VERSION 1

Enterprise License Considerations for Ireland's Public Sector Bodies Procuring Cloud Services

Response to the OGP Cloud Services Procurement Guidance Note 2021 for Ireland's Public Sector Bodies.

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Introduction

The latest guidance note published by the Office of Government Procurement (OGP) (**click and pdf will download** - OGP Cloud Services Guidance Note February 2021) on Cloud Services Procurement, specifically refers to contractual and commercial elements that need to be considered when Irish public sector bodies (PSB) procure cloud services. This document should be read in conjunction with Version 1's previous response to the initial Cloud Computing Advice Notice published by the Office of the Government Chief Information Officer in 2019.

The recent Cloud Services Guidance Note rightly suggests that where relevant, expert advice should be sought when PSBs consider procuring cloud services. This document will provide general advice and guidance specific to the considerations around enterprise licensing, however each PSB's particular circumstances are best discussed with industry experts such as ourselves.

The Version 1 SAM Team has reviewed this note and summarised in this document our observations on some of the points raised specific to license impacts, including:

- Cloud vendor market assessment.
- Understanding license implications before, during and after cloud adoption.
- Cloud pricing models.
- Cloud cost management – the importance of FinOps.
- Contractual good governance.

The topic of enterprise licensing is well known for its complexity – when you add cloud technologies to the mix, some of the license minutia can be innocently overlooked or misunderstood, resulting in potential financial and contractual exposure. The challenge when adopting cloud from a licensing perspective will be unique to each of the PSB's environment and will generally centre around the details of the 'as is' and 'to be' software estate, which cloud vendor will be adopted and the financial commitments.
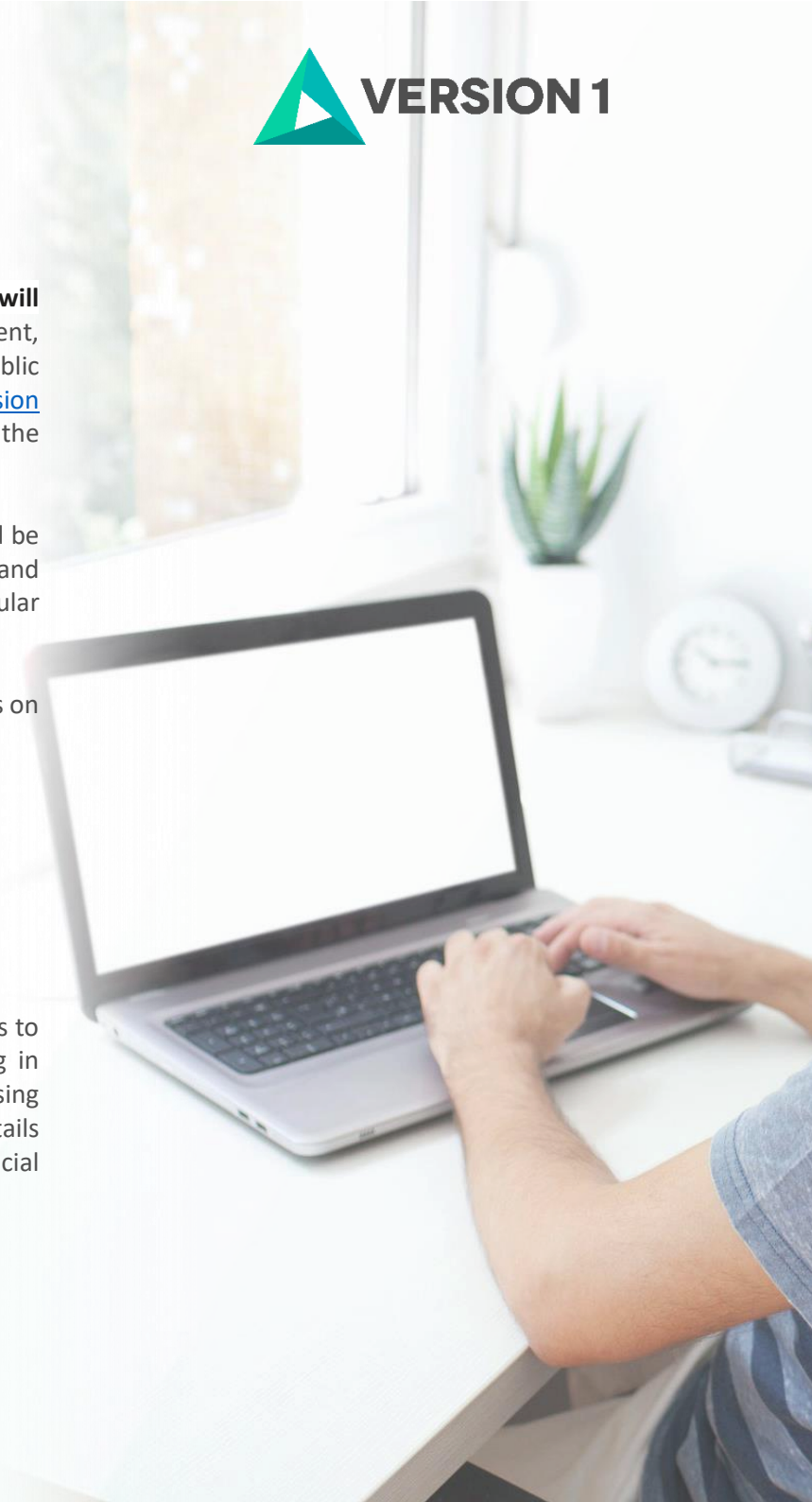
- There will be a great many PSBs with a history of investment in legacy software and therefore potentially incompatible licensing terms – terms drawn up years before cloud technology became a factor.
- PSBs have a choice of cloud platforms to move to; IaaS, PaaS, and SaaS. Page 7 of this document provides an overview of these.
- The license considerations and implications will depend greatly on the PSB's current infrastructure and their cloud platform of choice.
- PSBs need to contend with the financial motivations of software vendors that have both on-premises and cloud propositions. These vendors want to grow cloud revenue, reduce the churn of their on-premises customers, and preserve market share - sometimes these motivations are at odds with what the customer needs.

There are many reasons we see our clients moving to the cloud, and many types of cloud service being integrated into application estates as well as wholesale migrations to public cloud. Successful cloud adoption requires organisations to plot a path that builds understanding of cloud features and considerations, the build out of technical and organisational enablers that will allow the business case for cloud to deliver on the organisational goals and objectives.
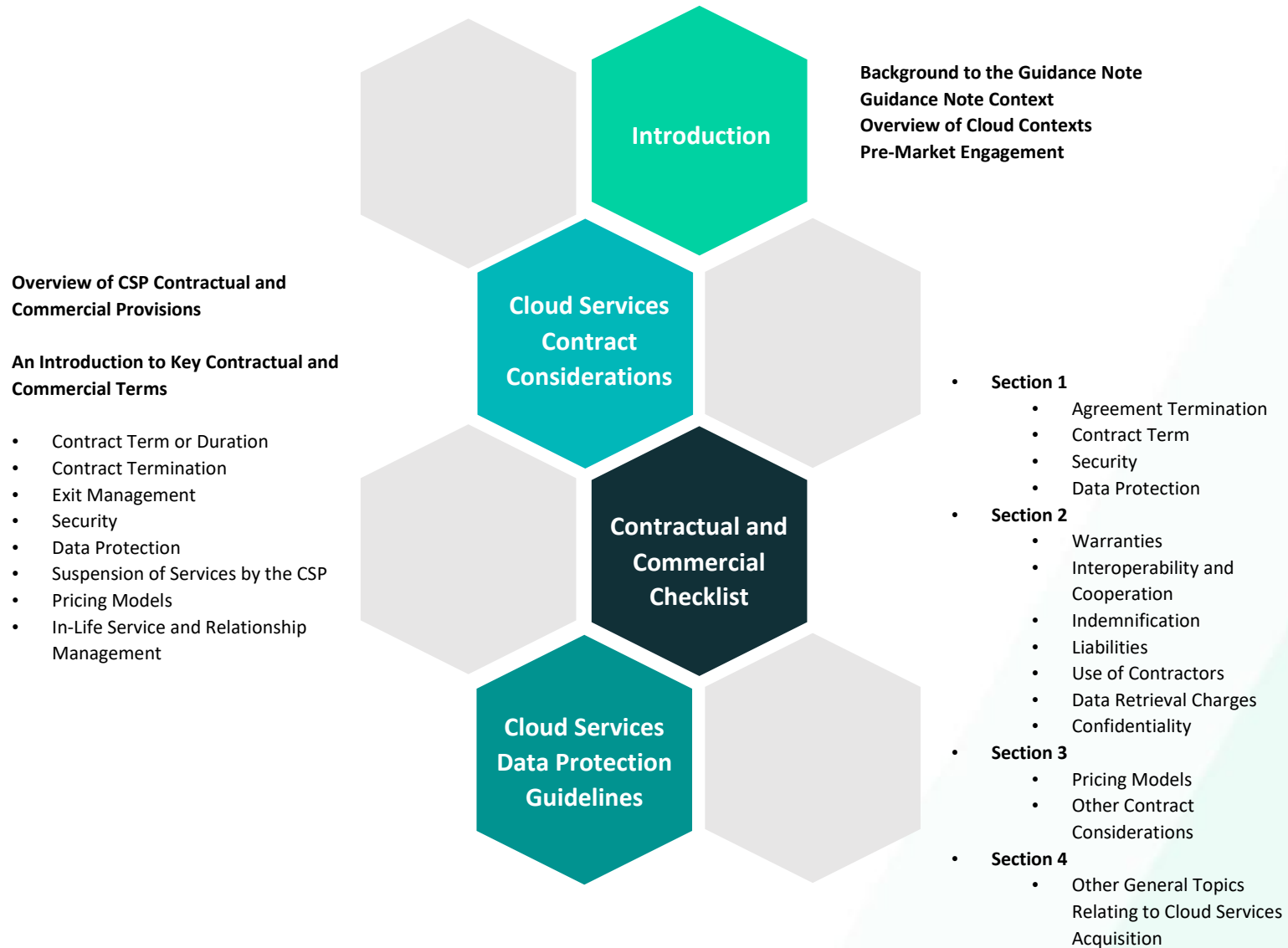
This analysis will focus on licensing, but this is just one consideration in the cloud investments being made – such as target operating model, partnering, skills and organisational transformation as the move to cloud is embraced.

This document addresses some of the specific licensing and relevant contractual points raised, with a view to:

- Underline some of the potential pitfalls and opportunities from a licensing perspective that can often occur when embarking on a technology change project such as moving to the cloud.
- Highlight some of the benefits of engaging with independent Software Asset Management (SAM), Cloud and License Optimisation experts such as Version 1, to help uncover any legitimate license cost optimisation opportunities during a cloud migration project.

Version 1's cloud and license consultants are highly experienced in optimising enterprise license estates and supporting enterprise customers adopt cloud technologies. Whether you are still exploring your cloud strategy, implementing a mass migration to public cloud, or looking to simplify and optimise the management of multiple cloud environments, Version 1 helps customers to realise the business benefit of our range of cloud services.

Overview of the Contents within the Cloud Services Procurement Guidance Note

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Overview of CSP Contractual and Commercial Provisions

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- Exit Management
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- Pricing Models
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  - Contract Term
  - Security
  - Data Protection
- **Section 2**
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  - Interoperability and Cooperation
  - Indemnification
  - Liabilities
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  - Data Retrieval Charges
  - Confidentiality
- **Section 3**
  - Pricing Models
  - Other Contract Considerations
- **Section 4**
  - Other General Topics Relating to Cloud Services Acquisition

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About the Authors

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Jason heads up the SAM Practice Business Unit in Version 1 and has worked in IT for nearly 30 years primarily in Oracle. Jason joined start-up Oracle license consultancy, Rocela in 2006 (acquired by Version 1 in 2013) and has been involved in enterprise licensing since, focussing on generic SAM methodologies and processes to help customers deliver effective enterprise-wide software asset management and extract the best value out of their software investment.

Ronan Laffan – Head of Advisory Services
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Having joined in 2001 as a Solutions Architect, Ronan is now Head of Advisory Services at Version 1 and is one of the company's most experienced Architects. With extensive knowledge across a wide range of technologies, Ronan has led major technology solutions and modernisation programmes for many of Version 1's public and private sector customers. He is known in the industry as an innovative and strategic thinker and has presented on technology and development topics at many conferences. He brings deep insight into the transformation that cloud and digital technology brings to organisations, whether considering business or IT processes, enabling new ways of working and innovation in service delivery.

Considering Types of Cloud Services

There are many types of cloud service, from SaaS to PaaS to IaaS, and the considerations differ markedly based on the nature and role of the services consumed. While some PSBs in Ireland have already wholeheartedly embraced cloud services for all categories of workload, in most cases we see cloud adoption for specific workloads. For example:

- **SaaS** is being widely adopted in a variety of areas - we see many organisations embracing SaaS services for office productivity and collaboration, migrating to SaaS services for commodity applications like time recording services, and deploying specialist SaaS applications in place of commercial 'off the shelf' software such as library management systems in the education sector.
- Our clients are leveraging a variety of **PaaS** services to speed up delivery of bespoke digital services and reduce operating overheads, whether using low-code platforms or deploying custom applications to databases and hosting PaaS services, or leveraging the cloud for storage as a service.
- And clients are also deploying **IaaS**, whether deferring data centre investments, putting Internet facing workloads in the cloud, or leveraging the elasticity and flexibility of cloud.

Other countries are further down the path away from traditional data centres, embracing wholesale adoption of public cloud for all hosting and application workloads – most notably the UK, which introduced a "Cloud First" policy in 2013 for all technology decisions. The Irish public sector has pursued a more cautious approach to date, however we expect this guidance note will help to accelerate cloud adoption where there is a clear business case, starting with considerations for specific workloads, but eventually moving to consider whether the entire infrastructure should be moved from traditional data centres.

The licensing and procurement considerations will differ greatly whether procuring specialist business applications from a niche vendor or consuming commodity services from a hypercloud vendor, whether procuring on behalf of the entire Irish public sector or procuring to meet the needs of a small user base within a PSB. The guidance document – and this response – cannot attempt to cover all nuances of these variants; in all considerations, the business case must be kept to the forefront, and the question of whether the PSB can set terms or should accept terms must be kept in mind.

Cloud changes how we build and manage our technology estates, the responsibilities and roles of the IT team within each PSB. In considering licensing and procurement of cloud services, we must first understand the digital services we need to provide to internal and external stakeholders, the target operating model we are striving to achieve and define a roadmap for the transformation to make this journey. This document focuses on the specific points raised within the Cloud Services Guidance Note, referencing each section of that document and providing our insights into the licensing and procurement implications for a PSB's journey to cloud.

Cloud Services Brokers

The guidance note (2.3 Overview of Cloud Contracts) suggests that PSBs could transact through a cloud services broker or Systems Integrator and potentially seek to place the contractual risk in *their* contracts. This latter point, in our experience, is highly unlikely to be successful. Contractual obligations and the acceptance of liability and risk will always rest with the contracting entity - the PSB. No 'middleman' is likely to accept the risk for something that is outside of their control.

Our Recommendations
Our advice would be for the PSB to understand the cloud vendor's terms and conditions as early as possible to identify any problem areas and engage with the cloud vendor to negotiate any possible amendments. It is also worthwhile noting that some of the larger cloud vendors may have public sector specific terms and conditions that they could operate under, so check for this early on in your pre-planning stage.

Solution Assessment

Executing a pre-market engagement phase (2.4 Pre-Market Engagement) as part of a public procurement exercise will yield potentially useful content, but any expectations should be tempered by the understanding that content provided is unlikely to be specific to the PSB running the exercise. A large amount of best-practice content is already available in the public domain and readily accessible. As with all complex undertakings, the theory is fine until reality bites.

The specific architecture, application(s), infrastructure, risk appetite and available resources will have key bearings on the actual type of cloud migration that proves to be best suited to the PSB. It is unlikely that all the necessary considerations will be immediately obvious and will only come to light once the implementation partner has been chosen and the project has commenced.

Our Recommendations
A solution to this would be to engage in a 'paid for' pre-project assessment either run independently or as part of the qualification process for the final RFP. No matter which route is chosen, it will not be possible to identify all the unknowns, and healthy contingency during the planning phase will be beneficial during implementation.

Pre-Project Assessment

Pre-project assessments as part of any pre-migration stage is key to ensuring you are moving to the best possible cloud architecture. This is an important stage of planning from a licensing perspective too, as enterprise licensing rules can differ between software vendors, cloud providers and solutions.

A comprehensive overview of cloud vendors, their solutions and license requirements, pricing calculations, restrictions etc. is useful, however, the most beneficial part is applying that information to specific PSB's requirements. This is where understanding the PSB's drivers for moving to the cloud and the current license estate will help determine the best cloud solution.

However, it is important to note that there is no 'one size fits all' and an assessment provides the foundation on which customer recommendations can be made. Whilst it is not always possible to be aware of all 'unknowns', you'll receive more specific information based on your circumstances from a pre-project assessment.

When specifically assessing a cloud vendor in respect of enterprise licensing, some of the areas we would suggest looking at are:

- **License rules** – how are license requirements counted on different vendor cloud platforms?
- **License options** – Bring Your Own Licenses (BYOL) versus embedded licenses where the platform of choice is IaaS or PaaS.
- **Migration license requirements** – what are the license requirements during a cloud migration project?
- **On-going costs** – is the customer responsible for support & maintenance on top of the vendor cloud infrastructure costs?
- **Future options** – what are the implications of a customer deciding to move back to an on-premises solution?
- **License management** – how is license compliance tracked and who is responsible for tracking?

Exit Management

Managing the transition from on-premises to cloud, or incumbent cloud provider to new cloud provider due to termination or expiry of services, does require careful planning (3.2 An Introduction to Key Contractual & Commercial Terms, Exit Management).

Our Recommendations
Once again, we would recommend that a thorough assessment of your 'as is' and 'to be' software estate is carried out to ensure that you achieve full license coverage before, during and after your migration project.

For example, if you cancel your on-premises or BYOL licenses and move to a different provider, ensure that the software to run there is licensable within their environment, either by buying licenses along with the virtualised instances or buying licenses from the vendor allowing you to use them on that platform. We recommend that you plan for the future and assess options prior to making any key decisions. Each PSB's specific circumstances will be different.

Pricing Models

Cloud service pricing models can range from pure subscription models where services sold on a cloud catalogue basis are billed per month whether used or not, or a model where the customer starts off with a zero account, provisions cloud resources on-demand and gets charged based on actual consumption (Pay As You Go). Another variant is an enterprise that is billed based on the number of active users assigned to a cloud subscription (Pay Per User). Several cloud providers offer a combination of the above models with suitable discounting options.

Our Recommendations
We would recommend that for PSBs wishing to utilise SaaS applications, that the products' pricing model is fully understood (3.2 An Introduction to Key Contractual & Commercial Terms, Pricing Models) and a value proposition realised as part of the business case to ensure that the correct 'feature to price' tier map is known. This will avoid the premium upsell model, where a CSP makes it very easy to upgrade from a lower to a higher tier (click of a button) versus the downgrade process (often impossible or manual.)

Cloud providers all offer different cloud pricing models, unique discount options, and frequent price cuts to attract customers, for example; AWS Consolidated Billing concept, the AWS Reserved Instances (RIs) model (that are not actual instances, but rather a kind of discount coupon mechanism that can be applied to instances that meet certain criteria (region, availability zone, instance family, and operating system)), the Google Sustained Use Discounts (SUD) and the Microsoft Enterprise Agreement that enables enterprises to avail discounts from 15-45 percent depending on the level of usage they commit to. These are all pricing and discount methods offered by the cloud providers.

A non-exhaustive list of pricing models is provided below:

- **Time-Based** - pricing based on how long a service is used.
- **Volume-Based** - pricing based on the volume of a metric.
- **Flat Rate** - a fixed tariff for a specified amount of time.
- **Priority Pricing** - services are labelled and priced according to their priority.
- **Edge Pricing** - calculation is done based on the distance between the service and the user.

- **Responsive Pricing** - charging is activated only on service congestion.
- **Session-Oriented** - based on the use given to the session.
- **Usage-Based** - based on the general use of the service for a period of time, e.g. a month.
- **Content-Based** - based on the accessed content.
- **Location-Based** - based on the access point of the user.
- **Service Type -** based on the usage of the service.
- **Free of Charge** - no charge is applied for the services.
- **Periodical Fees** - payment of time-to-time quantities for the use of a service.
- **Pre-Paid** - the payment of the service is done in advance.
- **Post-Paid** - the payment of the service is done after the use.
- **Online** - the accounting performed while the user makes use of a service.
- **Offline** - the accounting process is done after a service is used.

More information on pricing models and metrics can be found within the following resources:

Cloud Economics – Spot Pricing

Whitepaper - Licensing Oracle Workloads on AWS

Ongoing Cost Management

Any PSB planning to make investment in public cloud as their primary computing strategy will need to ensure they manage cloud costs (3.2 An Introduction to Key Contractual & Commercial Terms, In Life Service and Relationship Management). This is a complex goal to achieve, so much so that cloud cost management has evolved into its own set of disciplines, commonly referred to as FinOps.

Our Recommendations
We would recommend that PSBs establish a dedicated FinOps Team as part of the move to the cloud; to establish internal processes, responsibilities and policies, and manage cloud cost from the outset.

FinOps is shorthand for Cloud Financial Management. According to the FinOps Foundation, "It is the practice of bringing financial accountability to the variable spend model of cloud, enabling distributed teams to make business trade-offs between speed, cost, and quality."

At its core, FinOps is a cultural practice. It is the most efficient way in the world for teams to manage their cloud costs, where everyone takes ownership of their cloud usage supported by a central best practice group. Cross-functional teams work together to enable faster delivery, while at the same time gaining more financial and operational control.

No longer is a siloed procurement team identifying costs and signing them off. Instead, a cross-functional FinOps team adopts a definitive series of procurement best practices, enabling them to pull together technology, business, and finance to optimise cloud vendor management, rate, and discounting. With FinOps, each operational team (workload, service, product owner) can access the near-real-time data they need to influence their spend and help them make intelligent decisions that ultimately result in efficient cloud costs balanced against the speed/performance and quality/availability of services.

Managing Cloud Software Cost

The Guidance note refers to the management of services (3.2 An Introduction to Key Contractual & Commercial Terms, In Life Service and Relationship Management) - we would include in this the successful ongoing management of your cloud software costs. We are specifically referring to the following:

- Ongoing SAM of on-premises licenses that are now 'covering' your cloud environment.
- Ongoing SAM of cloud licenses (or subscriptions) provisioned and paid for as part of a virtualised server from your cloud vendor.

- Ongoing cloud consumption cost optimisation incurred from virtual machine components or any other endpoints provisioned and consumed as part of your cloud environment.

Our Recommendations

All three will have a bearing on your cost profile so adopting SAM methodologies (if not already in place) will ensure maximum return on your software investment, ongoing optimised cost and reduced risk. If you have on-premises licenses which you have already invested in (and it makes sense to continue to use that technology providing you are entitled to use that technology in a public cloud), then you will still need to manage that software estate so that you are correctly licensed in your chosen operating environment.

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Additionally, you will need to manage any cloud specific costs. For example, you may have a license to run an Oracle database, however this does not remove the need to manage the cost of running the virtual machine provided by the cloud provider. This is normally charged monthly and if not properly monitored, can create waste and over-spend longer term.

Impacts of Not Managing Your Cloud Software

Organisations will run into the usual cost and risk problems if software license estates are not managed properly, regardless of whether it is on-premises or in the cloud. Managing your licenses to ensure you always have license coverage is imperative and the impacts of not doing so include:

- **Increased Risk and Cost** – license non-compliance will result in unbudgeted cost through license remediation activity and potentially significant vendor fines.
- **Increased Spend** – not managing your estate can incur extra and unnecessary spend as opposed to adopting license recycling practices or taking advantage of volume license procurement.
- **Challenging Vendor Relationship** – dealing with non-compliance and vendor fines can impact the relationship with your vendor.

The challenge with cloud consumption costs is centred around managing, controlling, and optimising costs. The ease of procuring and deploying cloud services can unintentionally create over-provisioning, waste, and unused resources. More often than not, costs are not discovered until your finance department receives the bill a month later which may not even be questioned.

As mentioned before, ongoing cloud consumption cost optimisation is a practice that is more commonly known as 'FinOps' (Cloud Financial Management) – a cross functional operation of technical, commercial, and financial resource that aims to reduce unnecessary cloud spend, accurately forecast cloud costs, take advantage of better pricing through reserving resources in advance, and accurately cross-charging and allocating costs internally.

Managing Your Cloud Software Costs

Understanding the nuances of SAM (including cloud billing optimisation) and how to manage an enterprise software license estate requires a unique set of skills following a specific methodology, particularly after a period of infrastructure change, such as moving to the cloud. Regardless of whether this is operated by your in-house resources, or outsourced, the benefits of SAM are:

- Reduced risk and cost by managing your license estate to avoid license non-compliance and risk of associated vendor fines.
- Clarity of software license estate (both on-premises and in the cloud) will support your roadmap for future technology discussions.
- SAM service can encompass your traditional on-premises and cloud environment including cloud cost consumption optimisation.
- If outsourced, access to specialist skills where necessary and the opportunity for cross-learning with your in-house team, is abundant.
- Cost element of an outsourced SAM service can be delivered on a predictable commercial framework.
- Improved vendor relations through successful SAM programs with optimised procurement and license management.

Engaging with an external partner to advise and guide on SAM and FinOps approaches (or to manage the entire SAM process end-to-end) would be the most cost effective and efficient approach, particularly when considering the complexity of cloud adoption.

Cost Metrics

From a license standpoint, understanding the costs involved is an important part of the overall project which can sometimes be overlooked or misunderstood (Section 3. Pricing Models, b. Cost Metrics. p32.) There are a number of elements to consider from a license cost perspective including the following:

- What is in your estate now and do you need to purchase more licenses to cover your cloud environment?
- Are you bringing your own licenses (BYOL) to the cloud environment and do the terms allow this?
- How are you licensing your test/development or sandbox areas?
- Do you need to purchase subscription licenses and how many?
- How do you manage your license costs ongoing?
- How do you manage your cloud consumption costs ongoing?

Our Recommendations

During the migration phase of your cloud project, it is very important to remember that a license is only useable once, at any one time. If the migration is not a hot cutover (i.e. moving in one big bang) it is likely that you will have a period of parallel running and testing/development potentially within a 'sandbox' space, and this is where some issues from a licensing perspective can crop up.

Ultimately, you must ensure you have enough licenses to cover your 'as is' environment, enough to cover the burst in activity caused by testing, development and parallel running, and then sufficient licenses for your new environment depending on the type of cloud platform you are moving to (IaaS or PaaS). Engaging with license experts such as Version 1 will ensure that your software environment is assessed independently and takes into account your technology roadmap.

As we have mentioned before in this document, monitoring and managing your ongoing cloud cost consumption is imperative to avoid unbudgeted spend, waste, underuse of over-provisioned resources and increased cost due to last minute procurement of resources.

More information on pricing models and metrics can be found within the following resources:

Cloud Economics – Spot Pricing

Whitepaper - Licensing Oracle Workloads on AWS

Vendor Terms & Conditions Management

As the recent Cloud Services Guidance Note stipulates (Section 3, Other Contract Considerations, a. Non-Diminishing Services. p34), extra care around storing cloud vendor terms and conditions should be noted. As a provider of software asset management services, contract storage and management are a critical part of any overall SAM service. This is especially important during any period of change that could adversely impact the license terms signed up to, such as a change of entity, geographical coverage, or access for third party contractors or SIs.

Onboarding

This is the process by which we understand the vendors and products in scope. This may only include a subset of products for a specific vendor, as well as the licenses purchased, maintained and consumed. Onboarding can be broken down into 4 distinct technical phases:

1. **Contouring** is the means by which the software taxonomy is defined, the business rules are established and the SAM standards for the new software products are documented. Contouring is important to drive the consistency and accuracy for managing software.
2. **Entitlement** is the process of identifying and analysing the available entitlement and contractual documentation, there-after updating the relevant enablement platform. Entitlement is important to understand so that you know what you are allowed to use and under what circumstances.
3. **Usage** is the means by which all consumption is made available. This may involve the deployment of new scripts, interrogation of new systems or deeper analysis of already available data. It is important to understand your usage so that you can maintain a position of compliance.
4. **Calibration** is the final step in the process which involves the calculation of the Enterprise License Position, provides a baseline for both the entitlement and consumption portfolios, and promotes the software vendor into the 'business as usual' SAM service. Calibration provides you with the building blocks on which to build a SAM service. It is an agreed starting point from which all new entitlement and consumption can be monitored and recorded against.

Governance

Governance is the controls you put in place to manage your software assets. It is the policies, processes and procedures that should be adhered to and can be audited against. Governance covers all aspects of the SAM Service, from how and what paperwork to store, to change and incident management for the systems and tools in place to aid in requests, discovery, data collection, and data analysis. Governance is fundamental to a SAM service as it provides the controls and standards required to succeed in managing and maintaining software compliance positions.

Meta Data Store

This is an online repository for all things SAM related. This allows you to:

- Store all documentation in an easily accessible location.

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- Version control all documents.
- Allows the use of labels and key word searches.
- Can be used to store everything from policies and processes to license documentation, contracts, entitlement and consumption reports, specific terms and conditions.

An online repository has endless possibilities for how to store and manage data, but it does require strong governance and controls to ensure that it remains a useful and usable repository.

Pre-Existing Licenses

The recent Cloud Services Guidance Note rightly highlights the importance of PSBs having *'… an awareness of the quantity and type of pre-existing licences which may be required to migrate to the cloud'* (Section 3, Other Contract Considerations, c. BYOL. p35.)

We have mentioned a number of times in this document the importance of knowing your 'as is' and 'to be' estates and how you will license any parallel running or testing environment.

There are various considerations when thinking about moving to the cloud. As a result, many innocently overlook the more 'mundane' aspects regarding commercials and licensing – however these are important considerations that could have a significant financial and reputational impact if omitted.

There are several ways to optimise or 'right-size' your estate to ensure the best possible cloud deployment and license coverage from a technical and financial perspective - gaining expert advice at this stage is important to a successful outcome.

Why is it important to prepare?
Your pre-planning should arm you with the various pros and cons of your options allowing you to make an informed decision as to what will work best for you. Having this clarity in place before you begin vendor negotiations will pay dividends. By their very nature, vendor sales will incentivise their proposition. Having done your homework and being clear on your requirements, you can take control of the negotiations and ensure you procure what you need to deliver against your business case.

What can happen if you fail to plan.
In this event, failing to consider your license estate within the context of a cloud adoption project can create the following problems:

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- Approaching vendor negotiations without the appropriate data and requirements can sometimes result in spending money needlessly.
- Lack of control in vendor negotiations where you may find yourself working to someone else's agenda as opposed to *your* agenda.
- Misunderstanding or miscounting of required licenses results in license non-compliance and the financial impacts of this.

Taking the time necessary to understand your current, transitioning, and future license requirements is not easy; there are no 'hard and fast' rules to follow. As mentioned above, there is a real risk of financial and reputational damage; non-compliance fees of tens or even hundreds of $/£/€ are entirely possible. The effort to correct or challenge any non-compliant position will be significantly higher than appropriate preparation and could include expensive lawyers as well as C-level involvement from your organisation.

Our recommendations

Within your cloud project team, consider all phases of the migration; what will the target environment look like, what are the licensing policies for your enterprise vendor in your chosen cloud environment, what are the considerations for the migration itself, how will the 'build ahead' environment be licensed, what will happen to the on-premises servers and when will they be decommissioned? Including the right internal IT resources and external independent license experts at this pre-planning stage will help you plan for project success.

Summary

In our experience, establishments looking to adopt cloud platforms misunderstand (or innocently overlook) some of these critical licensing areas highlighted in the recent Cloud Services Guidance Note, and our document. If not carefully assessed and understood, the complexities of cloud projects combined with the potential impacts on enterprise licensing can adversely affect your overall ROI. Furthermore, the consequences of any license exposure may not be uncovered until a vendor audit – an activity that we expect to see a rise of during 2021 and beyond. More often than not, this will result in unbudgeted cost and potential vendor fines to resolve the non-compliance concern.

This document tackles some of the specific license areas that the OGP Cloud Services Procurement Guidance Note has drawn attention to. Our 3-key take-aways are:

Clarifying your 'as is' estate, migration plan, and 'to be' environment will allow license experts to pinpoint any license concerns or opportunities prior to cloud adoption, how best to license the migration period without risk of non-compliance and how to license and/or apply licenses to your cloud environment.

Once you are in the cloud, managing your estate does not end there. SAM methodologies will allow you to continually optimise your environment to ensure ongoing compliance and risk reduction.

Optimising cloud consumption then becomes an imperative with the ease of cloud resource deployment. Adopting FinOps methodologies to manage, forecast, optimise, and allocate your cloud costs will become increasingly essential.

Our advice would be to engage with an independent technology partner who can support your entire cloud adoption journey, including an assessment of your license estate and future technology plans. Version 1's cloud and license consultants are highly experienced in supporting enterprise customers adopt cloud technologies. Whether you are still exploring your cloud strategy, implementing a mass migration to public cloud, or looking to simplify and optimise the management of multiple cloud environments, Version 1 helps customers to realise the business benefit of our range of cloud services.

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SAM Practice Service

The Version 1 SAM Business Practice delivers best in class independent licensing expertise. Over the last 19 years, we have engaged with hundreds of clients from all sectors and geographies. Our breadth of skills encompasses technical, commercial, and contractual expertise across a broad range of technologies including cloud and virtualised platforms. It is, as a result of these customer interactions, that we have been able to develop our own unique delivery platform and methodologies. Based on our extensive knowledge and IP, this delivery platform underpins our license consulting and SAM services and ensures the integrity, reliability and accuracy of data driven decisions.

Our License Consultants are highly experienced in supporting enterprise customers through any of the scenarios outlined within this whitepaper, with the following primary objectives:

- **Reduce risk, complexity, and cost.**
- **Minimise as much as possible any unplanned spend.**
- **Create and maintain good governance and cost management of software assets.**
- **Improve vendor relationships.**

As independent license consultants we are vendor agnostic, however, have deep licensing expertise across a broad range of enterprise vendors including Oracle, Microsoft, IBM, VMware, and Red Hat, to name a few.
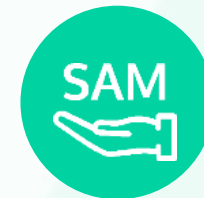
Vendor Specific License Consulting

- License Audit Defence
- Oracle ULA Lifecycle
- Microsoft EA & CSP Lifecycle
- IBM ELA, ILMT management

Cloud Licensing & Management

- Cloud Readiness
- Cloud Transition
- Cloud Management
- Cloud Economics

Software Asset Management

- Processes & Methodologies
- ISO 19770
- ITIL v3
- Multi-Vendor

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Business Objectives We Address

Reducing Complexity

Reducing Risk

Cost Management

Vendor Relationship

SAM

Reduce business risk
Through license compliance management

Reduce unnecessary spend
Through effective SAM methodologies

Improve IT efficiency and productivity
By outsourcing specialist licensing skills

Improve business case ROI for cloud adoption
Through effective right-sizing of license estate before, during & after transformation

Improve cost control
Through efficient buying strategies

Improve vendor relationships
Focus on long term engagement strategy avoiding confrontational audits

Business Benefits of License Optimisation and Software Asset Management

Reducing Complexity

Our optimisation expertise helps to deliver financial risk reduction of over 82% on average during audit scenarios.

Reducing £17m to £100k

When engaged our customer was facing a bill of £17m, but through our help this amount became £100k.

High Customer ROI

On average, the cost of our license optimisation services is only 2% of what we generally save for our customers.

£10 Million

Our SAM Service Team's expertise delivered a cost avoidance opportunity of just under £10m for our enterprise customer.

Reduced £5m to £60k

Our SAM Managed Services delivered Database license reduction for our client from over £5m to just under £60k.

69% Risk Reduction

Our software asset management services deliver financial risk reduction of 69% on average over the lifecycle of a managed service.

Further Resources

Blog Posts

[Blog - 8 Licensing considerations when moving to the cloud](#)

[Blog - Cloud Economics: Whose Responsibility is it anyway?](#)

[Blog - Licensing Oracle in the Cloud Computing Environment](#)

[Which Cloud Deployment Model Does My Organisation Need?](#)

Webinars

[Webinar - Effective Ways to License and Buy Azure](#)

[Webinar - Control & Optimise Office 365 & MS 365 Licensing Costs](#)

[Webinar - SQL Server Migration & Licensing Considerations on AWS](#)

[Webinar: Becoming 'Cloud First': Strategies for Cloud Adoption in the Irish Public Sector](#)

[Webinar - Migrating Legacy Applications to the Public Cloud](#)

[Webinar - Migrating Oracle to Public Cloud - AWS Migration Strategies](#)

[The License Impacts of Moving Oracle Workloads to Public Cloud](#)

[Webinar - 10 Ways to Mitigate Compliance Risks in the Cloud](#)

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Whitepapers

[**Whitepaper - Oracle on EC2**](#)

[**Whitepaper - Options for Oracle on Amazon Web Services in the Cloud**](#)

[**Whitepaper - Licensing Oracle Workloads on AWS**](#)

Articles

[**Version 1 Achieves Cloud Service Expertise in Oracle ERP Financials Cloud**](#)

[**CCS Memorandum of Understandings: What It Means for Cloud Services in Public Sector**](#)

VERSION 1

IT starts with you

Driving customer success through 20 years of market leadership and innovation in IT Services.

1,800+	Strong Team
20+	Years Expertise
98%	Customer Retention
140+	Million Revenue

The Version 1 Difference Strength in Balance

CUSTOMER SUCCESS

Making a real difference through long-term, outcome focused relationships – success that fulfils our people and fuels our growth.

EMPOWERED PEOPLE

Deliberately selecting, empowering and trusting people who are wired to deliver customer success - an empowerment that drives customer loyalty and organisational strength.

STRONG ORGANISATION

A high-performing, financially strong organisation of the highest integrity – a strength that empowers our people and delivers customer success.

Customer Success
Strong Organisation
Empowered People

Market Leadership through Innovation

Digital Services

Deliver your Digital Services more efficiently, engage your end-users and fully realise your digital strategy objectives.

Enterprise Cloud

Migrate, run and optimise your enterprise applications in public cloud with our expert cloud services.

Enterprise Resource Planning

Maximise your ERP investment and modernise for the Digital World with Version 1, the go-to partner for Oracle E-Business Suite, JD Edwards, PeopleSoft and Oracle Cloud Applications.

Our Global Technology Partners

ORACLE Microsoft aws

Find out how Version 1 can help you reduce cost and risk, and gain control of your enterprise license estate with our software asset management services.

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