Seven Steps to Getting a Handle on Software Licensing

Software Audits are Increasing: Are You Ready?

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OVERVIEW

The question isn't if, it's when. Software vendor audits are on the rise. A Gartner annual survey found that 65% of organizations were audited at least once in 2011 (a significant increase from 2007 when 35% of respondents had been audited).[1] The four vendors that consistently perform audits are, in ranked order, IBM, Adobe, Microsoft, Oracle.[2]

The illegal use of software, even when it's unintentional, has many negative repercussions including costly fines from non-compliance and damage to your company's reputation. If you fail an audit once, your chances of a repeat audit with the same vendor greatly increase.

It's also a time-consuming and stressful process to collect the data that vendors request. As JC Coleman, network administrator at Carolina Container said when his company was audited by Microsoft, "...it caused a lot of headaches. I had to come up with real numbers, real quick – for every operating system, every Office Suite, every SQL Server, Visio, PowerPoint – everything."[3]

The best way to ensure compliance and optimize license usage is to utilize an automated software license management solution. Optimizing your software license investment and ensuring compliance with vendor contracts is nearly impossible to do manually.

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Software licensing represents 20% of a company's total IT budget. Gartner estimates "enterprises that implement software usage capabilities will achieve savings of 5-25% in the first year."[4] The goal is to simply be "adequate" with software licensing – not too many licenses and not too few. This paper will highlight common challenges in managing software licenses and seven ways a an automated asset and software license management solution can help.

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" Enterprises that implement software usage capabilities will achieve savings of 5-25% in the first year."

Source
[1] "The Software Vendors That Are Auditing Now and What to Do About It," Gartner, January 27, 2012
[2] Ibid
[3] "Software Audits: Are You Ready?" InformationWeek, January 28, 2014.
[4] Ibid

COMMON CHALLENGES IN MANAGING SOFTWARE LICENSES

Managing software licenses is a complex process often requiring several steps in order to get an accurate picture of your organization's licensing status. Accurately accounting for licenses against entitlements is a widespread issue as 56% of companies say their IT software asset records aren't accurate or current.[5]

Managing organizations either don't have a process for managing licenses or use manual processes which are often time-consuming, expensive, and yield questionable data. Common challenges in managing software licenses include:

- Discovering software deployed to each device. The starting point is determining exactly what software is installed on the devices throughout your organization, regardless of their status (including ordered, deployed, or retired software). This is a tougher task than might be first apparent, because every device should be examined and inventoried. One time-consuming approach is to assign personnel to visit each machine and audit what's installed. This becomes more challenging if you have multiple locations that are geographically distant such as locations throughout the U.S. or overseas.

- Reviewing vendor contracts for license details. This involves locating and reviewing all vendor contracts and determining the licensing details for each software application (for instance, is it licensed concurrently or is there a named user for the license?). This list then needs to be cross-referenced against software inventory data for discrepancies.

- Identifying software that isn't actively utilized. It's important to collect software usage statistics, because licenses that aren't actively used can be re-assigned to someone else. One method to collect this data is asking your users what software they use and following up with them regularly to get a sense of usage patterns. Based on the type of licensing agreement you have for a particular application, you may also need to collect different types of usage statistics (such as concurrent licensing, per user licensing, or named user licensing) to be sure you're in compliance.

44% of companies wipe retired PCs without examining the software that's installed on them.

- Reassigning under-underutilized software. Once you understand what software is not being actively used, you can save money by reassigning those licenses to other employees or saving them to a "pool" for later allocation. The savings from harvesting licenses can be tremendous.

- Removing licenses from retired assets. Properly uninstalling software from out-of-date hardware so the licenses can be reallocated elsewhere is an important, but often a forgotten, step.

- A BMC survey found that 44% of companies wipe retired PCs without examining the software that's installed on them.[6]

- Knowing exactly when to buy more licenses. The best time to buy more licenses is, of course, before you run out. Implementing an ongoing process that reconciles license usage against your available pool of licenses will help you stay in compliance.

- Juggling all of these tasks on top of other responsibilities. It's tough to manage these tasks, all of which demand great precision, for the thousands of devices across your company's global offices. License management is an ongoing task that truly requires scalability in order to be successfully executed. Few companies have the resources to perform all

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[5] Ibid

[6] Ibid

7 WAYS AN ASSET MANAGEMENT SOLUTION DRIVES EFFICIENCIES

An asset management solution with comprehensive software licensing capabilities is the most cost effective, scalable, and efficient way to address these challenges. It automates tedious, multi-step manual processes and helps ensure accurate reporting of your software licenses.

An Asset Management Solution can help you:

1. Pinpoint connected devices and audit them for deployed software: A license management solution can automatically inventory every device on your network and scan it for installed software. Information about the installed software is stored in a central repository and normalized to match titles purchased from your vendor. Normalizing the software titles results in a much easier to understand list – this is the preferable method over using often hard-to-categorize executable filenames.

2. Accurately detect software that's been purchased: Once devices are inventoried and their software license information cataloged, that data needs to be reconciled against purchased license information from vendor contracts. A software licensing solution should not only track entitlements found, but also allow you to enter titles purchased, creating a more complete picture of your authorized software asset landscape.

3. Track application usage across all devices and users: Understanding which software licenses are actively utilized is an important step in proactively reducing over-licensing. However, 71% of organizations fail to monitor software usage.7 A software licensing solution reports on usage patterns for specific computers and users and automatically identifies software that's under-utilized. It also can report on license usage based on groups or departments to allow for multi-departmental entitlement tracking.

71% of organizations fail to monitor software usage.

4. Reassign under-utilized licenses: One easy way to reduce licensing expenses is reassigning an under-utilized license to another employee. A license management system will monitor usage patterns and report on unused licenses. It can be configured so that when a certain threshold is met, such as the application hasn't been used for six months, the software is uninstalled so the license can be reallocated elsewhere.

5. Harvesting and reallocating licenses from retired assets: Permanently "losing" licenses on retired assets is a common way to increase licensing costs and confuse your reporting metrics. Software license solutions can automatically uninstall applications from retired assets, harvest the licenses, and reallocate them for use elsewhere.

6. Alerts when you're about to be out of compliance: A software license solution can proactively alert you when you're about to run out of licenses so you can purchase more and stay in compliance. The software license solution will track when applications are deployed and send an alert when a certain threshold of license deployments has been met. This information can also be used as justification to secure additional budget for purchasing more licenses.

7. Supports scalability: Software licensing is a complex task that's most effective when performed as a scalable process. Manually conducting software inventories or tracking usage patterns across all devices in your organization, especially if it's geographically dispersed, is almost impossible to do on a large scale if you don't have an automated solution. Manual software licensing processes are time-consuming, resource intensive and expensive plus they often yield data that can have discrepancies and inconsistencies. A software licensing solution automates all these tasks so IT can spend time on more important responsibilities.

HOW DOES BMC CLIENT MANAGEMENT AUTOMATE SOFTWARE LICENSE MANAGEMENT?

BMC Client Management automates desktop and laptop management by helping organizations control costs, maintain compliance, and reduce data and financial risks.

BMC Client Management automates software license management and helps ensure compliance by:

- Importing purchased licenses to populate software license titles.

- Adding in purchase information attachments for those titles.

- Monitoring software license deployment, usage by device and/or user. Licenses owned by specific groups or departments to be reallocated within the group or across departments based on usage metrics.

- Uninstalling software based on thresholds set for usage metrics. For example, if Microsoft Project hasn't been used for 6 months, BMC Client Management automatically uninstalls it so the license can be reallocated elsewhere.

- Empowering users to download software on-demand through MyApps, a self-service desktop portal. If a user's software is removed and they realize they need it, they can use MyApps to download approved software without involving IT. License metrics are updated in the central database when new software is installed.

- Alerting based on thresholds that can be set by administrators. For instance, you can be alerted when 80% of your Microsoft Office Professional 2013 licenses are deployed so you can proactively purchase additional licenses and remain in compliance.

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