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IBM Software Licensing: Tips to Safeguard Your Bottom Line

Save Money, Reduce Risk and Maintain Compliance

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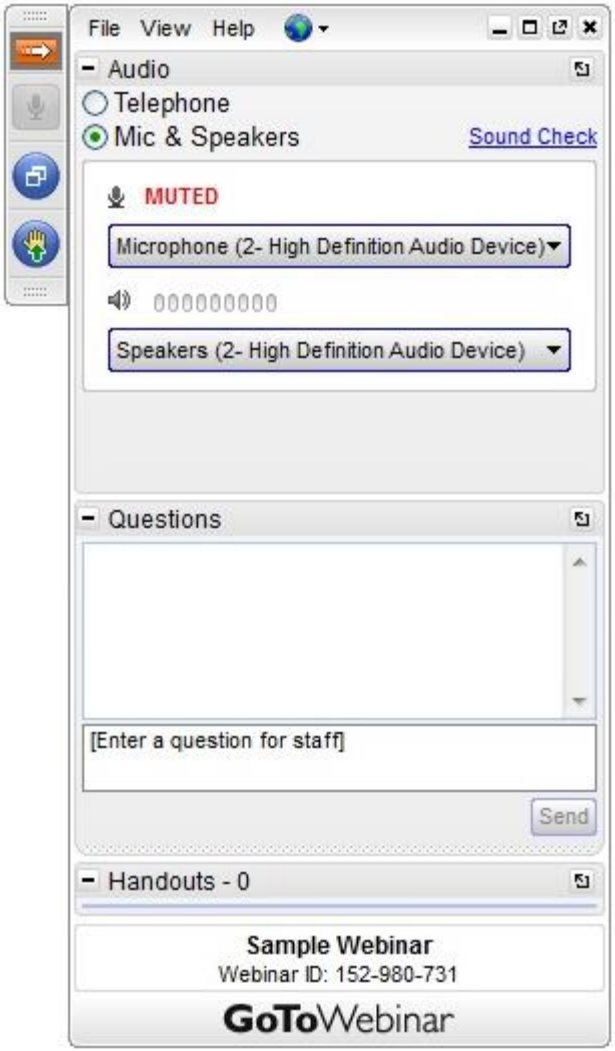

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Presentation Slide Deck

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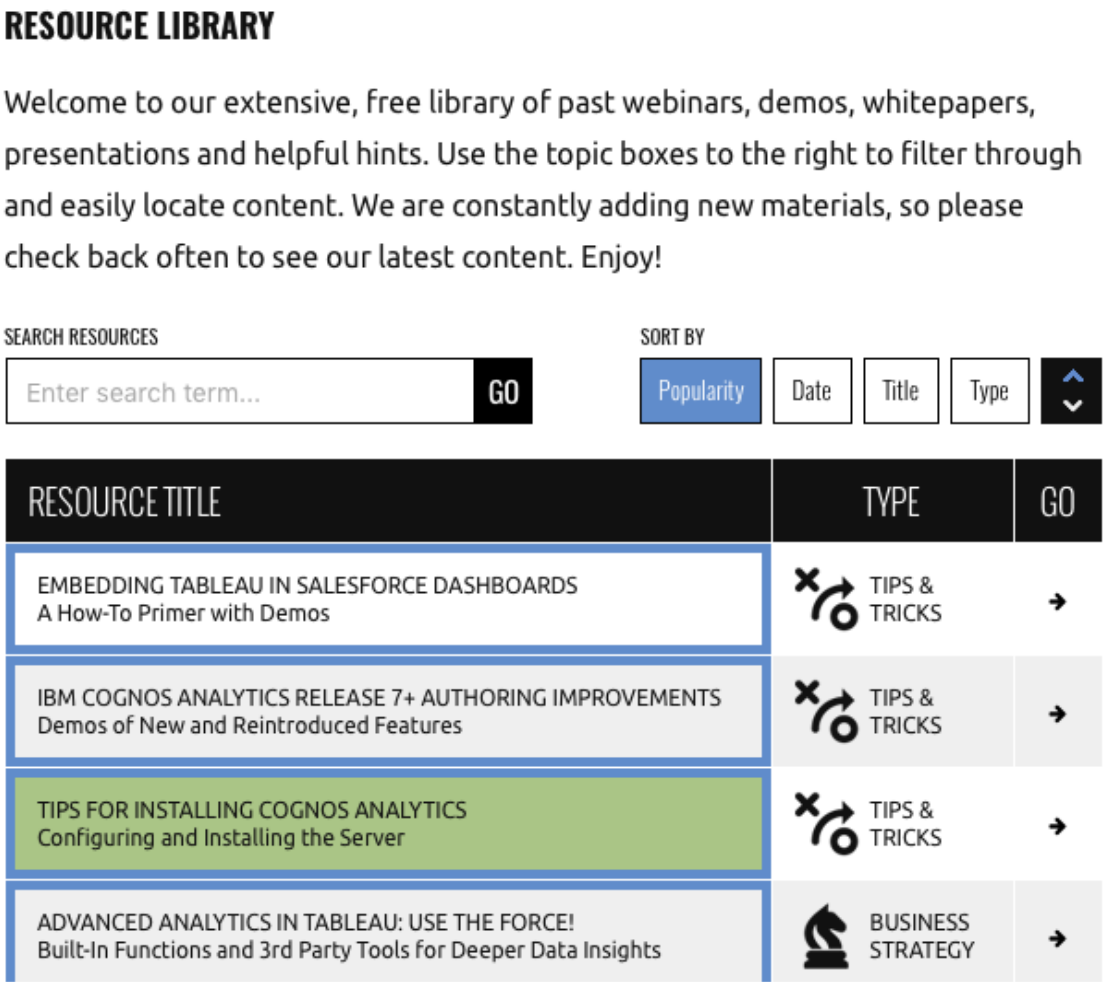

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Agenda

- Introductions
- Licensing metrics and considerations
- User and capacity based licensing
- Software renewals and “gotchas”
- Passport Advantage / Licensing Information documents
- Software audits
- Maintaining compliance
- Senturus overview
- Additional resources
- Q&A

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Introducing…Today's Presenters

Carson Bradshaw

Director of Client Solutions

Senturus, Inc.

Michael Weinhauer

Practice Area Director/ Product Manager

Senturus, Inc.

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Poll

What do you think is the most common reason for lack of compliance with IBM software licensing?

- **Over-deployed**
  - (e.g. number of users is greater than number of license entitlements)
- **Unrestricted users**
  - (e.g. consumer with authoring rights, authors with admin rights, etc.)
- **Improper use of PVU based sub-capacity licensing**
  - (e.g. entitlements for 280 PVUs but deployed for 1120 PVUs)
- **Implemented PVU licenses without the use of ILMT**
  - (e.g. did not deploy ILMT [IBM License Metric Tool] within 90 days)
- **Unauthorized non-production environments**
  - (e.g. only acquired PROD PVU licenses but also deployed DEV /TEST / QC)

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IBM Software Licensing

IBM Software Licensing

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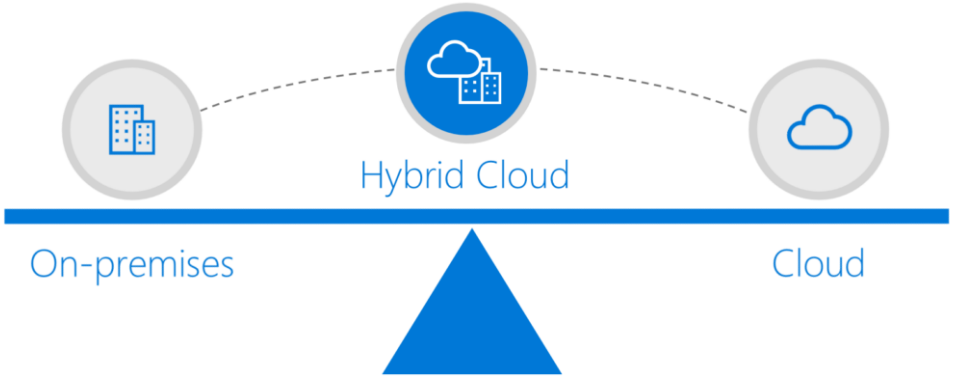
IBM License Types

- On-premise
- Cloud (aka SaaS)
- Hybrid cloud



Tip: User access rights and restrictions vary greatly

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License Considerations: On-Premise vs. Cloud

- Product limitations
- Technical aspects
- Financial aspects

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IBM User and Capacity Based Licensing

- **User based licensing**
  - Authorized User (aka Named User)
  - Concurrent User
- **Capacity based licensing**
  - Processor Value Unit (PVU): measured by processor cores.

Tip: PVU licenses do not limit the number of users but are restricted by processors.

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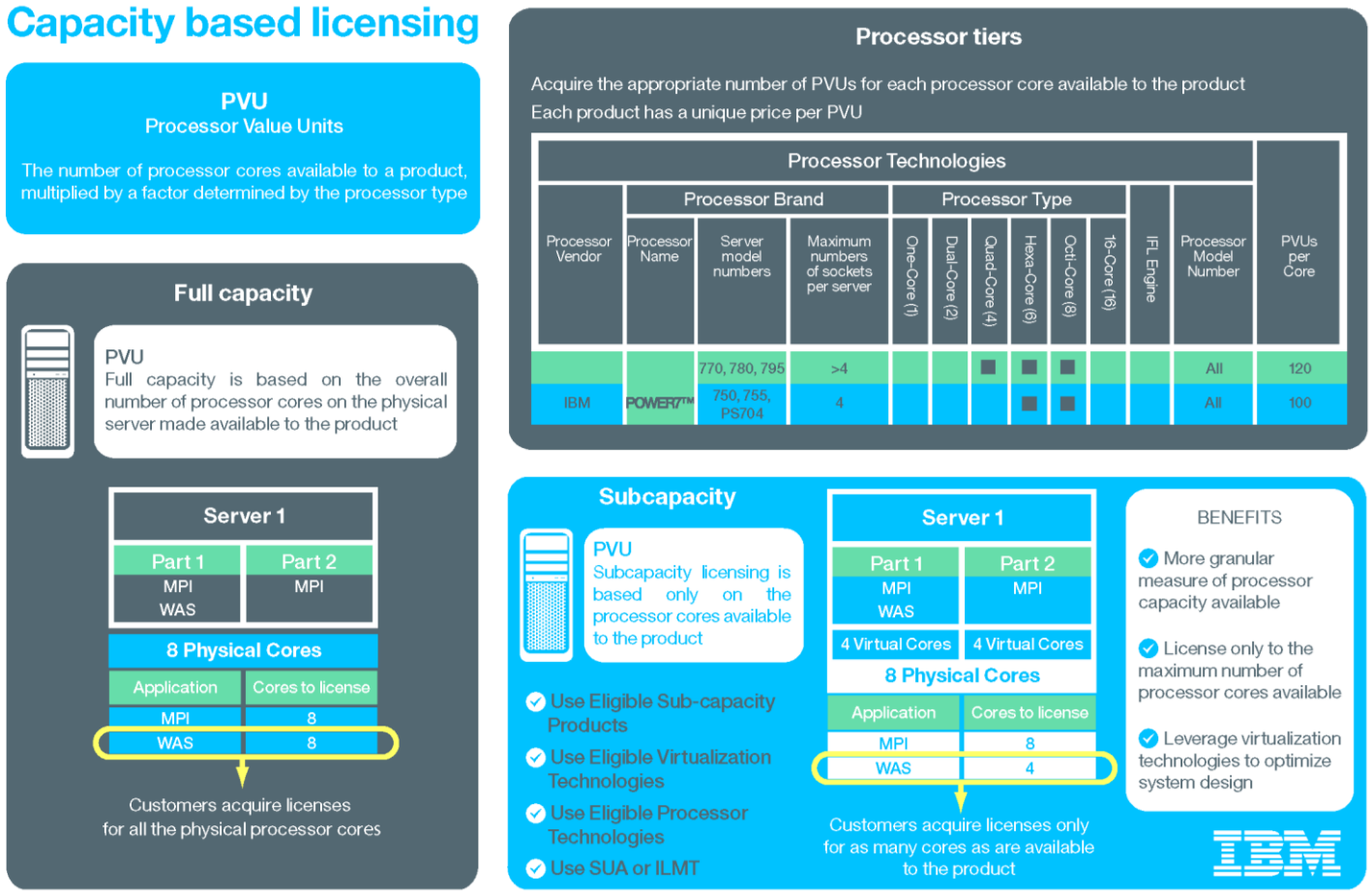
IBM Processor Value Unit (PVU) Based Licensing



Tip:
"Full-Capacity" = every processor core on physical server
"Sub-capacity" allows licensing of fewer cores through virtualization.

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IBM PVU Calculator

- Two key factors for determining PVU license requirements:
  - Type of processor technology
  - Number of processor cores
- IBM PVU Table specifies the # of "units" per/core, which is then multiplied by the # of cores available to software product
  - Ex: 100 units X 8 cores = 800 PVUs

Table of Processor Value Units (PVU Table) per core *

Processor Technologies									
		Processor Type							
Processor Vendor	Processor Brand	One-Core (1)	Dual-Core (2)	Quad-Core (4)	Hexa-Core (6)	Octi-Core (8)	IFL Engine	Processor Model Number [1]	PVUs per Core
			Multi-Core						
IBM	POWER6 550,560,570,575,595 [2]		■					All Existing	120
	POWER6 520,JS12,JS22,JS23,JS43 [2]		■					" "	80
	POWER5, POWER4		■					" "	100
	POWER5 QCM			■				" "	50
	System z10 [3]						■	" "	120
	System z9, z990, S/390 [3,4]						■	" "	100
	PowerPC 970		■					" "	50
	PowerXCell™, Cell/B.E.™ 8i [5]	■						" "	30
HP (Intel®)	Itanium®		■					All Existing	100
	PA-RISC		■					" "	100
Sun / Fujitsu	SPARC64 VI, VII		■	■				All Existing	100
	UltraSPARC IV		■					" "	100
	UltraSPARC T2			■	■	■		" "	50
	UltraSPARC T1			■	■	■		" "	30
Intel®	Xeon® (Nehalem)		■	■				3400 to 3599,[6] 5500 to 5599 [6]	70
	Xeon® (pre-Nehalem)		■	■	■			3000 to 3399, 5000 to 5499, 7000 to 7499	50
AMD	Opteron		■	■	■			All Existing	50
Any	Any single-core (i.e. Xeon Single-Core)	■						All Existing	100

Tip: Reduction of cores can substantially reduce the expenditure. However, there are caveats…

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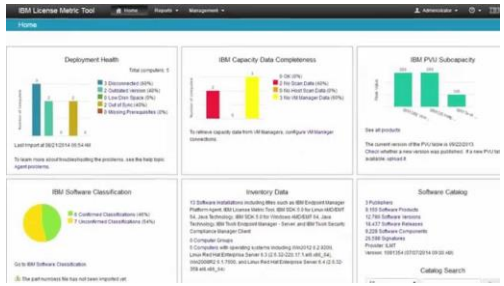
IBM Sub-Capacity Licensing Requirements

- Requires use an eligible
  - Sub-capacity product
  - Virtualization technology
  - Processor

- Mandatory installation of the IBM License Metric Tool (ILMT) within 90 days of deployment
  - Exceptions:
    - Less than 1000 employees
    - Licensed at Full Capacity



Tip: Customers are out of compliance if they do not deploy the ILMT within 90 days, submit quarterly reports and retain reports for 2 years

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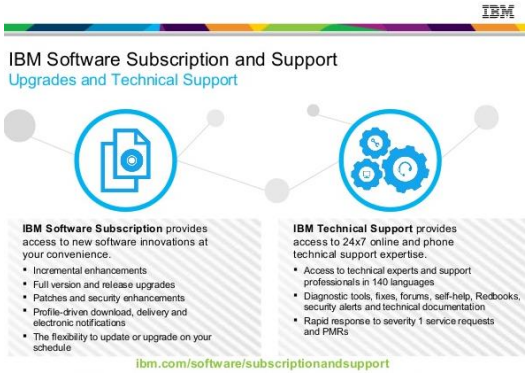
IBM Software Subscription & Support Renewals

- All IBM software products include first 12 months of *IBM Software Subscription & Support* (S&S)
- Fixed term licenses must be renewed for continued usage
- SaaS license subscriptions are elective
- Perpetual license renewals are elective
  - License reinstatements are required for lapsed renewals



Tip: Senturus has secured discounts for our clients by leveraging our channel margin as IBM reseller to yield savings off the price from IBM

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IBM Software Renewal "Gotchas"

- Cloud / SaaS automatic renewals
  - Must cancel 90 days in advance
- YoY uplift policy
- License reduction policy

Product Information

Unit SVP Price: Is the IBM Suggest Volume Price for 12 months of coverage.
Unit Price: Is the price established for a full renewal, completed prior to the quote expiration date. This price may be lower than the Unit SVP price and is only effective up to the specified start date of the renewal part number.

Item No.	Part Number	Quantity	Total Points	Coverage Starts	Coverage Ends	Months	Unit SVP Price	Unit Price	Extended Amount
IBM Cognos Business Intelligence PowerPlay Client User Authorized User Annual SW Subscription & Support Renewal									
001	E0629LL	1	1.18	01-Jul-2016	30-Jun-2017	12	266.00	203.53	203.53
IBM Cognos Performance Management Modeler Authorized User Annual SW Subscription & Support Renewal									
002	E064GLL	3	44.40	01-Jul-2016	30-Jun-2017	12	3,340.00	2,270.96	6,812.88
IBM Cognos Planning Contributor Authorized User Annual SW Subscription & Support Renewal									
003	E064RLL	101	179.78	01-Jul-2016	30-Jun-2017	12	400.00	308.92	31,200.92
IBM Cognos Analytic Server Processor Value Unit (PVU) Annual SW Subscription & Support Renewal									
004	E08BCLL	600	126.00	01-Jul-2016	30-Jun-2017	12	46.50	32.66	19,596.00

Original

Page 1 of 3

Tip: "Right-sizing" IBM Software Renewal(s) can substantially reduce the expenditure

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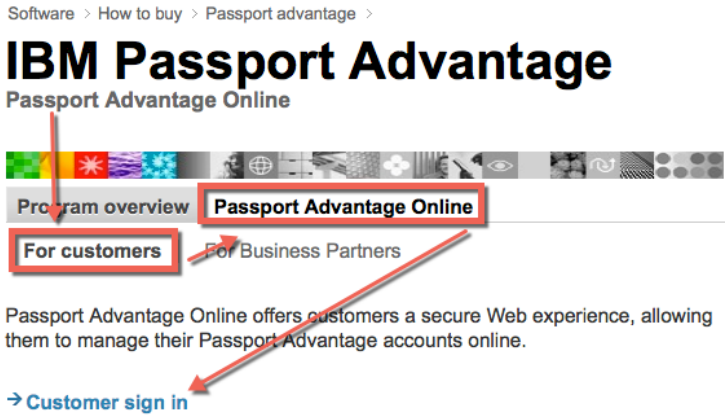
Passport Advantage

- Passport Advantage is relationship based
- Passport Advantage Express is transaction based



Tip: PA provides automatic co-termination of license renewals (vs. multiple sites for PAX)

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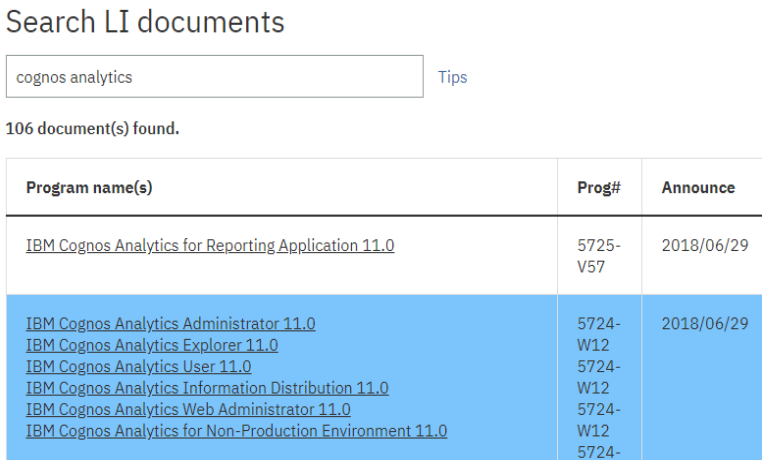
License Information Documents

Search LI documents provides portal to access IBM announcements for individual programs (Ex: Cognos Analytics)



Search LI documents

cognos analytics

Tips

106 document(s) found.

Program name(s)	Prog#	Announce
IBM Cognos Analytics for Reporting Application 11.0	5725-V57	2018/06/29
IBM Cognos Analytics Administrator 11.0 IBM Cognos Analytics Explorer 11.0 IBM Cognos Analytics User 11.0 IBM Cognos Analytics Information Distribution 11.0 IBM Cognos Analytics Web Administrator 11.0 IBM Cognos Analytics for Non-Production Environment 11.0	5724-W12 5724-W12 5724-W12 5724-	2018/06/29

Tip: Licensing Documents contain terms of use, including prohibited uses, license restrictions and limitations, etc.

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IBM License Information Documents Cont.

- These “Programs” and “Supporting Programs” are key to understanding the specific access rights for the various license types

- In this example for Cognos Analytics, there is a hierarchy with respect to access rights, which is common

User Roles

Analytics Explorers are not authorized to use any of the following components or functions of the Program or Supporting Program:
- IBM Cognos Administration
- IBM Cognos Software Development Kit

Analytics Users are not authorized to use any of the following components or functions of the Program or Supporting Program:
- IBM Cognos Administration
- Manage, except when used with Data Server Connections
- IBM Cognos Analysis for Excel
- IBM Cognos Transformer
- IBM Cognos Cube Designer
- IBM Cognos Dynamic Query Analyzer
- IBM Cognos Framework Manager
- IBM Cognos Software Development Kit

Information Distribution Users are not authorized to use any of the following components or functions of the Program or Supporting Program:
- Execute Reports and respond to prompts
- Create new Reports, Stories, Dashboards or Data Modules (as described in the Program Documentation)
- IBM Cognos Administration
- IBM Cognos Analysis for Excel
- IBM Cognos Analysis Studio
- IBM Cognos Transformer
- IBM Cognos Cube Designer
- IBM Cognos Dynamic Query Analyzer
- IBM Cognos Event Studio
- IBM Cognos for Microsoft Office
- IBM Cognos Framework Manager
- IBM Cognos Query Studio
- IBM Cognos Report Studio
- IBM Cognos Software Development Kit
- IBM Cognos Workspace

Tip: IBM requires customers to impose user access limitations for many software programs, which is one of the keys to maintaining compliance

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IBM Software License Matrix Example

	Cognos Analytics Information Distribution	Cognos Analytics User	Cognos Analytics Explorer	Cognos Analytics Administrator	CAFE User Add-on	Cognos Analytics SDK
Cognos Analytics CAPABILITY						
Receive Burst Report Outputs	✓	✓	✓	✓		
IBM Cognos Connection	✓	✓	✓	✓		
IBM Cognos Mobile Applications	✓	✓	✓	✓		
IBM Cognos for Microsoft Office		✓	✓	✓		
IBM Cognos Workspace		✓	✓	✓		
IBM Cognos Workspace Advanced		✓	✓	✓		
IBM Cognos Report Studio		✓	✓	✓		
IBM Cognos Insight		✓	✓	✓		
IBM Cognos Event Studio		✓	✓	✓		
IBM Cognos Query Studio		✓	✓	✓		
IBM Cognos Analysis Studio		✓	✓	✓		
IBM Cognos Metric Studio			✓	✓		
IBM Cognos Metric Designer			✓	✓		
IBM Cognos Analysis For Microsoft Excel (CAFÉ)			✓	✓	✓	
IBM Cognos Framework Manager			✓	✓		
IBM Cognos Business Intelligence Transformer			✓	✓		
TM1 Writeback to bundled FLBI TM1 server			✓	✓		
IBM Cognos Administration				✓		
IBM Cognos Cube Designer/Dynamic Query Analyzer				✓		
IBM Cognos Software Development Kit				✓		✓

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IBM Software Audit / Compliance Review

- IBM informs customer of “compliance review” via Audit Announcement Letter (AAL)
- Audit kickoff may be with IBM, but more likely third party independent auditor partners (e.g. Deloitte & KPMG)
- Deployments are collected in an IBM Server Workbook (ISW) and IBM entitlements are collated in the Effective License Position (ELP) and matched to deployments to create the License Compliance Table (LCT)
- IBM provides “Distribution Results Summary”, which details the S&S owned, license requirements, and license discrepancy.
- IBM submits “Settlement Summary” and expects PO for the final settlement quote within 30 days
- IBM issues “Audit Relief”

Tip: If a customer out of compliance, IBM asks them to buy the right licenses and pay two years of retroactive S&S fees

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How to Avoid / Prepare for IBM Audit

- Maintain list of all IBM agreements (e.g. ELA, IULA, STA, etc.) and Proof of Entitlements (PoE) documents, especially those with special terms
- Keep IBM contact information up-to-date via IBM (PAO) to confirm receipt of renewal quotes and PoEs as well as license changes, updates to agreements, and other important notifications
- Limit software acquisitions to smaller group that is aware of licensing implications and educate user community accordingly
- Develop Software Asset Management (SAM) process to effectively manage IBM software entitlements compared to actual usage
- Restrict Authorized User licenses based on current access rights
- Verify sub-capacity eligibility requirements and deploy ILMT ASAP
- Acquire non-production licensing for any PVU based deployment
- Perform “self-audit” to promote preparedness

Free IBM Licensing Review

- Cost savings off the negotiated price from IBM direct
- Assessment of current licensing, including Authorized / Concurrent Users, PVU, RVU, and other applicable licensing metrics
- Review production and non-production environments and actual license usage

Details: https://www.senturus.com/ibm-cognos-support-renewal/

To schedule your review email us at info@Senturus.com

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Who We Are

Business Analytics Consultants

Bridging the Gap Between Data & Decision Making

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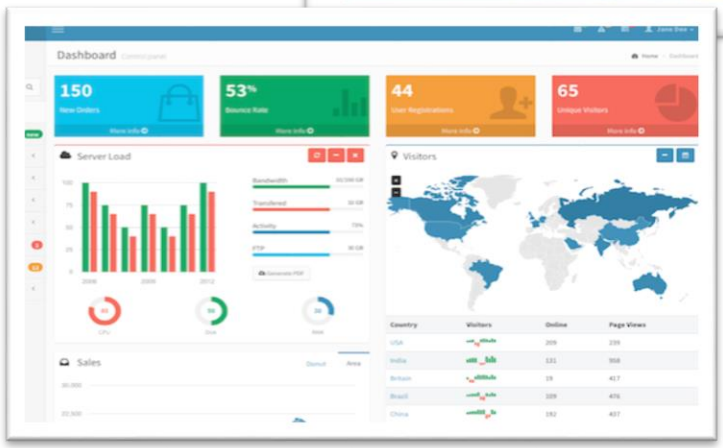
Business Analytics Architects

- Dashboards, Reporting & Visualizations
- Data Preparation & Modern Data Warehousing
- Self-Service Business Analytics
- Big Data & Advanced Analytics
- Planning & Forecasting Systems
- Proprietary Analytics Connector Software



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1200+ Clients, 2000+ Projects, 17+ Years

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Upcoming Events

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THE WEEKLY WIND DOWN

OUR TRAINERS SHARE THEIR FAVORITE TIPS

Every Friday - 11 am - 30 minutes

FINISHING WHAT THEY STARTED

A DEEP DIVE INTO THE TABLEAU DASHBOARD STARTERS FOR SALESFORCE

Thursday, August 9, 2018 - 11 am PT/2pm ET - 60 minutes

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Upcoming Events cont.

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TABLEAU LIKE A PRO IN HALF A DAY

FREE BEGINNER WORKSHOP IN PALO ALTO, CA

Wednesday, August 29, 2018 - 8:30am-12:30pm - 4hrs

USING TABLEAU TO VISUALIZE SALESFORCE DATA

FREE, DASHBOARD-IN-A-DAY WORKSHOP IN PALO ALTO, CA

Wednesday, August 29, 2018 - 1:00pm – 4:30pm - 3.5 hours

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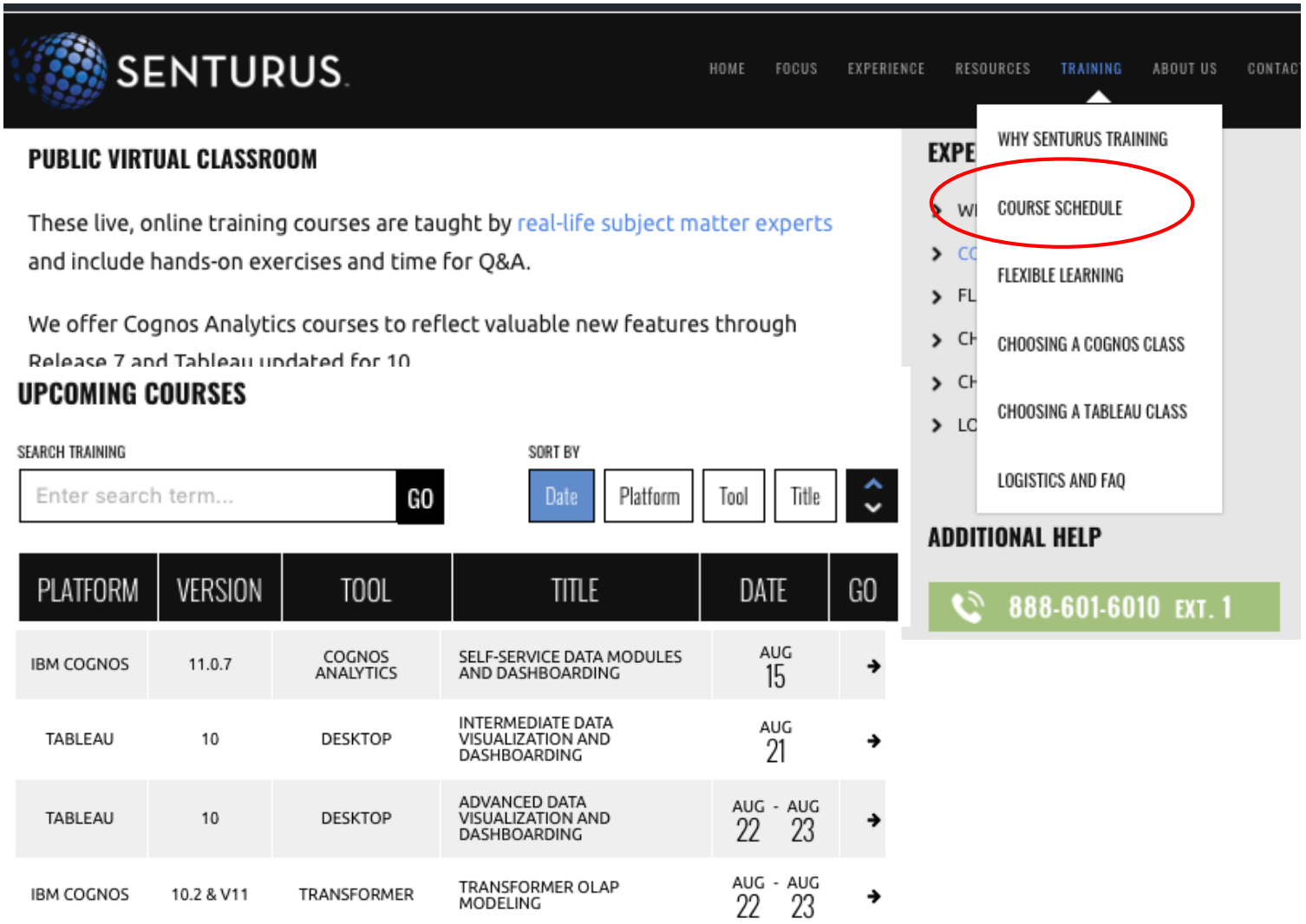
Tableau and Cognos Training



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Custom tailored training also available

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Q&A

If your question or issue is broader than what can be answered today, contact us at

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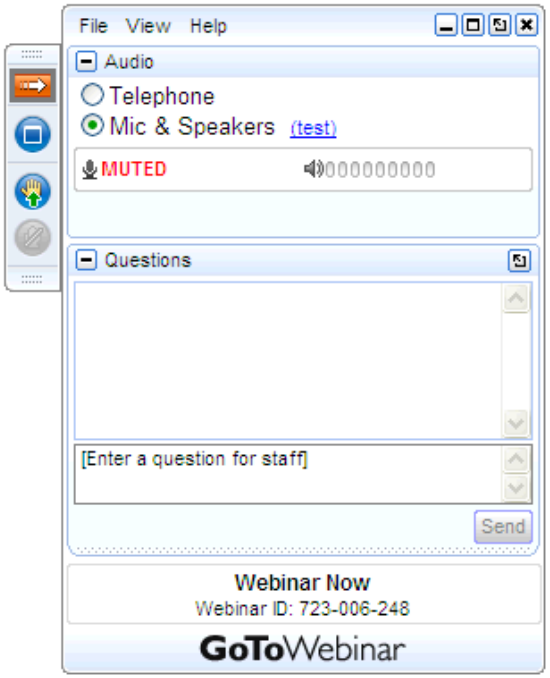
and we will set up a free consultation.



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