



Software Licensing Reviews: Adding Value to the Business Relationship

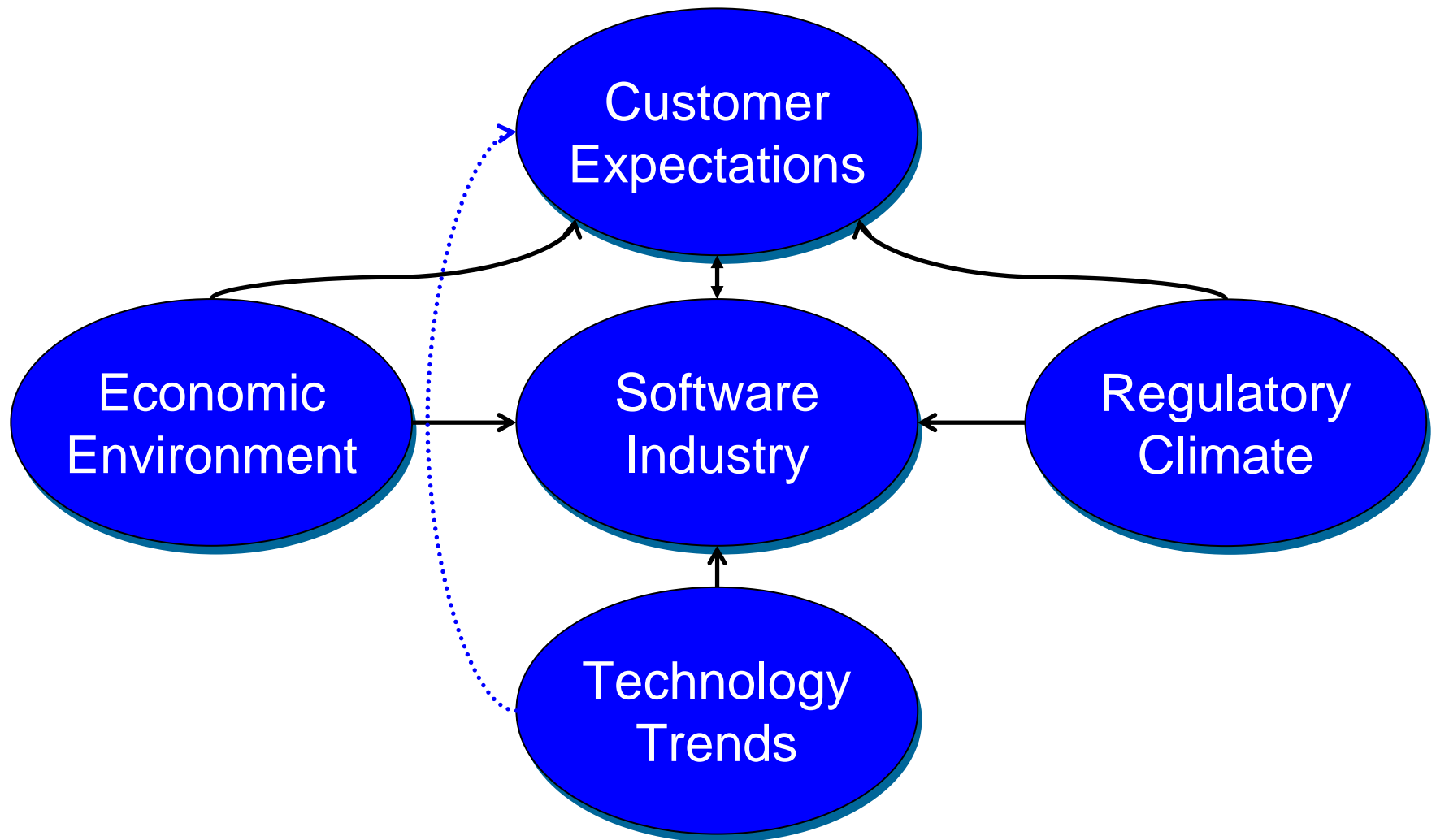
Jeff Gustafson
Software Licensing &
Compliance
EMC Corporation

AGENDA:

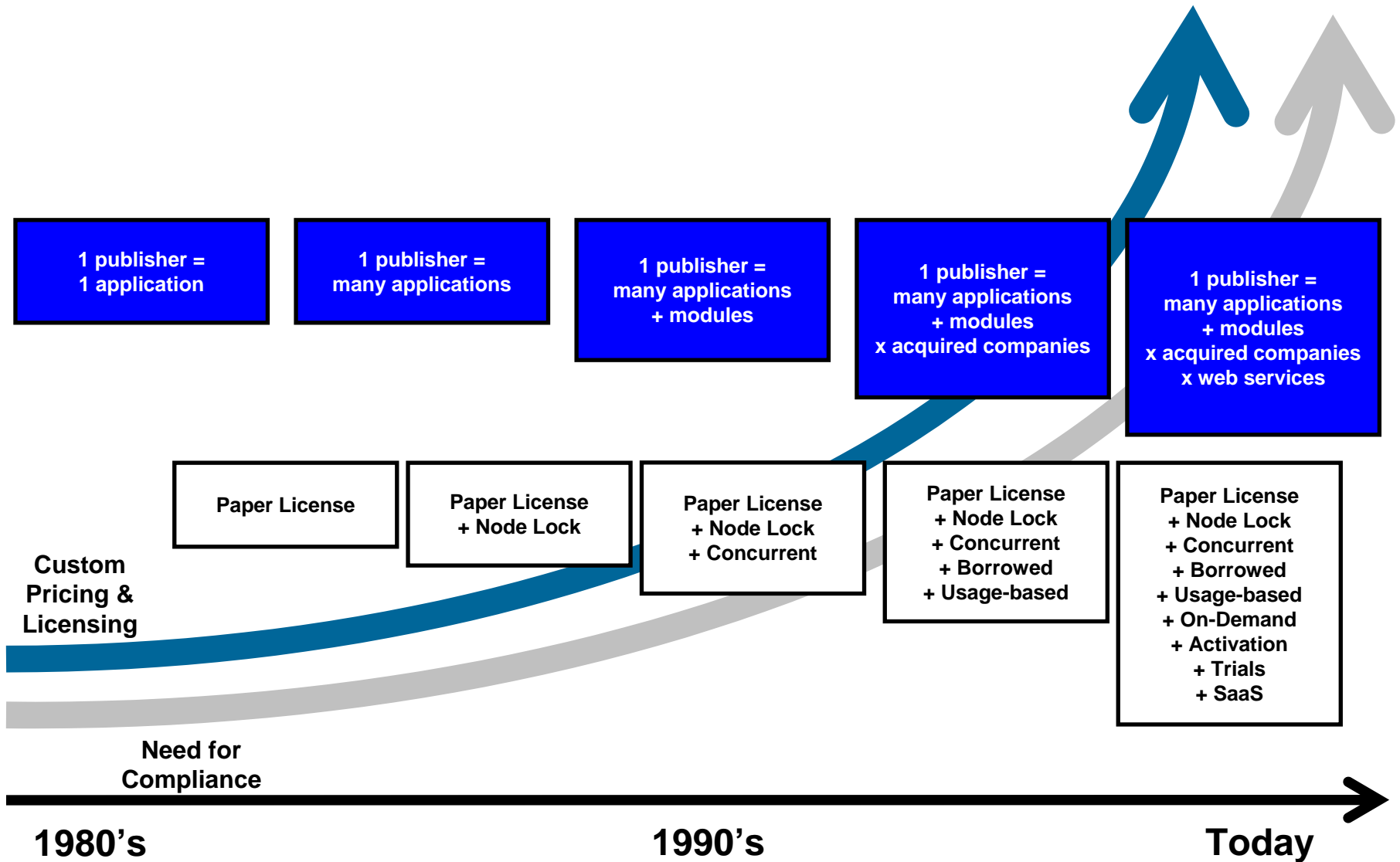
- **Assessing a Problem**
- Dreaming of a Framework
- Closing Remarks

History on Software Compliance:

Factors Driving Change:

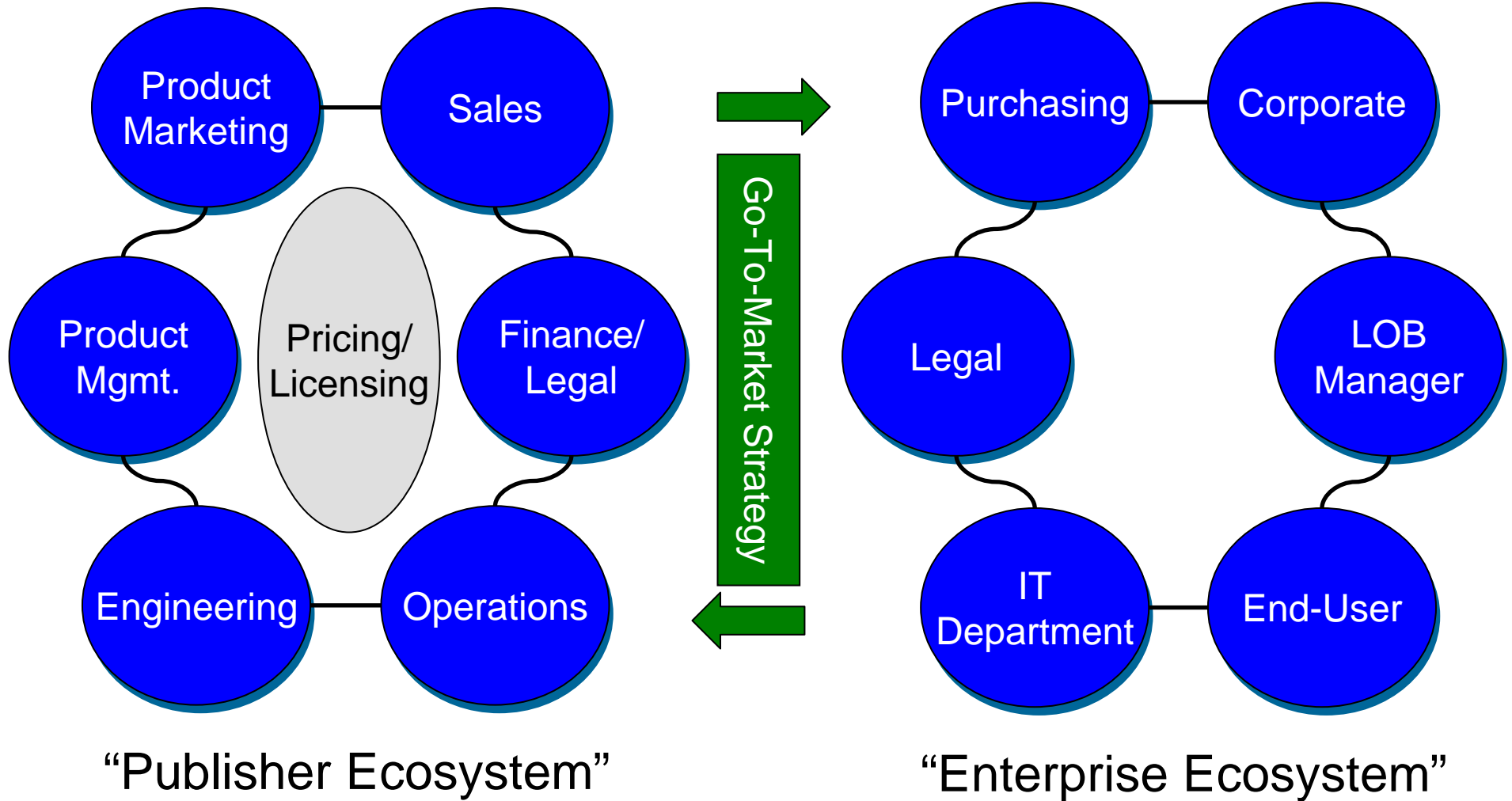


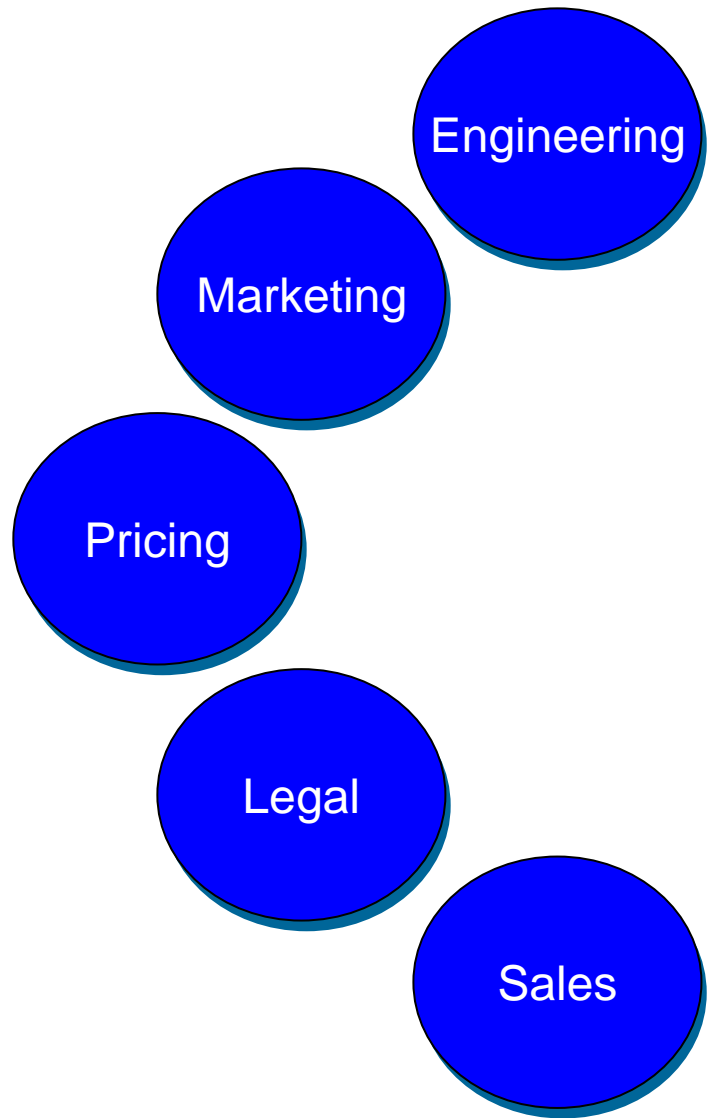
Complexity in the Software Industry:



Source: Overcoming the Software Licensing Complexity Crisis by Gartner.

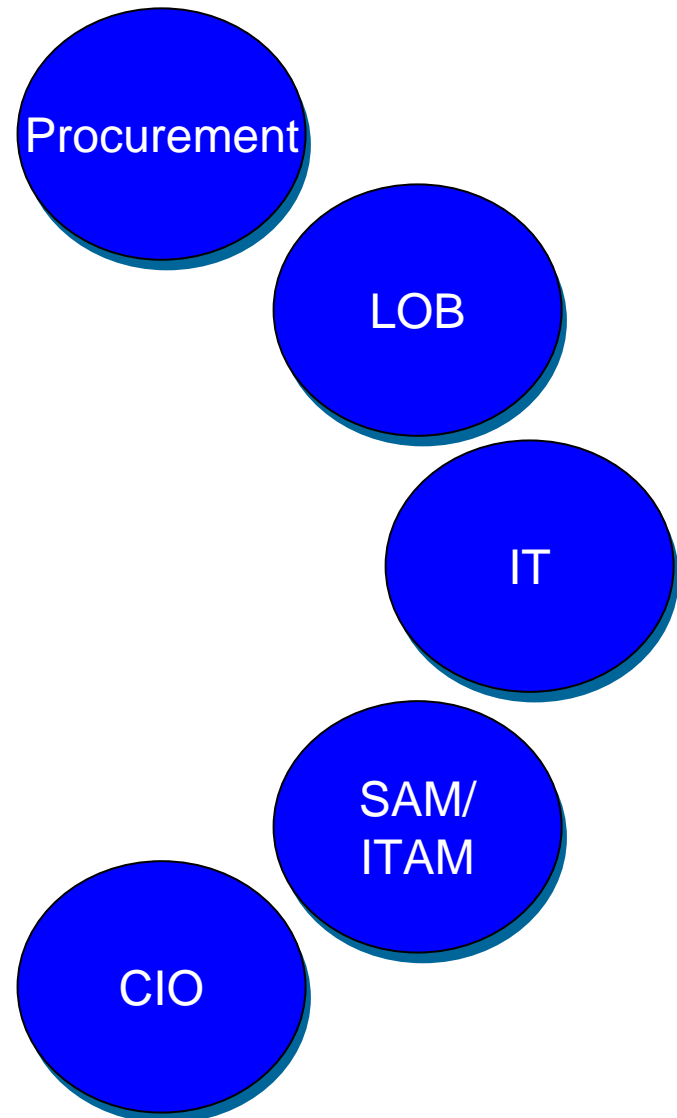
Actors in the Software Ecosystem:





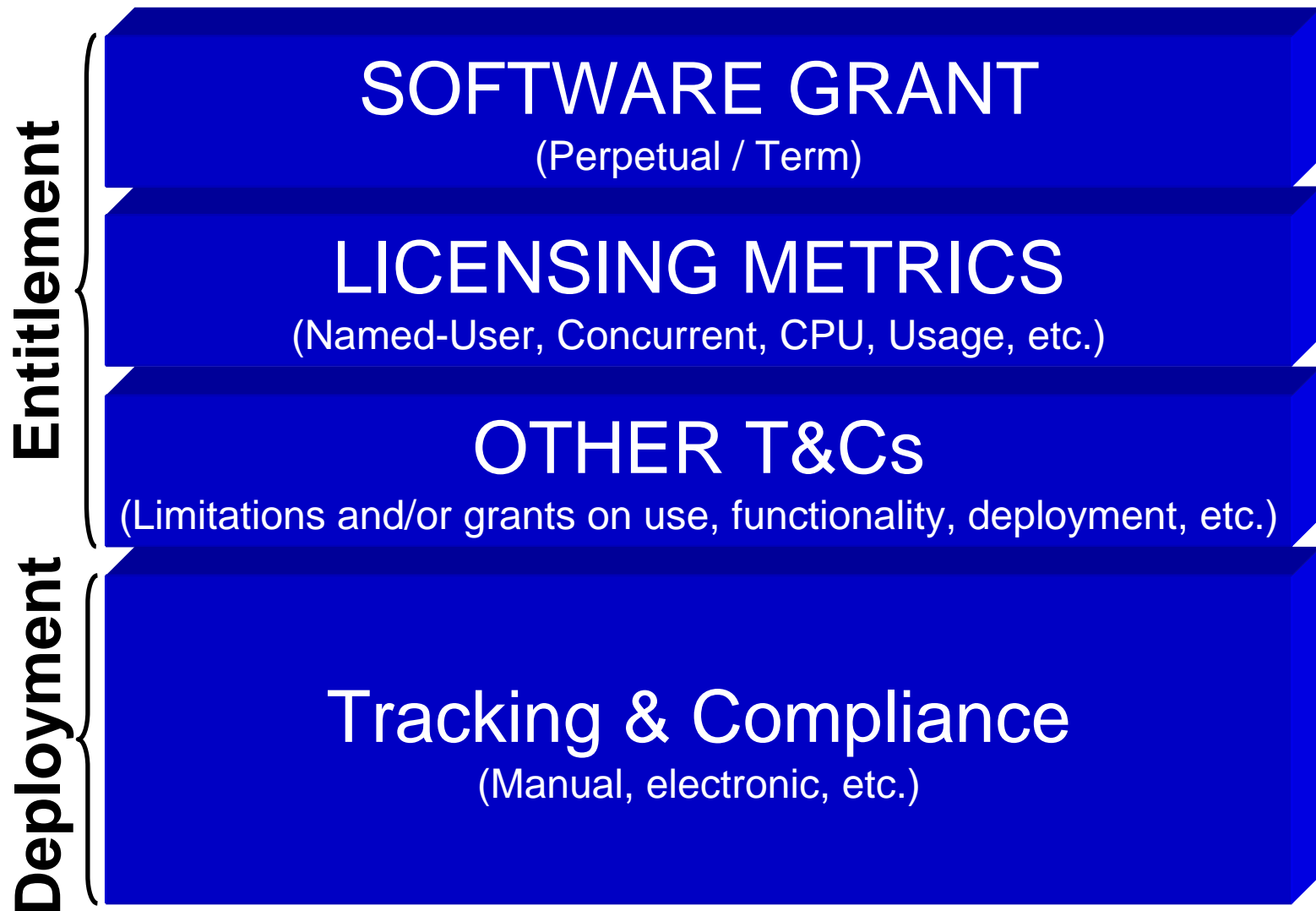
“Publisher”

“It”



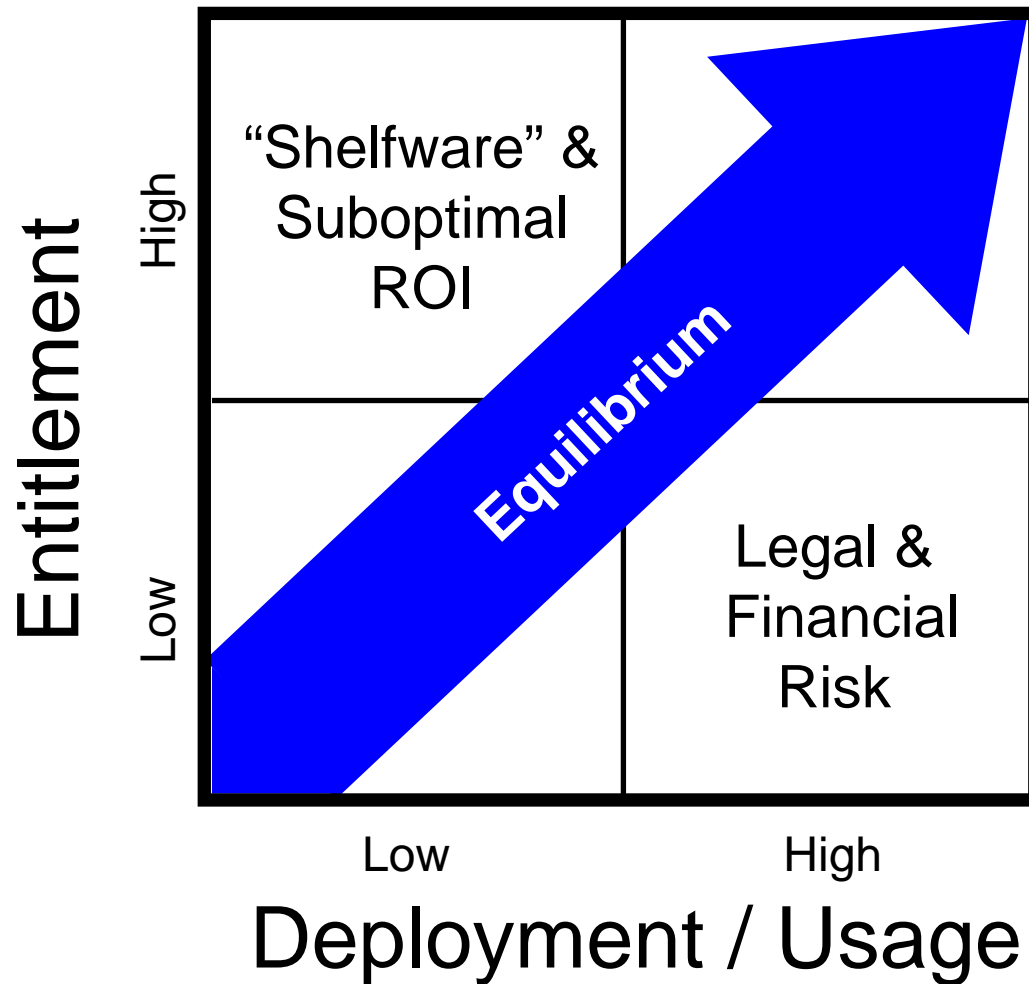
“Enterprise”

Software Licensing Framework:



✓ Added variable of time in a dynamic/on-going assessment.

Entitlement versus Deployment/Usage:



- ✓ Fiduciary responsibility to shareholders
- ✓ Responsibility to customers/partners
- ✓ How do we achieve good partnership in the relationship?

AGENDA:

- Assessment of a Problem
- **Dreaming of a Framework**
- Closing Remarks

Brokering Open Dialogue:

Publisher:

- Do they entitled to it?
- Have they deployed it?
- Are they using it?
- What version is it?
- What platform is it?
- Where is it?
- Do they want it?
- Do they need it?

“It”

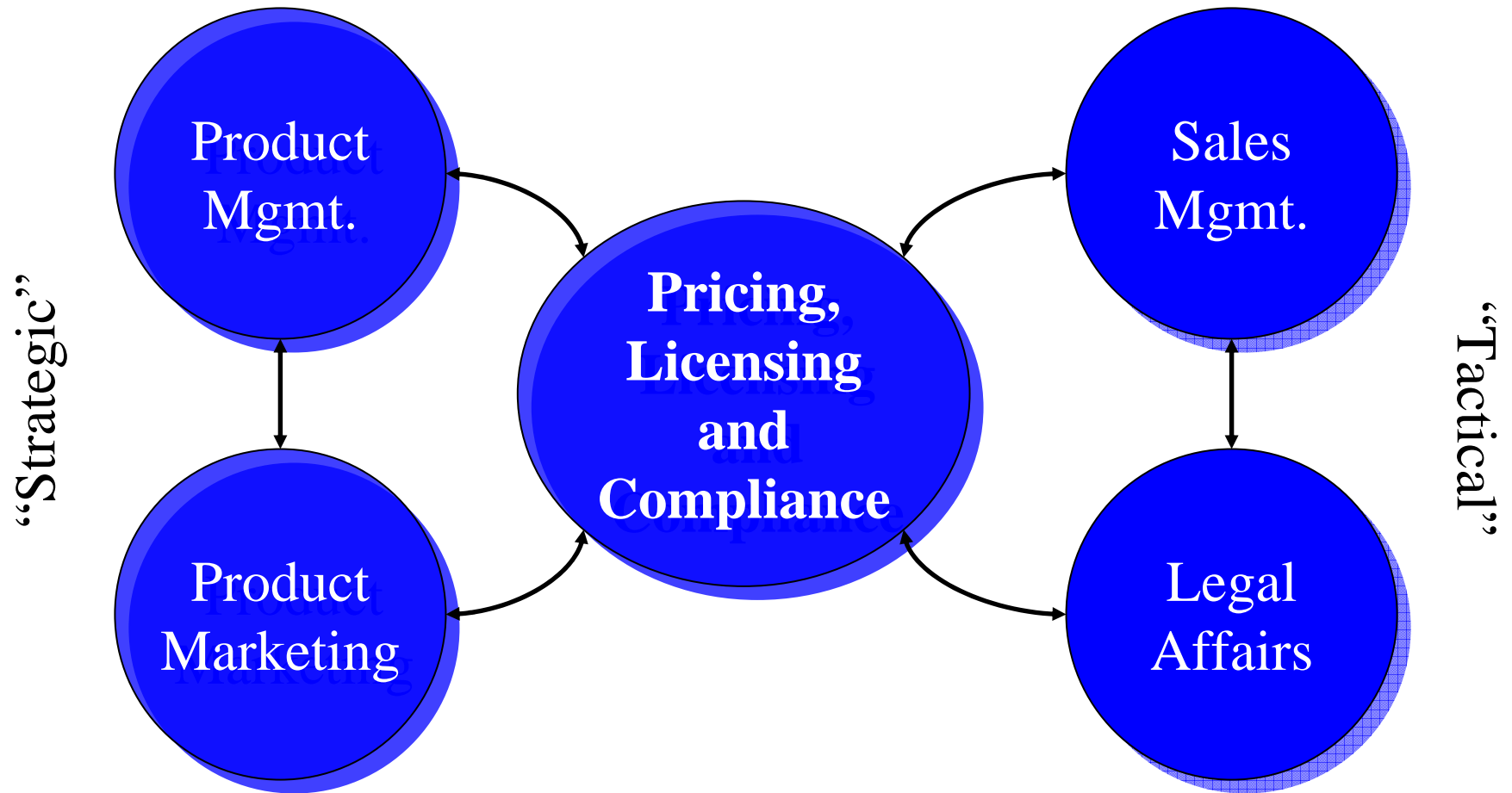
Enterprise:

- What is it?
- Are we entitled to it?
- Have we deployed it?
- Are we using it?
- Where is it?
- Do we want it?
- Do we need it?

Compliance:

- Clarify issues of entitlement
- Establish baseline on usage/deployment
- Clarify entitlement/usage relationships
- Assist in strengthening internal controls
- Understand current/future use-cases
- Strengthen the business relationship

An Integrated View:



Electronic License Management (ELM)

Peanut Butter and Jelly:

- ✓ ELM as a reinforcing initiative.
- ✓ Prometheus and Epimetheus.
- ✓ Perspiration and Inspiration.

Engineering

Sales Cycle

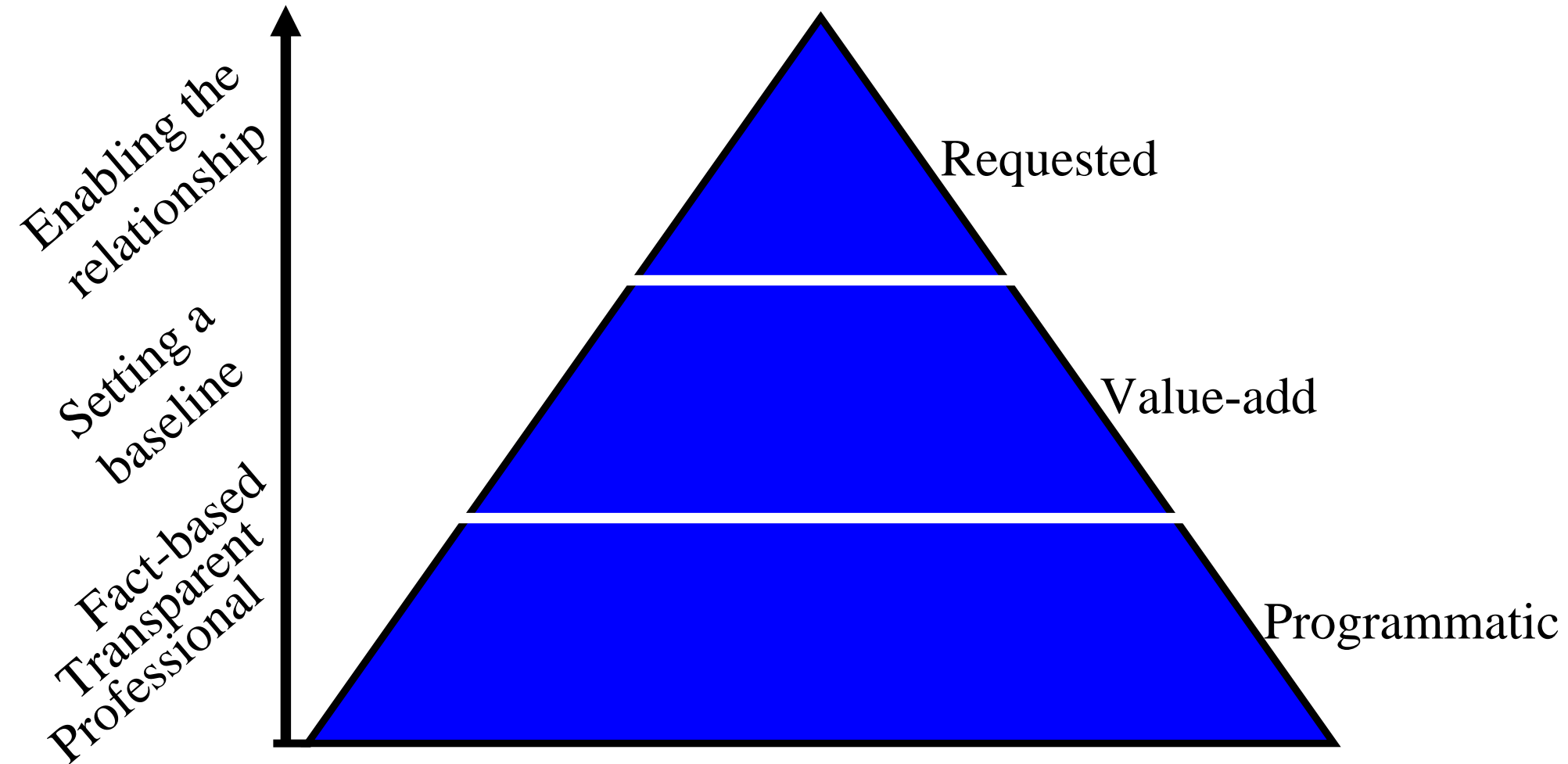
Deployment

Usage

Time



Engaging in Good Partnership:



Parameters for Consideration:

Publisher	---	Enterprise
Entry Strategies	---	Reconciliation Strategies
Compliance	---	Piracy
Collegial	---	Adversarial
Consensus	---	Education
Process	---	Tools
Ad-hoc	---	Programmatic
In-house	---	3rd Party Vendor
Direct	---	Indirect
Commercial	---	Government
Software	---	Hardware

- ✓ Organizational Support (e.g. Executives, Finance, Legal, Sales)
- ✓ Institutional Alignment (e.g. positioning, sales comp, etc.)
- ✓ Metrics of Success (e.g. customer sat, revenue, etc.)

AGENDA:

- Assessment of a Problem
- Dreaming of a Framework
- **Closing Remarks**

Thoughts for the Ride Home:

You are on the cutting edge,

...but you are not alone.

The challenges are significant,

...but there is substantial value here.

- ✓ Moving from an adrenaline inducing, mind-numbing event...
to an expected, proactive element contributing value to the relationship.

Thank you!

Jeff Gustafson

Software Licensing & Compliance

EMC Software Group

EMC Corporation

Email: Gustafson_Jeffrey@emc.com

Direct: 925-600-5781

Appendix #1: Selected Bibliography

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- 2) More than a Matter of Trust: Managing Risk in Extended Business Relationships by Deloitte, April 2006.
- 3) Trends 2006: Enterprise Software Licensing by Forrester Research, January 2006.
- 4) Software 2006 Industry Report by McKinsey & Company, April 2006.
- 5) Webinar on Virtualization by IDC, December 2005.
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- 13) The Strategy and Tactics of Pricing by Thomas Nagle and John Hogan, 1994.
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