

# SoftSummit™ 2010

## The Evolution of Customer License Management

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**FLEXERA**  
SOFTWARE

# Abstract

## How to Integrate an Entitlement Management System with your ERP? The Ideal Back-Office Life Cycle Management

- Learn how to streamline operational processes by creating the ideal back office lifecycle management process that integrates with an ERP system. This session will discuss challenges faced as well as benefits seen since implementing the ideal back office life cycle management solution, including overall cost reduction and an increase in customer satisfaction.



# CA Technologies

CA Technologies is an IT management software and solutions company with expertise across all IT environments—from mainframe and physical to virtual and cloud. CA Technologies manages and secures IT environments, enabling our customers to deliver more flexible IT services.

- Worldwide Headquarters – Islandia, New York
- 13,200 Employees
- 4.3 Billion Revenue in FY10
- Over 400 Products & Solutions



# CA Technologies Solutions

## IT Management Solutions

- Backup & Recovery Management
- Cloud Solutions
- Energy & Sustainability Management
- IT Management as a Service
- Project & Portfolio Management
- Service Assurance
- Service Automation
- Service Management

## IT Security Solutions

- Security Management
- Home & Home Office

## Environments

- Cloud
- Distributed
- Mainframe
- Virtual



# CA Technologies – History of Growth

- CA Technologies product & solution portfolio has grown from 2 different sources
  - Organic: CA Technologies designs and develops products & solutions
  - Acquisition: CA Technologies has acquired ~100 companies & technologies since it's inception. 46 acquisitions in the last decade!
- Organic Growth and License Management
  - “Just because we made the software doesn't mean it's all licensed using the same technology.” – Why?
    - Platform variations
    - License model variations (CPU, servers, cores, virtual machines, devices, etc.)
    - Market Segment requirements (Enterprise, SPs, Consumer, 1 and 2 Tier Indirect)
- Acquisition Growth and License Management
  - “We didn't make it, we bought it.” – What did we get?
    - “Homegrown” licensing technology of every flavor
    - Some “Off the shelf” Licensing products
    - Platform, model and market segment variations and requirements included!



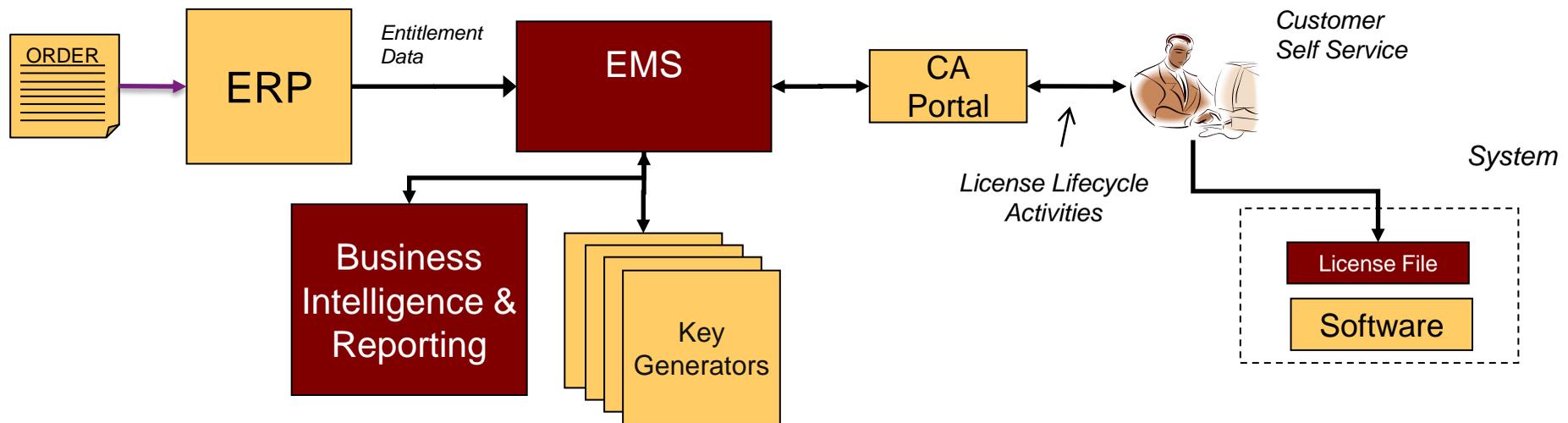
# CA Technologies – Licensing Landscape

- Customer Perspective – Confusion and frustration
  - Multiple different customer experiences in obtaining, installing and managing keys
    - Online, certificate based, email
  - Too many different types of keys
  - Different rules for key expiration – perpetual, contract end dates, etc.
- Internal Perspective – Keeping confusion in check
  - ~80 different licensing tools in the current inventory
  - No single License/Entitlement Management System
  - Licensing is mainly a manual process dependent upon experience with the tools
    - Service ~60,000 license requests each year
    - Large team to service these requests
  - Manual activities in the revenue recognition stream
  - License entitlements and fulfillments not easily reported
  - No standard platform for future M&A integration
    - ‘Bolt on’ processes from each new acquisition



# CA Technologies – License Management Vision

- Focus on Customer Experience is the # 1 priority
  - ‘Delight the Customer’ by improving and simplifying the licensing experience
  - Establish a system that provides automated, 24 x 7 customer self-service, integrated with existing CA Support Online
  - Provide a single interface for the customer to view license entitlements, generate license keys, re-host and return license keys and request license service



# CA Technologies – License Management Vision

- Manage the Past
  - Implement a robust and scalable Entitlement Management System (EMS)
  - Integrate CA Technologies' ERP systems with the EMS
    - Push entitlement data from ERP to the EMS
  - Integrate the existing key generation tools with the EMS
  - Automate key generation activities
  - Sunset some legacy licensing tools
- Manage the Future
  - Establish a platform to support changes in License Management direction
    - Audit/Compliance, Cloud Licensing, License Keys, Virtual machines
  - Provide standard platform for M&A licensing integration
  - Reduce manual effort and processes
    - Automate manual processes that are in the revenue recognition stream
  - Strong entitlement & fulfillment linkage for Business Intelligence/Reporting



# Business Case for the EMS

Even though it makes great common sense, there has to be financial benefit

- Analyzing the Costs
  - Solution cost – the software
  - Solution implementation – Professional Services
  - Back office integration – internal IT services
    - Interface to ERP
    - Interface to Online portal
    - Security considerations
    - SOX/Segregation of Duties considerations
  - Process re-engineering
- Items to remember
  - T&E Costs
  - Subject Matter Experts
  - Communication
  - Training
  - CapEx vs. OpEx



# Business Case for the EMS

Not all benefits can be quantified in exact dollars and cents



- Analyzing the Benefits
  - Reduction in staff needed to service requests
  - Consolidation of physical IT resources
    - Reduced DR footprint
  - Streamlining/Improving processes
  - Increased productivity from remaining staff
- Some 'soft' benefits to consider
  - Customer Satisfaction
  - Increased entitlement control leading to reduction in overuse (equals new/add-on sales)
  - Reporting on actual license usage can help identify 'shelf-ware'



# Vendor Selection

Vendor selected for EMS – Flexera Software

- Established presence in License & Entitlement arena
- FlexNet Operations product met technical and business requirements for establishing an EMS
  - Robust
  - Scalable
  - Platform for future growth
  - Platform can support future direction (audit/compliance, licensing, etc.)
- Established partnership with CA Technologies
  - InstallShield and InstallAnywhere
  - FlexNet Publisher
  - FlexNet Manager



# Implementation Challenges

- Challenge Area # 1 – Stakeholder Identification & Management
  - Licensing is the ‘back end’ of the pricing and marketing of products. You cannot expect to make changes in how licenses are issued without the buy-in of the people who determine the license models and market strategy
  - Finding all the right stakeholders – likely a problem only in large organizations
    - Identifying who has a stake
  - Gaining and keeping the interest of stakeholders – delivering messaging in a way that lets various groups understand the value and impact of the EMS
  - Managing stakeholder expectations
- Mitigation – Communication, communication, communication
  - Socialize at every opportunity
  - Socialize across organizations
  - Get ALL the requirements
  - Get acceptance of requirements



# Implementation Challenges

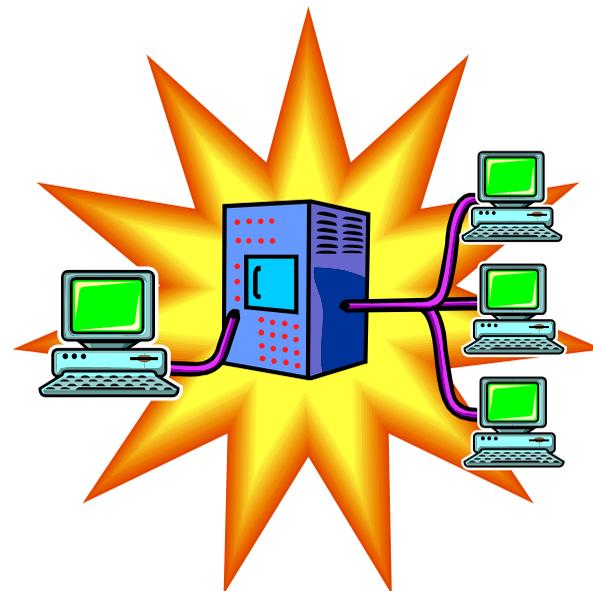


- Challenge Area # 2 – Integrity of Data
  - Number of products
  - Versioning of products
  - Changes in license key technologies between versions
  - Normalization of acquired company data
- Mitigation
  - Don't assume the ERP data is ready for license automation
  - Involve Product Management and Business Data management in data cleansing activities early



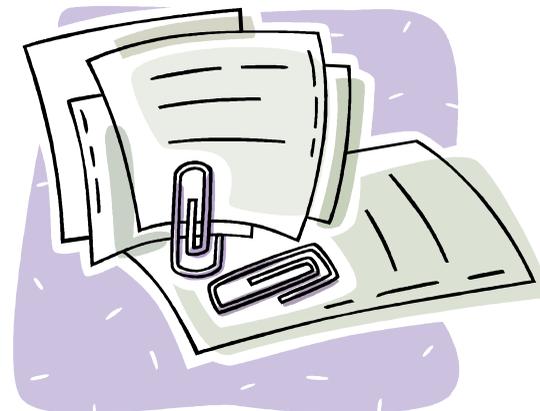
# Implementation Challenges

- Challenge Area # 3 – Complexity of Back Office Infrastructure
  - Multiple ERP systems (SAP, TOPS, OLP)
    - Multiple integration points
    - Multiple related business processes
  - Multiple key generators
    - All are unique
  - Security
    - Access and Segregation of Duties
    - Access through firewalls for customer facing portal
  - Tools to monitor/manage the backend
- Mitigation
  - Crisp functional and technical design documentation
  - Maintain project team integrity
  - Hard work



# Implementation Challenges

- Challenge Area # 4 – Complexity of Back Office Processes
  - Revenue Recognition rules
  - Beta, Trials & Emergency Keys processes
  - Regional differences
    - Language
    - Business rules
  - Licensing Processes
  - ‘Special Metrics’ entitlements
- Mitigation
  - Map out As-Is and To-Be processes prior to integration project
  - Revisit To-Be processes as early as possible to flesh out missed requirements



# Expected Benefits

- Project scheduled to go Live in Q2/Q3 of 2011
  - Increase in customer satisfaction based on reduced complexity in the licensing experience
  - Reduced annual costs of manual license management
  - Platform ready for CA Technologies next acquisition
  - Platform ready for CA Technologies future direction
  - Drive future sales and add-on sales through improved entitlement management
  - More effectively manage customer compliance



Questions?

