



Global F500 Enterprise Gains Oracle Certification for Millions in Savings

Company: Publicly traded, Global Fortune 500 enterprise

Hardware: 70,000 processors, managed by a team of 40 internal and external IT professionals

The Result: Saved more than \$30 million by certifying and not renewing the Oracle ULA

“We weren’t sure what our next move should be when our Oracle ULA was about to expire – should we renew or certify? Emerset and B.Lay’s thorough review of our complex, global Oracle implementation clarified that certification was preferable, and their extensive experience in working with Oracle enabled us to accomplish it with millions of dollars of cost savings.”

THE COMPANY

Global enterprise, publicly traded and part of the Fortune Global 500. The company is heavily dependent on Oracle solutions, with 70,000 processors managed by a team of 40 internal and external IT professionals. It had purchased a \$10 million Unlimited License Agreement with Oracle that covered multiple legal entities, business and countries.

ORACLE PRODUCTS INCLUDED IN CERTIFICATION

- Database Enterprise Edition
- Real Application Clusters (RAC)
- Partitioning
- Oracle Active Data Guard
- Oracle Real Application Testing
- Diagnostic & Tuning Pack
- Change & Configuration Management Pack
- Patch Automation Pack for Database
- Oracle Weblogic Suite
- SOA Suite for Oracle Middleware
- Management Pack for Weblogic Server
- SOA Management Pack Enterprise Edition
- Oracle Business Intelligence Products
- Applications and Systems Management Products

PROCESS

As this global company entered the third year of its three-year \$10 million Oracle Unlimited License Agreement (ULA), its asset management team needed to determine the appropriate next steps for when the ULA would expire. The original ULA was expected to cover around \$30 million worth of Oracle licenses, but the company did not have a clear idea of how many licenses it was using, or future potential deployments.

The benefit of Oracle’s ULA is that the enterprise pays a single up-front fee to receive as many licenses as it wants for a specified set of Oracle products over a fixed time frame – also known informally as the “all you can eat” model. At the end of that time frame, Oracle will grant perpetual licenses for all of its software that has been deployed, assuming its use has been properly documented – a process known as certification. Many companies simply opt to negotiate a new ULA, since certifying requires engaging in a full software asset inventory to the satisfaction of a complex, global deployment can be complicated, time consuming and costly. However, without doing that inventory, it is possible – indeed likely – that this company would be overpaying.

In order to ensure that the company was making the right investment for its current and future IT and business needs, and comply with the terms, conditions and timing of the ULA certification process, it engaged the advisory services of Emerset and its partner B.Lay.

The advisory team began by establishing a baseline of the current global software deployment, along with a comprehensive overview of the potential future software roll-out within the different IT departments. The baseline included all legal entities, majority owned subsidiaries, joint ventures and business units of this organization (globally). This was created by leveraging various existing IT infrastructure and Service Level Management tools in combination with a proprietary workflow management tool.

In parallel, a thorough analysis of the ULA agreement was performed, which provided an overview of the terms and conditions, restrictions, limitations, usage rights, definitions and the product features/ functionalities of the software programs as included in the ULA agreement. This analysis enabled the customer to understand what the company had actually purchased.

The two reports were combined with a comprehensive financial breakdown prepared by the advisory team. Based upon the insights gained from this process, it was determined that the customer could further maximize the value of its ULA prior to its expiration by advancing the roll out of additional Oracle software programs. The company undertook to implement additional software instances, bringing its actual utilization of Oracle software to a value of \$40 million based on list price with estimated discounts, for which they had paid a one-time unlimited license fee of \$10 million. Clearly, it was in the interest of the company to certify these software licenses so that it could benefit from a perpetual license. Emerset and B.Lay's thorough asset inventory became the basis for certification.

Then began the negotiation process with Oracle; for such a vast, global deployment, it is unusual for Oracle to simply accept the client's word at face value, and often requires a full audit to finalize the certification process. However in this case, the advisory team of Emerset and B.Lay were able to provide insight in the real "raw" software deployment data gathered through a solid, documented methodology. After several rounds, Oracle eventually accepted and approved the certification without requiring any software audits, and granted the company perpetual licenses for the full value of the \$40 million of software that they were using worldwide.

Bottom Line Savings: \$30 Million

Emerset and B.Lay have brought together the best of Oracle and Microsoft advisory expertise in their four-year partnership. Emerset's Clear Licensing® Methodology has been developed through over a decade of practical experience gained from the planning, negotiation, and implementation of software contracts by leading licensing experts in the IT market. It has helped to conclude hundreds of successful agreements and has created a vast repository of benchmark data to provide clients with accurate comparable data to help achieve an optimal agreement.