Licensing Quick Guides:

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Introduction

Volume licensing is a more affordable and generally much easier way to purchase and manage software within all but the smallest organizations.

Some of the concepts in volume licensing can be intimidating, and the practical considerations of some licensing models can confound even the best of us. Keeping up with the changes in licensing rules can be like trying to hit a moving target.

The IT industry is always in flux, and licensing tries to keep pace. But, the basics tend not to change. Microsoft is no exception. With a little upfront effort, a solid foundation can be laid from which an understanding of even the most sophisticated licensing rules can be achieved.

The aim of this article is to help those who want to lay that foundation for Microsoft, those who want to understand the basics of the various Microsoft specific licensing models and volume purchasing programs. It is not intended to capture every detail or exception to every rule, so please don’t take it as the holy grail of licensing. It surely is not. But I do hope to provide an overview of the more common product use rights along with some practical examples for each.

Matt Marnell, Holistics Inc

So let’s begin. Before jumping into the various volume license purchasing programs it’s important to understand the common license models and corresponding products. Most of the rules Microsoft uses to license its products follow neatly, more or less, from 9 basic models. If you can master them be confident that you are well on your way to becoming your organization’s very own Microsoft licensing guru.
Most Common Microsoft License Models

Desktop Operating Systems

The way Microsoft licenses desktop operating systems is about as simple as it gets: one license is required for each device using the software, and you can install only a single copy per license. One license is required for each physical, virtual, and thin client that uses the OS. However, there is one important caveat: in volume licensing the desktop operating system license is an upgrade, not a valid “base” license. That is, similar to other upgrades, you must have already licensed a qualifying operating system in order to apply a volume licensed desktop OS license. But since the OEM licenses that likely came with your new computer purchases are generally considered valid base licenses, this is not as troublesome as it sounds.

It is worth noting that Windows Enterprise is available as a complementary upgrade to Software Assurance (SA) customers with Windows Professional licenses. This also permits licensees to run up to four additional copies or instances on each licensed device while enrolled in SA, in contrast to the single install normally allowed. This is a useful benefit for environments experimenting with virtualization. Also, many people are aware by now of the right to downgrade from OEM or shrink-wrap (FPP, or store bought) Vista Business or Ultimate licenses to XP Pro. But, this is not the norm. While downgrade rights are granted to licenses purchased through volume licensing, or those enrolled in SA, most licenses of any kind acquired as OEM and FPP purchases are not granted downgrade rights.

Desktop Applications

Volume desktop application licenses are a touch more complicated than operating systems. A single license is required for each physical device either running or accessing the software. So feel free to install multiple copies of Office on your properly licensed computer. Are you running virtual machines on your desktop, each installed with their own copy of Office or Office Project? No problem, as long as your host desktop is licensed. But, you will need to make sure that all devices that access the software remotely, such as in a thin client environment, are individually licensed for Office.

There is one more catch. When Microsoft says properly licensed for remote access, they mean licensed for the same or higher (1) edition and (2) version. So, remotely accessing Office Professional Plus 2007 on a server from a machine licensed for Office Enterprise 2007 is allowed. Accessing Office on that same server from a machine licensed for Office Standard 2007, or any version prior to 2007, is not allowed.

Further, downgrade rights apply to desktop applications and allow a machine licensed for one version of Office to use any prior version – but not any lower edition, as these are actually treated by Microsoft as separate products! So you can license the current version of Office Pro and install Office Pro 2007, 2003, or even XP if you like, but not any version of Office Standard without another valid license for that product. These same basic rules apply to MapPoint, AutoRoute, Office Mobile, the
individual products within the Office suite, and just about any other standalone product you could also purchase in shrink-wrap that’s not a development tool or OS.

**Developer Tools**

Did I say that desktop operating systems were about as simple as it gets? In truth, that honour is reserved for developer tools. Simply put, one license is required for each user that accesses or uses the software. It does not matter how many copies are installed on how many devices. All that matters is that each user is licensed individually and that the software is only used to design, develop, test and demonstrate programs. MSDN, bundled with Visual Studio, is the most common developer license I encounter in the environments in which I work. But, other options with other benefits are also available such as Expression and TechNet subscriptions, and even some standalone developer licenses for BizTalk and SQL are available for almost nothing. Most organizations I encounter don’t have trouble managing their developer licenses, but keep in mind that your test users must also be licensed, one way or another, to use the systems they are testing.

Here’s a tip for MSDN licenses: While the bulk of rights that accompany an MSDN license are design/development/test environment limited, there is one often overlooked use right that can be quite valuable to organizations with large amounts of developers. MSDN Universal and Premium subscribers also have the right to use one copy of Office Ultimate, Visio Pro, Office Project, and several other desktop applications – for any purpose.

**Servers – Server/CAL**

Many servers sold by Microsoft are licensed using the server plus Client Access License (CAL) model. First, it is important to note that Microsoft considers a hardware partition or blade a separate server. Second, Microsoft defines a CAL as a license that gives a user the right to access the services of a server, for example, file and print sharing. CALs come in several flavours, including User, Device, and External Connector – and they are specific to the server and version for which they allow access.

You may choose depending upon the nature of your environment to purchase all Device CALs, all User CALs, or a combination of both. Officially, once you pick you cannot change a Device CAL to a User CAL, and vice versa, without Software Assurance (and even then only upon renewal of an SA agreement). But, I have known organizations to be successful at negotiating a change in CALs.

The External Connector License (EC) is technically not a CAL but a serves the same purpose for any number of external users that need sophisticated access to your internal network. These are never required – you could just purchase regular CALs – but are a cost effective way to license unlimited access to your network by lots of contractors, partners, suppliers, or customers. Also, if you’re running a publicly accessible website, or another anonymous service, you probably don’t need an EC. Even if you do, the good news is that you only need one EC license per server
regardless of the number of external users or number of instances running on that server.

Two of the most widely understood examples in the Server/CAL category are Exchange and SharePoint. So to run either of these services, each operating system instance running the service – including any virtual machines – must have a Server license and each user or device must have a CAL.

**Server Operating Systems**

Windows Server operating systems, including Small Business Server, are licensed in the Server/CAL model. So, if you’re on the hook for CALs anyway, why buy Enterprise Edition when Standard costs so much less? The difference is in the extras, of course. 5 CALs come with Standard, but 25 come with Enterprise. And let’s not forget that the extra virtualization rights incorporated into the higher priced editions can be an important factor in reducing the overall licensing costs of a large-scale deployment. Products licensed under this model do come at significant discount compared to those licensed Per Processor, but the price of CALs will start to add up as your organization grows.

As just mentioned, some server operating systems aren’t licensed using a Server/CAL model. Windows Datacenter Edition, which comes with unlimited virtualization rights, and Windows Server for Itanium systems, a 64-bit processor built especially for efficient operation in enterprise servers, are licensed using a Per Processor model – which we’re about to discuss. For now, let’s just remember that in these special server OS cases CALs are still required.

Finally, downgrade rights are also available to Windows Server licenses purchased as OEM or shrink-wrap, just like those purchase through volume licensing and/or enrolled in SA. Full details are available on Microsoft’s website.

**Servers – Per Processor**

The Per Processor license model works just like it sounds: one license is required for each processor that supports a service. The main benefit licensing under this license model is that most processor-based licenses don’t require CALs. For instance, SQL Server is probably the most prolific example in this category, as it should be. Stellar databases like SQL Server are obviously good at managing large amounts of data, especially in those cases where coordination between many users is a must. The Per Processor licensing model is far more cost effective than the Server/CAL model in those and similar situations where large numbers of CALs would otherwise eat up budget.

One of the more critical points to understand about Microsoft processor-based licensing for servers is the difference between cores and processors. A processor can contain multiple cores that share execution resources, but two separate processors generally have separate execution resources that translate to better performance. Many software vendors consider cores in their licensing models.
Microsoft does not – just processors – and this can be a licensing advantage over its competitors.

When licensing servers under the Per Processor model, you can choose either to acquire a license for each processor running an instance of the software, whether it be a virtual or physical processor, or you can acquire a license for every physical processor on that server. While this is often presented as a choice between two options, for the purposes of this discussion it might be more helpful to think about the model as having an upper limit instead. The maximum number of processor licenses ever required is the number of physical processors on a server. At that point, you can run any number of instances you desire. Our example, SQL Server, has some other special licensing considerations that should be understood before making a purchase, so be sure to do your homework.

**Other Microsoft Licensing Models**

**Online Services**

Microsoft's online services are subscription-based, and so are the licensing models for these products. In this case, whether the license is user-, device-, or organization-wide really depends on the type of subscription. There is even a licensing model to cover only a single server or even just an amount of storage space. As an example, Forefront Protection for Exchange is available either in a Per Device or Per User Subscription License to match your Exchange licensing model.

**Other Servers – Management/Specialty**

Management Servers, like SCCM, are used to manage the other devices in a large environment. These systems can provide detailed hardware and software inventory, and in the right hands enable more effective IT Asset Management. These products are licensed roughly in the Server/CAL model, except that in this case the CAL is referred to as a Management License. And, Specialty Servers, like Dynamics CRM, are licensed per instance, whether inside a virtual or physical machine. If you are more interested in these products and the corresponding license requirements, the product pages at Microsoft’s website are a great place to start.

**Software Assurance**

There is one last item to cover: Software Assurance (SA). This is Microsoft’s comprehensive maintenance offering. Too long a list of benefits to completely list here are available to SA customers, but I would be remiss not to list a few: downgrade rights, new version rights (aka upgrade rights), 24×7 support, training vouchers, and the employee home use program, among many others. You can even acquire SA for certain licenses acquired through as OEM or shrink-wrap, such as Windows OS, if you purchase SA through a qualifying volume licensing program within 90 days of your non-volume license purchase. Although the benefits are substantial, so is the cost, so it is obviously important to understand the value that specific benefits of SA will bring to your organization before signing up.
Wrap up

I hope you have found this quick guide to Microsoft licensing useful, but as is often said there are exceptions to every rule and Microsoft licensing is certainly no different. Much like each snowflake, each organization is different and has a different set of needs. As a natural result, the optimal combination of license types for each organization will vary. If you have questions, don’t hesitate to get in touch with a licensing specialist.

Matt Marnell, of Holistics, is a licensing expert and IT Asset Management professional responsible for the development and implementation of licensing and ITAM solutions for clients all over the world.

“Holistics provides global research and information solutions. Our specific expertise is in Software Asset Management (SAM), a discipline we’ve helped to revolutionize through technical innovation and best-practice development. Holistics’ services can be tailored to meet your specific IT challenges and are provided in the strictest of confidence.”
Oracle Licensing Quick Guide

http://www.itassetmanagement.net/2010/03/01/oracle-licensing-quick-guide/

By Martin Thompson on March 1, 2010

In Featured, Oracle, Software Licensing

This Quick Guide to Oracle Licensing has been provided by Mark van Wolferen of b-lay.

Introduction

Oracle’s software licensing is seen as complex and treacherous. The number of products and acquisitions made by Oracle over the years has resulted in numerous pricelists and a wide array of licensing possibilities and extended definitions.

Keeping track of the changes that effect your organization might seem like an impossible undertaking.

For Oracle, as for many ICT companies, the technological possibilities today, determine the licensing of tomorrow. At first glance (or review), the perception is that Oracle licensing strategy is steered by commercial gains. However, when you closely observe the changes made over the last decade, there is logic behind the changes and an ongoing effort to make licensing transparent and accessible.

The aim of this article is to show a quick insight into Oracle’s historic licensing and common licensing for Oracle technology.

Reading this article will not make you an Oracle licensing expert, but will hopefully provide you with enough knowledge to understand the essentials.

Most Common Oracle License Metrics

Oracle has more than three thousand products distributed over a four-layer infrastructure model. These layers are

1. Applications
2. Middleware
3. Database
4. Infrastructure
The licensing associated with each product is related to their position in this infrastructure and how they are deployed. This has led to over 80 license metrics in today’s list of license metrics, but a lot of these are for very specific products or groups of products. This guide provides an introduction in the most common metrics for database and middleware, also called Oracle Technology products.

Database & Application Servers – User based

User based licensing has always been offered by Oracle, or at least since the database version 6 in the late eighties. Over the years the user definition has significantly changed, often to adjust to new technology. In principle the licensable element remained the same: Oracle user based licensing is about the individuals or devices that have the ability to access the software, regardless the active usage.

Also since the start there has been a pricing in relation to the associated hardware. Initially this was to the specific hardware/OS combinations; today it is to the hardware type in the form a minimum requirement per processor. Per the license agreement, Oracle makes you responsible to ensure these minimums are met. This is a task to take seriously if under-licensing wants to be avoided.

The dominant metric for user based licensing is named user. A named user is an individual that has been authorized by your company to use the Oracle software, regardless of whether the individual is actively using the programs at any given time. Individuals can be employees, contractors, but also customers who can make use of the software direct or through other applications. If there are non-human operated devices in your architecture, such as sensors, these need to be counted as a named user in addition to the individuals, if such devices can access the product.

The license is for an individual for a specific product, regardless of how often this product is used. This means that under one license you can use multiple installations of this specific product, on one or multiple servers. If the individual is licensed once, no additional licenses are required. For example if John has a NUP license for Database Enterprise Edition, he can access a multitude of databases on various machines, all under that one NUP license. These, so called, multi server rights are a standard part of the license grant.

Named User licensing is about the people and devices that can use the software, not about what usernames are in the software or who uses the software. This seems to be simple and can often be determined by looking at the organization, rather than the software. However in multi-tier or technical architectures it can be very hard to determine. Oracle software can be at the bottom of the infrastructure and some users might have access to Oracle software without knowing it. Especially when batching or multiplexing is being used it can be hard to determine. Under named user licensing multiplexing software is not recognized by Oracle, so the numbers needs to be determined at the front end of the multiplexor.
A practical rule that helps you in finding these populations is to track;

1. Where the requests come from
2. Where the information comes from.

To be sure document your architecture and approach a licensing specialist to assist, as mistakes can be costly.

Since 2002 Oracle uses the Named User Plus (NUP) metric. This metric is available for the majority of products on Oracle’s Technology pricelist; Database products (Oracle database, Options, Enterprise Management), Data Warehousing (Express), Application Server products (Weblogic, iAS, Options, Enterprise Management), Business Intelligence (Oracle BI, Hyperion Essbase), and many Enterprise 2.0 products (Webcenter, Content Management). Although the metric name is unchanged for the last 9 years, the definition has been adjusted to allow for the automatic batching from computer to computer. Under NUP Automatic batching of data from computer to computer is permitted. This means that if data is stored in one relational database and then batched to a datawarehouse on Oracle technology, the individuals who can use the first database are not to be considered as Named users of the datawarehouse. Prior to NUP there were slightly different other license types, such as Named User Single or Multi Server in 2000 or per Named User in the nineties.

Because of the complexity mentioned above, the NUP license metric may only be used in countable populations. Often it is used to license the employees and contractors of a company or the internally used applications. It is also a popular license for development and test environments, as those are often characterized by a low number of users who can access the software (be aware of the minimum requirements which are hardware related!).

When looking at your licensing make sure you look at the exact definition that is in your Oracle License and Service Agreements (OLSA) attached to your order form or offer.

**Database & Application Servers – Box based**

Since December 1999 with the rise of the internet and the uncountable user populations Oracle introduced box based licensing. As more applications are web based logically this metric has gained popularity and next to the NUP license metric this is a prominent metric on their price list.

The first metric in 1999 was the Power Unit Intel and Risc, later followed by Universal Power Unit metric in 2000. In 2001 Processor licensing was introduced and this metric is still on the pricelist today. Almost all products on the Oracle technology pricelist, including the products that can be licensed by NUP, are offered by Processor licensing. This makes it a very simple all-around metric, often used in larger contracts and Enterprise Agreements. To license the internal usage with NUP and all external / customer facing systems by Processor is a common combination
although with larger customers it is not uncommon to license all production machines by processor.

There are a few important nuances that need to be made when dealing with the Processor license metric of Oracle:

- **Installed and/or Running**: all processors should be licensed where Oracle Software is installed and/or running. This means if the machines are put in a cluster, the entire cluster needs to be licensed that have Oracle installed. For standby or remote mirroring machines this is similar. The exception is for failover machines; you are allowed to run a failover (like Oracle Failsafe or Veritas, HP Service Guard, HACMP, Linux HA – Heartbeat) if the machine is live for less than 10 separate days per year. Legacy systems, also those powered off, require licensing if Oracle software is installed.

- **Processor Calculation**: a processor license is calculated by multiplying the total number of cores of the processor by a core processor licensing factor specified on the Oracle Processor Core Factor Table which can be accessed [here](http://www.itassetmanagement.net). All cores on all multi-core chips for each licensed program are to be aggregated before multiplying by the appropriate core processor-licensing factor and all fractions of a number are to be rounded up to the next whole number.

- **There are some nuances per product as well. For example when licensing Oracle Database Standard Edition a processor is counted equivalent to an occupied socket; however, in the case of multi-chip modules, each chip in the multi-chip module is counted as one occupied socket.**

- **Virtualization Software & Partitioning**: Oracle distinguishes between two types of partitioning; hard- and soft partitioning. If partitioning methodologies, including virtualization software, is part of hard partitioning, only the partitions with Oracle software need to be licensed. Soft partitioned servers need to be completely licensed. All third party (like VM Ware) is considered soft partitioning and requires the full environment to be licensed. Oracle VM, a free open source VM, is can be set up as hard partitioning. If set up correctly, this is the only virtualization software that classifies as hard partitioning.

- **The partitioning categorization depends on the ease of managing the data processing resources (CPU capacity). Hard partitioning is where a server is physically segmented taking; a single large server and separating it into distinct smaller systems. Each separated system acts as a physically independent, self-contained server, typically with its own CPUs, operating system, separate boot area, memory, input/output subsystem and network resources.**

As the minimum licensing requirements for NUP are also based on the Processor licensing it is good practice to start your licensing needs by determining the requirement number of Processor licenses. To be safe, always start with licensing the widest architecture (especially in case partitioning or virtualization software is used) and restrict your licensing by carefully following Oracle guidelines (i.e. mark failover machines or ‘hard’ partitioned systems). Of course, for your existing box based metrics, always check your contract for exact definitions.
Software on Desktops

Most people do not associate Oracle with desktop products, but since the early days Oracle software has been deployed on PC’s. The majority are tools used by the technical staff involved in Oracle to design, develop, or maintain Oracle Software – such as Internet Developer Suite and Programmer – however a few are more aimed at a wider population – like Discoverer Desktop Edition and the Personal Edition Database -, and even some server products – such as the Standard Edition Database – can be found on desktops.

The licensing of these products has been very consistent over the last 15 years; there is no separate licensing model for this, it was always available under the same definitions as the user based licensing as used for their database & Application Server product range.

Over the last 9 years there has been Named User Plus (NUP). Prior to that there were slightly different other license types, such as Named User Single or Multi Server or in the nineties per Developer, however the definitions of these license types have always been an exact copy of the user based database product licensing. This means you need to license all individuals authorized by you to use the software, regardless of whether these individuals are actively using the software at any given time. In other words: if it is installed on a desktop, all people that are allowed to use that desktop need to be licensed.

What does Support have to do with it?

Lifetime Licensing

Under a perpetual license, a customer purchases the license to use the software and then pays annual support. This support fee gives you the right to contact Oracle for support and the right to use the latest version of the product, including all supported previous versions. For example: you buy internet Application Server (iAS) version 11, and install version 10, or have bought version 9, but now run version 11.

Each release could contain functionality that was previously licensed separately. The grant you have is for the latest version of the product you are entitled to under your support agreement. The new product could include all new features and functionality that you are now entitled to use or, often when it is larger bundle, you are not allowed to use. The version on the CD is often considered as the ‘new’ version by technical staff. When in reality the new version could be the new product, with the restricted functionality of the licensed product.

The other complexity support adds to understanding your licensing is that all historically agreed licensing terms & conditions, are still applicable today. Often user will rely on their support invoices to understand their license grant. This is not complete, as the support invoice does not hold all the nuances in terms and definitions. Keep a good record of your original order and OLTA. You will not be the first to add up licenses, especially buying additional licenses, which seem to be for the same product but not have the same definitions and restrictions.
Wrap up

Oracle has spent many efforts in simplifying their licensing. They publish their licensing and rules on their website and the online purchasing systems like the Oracle Store. However due to their acquisitions, the number of product and flexibility in usage, it has become complex for the end-user to understand.

On top of that Oracle offers lifetime support (including updates) on almost all products. This has resulted in a wide number of the number of licensing definitions, rules and interpretations, all still valid today, if they are in your agreement. Overall Oracle licensing is not complex; there is just a lot of it. If you have questions, don’t hesitate to get in touch with a licensing specialist.

See also ‘Trouble Finding Oracle On Your Network’, Oracle LMS, Oracle Price List.

Mark van Wolferen, of b.lay is an entrepreneur in compliance related administration solutions and knowledge sharing and uses the knowledge of 11 years in Oracle License Management Services to make software licensing and managing compliance more transparent. b.lay provides subscription, solutions and services to software vendors, their end-users, and third parties. b.lay’s deliverables distinguish by easy of use, simplicity and accuracy. Recently b.lay was the first to obtain the official Oracle LMS trusted Advisor status.
Adobe Licensing Quick Guide

http://www.itassetmanagement.net/2010/03/23/adobe-licensing-quick-guide/

By Martin Thompson on March 23, 2010

In Adobe, Software Licensing

This quick guide to Adobe Licensing has been provided by Patrick de Veer at b-lay.

Introduction
Like most other software publishers, Adobe licensing is seen as a complex subject. With Adobe’s Volume Licensing Programs, the way to acquire software products has been made easier, and has become more transparent for software users and Adobe itself. Still, the perception for most people is that “it is hard to follow the licensing of Adobe products and the rules around their usage rights”. On top of this perception, new products and versions are introduced rapidly, and many software users only focus on licensing when they are required to do so. Because of this periodic management, many products and licensing changes that might affect a customer’s license ‘estate’ might a risk in terms of software compliance.

The objective of this article is to provide greater insight into the evolution of Adobe products and to help you understand the why and how of Adobe licensing nowadays.

This article is not intended to detail everything concerning Adobe’s software licensing but to have a better understanding of the Adobe products and their rules regarding software licensing.
Ways to acquire Adobe software

Understanding how you can purchase Adobe software will provide you with a better understanding on how Adobe products fit within your organization. This article goes beyond how a product needs to be licensed (license metric) into a better insight on how to best manage your licenses as assets. Adobe products can be acquired via the following licensing options:

**Volume Licensing Program: Adobe Volume Licensing (AVL) includes:**

1. Transactional Licensing Program (TLP)
2. Cumulative Licensing Program (CLP)

**Box**

1. Shrink-wrap, via reseller or retail
2. Click-wrap, download a Electronic Software Distribution (ESD) via Adobe store.

Note: Adobe had other licensing Programs like Forms Licensing Program (FLP) for their Server products and still offers Enterprise Agreements. In this article these licensing forms will not be discussed in detail.

Over the years, Adobe Volume Licensing Programs have been designed to provide enterprises the ability to access special benefits through a volume purchase program. The programs allow a low entry to acquire licenses for all customers. For example, TLP has no minimum purchase requirement. You can purchase 1 license under TLP. This is a good progression for customers, partners and vendors. In addition, a Volume Licensing Program helps to reduce discussions on proof of ownership. Under a volume program a customer will be given access to their purchase records online, which makes it easy to manage their Adobe entitlements. A shrink-wrap product however is not visible and/or managed in your online entitlements information even though you register your purchase with Adobe. This means keeping the box (shrink-wrap), and/or an invoice will be required to show proof of ownership. However, without a good shrink-wrap administration your investment can be easily confused or diluted, especially in large environments.

There are price differences among the different license types available. Most common license types are:

- Full license: A major release of a software application that includes new features.
- Upgrade: New versions of an Adobe product license, sold at a discount to customers who own full licenses for the existing (or previous) version of the product
- Upgrade Plan (formerly maintenance): Entitles customers to all upgrades of the software they choose to cover that are released during their coverage term, at no additional charge. Is only available under the AVL licensing program

Although many desktop software vendors use a similar license types, it is worth repeating how it exactly works. When you upgrade to a new version of a product, a full license will be used as a ‘base’ license for upgrading to the version you acquired the upgrade for. The combination of the ‘base’ and ‘upgrade’ will give you the right
the use that latest version. Note that the full license (‘base’), you used for the upgrade is then consumed!

Below are other less known license types not available to purchase:

- **Post-announce Upgrade**: Available to customers who license an Adobe product within a specific period after Adobe announces a new version of that product. This is also called a grace period. Such customers will receive the new version of the product at no additional charge.
- **Update**: Includes enhancements and solutions to known issues with a product, but no major new features. Customers are not automatically notified when an update is available, however is provided to customers at no charge.

Worth emphasizing is the grace period. On the announcement of a new product version, the new product is not immediately available. When purchasing an old version during the so-called ‘grace period’ the new version will be provided to you at no cost.

**Most Common Products and Licensing**

Adobe products can be widely found on desktop and servers. Most of the products are used on different platforms like Windows, Mac, UNIX, Linux, Mobile, etc. Adobe’s products are very diverse and can fall in one of the following categories: consumer photo & video, mobile and devices, print publishing, pro photography, rich internet apps, pro video, tech communication, e-learning and training, web conference, and web publishing. Be aware that these categories can change and this is just an example to illustrate the diversity of the products. Many customers are not aware of this information, and therefore they might be using Adobe products without knowing it.

Another side of Adobe licensing might be less obvious. Adobe sells ‘sexy’ applications that professionals and amateurs like to have and use. Good examples are Photoshop, Creative Suite, Flash, Dreamweaver, which enables someone to create content for personal and company use. Although Acrobat might be considered as less ‘sexy’, Acrobat reader is available at almost 90% of the devices in the world.

It is easy for a user to know which operating system they are using, however with Adobe products it can be slightly different. As mentioned, a lot of people are not aware a product they ‘have’ is an Adobe product. ‘Sexy’ applications drive people to use it, or use parts of the cool functionality. As most of these products can be bought in retail, it is not easy to control how they enter into your organization.

Adobe has the advantage their technologies are well known to the public. However compared with other major software vendors its products address a niche market. It’s licensing is not complex, however not understanding that Adobe’s licensing is important can lead to underestimating the impact of Adobe products in your network. By knowing what Adobe software is, how it enters your company, controlling it, and understanding Adobe’s licensing rules will make your life easier. The following background information should help. Acrobat Reader was initially priced per user and in 1994 with version 2.0 made free of charge. As from that period one could
follow a kind of general rule for end user software: ‘de facto standard Adobe technology software (PDF, flash, AIR) is licensed free of charge, however software used for creating content, which can be distributed over the free technology platform, requires a license fee’

**Desktop Software**

Most known products to the public are Adobe Acrobat, Adobe Flash, and Adobe Photoshop (as point product or as part of the Adobe Creative Suite). Most products are user applications to create content and print or post to the web. Also developer tools like Adobe Dreamweaver, Adobe Flash Professional are desktop products. The general license metric for desktop software is ‘per installation’. Meaning you may install and use one copy of the Software on your Computer. Although this is a quite easy metric and applies for most of the desktop products, there are some exceptions worth remembering.

The nature of Adobe products is that once you use the product functionality you want to make it available for your whole company. PDF generation or collaboration, are typical functions that want you to extend to a wider range of users. Instead of rolling out the desktop software, some choose to deploy the software on a server. Technically this create issues; however, license-wise when you deploy on a server you cannot only count the installation on that server but all users. The total number of users (not the concurrent number of users) able to use the Software on this server(s) may require a license.

Each free and payable product has its End User License Agreement (EULA), which states rules about how you can use and/or count the required licenses. The software license section is one to read. As each product has a EULA, user rights may differ per product. Adobe provides a source of EULA’s at their site. Beware that the site does not show historical EULA’s.

Obsolete products cannot be purchased anymore i.e.: you can only acquire the version that is available at the time of purchase. As from CS2 for Creative Suite products the EULA states that you are allowed to keep and use an older version on your computer. For other and CS products before CS2 you had to remove a previous version when installing an upgrade.

Some licensing complexity around the desktop products is mainly related to Creative Suite products. The Suite products came from Collection Bundles a few years ago where ‘point products’ like Photoshop, InDesign, Illustrator, etc. were bundled in order to address different audiences like Designers, Web developer, Video producers. Some ‘point products’ became part of more Suites, and are sold separate as well. One major challenge around CS product licensing is to understand to what Suite you can migrate to maximize your benefits, especially if you have one or more point products available. A second major challenge is to identify if a point product is installed as part of a Suite or as stand alone product. It would be too extensive to address the CS topics fully in this Quick Guide. If you seek more custom advice please contact me or your Adobe Licensing specialist.
Server Software

Through acquisitions of Jetform/Accelio in 2002 and Macromedia in 2005, Adobe entered the Enterprise Software market and started to offer server products such as Adobe ColdFusion, Adobe Central Pro Output Server, Adobe Forms Designer, and Adobe LiveCycle. With the introduction of Server products, Adobe’s licensing metrics had been extended. In addition to ‘per installation’, other metrics were made available like CPU, User, Server, Document, Form, Set (2 CPU’s). Adobe used to sell these products through their Forms Licensing Program (FLP) program; however recently under the current AVL you can acquire these products under CLP. During the early 2000’s, Adobe used to have also the Site License Program (SLP), with the recent change it has been made easier for customers to just choose a TLP or CLP.

Technologies

Adobe’s first products were postscript and fonts. Although fonts are still installed on your computer, postscript is a technology in order for people to print in high quality. This technology has been adopted by the industry quite rapidly. As for licensing postscript software, end users normally would not directly have to acquire a license. These technologies have been included in hardware and software. Over the years, Adobe has further developed technologies that are not directly related to a licensing model for software users. In 1993 Adobe introduced the Portable Document Format (PDF), which is still used by many applications. It has been widely adopted and finally published as an open standard in 2008.

Two other technologies are Flash and AIR which emerged after the Macromedia merger. Although all these technologies do not have a direct licensing requirement for software end-users, it is important to understand how they relate to the products that require a license. PDF and Flash are vastly deployed over most of the desktops in the world. Each of them reaches higher than 89% penetration on any device globally. Flash and Acrobat Reader, the products that facilitate showing the content via these technologies, are licensable products, however free of charge. Due to this popularity many people think Adobe products are free, including the products Flash Pro and Acrobat Standard/Professional that help to create the content. Remember to apply the general rule of thumb here.

The misconception many people have that Adobe products are free, is a not strange one, however it is wrong. Ignoring whether your company has installed Adobe products requiring a license is also a dangerous situation with possible side effects. Remember: ‘de facto standard Adobe technology software (PDF, flash, AIR) is licensed free of charge, however software used for creating content, which can be distributed over the free technology platform, requires a license fee’.

Other Adobe Licensing

Products on the Desktop and Server are not the only way of using the functionality of Adobe software. Via Online Services, Adobe is offering a lot of the desktop application functionality to a broader audience, like: Acrobat.com, Acrobat Connect
Pro, Photoshop.com, Flash platform services and Scene7 solutions. The specific terms for each of these services can be found at their site. In general the license models for these services are per subscription. According to the option you subscribe you can use the functionality.

For Desktop products like Acrobat, Creative Suite, and Flash Adobe offers Product Support Plans with Support Contract Terms. The support solutions available focus on your type of companies and the size. Different levels of support are offered to help you take more advantage of the products you acquired. Support Plans are not to be mixed with the Upgrade Plan. Adobe Upgrade Plan ensures that you have the latest version of the product for the period you purchased the Upgrade Plan for. The benefit of this is that it is calculated upfront, and that Adobe automatically will provide the new release to you.

**Wrap Up**

Providing more information on the background of Adobe products and some rules will hopefully allow you to understand today’s essentials of Adobe licensing. With the simplification offered by the Volume Licensing Program you can get a better insight in your license rights. With some basic knowledge on Adobe technologies and free products you quickly increase your understanding of licensable Adobe products.

You have seen that there can be some misconceptions. With the combination of the very diverse product stack of Adobe they can possibly enter into your organization uncontrolled. In the end Adobe, like other vendors will consider that it is your responsibility to manage. Adobe continues to provide low entry licensing programs and controls like activation in order for you to be in control. Full detailed information around the volume licensing program is very clearly explained on the Adobe website. Additionally Adobe Licensing Centres / resellers will be able to help you find the most optimal way how to purchase. If you have questions, don’t hesitate to get in touch.

**Patrick de Veer**, of b.lay is an entrepreneur in compliance related administration solutions and knowledge sharing and uses the knowledge of 4 years in Adobe License Compliance Program and 7 years in Oracle License Management Services to make software licensing and managing compliance more transparent.

Photo Credit
IBM Licensing Quick Guide

By Martin Thompson on March 30, 2010

In IBM, Software Licensing

IBM Blue Gene-P

This Quick Guide to IBM Licensing has been provided by Koen Dingjan of SolarCom.

Introduction

IBM is one of the largest software vendors in the world – some rankings even list it as the largest software vendor. However, IBM licensing rules and policies are not as well-known as that of some other software vendors. One reason for this is that IBM has a broad portfolio of software which is continually expanding, and each product has different licensing rules and methods of measuring deployment. This guide aims at providing a quick overview of licensing topics which apply to most IBM software products.

**IBM brands**

IBM groups its software offerings in five general “brands”:

- **DB2 and Information Management**: This brand is mostly known for its DB2 database products such as DB2 Enterprise Edition. Other products in this brand
focus on areas such as data warehousing, data analysis, data mining, media asset management, enterprise content management and information integration. Acquisitions which have been added to this brand include Informix (2001), Ascential (2005), FileNet (2006), and Cognos (2008).

- **Lotus**: Besides the well-known Lotus Notes/Domino email software, this brand covers products which are aimed at providing a unified environment for messaging, calendaring, application development, real-time and team collaboration, content management, mobile and wireless devices, and social networking. Lotus Software was acquired by IBM in 1995.

- **Tivoli**: The products in this brand focus on infrastructure management. Examples of commonly used products are Tivoli Storage Manager (for data backup and restore) and Tivoli Monitoring (for monitoring performance and availability of servers and applications). Tivoli Systems was acquired by IBM in 1997. Recent acquisitions which were added to this brand are Candle (2004), Micromuse (2006), and MRO (2006).

- **Rational**: This brand groups most IBM software relating to software development and delivery. Rational itself was acquired by IBM in 2003 and expanded through the acquisition of Telelogic in 2008.

- **WebSphere**: Product families within this brand are application servers, business integration, commerce, development tools, and portals. Commonly used products are WebSphere Application Server and WebSphere MQ (middleware).

IBM frequently expands its portfolio through product development and acquisitions of software companies. An overview of the most common IBM products within each brand can be found here. In some cases, IBM changes the licensing rules of the acquired company to align with the existing IBM rules. In other cases, IBM chooses to maintain some of the license metrics of the acquired company (Maximo and Cognos are examples).

**Passport Advantage**

The programs through which IBM offers its software licenses are called Passport Advantage (for larger organizations) and Passport Advantage Express (from small to midsized organizations). Passport Advantage Express has no minimum purchase requirement and its offerings are priced per transaction – no discount applies for volume licensing. Passport Advantage, on the other hand, applies a points-based system to calculate volume discount. Based on the number of purchases a customer makes each year, a Relationship Suggested Volume Price (RVSP)-Level is assigned, with a corresponding discount level. Large organizations are wise to consolidate their IBM license contracts as much as possible to benefit from these volume discounts.

In most cases, IBM software licenses allow the customer to use the software indefinitely, although fixed-term licenses are also available. Once a license has been purchased, the customer is required to buy software subscription and support annually in order to benefit from software updates and technical support. The initial purchase of a software license generally includes subscription and support for the first year. Using your Passport Advantage user ID and password, it is possible to obtain an overview of your software entitlements through the IBM website.
Capacity based license metrics

The Processor Value Unit (PVU) license metric is the most common license type for IBM server products. The advent of multi-core processors and increasingly powerful hardware technologies lead IBM to introduce this license metric in 2006. Previously, licenses were calculated “per processor”. As performance of processor technologies began to differentiate, IBM adapted their licensing policy accordingly.

The PVU license metric is meant to align license requirements with hardware performance. For example, a dual-core POWER5 chip requires double the amount of PVUs as a dual-core AMD Opteron chip (200 PVUs vs. 100 PVUs). Note that single-core chips almost always require 100 PVUs (with the exception of Cell processors). The latest PVU conversion table can be found here. IBM continually updates this table to reflect new developments in processor technologies. Currently, PVU calculations are based on Processor Vendor, Brand, Type and Model Number.

Be aware that the use of the word “processor” may sometimes lead to confusion. IBM uses the word processor to indicate a “core”, as opposed to a “chip” (or “socket”), which may contain multiple cores. Some hardware vendors however define “processor” as being a “chip”. Make sure that these distinctions are understood when using software asset management (SAM)-tools or a CMDB to determine the deployed quantity of PVUs.

Many Tivoli products (such as Tivoli Storage Manager and Tivoli Monitoring) are licensed based on the environment being managed by the Tivoli product. For example, when Tivoli Monitoring is used to monitor 500 servers in the environment, PVU entitlements must be purchased to cover all 500 servers. Customers who deploy these products in a large environment need to consider how to efficiently collect server hardware details in order to calculate PVU deployment.

Besides the PVU license metric, some server products are still licensed based on the install or the server license metric. Deployment for such products can be calculated by determining the number of installed copies (install) or physical servers hosting the software (server).

User based license metrics

The authorized user metric is the most common license type for user-based products. In some cases server-based products can also be licensed per user. Users are defined as people who access the software in any manner. Once a user is assigned as an “authorized user”, the license may not be reassigned to another user, unless the original user is being replaced on a long-term or permanent basis.

In some environments, it may not be straightforward to identify the end users of a certain product. For example, a database product may only be accessed by some third-party applications and a few administrators. In this case, all users of the third-party applications would also need to be licensed. When multiplexing technology is used, the same applies – all the end users need to be licensed. A useful thought experiment can be to ask the following question: “What would happen if I deactivate
this product today, who would be affected?” Those people are usually the ones that
would need to be licensed. Also note that for some server products, a minimum
purchase quantity of authorized users applies. For example, the licensing terms and
conditions of DB2 Workgroup Server Edition indicate that a minimum of 5 authorized
users must be purchased per server on which it is installed.

Other common user-based license metrics include Concurrent User, Floating User
and User Value Unit. Concurrent User licenses allow a certain number of users to
access a program simultaneously. The number of licenses required is the maximum
peak of concurrent users which have accessed the program at any time. Depending
on the IT environment, it may be beneficial to deploy software which limits or
measures concurrent usage to prevent usage to exceed the number of licenses.

Floating Users, which are common for Rational software, are similar to Concurrent
Users. Floating User products usually require license keys to be installed on a
central server. Each user then needs to “borrow” a license key to start using the
program – in case no license keys are available, access is denied. Rather than
measuring actual usage, the deployment quantity is determined by counting the
number of installed license keys.

User Value Units (UVU), which is used for some Tivoli products, are similar to
authorized users. Usually this metric is used to allow for tier-based volume licensing.
For example, 5,000 users of Tivoli Identity Manager would require 5,000 UVUs, but
10,000 users would only require 7,500 UVUs. For each product the tier levels are
different.

Within the Lotus brand, a special type of user license is the Lotus Domino Complete
Enterprise Option (CEO) bundle. Normally, Lotus products require separate
entitlements to be purchased for server products (such as Domino Enterprise) and
client products (such as Lotus Notes). CEO bundles however are licensed based on
the number of end users only – the supporting server software is “included” in the
license. For some organizations this may provide a cost-effective alternative to the
client-server license model. However, keep in mind that certain rules apply when
using CEO bundles. One of the requirements when using CEO bundles is that each
employee in the organization with desktop or laptop access needs to be licensed.

Other license metrics

There are many more license metrics than the ones mentioned above, some
common ones are:

- Resource Value Unit (RVU): This license metric is used for some Tivoli products (in
  particular Tivoli Netcool). Rather than licensing the capacity of the servers being
  managed (in PVUs), other “types” of resources or devices (such as switches,
  printers, etc.) also need to be licensed. The specific rules for calculating the required
  RVUs differ for each product to which this license metric is applied. Determining
  the deployment quantity for products with this license metric is usually quite complex as it
  requires a deep understanding of the environment being managed.
- Millions of Service Units (MSU): This license metric is used solely for IBM software
  which is installed on the IBM mainframe, or zSeries. Products need to be licensed
Based on the total MSU capacity of each zSeries machine where the product is installed.

- **Concurrent Session**: This license metric is used for some Informix products. It requires that the maximum number of concurrent sessions connecting with the product at any time be licensed. An important difference between the Concurrent User and the Concurrent Session metric is that a single user can start multiple sessions. That is, a single user creating 10 concurrent connections to the Informix product would count as one Concurrent User, but ten Concurrent Sessions. Again, software which limits or measures concurrent usage can help to prevent peaks that exceed license entitlements.

**Virtualization/Partitioning**

In current IT environments organizations are increasingly using virtualization (such as VMWare) and partitioning (such as LPARs) to optimize the use of system resources and allow for flexible sharing of hardware capacity. However, this development has also introduced new complexities in the area of software licensing. The IBM licensing term for virtualization/partitioning is sub-capacity licensing, and it applies to PVU-based products.

In previous years, many IBM products were not eligible for sub-capacity licensing. This means that even if certain software was only installed on a single partition, the full capacity of the underlying hardware needed to be licensed (so-called full-capacity licensing). Since April 2009, IBM has expanded the list of products which are eligible for sub-capacity licensing to almost all IBM products. However, a customer may only apply sub-capacity licensing when certain conditions are met. First of all, a sub-capacity agreement must be signed with IBM. Customer must then deploy the free IBM License Metric Tool to monitor sub-capacity usage. Lastly, sub-capacity licensing is limited to certain listed eligible processor technologies and virtualization technologies.

It is important to remember that in case sub-capacity conditions are not met, the full-capacity rules apply. Customers who do not take sub-capacity counting rules into account therefore risk considerable under licensing.

**Creating an overview of IBM software deployment**

Now that we know how the most common license metrics work, what is the best method of creating an overview of deployed IBM software? Unfortunately, there is no common approach which applies for all IBM products. Unlike some other software vendors, most IBM product installations are not linked to a specific license key. This means that there are usually no technical limitations to deploying more IBM software than is licensed. This allows for flexibility and scalability, but may create some headaches when trying to match licenses with deployment.

In some cases, using software discovery tools on desktops and servers can help to create an initial overview of installed IBM software. IBM products often also include a product console through which software deployment can be managed. Depending on the product and license metric, it is often possible to extract useful information from these product consoles for licensing purposes.
In order to calculate PVUs, it is essential that the correct hardware details are captured through scanning tools or a central CMDB (in small environments it may be feasible to collect this information manually). Technologies such as hyperthreading, virtualization, clustering etc. sometimes lead to the hardware details being captured inadequately. Make sure to double-check any hardware details which are used to calculate license quantities.

Wrap up

As discussed in this guide, there are many aspects to consider when dealing with IBM software licenses. IBM has a wide array of products with different licensing rules and metrics. The topics discussed in this article can help to get acquainted with the general rules and common issues. When dealing with IBM software licenses in your organization, it is best to collect further information specific to your IBM products and IT environment. In case you have detailed questions concerning IBM software licensing, don’t hesitate to ask help from software licensing expert.

This Quick Guide to IBM Licensing has been provided by Koen Dingjan of SolarCom. Koen is an entrepreneur in the area of Software License Management and Software Asset Management. From 2006 to 2009, he performed more than 60 onsite software license compliance inspections throughout Europe, on behalf of international software vendors. He currently performs software license optimization projects at end-user organizations.

Photo Credit

More info on Blue Gene
SAP Licensing Quick Guide

http://www.itassetmanagement.net/2010/09/02/sap-licensing-quick-guide/

By Martin Thompson on Sep 2nd, 2010

This Quick Guide to SAP Licensing has been provided by Moshe Panzer of Xpandion.

Introduction

The SAP Licensing model is considered to be among the most complex and confusing in the generally bewildering area of software licensing. While many software vendors typically calculate their license fees by counting the number of active and inactive users, or by considering the number of servers and CPUs, SAP defines licenses according to usage — without really examining usage — an omission that may well be the root cause of the confusion. Adding to the lack of clarity are the issues related to “named users” — the basic unit of the SAP licensing model. For example, there are no real names behind named users — and, a named user can have multiple usernames in different systems. This article will describe the basic SAP licensing model, its difficulties, and how SAP customers typically handle the issue of licensing. In order to keep it simple, we will not include a discussion of “engines” (e.g., payroll, etc.), which are additional components that are charged separately, on top of the basic licensing fees.

The SAP Licensing Model

SAP licensing is based on “named users”. Customers buy various types of “named users” from SAP, such as: Professional named users, Limited Professional named users, Employee named users, etc. Each “named user” may have a real username(s) attached to it at a given date. That means that throughout the specified period of time, if you purchased, say, 50 Professional type user names from SAP, you must not exceed the maximum of 50 usernames that are defined as Professional in your system. You can, it should be noted, switch the username(s) attached to a “named user” if, for example, the user has left the company or has changed his license type. Confounding the issue are the SAP definitions of user/license types, which are quite vague, as you can see from the following short versions of the definitions of the three most-popular SAP license types:
1. “Professional User” is a named user who is authorized to perform operational-related and system administration / management roles supported by the licensed software, and has also been given the rights granted under the SAP Application Limited Professional User.

2. “Limited Professional User” is a named user who is authorized to perform limited operational roles supported by the licensed software.

3. “Employee User” is a named user who is authorized to perform the following roles supported by the licensed software, all solely for such individual’s own purpose and not for or on behalf of other individuals.

Classifying Users

Distinguishing between and determining the correct classification for SAP users is fraught with difficulties. For example, if a user is using three different usernames in three different SAP systems – (1) a BI system for managerial reports, (2) an ERP system for stock transfer reports, and, (3) a second ERP system for monthly invoice approvals – should he be classified as an Employee, a Limited Professional or a Professional – or perhaps one of the many other license types that populate the SAP universe?

Unfortunately, SAP does not supply a simple tool to quickly classify users according to their de-facto activity. What SAP does supply is a standard SAP program (SAP transaction SLAW) to collect and consolidate the classifications that the customer has previously defined in all of the organization’s systems, and send them to SAP for annual inspection.

The issue of assigning license types to users becomes more crucial when we consider two issues: the cost of the licenses and the size of the companies involved. The difference between a Professional user license type (± US$ 4,000-5,000, plus 22% annual maintenance) and, say, an Employee license type (± US$ 1,000, plus 22% annual maintenance) is significant — and causes one to think twice before assigning a higher-level license type to a user. In addition, an average SAP customer has 3,000-5,000 SAP users – of which 300 are typically replaced each year, and another 700 change positions (and, thus, SAP usage) each year – making user classification a lengthy and Sisyphean task.

For all these reasons, SAP customers try to create simple, logical ways in which to classify their users … simple, in order to save time and resources – and logical, in order to maintain the spirit of SAP’s definitions. Over the years, SAP customers have successfully developed a number of informal methods to classify users.

Classifying SAP Users by Authorizations

Organizations often begin the search for a workable classification method by considering the classification of their users according to their “static” authorizations. In effect, this means that if a user is authorized to perform certain activities, he will be classified accordingly, even if he has never actually performed these activities. Organizations typically abandon this method rather quickly, since it is based on the assumption that users are using 100% of their authorizations, when, in fact, in most organizations, less than 10% of “static” authorizations are actually used. Having
understood that this method will not deliver accurate results, they search for ways to classify users according to actual authorization usage, i.e., “dynamic” or “de-facto” authorizations.

Below are summaries of three of the most popular usage-based, customer-developed methods of classification.

### Classifying SAP Users by Usage

- **Amount of Activity** – The most popular method of assigning license types to users is by the amount of their activity. The more activity a user performs in the system, the higher the level of license type he should have. “Activity” is measured in SAP by “Dialog Steps”, which, in practical terms, are the number of key strokes and screens that are used. You can see these counts, for example, in SAP Activity ST03N (Workload Statistics). Using this method, the customer pre-sets a scale. For example, for users whose activity is up to 1,000 dialog steps per month, their license type will be set to “Employee”; for those with dialog steps totalling between 1,001 and 5,000, their license type will be set to “Limited Professional”, and so forth. The scale can be set for an entire year, as a monthly average, or as a monthly maximum (i.e., the maximum value for all months in the last year). For users with multiple usernames in multiple systems, it is common to consider the highest value as the user’s representative value.

- **Number of Different Activities** – Another method used for classifying users is according to the number of different activities. This is based on the assumption that the more different activities a user performs, the “more widely” he is using the system, and therefore should be classified as a higher level user type. As with the “Amount of Activity” method, here, too, the customer pre-sets a scale. For example, if a user has up to 2 different activities per month, the license type will be set to “Employee”; for between 3 to 10 activities, a user’s type will be set to “Limited Professional”, etc. With this method also, the scale can be set for an entire year, as a monthly average, or as a monthly maximum. Though it is common – when classifying users with multiple usernames in multiple systems – to consider the highest value as the user’s representative value, the calculation is sometimes more complicated (mainly with BI or CRM systems) when using this method.

- **Activity Group/Type of Activity** – This method is considered to be the “closest” method to SAP definitions. However, it is also the most time-consuming to perform. The Activity Group method establishes the license level by the type of activity performed by the user. Generally, more important activities require a higher-level license. For example, only Professional users perform activities associated with monetary transfers, while Employee users would typically perform activities related to viewing reports. The Activity Group method requires a definition of groups, such as Create, Change, and Display. You can say, for example, that a user who uses activities from Group “Display” will be classified as “Employee” – while a user who uses activities from Group “Change” will be classified as “Limited Professional”. If a user is using activities in two or more Activity Groups, the license type would be set to the highest type attached to these groups. Some SAP customers include additional inspections when using this method – and may further classify users according to the number of different activities.

Classifying users according to the above (and other) methods is, of course, much easier and more “logical” than classifying them according to the strict definitions of the SAP agreement. However, the use of these methods requires a significant investment of time and resources. Therefore, many SAP customers use automated
tools that are dedicated to SAP licensing. A leading example of such a tool is LicenseAuditor by Xpandion.

**Optimizing SAP Licenses over Time**

Most SAP customers are large organizations that plan several years ahead. Therefore, they need a tool that will classify users according to an appropriate (and logical) method, will intelligently handle their license inventory over time, and will enable them to predict annual licensing expenditures for one, two, five and ten years down the road, in order to prepare accurate budgets. Since it is almost impossible to implement these methods using Excel, many SAP customers turn to automated tools like the ones mentioned above.

**Wrap Up**

In an attempt to overcome the complexities inherent in the SAP licensing model, SAP customers have developed a number of informal methods for classifying users and assigning them SAP license types. Although these methods are simpler and more logical than the strict SAP definitions, their implementation requires the expenditure of significant organizational resources. However, help is out there — Automated tools are available that enable organizations to quickly and easily manage their SAP licenses – saving time and resources and enabling reliable budgetary planning.

Moshe Panzer owns a SAP consultancy firm and has, over the past 15 years, accumulated extensive experience in SAP Development, Security and Licensing. He is also the Founder and CEO of Xpandion, a company that develops automated management solutions in the areas of SAP licensing and SAP security, based on the visibility of actual real-time SAP usage.