

Oracle License Management Best Practice Guide

The ITAM Review and Campaign for Clear Licensing hosted an Oracle Seminar on Friday 21st November¹ – this report provides a summary of the knowledge shared and main points raised.

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Mission

The Campaign for Clear Licensing is an independent, not-for-profit organization campaigning for clear licensing, manageable license programs and the rights of business software buyers. The Campaign for Clear Licensing will on behalf of its members, work with software publishers and the reseller community to reduce the indirect costs of using commercial software by improving the clarity and usability of software license terms and conditions.

Campaign for Clear Licensing

www.clearlicensing.org

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¹ <http://www.itassetmanagement.net/2014/09/22/oracle-seminar/>

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Introduction

In November 2014 the Campaign for Clear Licensing, in partnership with the ITAM Review, hosted an Oracle seminar.

The aim of the seminar was to share and discuss some of the main issues around Oracle licensing and audit behaviour. This report provides a summary of the key takeaways from the seminar – both from expert speakers and end-user delegates.

No names of individuals or companies will be revealed throughout the report. This report is meant for informative purposes only. It is a compilation of the questions, comments, experiences and knowledge of the attendees. This report does not constitute legal or professional advice and is intended as a general guide.

Oracle licensing

On the day, both delegates and Oracle experts agreed that Oracle licensing is extremely complicated. However, it was argued that all the required information needed for Oracle licensing information is readily available on the Oracle website, organisations just have to dig deep to find the content. Whilst the content is available on the Oracle website (somewhere..!), it was agreed that the documentation can be too long and filled with legal jargon that your average SAM or License Manager may not be able to fully understand.

There are two things that struck us at this point:

1. It is not advertised or clearly defined which is why users are coming up short on information. Structuring existing information is an easy to navigate must be one of the simplest things Oracle can fix. Oracle are aware that they have a reputation for being complicated and unhelpful, so why not publicise the fact that the license information and Terms and Conditions are available on the LMS website? Users struggle to find information regarding Oracle licenses or Oracle licensing changes, yet Oracle claim that all the information users need are on their website.
2. The second issue is the fact that the Oracle contracts, and Oracle documentation in general is extremely complicated to read and understand and you need a legal professional to translate it. Most if not all organisations have a legal department but it is likely that they will not have any knowledge of software licensing, let alone Oracle licensing. Understanding Oracle contracts requires a professional who can translate the legal jargon into phrases that can be understood by the Oracle technical professional, and then the license manager. A SAM or Licensing Manager cannot expect to fully understand an Oracle contract without the help and support of professionals from other areas, and if they do try and understand the contract without help they may not interpret it correctly. This could then result in legal and financial risks for the organisation.

Updated license or contract terms & conditions (T&C's) are always best for Oracle, not the customer. The T&C's are often changed without any obvious communication to the end user, which can cause the customer to be under licensed without them knowing. It is of vital importance that Oracle users or license managers keep on top of the changes Oracle make to the terms and conditions. As mentioned previously, the license documentation and terms and conditions are on the Oracle website, users just have to search for them!

With regards to changing T&C's, it is also worth mentioning that Oracle cannot change the T&C's of a users contract during the contract period. Oracle can only make changes at the renewal stage or when entering a new agreement. However, this doesn't stop Oracle from making changes to the T&C's of their applications and this change affects all Oracle users not just an individual contract for an organisation. The risk lies in organisations renewing contracts to new terms and conditions that have not been communicated.

Oracle license metrics are a complicated beast, which is why we hosted the Oracle Seminar to share common issues and shine light on the key risks. Oracle licensing will not be made simpler as it isn't in Oracle's interest to make it easier to understand and license their products because it will impact Oracle's revenue generation capabilities. Oracle users want better communication of Oracle licenses and the terms of those licenses. This is what is lacking at the moment, and this is partly why users find Oracle licensing so complex.

Oracle Contracts and documentation management

Along with Oracle licensing, Oracle contracts and general documentation management was a key talking point.

Be proactive, not reactive

Be proactive with everything related to Oracle, that way you are prepared for any audits that may come your way and have a rough understanding of where your risks are, both compliance wise and financially. Being proactive will result in audits being that little bit less painful, and potentially less time consuming and resource draining.

SAM processes will help an organisation be pro-active in the management of Oracle licenses. Having an overall SAM structure in place (not just for Oracle) will allow the organisation to be proactive in addressing any risks (financial or compliance), have better visibility on usage, and have the right processes and procedures in place for the procurement and use of software.

Being proactive in your management of Oracle software and documentation is a massive benefit. Here are the top five reasons why:

1. You are better prepared for any audit or license review. Audit readiness!
2. If you are audited, you have the processes in place to deal with such a situation
3. Less resources are relied upon during the audit
4. You know in advance what your risks are
5. There should be less of a 'panic' when news of an audit is first delivered

Understand your Oracle environment before negotiating your contract

Have a strong understanding of why you have Oracle within your organisation, and what Oracle users actually use the software for before you renegotiate your Oracle contract. It is also important to understand your existing Oracle contract and have an idea of what needs to be changed or improved upon in the future.

Understanding your Oracle environment can help ensure you purchase the right type and quantity of licenses. Talk to the Oracle users and get a basic understanding of what their usage requirements are, and then make a judgement on the type of license they require. Carrying out this research could result in making big savings in future Oracle contracts, or even recycling existing licenses, as users no longer have the need or demand for Oracle software.

Having a strong understanding of previous Oracle contracts enables the organisation to establish what worked well in the past, and what didn't work so well. This means that any future contracts can be negotiated with the knowledge of the lessons learnt from previous Oracle contracts.

Oracle contract negotiation

Organisations have the chance to negotiate any software contract agreement, and Oracle is no different. However, to be in the driving seat when negotiating an Oracle contract the organisation needs to have reliable, accurate data and know the needs of the business. Coming across as confident and knowing exactly what the organisation needs and wants, will put the organisation in a strong position to negotiate a better deal.

Another piece of advice that came out of the sessions was 'don't renew your Oracle contract at year end!' You are more likely to get a rushed, expensive deal if you renew at the end of Oracle's financial year. A piece of advice from an end user who has been through a number of Oracle negotiations is to try and renew your Oracle contract during the summer months, as this is when Oracle are more likely to provide you with a good deal (due to lack of last minute sales target pressure) and a number of people will be on holiday, which could result in a better deal for the organisation. If your deal or renewal is key to the Oracle sales person hitting their target – you are likely to feel more pressure.

As we've mentioned you need a licensing professional, legal professional and Oracle database expert to effectively manage Oracle licenses, well the same applies for negotiating your Oracle contract.

- The legal professional will have the ability to read and understand the legal jargon that Oracle sends an organisation, and will be able to spot any 'red herrings' within the contract that a licensing professional may have missed.
- A technical Oracle database specialist will be able to advise the business on the current technical demands, and possible future demands with Oracle software. It's important when negotiating your Oracle contract to talk to the users who use Oracle software on a daily or regular basis as they are the users who will be able to advise the organisation on what they use Oracle for, and what DB features they require both now and in the future.
- Finally, a licensing professional has the ability to negotiate a better financial deal and also has knowledge around Oracle licensing metrics. This means they will be able to understand the users requirements based on what information the Oracle users have said, which in turn will result in ordering the correct license metrics for users and the right amount of licenses.

Understanding your Oracle contract

Along with understanding your Oracle environment, you also need to understand and know the details within your Oracle contract like the palm of your hand. Pay attention to the Oracle License Agreement (OLA) and the terms and conditions of your contract and subsequent licenses so that you know exactly what your organisation's rights are.

It is vitally important to get clarification on your Oracle contract or licenses, if you are not sure, ask! If you don't want to go direct to Oracle then it is worth paying an Oracle expert to come into your organisation for a few days to read the contract and educate the organisation on what can and cannot be done with the Oracle software. You need to fully understand the content of your Oracle contract, otherwise you are a sitting duck for being taken advantage of by Oracle in future audits or license reviews.

Look out for those pesky amendments within your Oracle contract. There were reports of amendments being all over Oracle contracts, so it is important that you read and understand any amendments that are within your organisations. They could cause trouble in the future both compliance wise and financially, but also with regards to using your organisations name or logo in places you haven't agreed to.

Keep your Oracle documentation for at least three years after expiry. The Oracle experts at the seminar stated that Oracle might not look back as far as three years, but that this was the standard rollback during an audit or license review. These documents should be kept in a safe place, in chronological order ready for any review or audit.

Finally, make sure you thoroughly check your Oracle contract for any mistakes on Oracle's part. Oracle has been known to send customer's contracts or documentation with mistakes, or different information than what was previously agreed. Check anything that Oracle send you for accuracy and ensure that the details are for your organisation.

Talk to the business. What is happening in the future?

There may be a demand for future Oracle licenses or different Oracle applications, so make sure you talk to the business to understand what future projects or changes are in the pipeline. Adding or purchasing licenses now as part of an agreement may result in large savings on your Oracle licenses. Having an understanding of what the future holds for the organisation will allow the organisation to be one step ahead, and to be pro-active with Oracle licenses and contract negotiations.

It is also important to understand what type of employee future Oracle users will be. Are they going to be permanent or contracted staff? Depending on the start and end dates of contractors (based on projects etc.), the organisation may be able to recycle licenses between contractors and projects, thus saving huge amounts of money on extra licenses. Talk to the business and get start and end dates for projects that require contractors to establish requirements.

Summary – Contracts and Documentation

Top tips for managing your Oracle contracts and documentation:

<ul style="list-style-type: none"> • Be proactive with your Oracle contracts, not reactive
<ul style="list-style-type: none"> • Be sure to look out for any amendments in your contract
<ul style="list-style-type: none"> • Be cognizant of Oracle fiscal year priorities
<ul style="list-style-type: none"> • Establish current and future Oracle requirements when negotiating contract. Also understand technical requirements
<ul style="list-style-type: none"> • Finding a tool to manage Oracle contracts is a challenge
<ul style="list-style-type: none"> • Keep Oracle documentation for at least 3 years post expiry
<ul style="list-style-type: none"> • Know your license metrics. If not clear, make Oracle clear them up!
<ul style="list-style-type: none"> • Oracle can make mistakes! Check your contracts!
<ul style="list-style-type: none"> • Oracle customise most of their contracts, so it is important for an organisation to understand the specifics of their contract
<ul style="list-style-type: none"> • Pay attention to the T&C's so you fully understand what you can and cannot use
<ul style="list-style-type: none"> • SAM processes help contract management
<ul style="list-style-type: none"> • The legal department should be an integral part of your SAM team, ideally with license contract skills. Involve legal team in negotiations and not as the rubber stamp brigade at the end of your negotiations
<ul style="list-style-type: none"> • Understand the organisations strategic approach, will changes impact Oracle licensing in the future?
<ul style="list-style-type: none"> • Understand your users needs and requirements. Are they permanent staff or contractors?
<ul style="list-style-type: none"> • Use good, reliable data when negotiating your Oracle contract
<ul style="list-style-type: none"> • You may have to report usage or installation base to Oracle 'periodically', check contract for your own definition

Housekeeping

Managing Oracle licenses, contract and documentation should be on-going event, not just at the procurement or renewal stage.

Documentation or records

There were a number of recommendations to come out of the seminar with regards to maintaining Oracle documentation:

- Keep Oracle documents in chronological order
- Update and check Oracle records every quarter
- Remember that the Oracle ordering document takes precedence as proof of purchase, but other Oracle documents are required to show entitlement. Manage and maintain these documents properly

Oracle documents are vitally important for demonstrating compliancy and entitlement. Be sure that your organisation keeps all of the documents required for at least 3 years after their expiry. Oracle may want to see an historical record of your organisations entitlement during an audit.

Resources

During the seminar it was widely agreed that in an ideal world there are three individuals required to manage Oracle documentation and help with general housekeeping. A licensing professional, a technical Oracle expert and a legal professional were agreed as the skills required to effectively upkeep Oracle documentation and licensing.

The majority of organisations will not have all three resources at their disposal, so it might be worth finding external help when it comes to contract renewal or if an audit is looming. It is also worth noting that a tool is needed to effectively manage Oracle contracts to ensure that they are stored and managed correctly, and that anniversary dates are known and abided by.

Get specialist advice!

If you or your organisation are not sure about anything related to Oracle licensing or your Oracle contract, then get specialist advice. The short-term project or consulting cost of an Oracle expert is very easily out weighed by the enormous potential risk of mismanaged Oracle licensing. With Oracle contracts, licensing and documentation being so complicated, it does require an Oracle specialist to effectively and properly manage the documentation and licenses, so make sure the organisation has that resource at hand, or outsource the work to an Oracle expert or managed service provider (MSP). Resources are available in the market on a short-term fixed project, Adhoc consulting or on-going managed service basis.

Oracle Audits

Oracle audits were a hot topic during the seminar, with a number of delegates having had experiences with audits.

Do not ignore Oracle!

If you receive a letter from Oracle requesting an audit or 'license review' do not ignore it! Do not think they are going away, because Oracle have every right to audit a customers estate and every single organisation that has Oracle products have agreed to comply with their request for an audit. You have already agreed to give them access to your environment and systems to see what Oracle software is installed and in use. Ignoring an audit request or 'license review' could result in the organisation facing further and stricter repercussions. Most Oracle contracts include the right to audit at 45 days notice unless otherwise agreed by the customer

The audit process

Firstly, Oracle will send out an audit letter, or request for a 'License Review'. A license review is in essence, an audit so respond and treat it in the same way you would an audit letter. Oracle will provide an organisation with 45 days notice before coming in to audit. However, Oracle LMS (License Management Services) will attempt to contact the organisation (and come into the organisation) before those 45 days. It was explained to delegates that they have no obligation to allow Oracle in during that 45-day period.

Once the organisation is aware of the audit, what exactly is being audited should be discussed with Oracle. Do they want to do a full sweep of the environment, or is it an audit for a particular piece of Oracle software? Either way find out the parameters for the audit before the audit actually commences, provide the bare minimum amount of information. We're not saying hide anything, we're just saying don't give Oracle any more information that what they have requested.

It is also important to remember that Oracle tends to audit organisations on a specific point in time. If there have been breaches of compliance at another stage that isn't audited by Oracle, it is recommended that you do not mention this fact to Oracle. Oracle does not really seem to care too much about non-compliance or helping the organisation. It's a revenue stream for them. Our speakers suggested that organizations use the information and data you have for the point in time that Oracle want to audit the organisation for, and go with that without mentioning any other discrepancies that the organisation may have had in the past.

Finally, as part of an Oracle contract agreement all organisations have agreed to be audited at any time (with prior notice) and agree to provide their full co-operation with Oracle during the audit. Whilst audits are not nice, it can be a good learning experience, so try and make the best out of a bad situation.

Be prepared, have a good audit strategy

Some organisations go through a number of audits each year for different vendors. It pays to have a good audit strategy. This factor was discussed in length at the seminar, and it was widely agreed that an audit strategy is unique from business to business. The strategy needs to fit around the organisations environment, tools, resources and general capabilities.

Organisations have different goals for an audit strategy too, as we saw from the seminar. Some want to merely get through the audit as quickly as possible with as little disruption and bad press as possible (some didn't seem to be too concerned with large fines, so long as the

organisations reputation wasn't harmed in any way), whereas others want a strategy that allows them time to learn from mistakes and make changes. How big a role the audit strategy plays within an organisation is up to them, but Oracle experts agreed, and so did the delegates, that having an audit strategy is something that will help should an audit request come through.

What does 'audit ready' look like for Oracle?

Firstly, it's not about being 100% compliant. Being audit ready is about having the knowledge and process in place to ensure that if an audit was to happen that the appropriate actions will take place with as little impact on the organisation as possible. Achieving 100% compliancy isn't a realistic target; there will always be discrepancies or installs that the license team are not aware of (however brief), but being audit ready will help towards achieving a realistic level of compliancy.

Being audit ready also means that the organisation knows where all of their Oracle documentation is, what processes are in place should an audit take place, what resources will be used and also have an ELP (effective license position) for all of the Oracle software installed within the environment. Some form of Oracle solution can help with being audit ready, but simply implementing a tool does not mean an organisation is fully aware of its compliancy or is fully audit ready.

Audit readiness requires the following:

- All Oracle documentation and PoE (Proof of entitlement) for all Oracle applications installed
- Processes in place that highlight what happens in the event of an audit
- Roles and responsibilities allocated to individuals or teams
- Strong, reliable Oracle data stats, including installation, users, usage etc.
- ELP known (this includes a rough financial estimate on how much it would cost to rectify any non-compliance. This information is for internal use only).

Why does Oracle audit organisations?

In short, the answer is money. Whilst the remit of LMS is to protect Oracle IP, it was clear from our Oracle seminar delegates and speakers that "Oracle audit customers to generate extra revenue". The common consensus is that Oracle does not care too much about helping customers optimize their licenses; they audit to generate extra revenue from their customers through audit penalties.

Oracle Audit Summary

In summary, these were the top tips to remember about Oracle audits:

<ul style="list-style-type: none"> • 'License Reviews' are in essence an audit!
<ul style="list-style-type: none"> • 2 factors to manage and consider with Oracle audits. Environment and deployment
<ul style="list-style-type: none"> • 45 days notice then they review estate. LMS will try and start sooner than 45 days!
<ul style="list-style-type: none"> • Are you aware of what features your contract allows you to use before an audit?
<ul style="list-style-type: none"> • Audit will increase Oracles revenue. That's why they audit
<ul style="list-style-type: none"> • Be 'audit ready'
<ul style="list-style-type: none"> • Don't ignore audit messages from Oracle
<ul style="list-style-type: none"> • Have a good Oracle audit strategy. This may be a different strategy to other vendors
<ul style="list-style-type: none"> • Having a tool isn't the only thing required to manage Oracle licenses
<ul style="list-style-type: none"> • LMS limited by number of resources they have. Have them specify what they are auditing before hand
<ul style="list-style-type: none"> • It is not uncommon for local entities to be audited within global organisations
<ul style="list-style-type: none"> • Oracle will provide tools to audit your estate. You have agreed to let them do so when signing your contract
<ul style="list-style-type: none"> • Remember, entitlements are not just order forms! There are a number of documents required to show entitlement/compliance
<ul style="list-style-type: none"> • Understand entitlements and deployment
<ul style="list-style-type: none"> • Remember, you have agreed to co-operate and provide relevant information in your contract.

Building a defence

The best form of defence against Oracle audits is not to have any Oracle software!

The second best form of defence is to have a strong understanding of your own Oracle contract, requirements and install base. We've previously mentioned and given advice regarding Oracle contracts, so now we will analyse the other elements of a defence against Oracle.

Understanding your environment

One of the best forms of defence against Oracle is understanding your environment. This includes both your Oracle environment and your IT environments. If an organisation has a complete understanding of what they are working with, and what restrictions they may have, then they are far more likely to have the processes, policies and awareness in place to understand their environments that Oracle demands. This is a good position to be in should Oracle demand an audit or license review, and will also help the organisation use Oracle licenses effectively. We've mentioned previously the importance of understanding the organisations Oracle and IT environments, and this further emphasises how important it is to understand why you have Oracle software within your estate. Knowledge is power.

It is also important to understand Oracle licensing. Named user plus minimums and overall user minimums need to be known, as does the organisations definition of 'non-usage'. Not knowing this information could trip you up in the future or when Oracle audits the organisation.

Be 'audit ready'

Being audit ready should be the overall goal of any ITAM project. If your organisation has a large investment in Oracle, or has a number of Oracle applications installed within the environment, then being 'audit ready' for Oracle should be top of the list. We have shown previously what being 'audit ready' would look like for Oracle, and what is required, but we wanted to emphasise the importance of being 'audit ready' further as a number of the Oracle experts mentioned this point a number of times.

Make it difficult for Oracle

Another suggested tactic from the delegates when it comes to defence against Oracle audits is to make the audit as difficult for Oracle as possible. Provide as little information as possible, the bare minimum of what they are requesting. This will make it hard for Oracle to draw a picture of the organisations estate and may provide some breathing room. It is important to remember that Oracle can use their own discovery tools to find any installs or usage of their software, but they only look at a certain snapshot, a point in time, so disrupting (legal means only!) the audit process for them gives the organisation more time to address any significant non-compliance issues.

When providing the bare minimum it is important that before sending any data or information to Oracle, or showing them anything that the organisation understands and knows what they are sending. Do not send anything blind; make sure you know exactly what data or information you are sending to Oracle before you send it. Again, as we've mentioned before, if you need help or clarification on what to send Oracle during an audit then get external help.

Have a sophisticated Oracle tool in place

A big element towards having a defence against Oracle is having a sophisticated SAM/ITAM/Oracle management tool in place. The tools can help the organisation manage Oracle usage, users, licenses and general data, but they are not a silver bullet solution. As was agreed at the seminar, all Oracle tools or solutions need the right people and processes in place to manage the data and manage the solution correctly and effectively.

Remember, Oracle tools are 'verified' not 'certified'. This basically means that Oracle acknowledge that you can manage their products and licenses through the solution and that the data is relevant and accurate (if set up correctly), but there is no single verified tool that Oracle will certify, they simply do not do that. Despite not being certified by Oracle, the data that the verified Oracle tools produce will be trusted by Oracle, so it is worth having a solution that has that Oracle verification.

The data that is extracted or shown within the solution needs to be accurate and trustworthy. If rubbish or incomplete data is being fed into the solution then the output will be as good as useless. When managing Oracle software organisations need complete data. Make sure that the solution in place is working correctly and is providing accurate data. This can be done by carrying out regular 'health checks' on the solution or comparing the solutions data with other data sources (active directory, SCCM etc.). It is important that organisations choose the right tool for their users and the unique IT environment. Do not send out data to Oracle unless the organisation fully understands what the data says and means. If an organisation takes data from their Oracle solution and sends it to Oracle without looking and understanding it, then Oracle could find issues and risks that the organisation are not aware of. Furthermore, they could ask questions that the organisation cannot answer, therefore making the organisation look incompetent at managing their Oracle estate.

Regular analysis

Organisations need to review their Oracle baseline every six months to see and understand any changes that may have occurred that impacts Oracle applications or licenses. This also relates to regular usage and compliancy checks of Oracle software. Reviewing the Oracle baseline every six months allows the organisation to keep on top of their licensing, and also helps with housekeeping, future contract negotiations and overall compliance.

Organisations need to know their numbers; how many servers are in the datacentre environment, the number of virtual machines that have Oracle software installed, how many cores each server has amongst many other pieces of information. Whilst the organisation doesn't need to know all of the information off by heart, it was agreed by the delegates and Oracle experts that a record or discovery tool needs to be kept to ensure that the information is easily and quickly gathered and populated.

How do your DB team talk to each other? How do your actual databases communicate? Having the knowledge about how your Oracle users communicate and how your Oracle databases intertwine helps towards having complete transparency of an organisations Oracle estate. This will help paint a bigger picture on how the organisation relies on Oracle and how possible new features that are not part of the agreement may be useful.

Mature SAM (software asset management) processes

SAM processes can be a huge help towards managing Oracle licenses, usage and users. Without SAM processes, Oracle spend, compliance and usage could end up being unmanageable, with no visibility on what is in use, what has been purchased and which users need Oracle software. It was said throughout the seminar that organisations need, not should have, but need SAM processes to effectively manage all things Oracle.

This is true for all vendors and not just Oracle.

Getting SAM implemented and the processes up and running are a key footing to ensuring all Tier 1 software vendors risks, compliance, usage and financial information are known, and that the organisation knows what 'audit ready' looks like. Through SAM processes organisations can minimize the risk, make savings and also use SAM data to make informed, accurate business and IT related decisions.

Oracle Audit Defence Summary

In summary, the agreed defences against Oracle audits were:

<ul style="list-style-type: none"> Analyse your Oracle baseline every 6 months
<ul style="list-style-type: none"> Approved Oracle tool vendors – Oracle trust the data, but you need to understand it!
<ul style="list-style-type: none"> Be 'audit ready'
<ul style="list-style-type: none"> Get clarification and definition over 'non-use'
<ul style="list-style-type: none"> Hard partition is the only technology recognised by Oracle, not soft partitioning. Remember that!
<ul style="list-style-type: none"> Have a strong understanding of your Oracle estate, if you don't Oracle will presume the worst
<ul style="list-style-type: none"> Have an understanding of your compliance
<ul style="list-style-type: none"> Know your numbers! (Cores, CPU's, physical/virtual servers)
<ul style="list-style-type: none"> Make it difficult for Oracle to 'draw' a picture of your estate. This may stop them from finding hidden revenue opportunities
<ul style="list-style-type: none"> Provide Oracle as little as possible when they audit you
<ul style="list-style-type: none"> Remember, tools are verified, not certified. Having a verified Oracle tool helps you have transparency of an organisations Oracle estate
<ul style="list-style-type: none"> SAM (software asset management) processes can help organisations manage Oracle contracts and licenses efficiently to ensure a strong audit defence.
<ul style="list-style-type: none"> Understand how your estate is configured
<ul style="list-style-type: none"> Understand how your Oracle databases relate to each other
<ul style="list-style-type: none"> Understand how your Oracle DB users relate/talk to each other
<ul style="list-style-type: none"> Understand named user plus minimums
<ul style="list-style-type: none"> Understand the minimum clause across all Oracle products that are relevant to your organisation
<ul style="list-style-type: none"> Understand what you are going to share to auditors before you actually share it
<ul style="list-style-type: none"> Understand your Oracle contract

Common Oracle 'gotcha's'

There are a number of licensing 'gotcha's' that Oracle users and license managers need to be aware of.

Different environments

There are a number of different environments that can affect Oracle licensing. Understanding the licensing for the different environments and how it can impact your organisation is best practice for managing Oracle licenses and the relevant environments:

Cloud – whilst the Cloud is a reasonably emergent technology, Oracle provide a number of services that are Cloud based. This isn't a big 'gotcha' like the datacentre environment, but it still requires effective management to ensure compliance is met. Furthermore, the Cloud environment may be a good source of cost savings for organisations that want to move some of their Oracle applications to the Cloud.

Datacentre (Databases, server software) – We will mention the issues around database features in due course, but it is one of the most expensive licensing gotcha's for Oracle licensing. Also, it is important to know your organisations datacentre hardware numbers, such as the number of cores etc. Cores can result in huge costs, but also huge savings.

Hosting Services – hosted services are for internal use only, and Oracle is very strict on this fact. A common 'gotcha' is organisations using hosted services for external clients or resources. This will result in a large fine come audit time.

Virtualization – another common area for non-compliance due to its complex licensing. Ensure that the Oracle management solution installed has the ability to provide licensing and usage data for Oracle software within your virtual environments.

Database features

Most, if not all DB features come enabled, including new releases. This can result in an organisation unknowingly using expensive Oracle software, thinking it is part of their existing package or agreement. The majority of the time these features are not licensable by the organisations existing agreement, so if an Oracle DB user uses a new feature then the organisation immediately is non-compliant and could have a large fine if found using the software.

The delegates agreed that they want Oracle to communicate changes or new features directly to them before they are released. This way, the license manager can advise the Oracle database users not to use the new features or the business can plan ahead and purchase a license. The delegates agreed that this is currently not happening, and they feel as though this would be a key element to helping them manage Oracle applications and licenses.

As the communication aspect isn't currently happening effectively, the best way to manage database changes is for the license management team to do their best to keep a track of any database changes by reading the updating terms and conditions provided by Oracle. This may be a bit of a slog, and the license management team may waste a day or two reading the documentation, but it will be worth it in the long run when the organisation doesn't have any future financial or licensing surprises.

Costs and inflated quantities

Costs can increase via inflated quantities of Oracle licenses. Organisations need to manage their licenses effectively. They need to ask themselves if they really need the quantity of licenses that they are about to purchase, currently have or want to renew. Through the use of a SAM or Oracle management tool the organisation can analyse the usage stats of Oracle applications and uses to establish if they need a license, have the right type of license or if the license can be recycled elsewhere. Options and packs were another common Oracle licensing gotcha. They are expensive and can increase an organisations spend on Oracle licenses significantly. Additional options and packs need to be managed and monitored like Oracle licenses.

Terms and Conditions / Clauses

There are a number of T&C's and Oracle clauses that could trip up an organisation. Oracle will not and cannot change the T&C's of an organisations contract during the period of the contract, but they can change the T&C's of some of their individual products and newly acquired products. Keeping update with the changes in T&C's is a nightmare, but if the organisation has a large investment in the products that have been changed then it is worth keeping abreast of the changes.

There are also 'gotcha's' around the territory clause and also knowing and understanding standard and non-standard audit clauses. The territory clause relates to different territories (regions/countries) having different terms and conditions with Oracle software/licenses/agreements. For global organisations this can be a real 'gotcha'. Standard and non-standard audit clauses need to be known and understood so that the organisation knows how to react to either scenario.

'Blind' products

'Blind products' are products that an organisation isn't aware are installed within their organisation. It's a simple one, but one of the most common. Not knowing what is installed within your organisation can result in fines and non-compliance. Have full transparency of your environment to ensure that no 'blind' products are installed within your environment. Blind products can also relate to non-approved or non-standard Oracle software that the license management team are unaware of. Use your ITAM or SAM tool to regularly analyse the organisations Oracle install base.

Gotchas Summary

In summary, here are the licensing 'gotcha's from the Oracle Seminar:

Gotcha	Description
'Blind products'	Understand what applications you have installed. Don't have any surprises!
Cloud	Could help reduce complexity and costs but beware of Oracle cloud lock-in
Cores	Cores can result in huge costs, but huge savings as software in this environment is costly
Costs	Costs can increase without you realising. Ensure governance processes are in place to stop costs spiralling.
Database features	Most, if not all DB features come enabled, including new releases. This can result in an organisation unknowingly use expensive Oracle software; thinking it is part of their existing package or agreement
Hosting services	Hosting services are for internal use only. Oracle is very strict on this fact. Do not outsource or provide to external organisations.
Inflated quantities	Do you really need all the licenses you are purchasing/using?
License metrics	Understand your license metrics. If they are not working for your environment, change them
Options and Packs	Can increase license costs greatly. They need to be managed like a standalone license.
Standard vs. Non-standard audit clauses	Understand the differences so your organisation knows how to react.
Territory clause	Different territories (regions/countries) have different terms and conditions with Oracle software/licenses
Unlimited	Unlimited isn't truly unlimited. If you exceed your license count, usage or 'credit' then you will end up owing Oracle more money
Virtualization	Oracle virtualizations rules are vague. Seek advice to prevent unnecessary risk.

Common Themes

In conclusion there were several common themes throughout the day.

Lack of communication from Oracle

Users feel as though they are 'left in the wilderness' due to the lack of communication from Oracle around license changes or new feature releases. Users are then shocked to discover that they may be non-compliant due to the use of a new feature that they were not aware required a license.

Lack of complete understanding of Oracle licenses and contracts

If you have a contract with a vendor or purchased licenses you would expect that you understand what you have invested in. However, Oracle users feel as though they do not understand their own Oracle contracts and licenses. The contract the organisation receives requires the input of a technical Oracle user, legal professional and a licensing professional. If your organisation does not have three resources that fit the bill, then unless they get external help and support they are not going to have an understanding of their own agreements.

Frustration at being told different facts by Oracle

During the interactive sessions it was evident that different users have been advised different facts with regards to Oracle licenses, contracts, support and audits. Whilst Oracle contracts are different for each organisation, the audit process should be roughly the same. It is clear from users experiences that this isn't the case, and that Oracle are conflicting in the information and advise they give organisations during an audit.

General frustration at Oracle's lack of help or support

The majority of attendee's expressed frustration at the lack of support or help from Oracle with regards to the users Oracle contracts and licenses. Users are also frustrated with Oracle and the lack of support when it comes to audits. Users want more support from Oracle during audits and with any licensing or contracts questions. They want to feel as though they can contact Oracle with questions about their Oracle contract or license without triggering an audit or 'license review'. There is also a frustration at the number of mistakes Oracle make when sending contracts or licenses. Oracle can make mistakes!

Oracle's aggressive audit tactics

Finally, it was unanimously agreed that Oracle are aggressive with their audit tactics. The CCL are trying to make a difference and help Oracle see that they need to change how they approach their customers, but it will take time to make a difference.

We believe that the relationship between Oracle and its customers needs to be repaired and improved upon. Having Oracle's customers think so badly of them and their services should be a wake-up call to Oracle and an indication that they need to change the way they approach their customers and licenses. While we know they are extremely unlikely to change their licensing metrics to be simpler (because they wouldn't generate as much money), we are simply saying that they need to improve their communication with customers, and provide better educational documentation so users can effectively manage their Oracle licenses and estate.