

CASE STUDY

A MANUFACTURING COMPANY WITH A SMALL ORACLE INVESTMENT HAD BIG COMPLIANCE ISSUES

INTRODUCTION

While strong on the manufacturing side, this organization had little in-house IT expertise, so they 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.

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.

CUSTOMER CHALLENGES

- Hardware upgrades invalidating compliance
- Development and testing environments licensing requirements

ABOUT THE CUSTOMER

Founded in the mid-1800s, this small manufacturing company is a recognized industry leader that has always outpaced its competition by continuously developing innovative, pioneering products.

SOLUTION

The LicenseFortress team initially performed a Compliance & Optimization Review to measure the organization's risk.

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.

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 negotiated directly with Oracle License Management Services (LMS) on the customer's behalf.

MORE ON COR

LicenseFortress helps you utilize 100% of what you've already purchased, retire unused licenses, end unnecessary support costs, and eliminate compliance issues and fees.

Compile Oracle Software Inventory

We review your OLSA(s) to compile your license entitlements. LicenseFortress Discovery catalogs your licenses and determines where workloads are deployed, determining if you are in compliance, out of compliance, or underutilized.

Increase License Optimization

We improve license utilization by leveraging all of what you've already purchased. This is especially powerful for customers shifting to the cloud to reduce licensing requirements, freeing licenses for new projects, retiring unused products, or reducing support costs.

Review Business Requirements

Whether you run physical, virtual, or in-the-cloud deployment, better align your licensing with your business requirements. We verify compliance in business continuity scenarios that include failover and disaster recovery.

RESULTS

In the end, the LicenseFortress team was able to complete the audit with no adverse findings 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 Compliance & Optimization Review (COR), which took two weeks to complete, saved the company \$3,500 annually, and avoided compliance issues that could have cost the company millions.



THE CUSTOMER TODAY

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 Discovery to manage their Oracle license compliance.

LESSONS 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 Compliance & Optimization Review (COR) requires minimal effort on the part of the customer. All work is offloaded to LicenseFortress, including the Oracle negotiations.

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.

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.

