

CASE STUDY

HEALTHCARE COMPANY SAVES \$2.4M AVOIDING JAVA PRICE INCREASES

INTRODUCTION

A leading healthcare provider, known for delivering comprehensive medical services across its region, faced significant challenges managing their software licensing, particularly for Java. As Java changed its pricing model, many companies coming up for renewal found themselves owing significantly more. The healthcare provider had a \$500k existing contract for their Java usage that was approaching a renewal date quickly. Anticipating price increases, they enlisted LicenseFortress for assistance.

CUSTOMER CHALLENGES

Oracle has significantly changed its Java licensing model in recent years, moving from a free usage model to a subscription-based model for commercial users. Gartner's insights into this change highlight that Oracle's licensing model for Java SE "can be dauntingly expensive." This sentiment is echoed across the industry, with some describing the licensing changes as "too brutal for most." This shift has increased the complexity of managing Java licenses and heightened compliance risks. As of January 2023, Oracle's new pricing model requires organizations to license Java based on the total number of employees, making it even more critical for businesses to manage their Java usage

efficiently. Consequently, Java audits have become a top concern for many organizations, including the healthcare provider in this case study. Under this new model, the healthcare provider's costs would escalate dramatically.

Related: [The Impact And Solution To The 2019 Oracle Java Licensing Changes, The New Oracle Java Pricing: What You Need To Know](#)

SOLUTION

LicenseFortress performed a comprehensive audit of the healthcare company's Java usage and identified several key points. The first step involved an in-depth assessment of the company's IT environment. LicenseFortress experts conducted extensive interviews with the IT staff and reviewed the existing Java deployments across the organization. This involved mapping out all instances of Java usage, including desktops, servers, and other critical applications that relied on Java.

LicenseFortress leveraged its ArxPlatform integrated with the healthcare company's third-party tools, including, SCCM and BigFix to pull accurate and comprehensive data on software usage. This integration allowed for detailed analysis and precise license tracking, ensuring that all deployments were accounted for.

RESULTS

This assessment revealed that the provider would owe over \$1.7M based on the new employee metric.

Java SE Universal	Employee	22000		\$ 6.75	\$1,782,000
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Recognizing the financial burden, LicenseFortress formulated a strategic plan:

- Negotiated Renewal: Renew the existing contract at \$500k for the current year and the following year.
- Long-term Strategy: Develop and implement a plan to eliminate Java usage entirely, thus avoiding the switch to the new metric.

The intervention by LicenseFortress resulted in substantial savings for the healthcare provider:

- Immediate Savings: By renewing the contract at \$500k for this year and next, the healthcare provider avoided \$2.4 million over the two years.
- Future Savings: The strategic elimination of Java usage would further protect the provider from the financial impact of the new licensing model.

This case study highlights the critical role of proactive software license management and strategic negotiation. By partnering with LicenseFortress, the healthcare provider not only mitigated immediate financial risks but also positioned itself for long-term operational efficiency and cost-effectiveness. The experience underscores the importance of expert guidance in navigating complex licensing landscapes, particularly in the face of changing models and metrics.

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.