

CASE STUDY

ESCAPING ORACLE'S GRIP: HOW A SWIFT ULA CERTIFICATION SAVED A TECH GIANT \$10 MILLION

INTRODUCTION

Companies inevitably face challenges that test their resilience and adaptability in a world driven by rapid market dynamics. However, how they respond during difficult times determines their eventual resurgence. In such circumstances, the speed of response is often the game-changer. In this case study, we look at the role LicenseFortress played in helping a massive technology company quickly deal with an expensive Oracle Unlimited License Agreement.

ABOUT THE CUSTOMER

The client is a US-based technology organization that provides cloud and workflow services. The company has revenue in the billions of dollars, employs more than 8000 people, and does business in over 175 countries around the globe.

CUSTOMER CHALLENGES

In this case, the client was no stranger to tough economic times. In the past, the client company was able to lift itself out of bankruptcy. But, due to unforeseen market forces, there was a downturn in the

company's fortunes once again. Moving into this economic hard time, the company did a significant layoff, which wasn't enough to stem the monetary bleeding.

One of the significant expenses that needed to be managed in this economic crunch was the massive cost of their Oracle Unlimited License Agreement (ULA).

A ULA is a customized contract between Oracle and a client company that allows that company to use all the Oracle products defined within their agreement. ULAs typically last two to three years. At the end of a ULA, the client company must choose whether to enter another ULA or "certify out" of the agreement. To "certify out", a company must be able to declare what Oracle software is installed and running within the organization and the quantity of each product being certified (number of licenses and seats).

How are licenses counted inside an active Oracle ULA is very different from what triggers the need for an additional license outside an active Oracle ULA. Many

customers are surprised to learn that immediately after “certifying out” of an Oracle ULA, they immediately fall out of software compliance. It's not uncommon for Oracle to audit customers within twelve to twenty-four months after a ULA exit.

The Oracle products installed and running, the quantity of each, along with a certification letter, are submitted to Oracle to “certify out” of a ULA and obtain perpetual licenses.

As part of their deliberations, the client engaged the services of one of the world's largest providers of third-party Oracle support. To save money and help preserve the company, they made the brave (and wise) decision for them not to renew their Oracle ULA and certify out of that agreement.

In comparison to remaining within an Oracle ULA, the cost savings are substantial for customers who are willing to turn to third-party support option. Oracle customers who switch can save up to 50% on their ongoing support bill. Customers experience expenditure reductions up to 70% or higher when you factor in that the customer no longer doing major upgrades.

When an organization has infrastructure encircling the globe, as did the technology company in this case study, certifying out of a ULA is usually best planned and executed over twelve to eighteen months.

But the client didn't have the luxury of time. Their ULA was up for renewal in just six months.

The process for such a large organization to certify out of an Oracle ULA is a complex one. In this case, the challenge was further complicated by staff reductions within the client organization due to the necessary massive layoff. The lack of staffing resulted in

Important note: Certifying out of an Oracle ULA is a one-way door. If a former Oracle customer ever wants to return to Oracle for support, the customer must pay a reinstatement fee and back support fees for each year that has passed without Oracle support. Without an active support agreement, the customer is no longer entitled to software upgrades or future security patches from Oracle. So, weighing the pros and cons is important to ensure this choice is the right fit for a specific organization. For the customer described in this case study, the path forward was clear. They needed to get out of the Oracle ULA.

a scenario where no one was sure where all the databases and middleware were deployed.

The clock was running out for the company, and they needed to move quickly. They required the services of a firm that could help them determine and document their Oracle deployments around the world, navigate through a very complex Oracle ULA, and do it all within six months.

Another looming concern? The strong likelihood of an Oracle audit, given their decision to depart from the ULA.

SOLUTIONS

The client company needed to move fast. Using the LicenseFortress proprietary Software Asset Management (SAM) tool, ArxPlatform, the team was able to validate the client's worldwide Oracle software deployments in record time. As the technical team began the process of

documenting all the client's Oracle software use for the certification, the legal team stepped in to review both the current ULA and proposed Oracle perpetual license.

LicenseFortress started the work in January and by mid-May had certified the client out of their Oracle ULA. Throughout this process, we helped the client understand their Effective License Position (ELP) post ULA exit, which, in turn, helped them save nearly \$10M over three years. During a period where fiscal challenges seemed to plague the client, LicenseFortress continued to work with them to help them avoid the looming ULA renewal fees.

Why the Client Chose to Work with LicenseFortress

- **Trust** - The client gained confidence after witnessing the deep knowledge and insights shared by LicenseFortress' founder at an Oracle event.
- **Reputation** - LicenseFortress' NPS score tops industry standards at 86.5%
- **Speed** - The client needed to move quickly, and LicenseFortress was able to deliver.
- **Baked-in Legal** - They liked that a legal review of their very complex ULA was included in the process.
- **Guarantee** - LicenseFortress stands out by offering a financial assurance that rivals can't match.
- **Audit Protection** - Because an Oracle audit was foreseeable, they engaged LicenseFortress for ongoing services that include audit support.

RESULTS

Today, the client is on a stable financial footing and growing again. They managed to avoid nearly \$10M in unnecessary Oracle fees by certifying out of their ULA and are now equipped to scale their Oracle software

use predictably without the burden of a ULA.

LESSONS LEARNED

This case study emphasizes the importance of having a ULA reviewed proactively at least a year in advance of the renewal date. Sometimes a ULA can be a good thing for a company. In other scenarios, a ULA can be costly and detrimental. LicenseFortress works with companies large and small to help them determine their precise Oracle usage, providing them with the pros and cons of renewing or certifying out of their current ULA.

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.