are not equal."

Before making any multi-million decisions to pay back-license fees and fines or upgrade your Oracle licenses, consider engaging LicenseFortress. We will validate your Oracle configuration based upon your Oracle contract. Issue.

THIRD-PARTY CONSULTANT

- (Incorrectly) Determined customer had $57M compliance issue
- Advised the customer settle for an $8M ULA

LICENSEFORTRESS

- Discovered the customer only owed $200k based on their contractual obligation

99.6%
AUDIT BILL SAVINGS FROM $57M

19,500%
ROI BASED ON $40K PROJECT COSTS

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.

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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.