

Oracle Asset Optimization: Software Licensing Right Sizing & Audit Avoidance

Oracle users all over the world are looking for ways to reduce their Oracle spend, both first time/capital outlays and ongoing technical support spend. Post-initial licensing product maintenance/support is a multi-billion-dollar business for Oracle, by some estimates with over 90% margins. To protect this revenue stream, Oracle has created a host of rules, policies, contract terms, business practices, and business processes all designed to keep you locked in and paying more each year.

You want to know what Oracle software (Database, Middleware, VM, Applications – any of it) you need to support your business, license just what you need, pay support on that only, and be prepared to explain that to Oracle if you need to add products, capacity, or are engaged in an audit. Here is what you need to know.

- **Current State Oracle Asset Architecture & Deployment Topography:**

Know what you are running on what platforms, on premise or off, supporting which workloads. Know precise licensing formulas – processor, user count based, or Cloud (Oracle or other) consumption – and map that utilization to actual Oracle License Agreements / CSI (Customer Support Identifier) Number.

- **Current State Utilization vs. Oracle License Agreement (OLA) and Transactional Oracle Master Agreement (TOMA) Gap Analysis & Reconciliation Documentation:**

Once you know exactly what you are running, where and for what purpose, then have compared that to what you have licensed, paid for and are current on support for – it's time to determine the deltas, if any.

- **Right Sizing Cost Analysis & Proposal Preparation:**

As anyone who has bought from Oracle knows – *everything* is negotiable, but you must have the facts before trying to negotiate with them. Know the list price for any product/services you have or are consuming beyond your current legally licensed provisioning. Determine the investment cost at list price to “top up” whatever necessary for current utility to license reconciliation.

Know your discount history – what breaks off of list price have you received in the past, for what kind/size of investments, at what time and with what if any conditions.

Know what current Oracle product discount policies and practices look like, and get independent counsel on how what you need might be discounted. Once you have that information in front of you, it's time to think about the right approach to opening negotiation with Oracle for reconciliation.

The goal is to get ahead of the likely inevitable Oracle audit. Oracle is known to use their aggressive License Management Services (LMS) audit team to target licensee's for audits, before they hand the audit over to an Oracle salesperson who will attempt to work up a deal for a purchase necessary to rightsize you on their terms.

If your Oracle utilization is far reaching enough, Oracle may also use LMS audits to push you into an Unlimited License Agreement (ULA), which could either be a bargain based on how your numbers look above, or could be very costly up front in addition to raising your support costs, and locking you into a technology for years to come, even though you may want to go in a different direction in the future.

- **Oracle Asset Operating (Support / Maintenance) Cost Reduction Analysis:**

There are many ways to reduce your Oracle support bill starting with your next annual support renewal, if you have the right expertise. Support reduction plans include workload consolidation assessments, platform consolidations, platform retirement and upgrade modeling and even consideration of available third-party service options.

- **Call Zione Solutions for Guidance:**

Zione Solutions is made up of almost 50 Oracle professionals with over 500 combined years of Oracle experience. We have implemented the largest Oracle-on-Oracle payroll system, and have designed, configured, and delivered Oracle systems for over 200 clients worldwide.

Our Passion & Goal is to deliver intuitive, flexible, cost effective, comprehensive solutions. We are focused on strategy, design, execution, and measurement for clients to maximize their business growth and profitability, optimizing their Oracle investments.

Fortune 50 to Silicon Valley Start Up – if you are using Oracle products today, or plan to in the future, let us help you make sure you get right.