



The Road to Software Licensing

Chandra Shekar

Nokia Enterprise Solutions

Agenda

Nokia – A Brief Introduction

Software Licensing Strategy

Foundation Project – Licensing Phase 1

**Guiding Principles
Licensing Concepts and Processes
Lessons Learned**

Paving the Way – Phase 2

Question/Answer

About Nokia

- World leader in mobile communications
- Frontrunner in providing mobile, broadband and IP networks
- Sixth most valuable brand (Interbrand)
- One of the world's most respected companies (Price Waterhouse & Financial Times)
- As mobility and the Internet converge, Nokia is committed to further enriching the daily lives of people

NOKIA
CONNECTING PEOPLE



Nokia Enterprise Solutions



- Mobility solutions for the enterprise – terminals, applications, gateways
- Offer true value to enterprises by providing a competitive, enterprise-focused mobile terminal range and platform as well as seamless connectivity solutions based on an end-to-end enterprise mobility architecture

Software Licensing Strategy

- NES has a strong appliance-based solution
 - Appliances offer Plug-and-Play experience
 - Appliances are purpose-built and run both Nokia and 3rd party best of breed software solutions
 - A two-tier distribution model is used to move products - Distributors and Value Added Resellers (VARs)
 - Existing business model and sales channel is mature in selling hardware and support services
- Software licensing seen as a key strategy to:
 - Provide a mechanism to deliver new products
 - Provide visibility and asset tracking of installed base

Phase 1 – Licensing: Guiding Principles

- Start with simple license models
- Do not hard entitle at product level
- Use Version feature for all products
- Use some form of locking in all products
- Use a registration wizard in all products
- Use common product error messages and terminology
- Use existing distribution model in Phase 1

Laying the Foundation

- Solution selected
 - Buy vs Build option investigated
 - FLEX/m selected as licensing solution
 - Flexibility
 - Features
 - SDK availability for a wide range of operating systems
 - GT license selected to function as licensing backend
 - Low risk
 - Low cost
 - Easy to integrate into existing CRM solution
- Project team selected and trained
 - Product teams were part of initial training and back office concepts
 - Business Systems, Support, Product Management and Engineering formed the core team
 - All members attended Macrovision training and workshop to define license models to be used
 - Licensing Program Manager assigned to coordinate the product launches with back office readiness for licensing solutions

Licensing Concept

- Three key components to automated, self-serviced licensing back office system
 - **Creating the License Entitlement for customer**
 - Covers the process from receiving the customer order to a virtual License Activation Code (LAC/ Order Key) delivery (followed by invoicing and revenue recognition)
 - **Fulfilling the License Entitlement for customer**
 - Covers the process from customer registration into a web-based License Fulfillment Center to downloading and installing license files for the licensed product
 - **Providing License Management Services for customer**
 - Covers the process for all support processes for managing the licensed products for customers such as evaluation licenses, upgrades, re-host, downgrade, transfer of licenses, version updates, other software support etc.

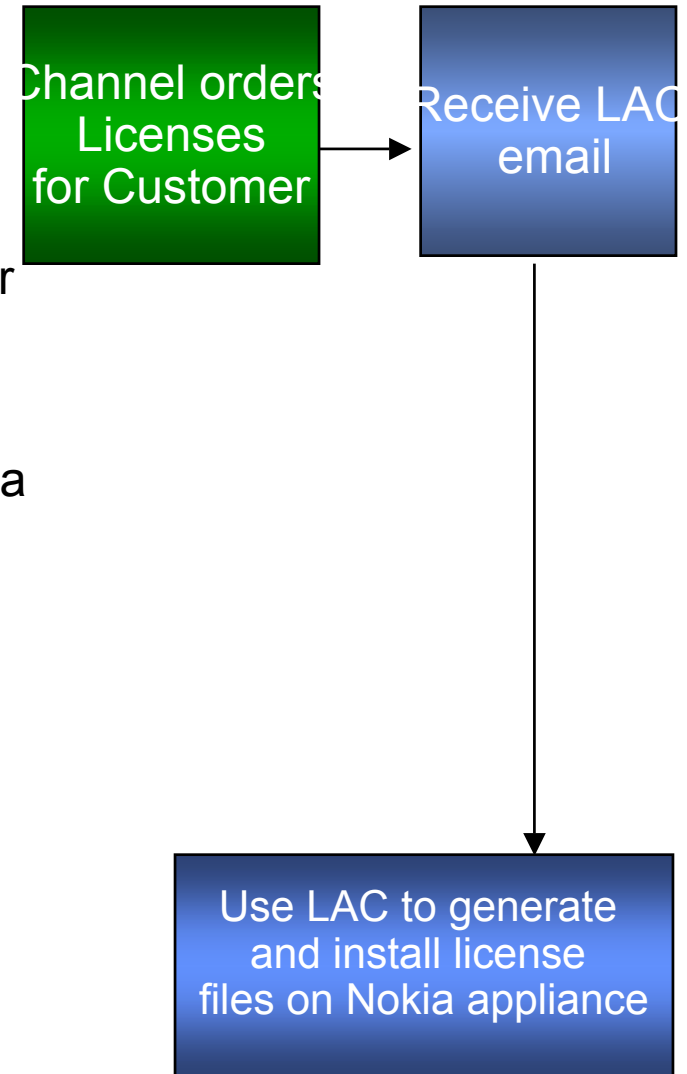
Licensing Steps

Two Step Process

- Step 1: Create the License Entitlement
 - Channel orders licenses
 - Nokia sends License Authorization Code (LAC)
 - To end customer
 - To channel customer
- Step 2: Fulfill the License Entitlement
 - End customer generates and installs licenses on appliance

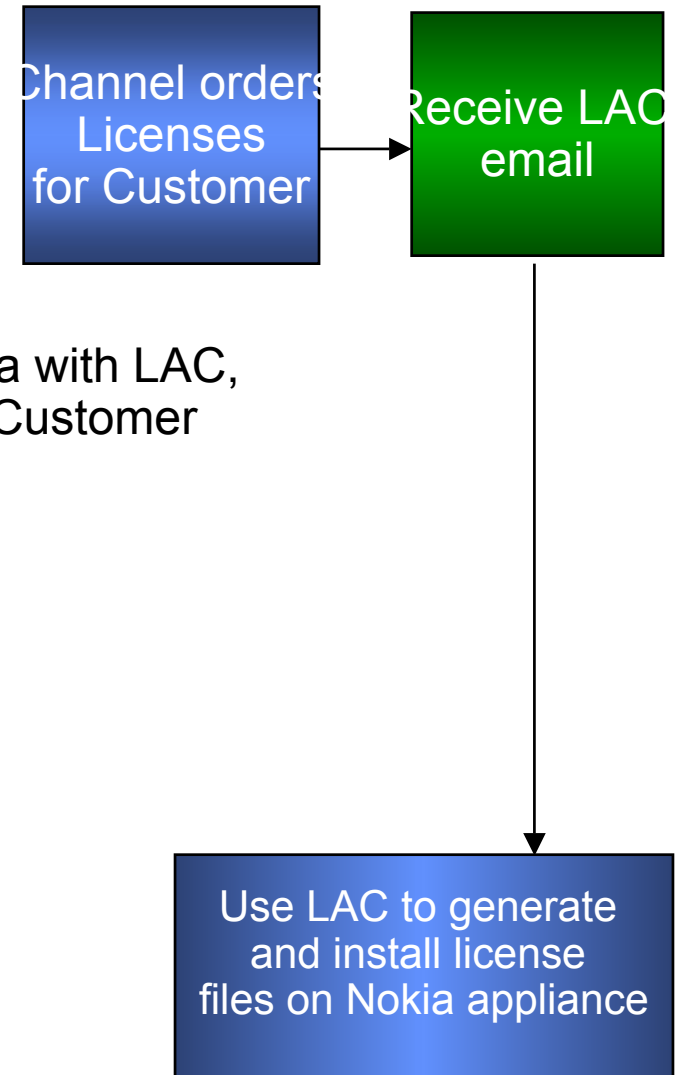
Licensing Step 1 – Create Entitlement

- In response to end-customer PO, Distributor/ Reseller launches on-demand PO to Nokia for licenses
 - PO includes email address of end-customer and channel
- Nokia Order Administration team books PO as a Sales Order

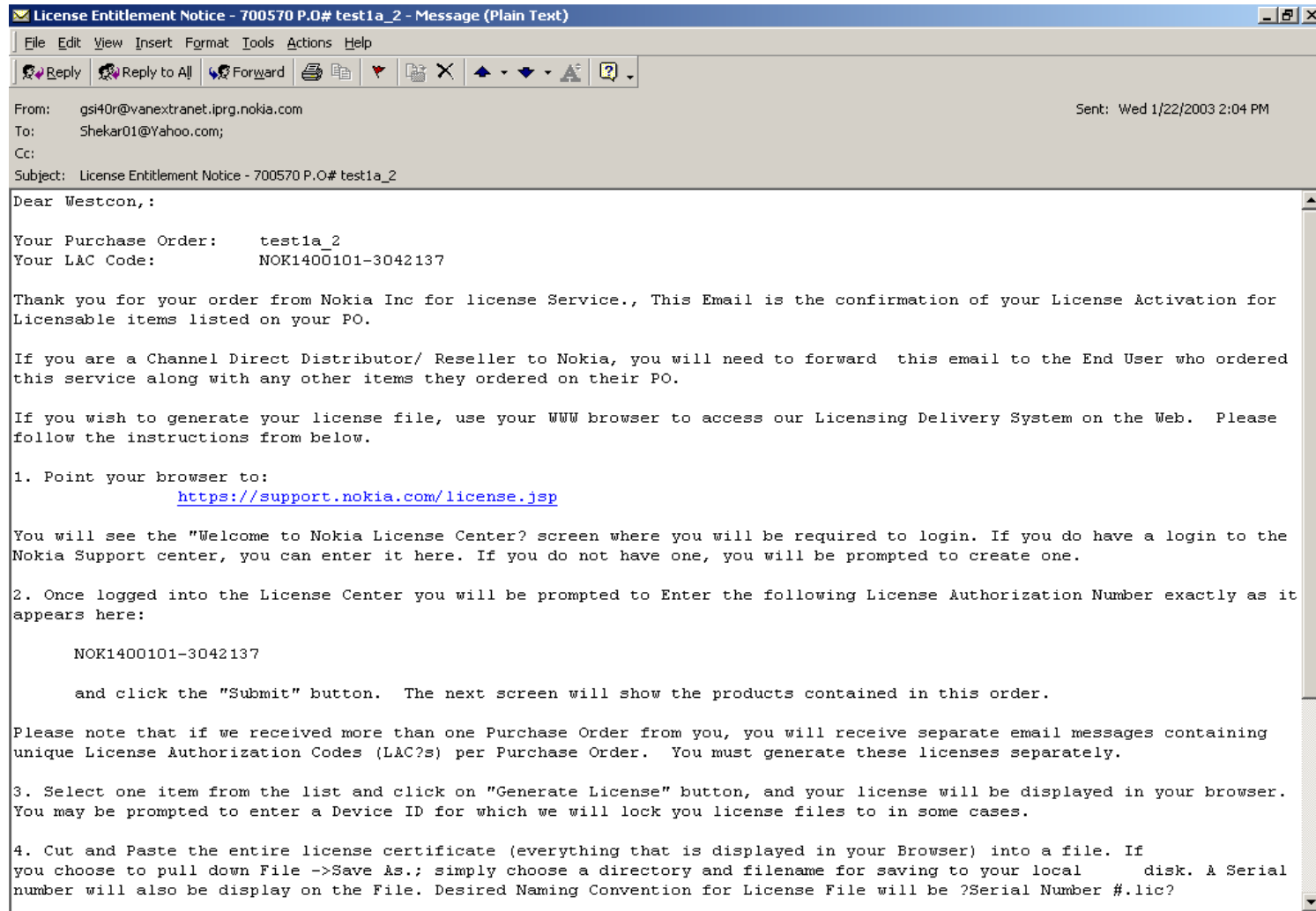


Licensing Step 1 – Create Entitlement

- Order data is transferred to GT License Center
 - Batch transfer of data
 - Real time XML interface is in development
 - LAC is generated by the data interface
- GT License Center receives the ERP order data with LAC, and sends the LAC email to Channel and End Customer

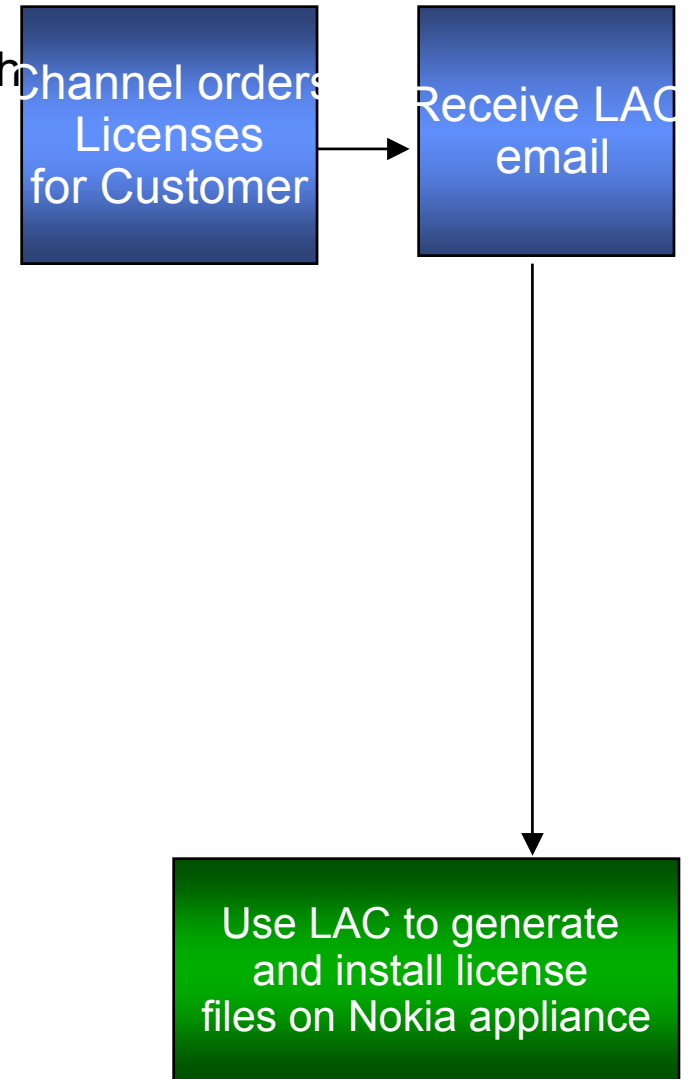


Sample LAC Email



Licensing Step 2 – Fulfill Entitlement

- End customer generates the license file using the LAC at the Nokia License Center
- End customer installs licenses using the Licensing product wizard on the appliance



Nokia License Center

- An extension of the Nokia Support web site
 - Support web site has many tools for Channel customers
 - Service Contract Center, Case Management, Knowledge Base, Product Line Support Pages etc.
 - License Center added as an extension to this site
 - GTL fulfillment engine hooked up to this site
- Purpose of Nokia License Center
 - Generate and download license files for licensable products
 - Perform license management services
 - Register support for licensable products
 - Get product information on licensable products

License Fulfillment



Nokia Support

Help | Logout

Support | Ordering | Contact Nokia
Service Contracts | Licensing | Installed Products

Nokia License Center

Licensing

Nokia Message Protector
Nokia Horizon Manager
Nokia Security Service Manager
Nokia Wireless Accelerator
Nokia Secure Access System
License FAQ
Service FAQ



To get your License Files, enter the License Authorization Code (LAC) that was provided to you by Nokia in the space below and click either the "View Licenses" or "Generate Licenses" button.

Follow the steps provided to you in the subsequent page to generate the License Files. Contact your reseller or distributor for Nokia in case you do not have the LAC ready.

Please note: You will receive the LAC when we receive your Purchase Order for Nokia Licensed Products.

Enter your LAC:

[VIEW LICENSES](#) [GENERATE LICENSES](#)

Other Licenses

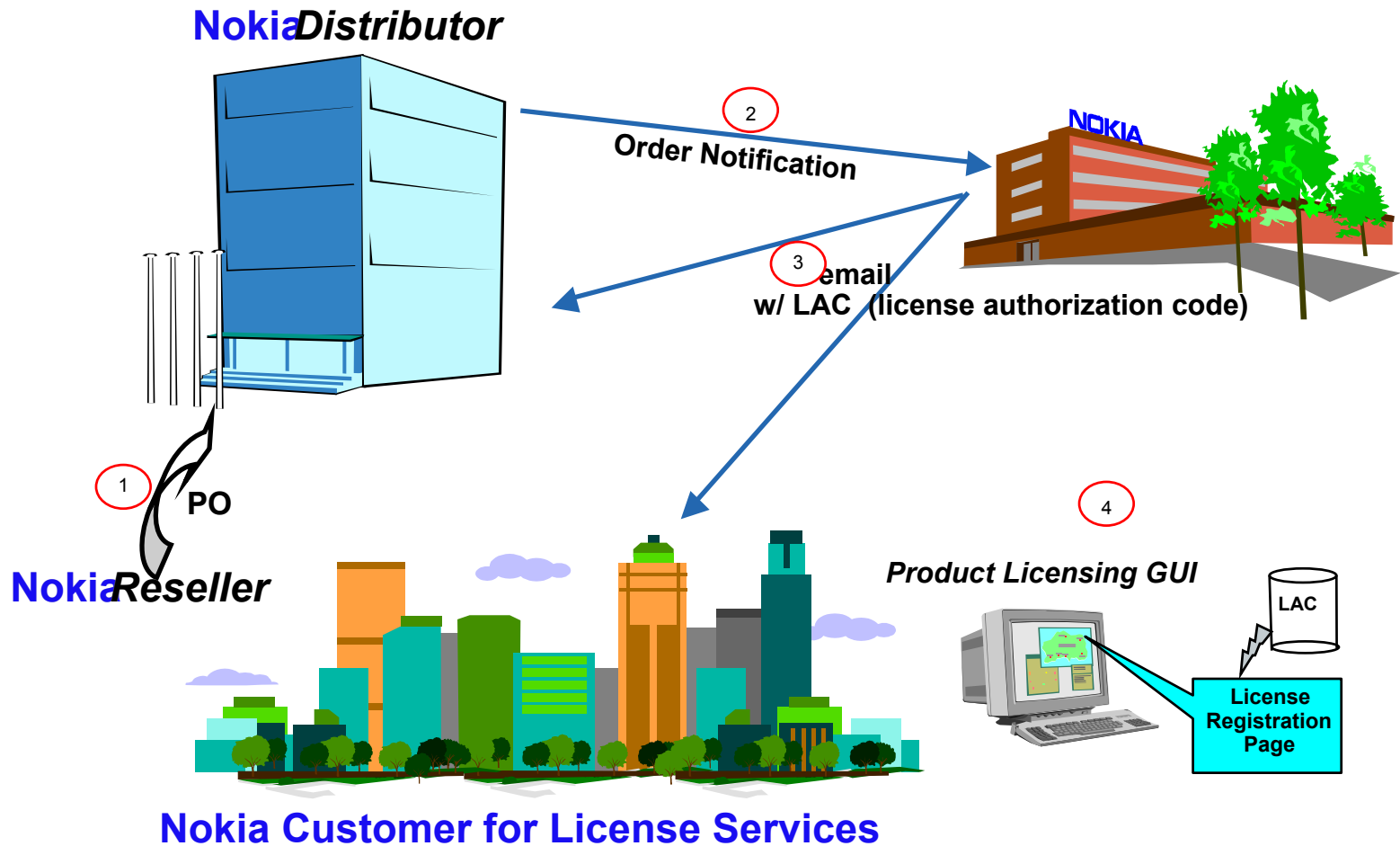
[Check Point Products >>](#)
[IP30 Software Products >>](#)

Please Note

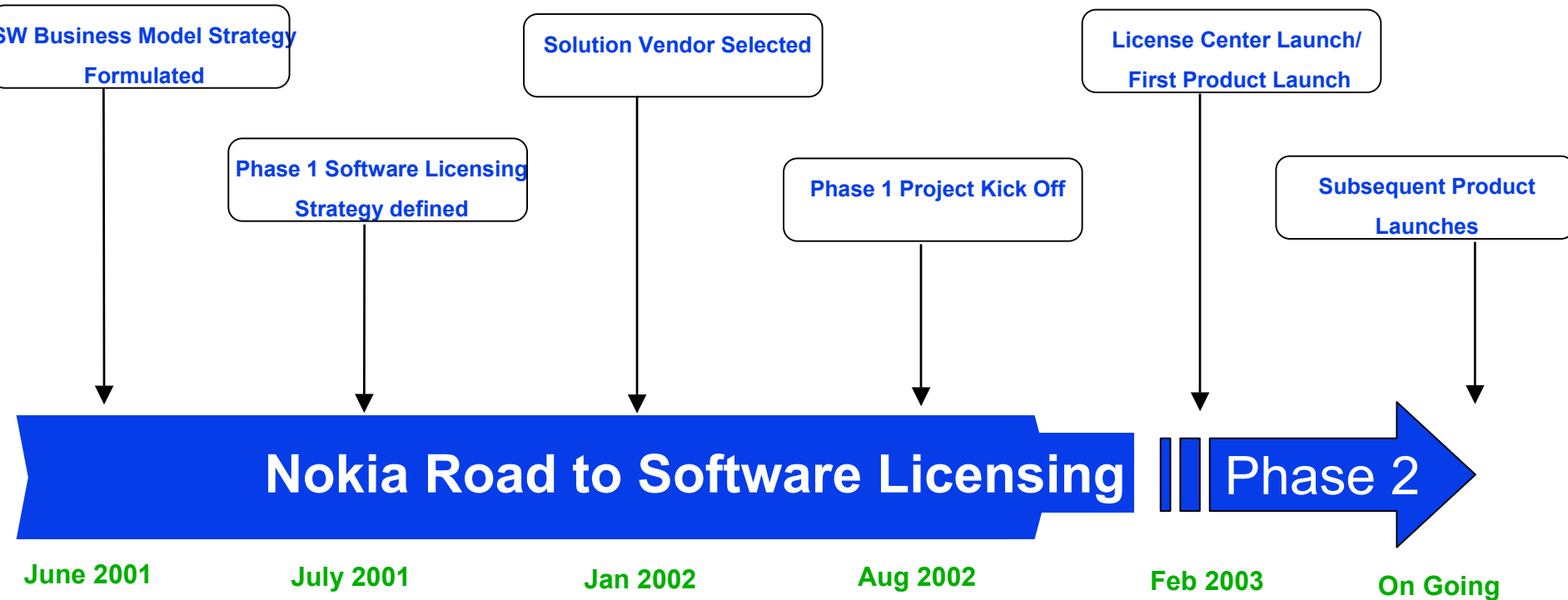
If you are using Internet Explorer, you must be using version 6.0 SP2 or later in order to successfully save a license file. Otherwise, please follow the alternative instructions to save your license after you have generated it.

- Once logged in, the user can input the LAC to license the product
- Product-specific License Center pages help offer product-specific functionality; i.e., Request Evaluation licenses by product, re-host licenses, product FAQs etc.
- License generation steps are from standard features in GTL web fulfillment engine

How Licensing Works



From Strategy to Foundation Project



License Model Summary

- The license model defines how the product will be sold
 - Part of the business plan for that product
 - A software metric is defined that communicates the value of the software to the customer
- The license model is then enforced by the license implementation for that product
- Back office systems and processes also support this license model
 - Produce the license files for the products based on license model
- For similar products, the guideline is to use the same license model for the following reasons:
 - Ease of use for the customer
 - Ability to solution sell
 - Ability in the future to bundle features as needed within the same product suite
 - Maximize system and process reuse
- Select license models that can scale as products grow
 - Used simple license models in the foundation phase and plan to use more sophisticated models in future phases

License Models in Place Today

- Network Management
 - Products under this model are typically Network Management type software
 - Number of users or devices as the software metric for license
 - Not node locked or node locked to “ANY”
 - Use Increment feature of FLEX/m for functionality upgrades
 - Use Version feature of FLEX/m for entitlement of software upgrades
- Appliance
 - Products under this model are typically Nokia appliances running both Nokia and 3rd party software solutions
 - Software metric is usually number of users, named users or number of connections as the case may be
 - Node locked to “ANY” or locked to “MAC Address” or “Hardware Serial Number”
 - Use Increment feature of FLEX/m for functionality upgrades
 - Use Version feature of FLEX/m for entitlement of software upgrades

Phase 1- Lessons Learned

Product Management

- Training
 - Product Managers for initial product teams were formally trained in Macrovision Classes (FLEX/m and/or GT License as the case may be)
 - Product Managers for second wave did not go through the same level of training - this caused some challenges when it came to implementing a common scalable Licensing Model for all products
- Product Requirements Documents
 - General license requirements can be interpreted in many ways - need very detailed specifications

Phase 1- Lessons Learned

Engineering

- Nokia developers found the FLEX/m SDK kit to be easy to use
 - Implemented FLEX/m solutions in most of the supported platforms for FLEX/m
 - Varying levels of FLEX/m expertise - some attended training and some read from docs
- Lack of implementation consistency between different products led to different user experience
 - Working to common product requirements document for licensing that is used in all products

Phase 1- Lessons Learned

Information Systems

- Business Systems took the lead on the implementation side
 - Back office functionality is the common point today for the product requirements and helps drive consistency in the products
- Integration with CRM systems and integration with Ordering and Fulfillment Tools for license offering need to be carefully planned
- The use cases created were specific to the license process and should have included details for related processes such as ordering

Phase 1- Lessons Learned

License Operations

- Virtual license fulfillment models for licenses made the business process of implementing software license rather simple
- Primary mode of Ordering and Fulfillment from/to channel is On-demand
- Separated distribution of software from license distribution
 - Some software is pre-installed and some must be downloaded or shipped on CD-ROM
- Managing software version upgrade requires clean customer data process
 - Able to leverage existing support agreement experience

Phase 1- Lessons Learned

Support

- Key driver for license product launches including decisions on support and subscription model for licensable products
- Important to implement license process training – both internal and external
- Important to implement license exception management process, drive system changes for licenses etc.
- Important to create a good FAQ set at both license fulfillment level and product specific level

Phase 1- Lessons Learned

Sales

- Consistency in product offerings and processes are important for sales channel and customers
 - Both across Nokia products and in relation to competitive offerings
- Presentation of licenses in overall sales package is important
 - Clear path from price list to end user fulfillment
 - Ordering rules and license rules must be clear and consistent

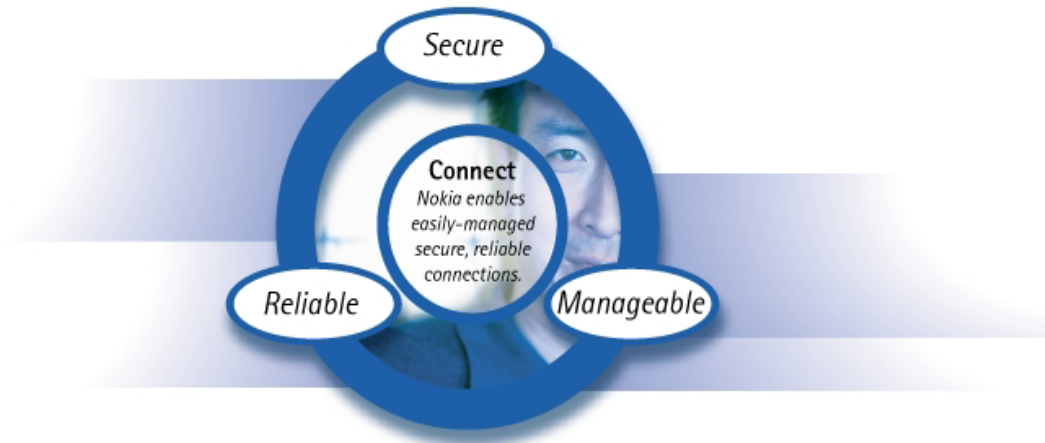
Phase 2 - What's Next

- Currently in roll out part of Phase 1
- Lessons learned will be applied to Phase 2
- Other initiatives:
 - Streamline license and support ordering and management
 - Simplify customer management of software assets



Questions ?

Thank You!



Chandra Shekar
chandra.shekar@nokia.com