Oracle License Optimisation

Software Asset Management
Business Advisory

Oracle's products are at the core of the IT landscape for many enterprises and represent a significant and ongoing investment. However, having full visibility on those assets comes with a number of challenges and Oracle customers often need outside help to do this. KPMG has deep expertise in this area and empowers customers to achieve full visibility on their software licenses across their whole IT environment. This results in a more complete and accurate renewal of software contracts, and increased value for the customer.

Oracle Licensing

Oracle is one of the most active auditors in the software industry, you'll find its right to verify compliance is set out in your Oracle Master Agreement and related contracts. Failing to comply strictly with the terms of Oracle software license agreements can lead to significant financial exposures, commonly running to millions or tens of millions of pounds. Many Oracle customers find themselves inadvertently in a non-compliant position during an Oracle audit because they've not fully understood Oracle's terms and conditions of use, perhaps they've also not had a sufficiently robust process to prevent non-compliance from arising.

Proactively checking whether you are compliant and taking steps to strengthen internal controls can save a lot of expense and distraction down the road. KPMG can efficiently discover and analyse your Oracle software landscape (for example your enterprise applications, database, and Java use). We'll surface risks so that they can be dealt with in an appropriate and cost effective way.

Moving your Oracle products to the Cloud?

There are many good reasons for moving your Oracle landscape from on-premise to cloud and Oracle's strategy depends on customers choosing to do so on the Oracle Cloud. From a licensing perspective there are a number of factors to take into consideration in order to ensure you get the best value from your existing on-premise investments and that you optimise future OPEX costs. KPMG can support you in all aspects of deciding upon, preparing for, and carrying out the migration of your Oracle assets to the cloud.

Oracle License Optimisation

At the heart of our service is the insight provided by our Oracle Effective License Position (ELP). Conceptually its simple, what's deployed vs what's entitled, but without the correct expertise and targeted effort, organisations find it very challenging to create this type of analysis and reporting.

The majority of our effort goes into gathering the requisite data needed to prepare your ELP, that means collecting contracts and inventory, analysing that detail, and contextualising though discussions with product owners and supporting systems data.

The ultimate commercial value of our service is found in our License Intervention Plan which outlines the risks and opportunities inherent in your consumption of Oracle software, the mechanisms you can apply to limit spend and ensure compliance, and the value attributable to each intervention.

Oracle Unlimited License ("ULA") Agreement

An Oracle ULA provides the ability to deploy unlimited quantities from a defined catalogue of Oracle products over a defined term in return for a fixed contract price. This provides flexibility and pricing certainty and can be a powerful tool where future demand is uncertain. However, having a ULA does not mean that there is no need to track or manage the deployment of Oracle software. At the end of the ULA you will need to certify on what licenses are in use in order to crystallise a perpetual license grant and quantify future maintenance commitments. Whether you are entering, renewing, or exiting a ULA, capturing an accurate baseline of the installed Oracle software is critically important to ensure you maximise its value and avoid future non-compliance

Partitioning & Virtualisation Risk Assessment

Oracle does not recognise soft-partitioning as a valid means of limiting requirements for database CPU licenses. Oracle defines soft partitioning as "a flexible way to segment the operating system (OS) using resource management tools". Examples of soft-partitioning technologies include VMware, Solaris 9 Containers, Oracle VM and AIX workload manager.

The good news is that Oracle virtualisation risk can be understood in the context of your environment through KPMG's low cost / high impact Oracle virtualisation risk assessment service. Once any existing or future risk is understood, proactive mitigation options can be considered. However the available options become far narrower once Oracle has invoked the audit clause in their licensing agreements. Getting on the front foot now can avoid a lot of pain in future.

The KPMG team will work with you to identify your Oracle database portfolio and collect key data points from the virtualisation platform(s) as well as physical hosts. We analyse this information to calculate the license requirement according to Oracle terms and conditions. Our report includes a financial quantification of any existing license exposure and a summary of the options available to get and stay compliant.

Previous Engagements

A global financial institution went through a divestiture event which required the assignation of Oracle licenses to the right subsidiaries. We supported the customer in producing an Effective License Position based on Oracle Database discovery scripts. We provided detailed recommendations to achieve hard saving and mitigate compliance risk (e.g. migrating deployment on Vmware to a limited number of dedicated clusters), and we supported the negotiation of a 2 years audit grace period to allow the execution of the migration.

A global bank asked KPMG to support them in the Certification of their ULA exit and to define their future strategy for Oracle Java.

We delivered a comprehensive license position detailing the current requirement and entitlement for a range of Oracle database and enterprise products, we the guided the customer through all the phases of the certification, and we defined a commercial strategy and roadmap to migrate away from Oracle Java.

Contracts	Software	Strategy	Usage
You need to know your contractual obligations and usage cost points. Opportunities to save costs can come through workload management, metric rationalisation, andnew agreements.	Native reporting may not identify all of the deployed and used software. Detailed analysis can close gaps and find opportunities to remove redundant products, or support rationalisation of product suites.	Defining an ongoing and future strategy for Oracle will help you save costs in the long run! You need to research, define and evaluate the options available to you and plan accordingly.	Reviewing license usage is paramount to controlling costs and limiting scenarios of non-compliance. You need to have a complete picture across production, development and test environments.

Things to think about

|	Yes	No
Do you know how to scan for, and analyse, data relating to Oracle software to determine actual licence use?		
Do you have the necessary deployment details to Certify and exit an Oracle 'Unlimited License Agreement' (ULA)?		
Are you able to differentiate and optimise inter-operable license metrics like 'Processor' and 'Named User Plus' (NUP)?		
Have you considered using Oracle Cloud products as a method to optimise cost?		
Are you under pressure from Oracle to migrate to their new employee based license metric for Oracle Java?		

Did you respond 'no' to any of these questions? Would you like to turn them into 'yes'?

Our Oracle support services are just one part of a larger portfolio of services designed to help you connect capabilities across your IT and business functions. Our expert consultants are on hand now to help you achieve and exceed your ambitions. Get in touch to discuss more ways we can support your journey, such as:

SAM as a service
Software is a major part of IT spend, but it's difficult to track and manage. KPMG has teamed up with Flexera to provide an end to end, SAM managed service. It combines Flexera's market leading tooling for technology asset management and KPMG's expertise in software licencing. We offer a customised service which will evolve with your business.
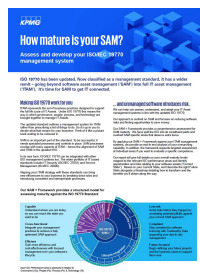
State assessment
ISO 19770 has been updated. Now classified as a management standard, it has a wider remit – going beyond software asset management ('SAM') into full IT asset management ('ITAM'). We can help you assess, understand, and adapt your IT management systems in line with the updated ISO 19770.

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