



LicenseWatch

Service Provider Edition

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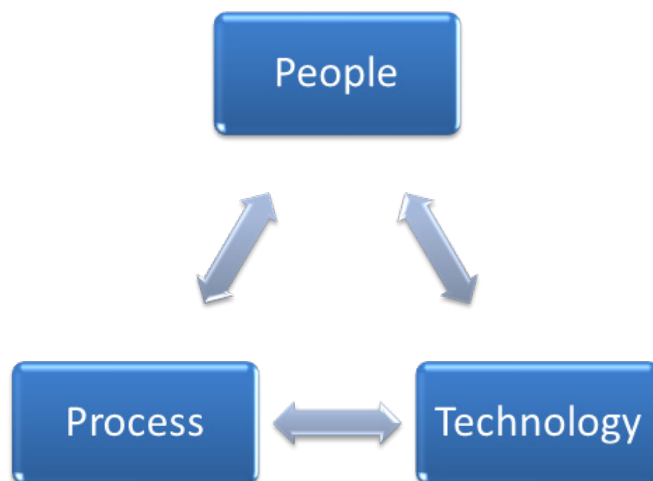
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Executive Summary

Organizations today increasingly want to maximize the returns on software investments they make. With software budgets of 25% of the organization's total IT budget not being the exception, the total cost of software is substantial. And possible savings to be made by eliminating any unused or unnecessary software can quickly add up to 5 to 20% of the software cost. Then there is the incompliance risk many organizations are exposed to. With the ever increasing complexity of all the different licensing programs from software vendors, organizations turn to

third parties to help them establish optimal purchasing strategies, respond to software audits or even completely outsource their software and license management.

With the LicenseWatch Service Provider Edition traditional Service Providers can start offering software and license management services right away to their customers. It is a comprehensive, easy to use and automated platform to centrally manage software assets from multiple customers.



The License Compliance Process

In order for customers to become and remain compliant with license requirements of software that is installed in the network, it is important to introduce a license compliance system. This system comprises of three components: people, process and technology.

People

The people who use the technology, follow the process, add licensing knowledge and interpret licensing rules in a specific situation which results in an optimal licensing situation.

Process

A detailed definition of what needs to be done when users request software, describes how software is purchased and specified how software is retired. In short, it describes the lifecycle of software in an organization with the purpose to ensure optimal license compliance.

Technology

The technology in this equation is mainly a software tool to help reaching and maintaining the optimal license compliance. The tool gathers information of what software is installed (inventory data), provides an easy way to register and manage software contracts and licenses and provides a reporting system to present the data and results.

The opportunity of License Management

Customers increasingly turn to their IT department or other service provider to help them to become and stay compliant with their software license requirements. This is also driven by external factors like increased software vendor audits / reviews as well as actions from the BSA. IT Service providers therefor have great opportunities to extend their service portfolio to their customers. Here are some examples:

Software Vendor Audit Support

When your customer is under audit or review from a software vendor they will need help to minimize the risk of being penalized for incompliance. The support can range from just helping your customer to build an inventory report of what is installed of that particular software vendor to completely take over all communication and responsibility of the whole process.

Baseline Scan Service

The first step in achieving compliance is to know what is installed and perhaps even find out what installations are not being used. This is known as a Baseline Scan Service. From here a strategy can be defined to achieve a compliant situation and how to stay that way.

Business Process Outsourcing

The trend towards outsourcing of non-core competencies is also seen in license management. Increased

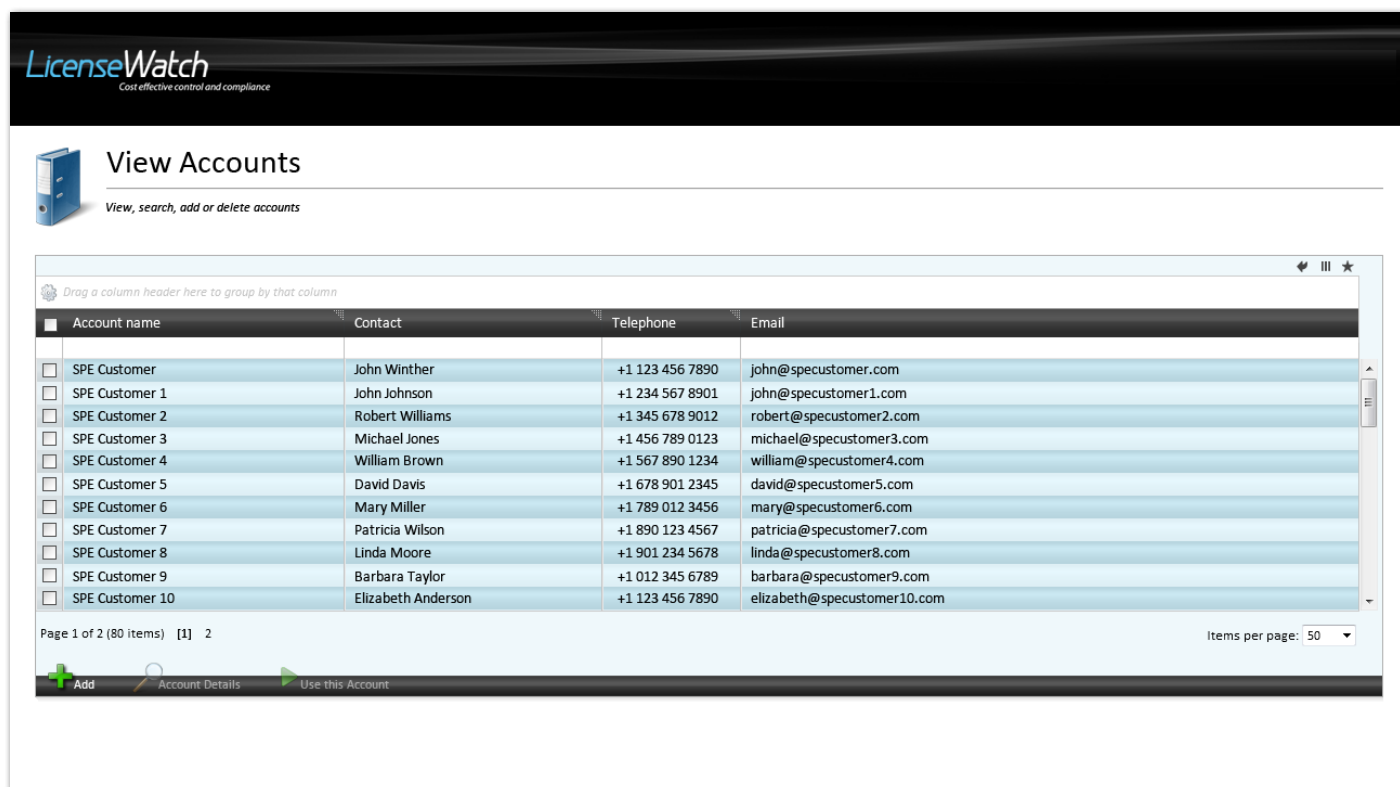
licensing complexity, changing licensing rules and infrastructure virtualization make it nearly impossible for normal customers to fully understand all the impacts and implications. This is why license management is increasingly outsourced to IT service providers.

License Management Consulting

Helping your customer to implement the right processes to ensure compliancy is another service that is a great opportunity for service providers.

Contract Renewal

When your customer needs to renew an existing software agreement, it is a good moment to review their software needs and compare this with the software vendor's licensing rules. This way the customer can enjoy the most optimal licensing solution for their needs against the lowest costs.



LicenseWatch
Cost effective control and compliance

View Accounts

View, search, add or delete accounts

	Account name	Contact	Telephone	Email
<input type="checkbox"/>	SPE Customer	John Winther	+1 123 456 7890	john@specustomer.com
<input type="checkbox"/>	SPE Customer 1	John Johnson	+1 234 567 8901	john@specustomer1.com
<input type="checkbox"/>	SPE Customer 2	Robert Williams	+1 345 678 9012	robert@specustomer2.com
<input type="checkbox"/>	SPE Customer 3	Michael Jones	+1 456 789 0123	michael@specustomer3.com
<input type="checkbox"/>	SPE Customer 4	William Brown	+1 567 890 1234	william@specustomer4.com
<input type="checkbox"/>	SPE Customer 5	David Davis	+1 678 901 2345	david@specustomer5.com
<input type="checkbox"/>	SPE Customer 6	Mary Miller	+1 789 012 3456	mary@specustomer6.com
<input type="checkbox"/>	SPE Customer 7	Patricia Wilson	+1 890 123 4567	patricia@specustomer7.com
<input type="checkbox"/>	SPE Customer 8	Linda Moore	+1 901 234 5678	linda@specustomer8.com
<input type="checkbox"/>	SPE Customer 9	Barbara Taylor	+1 012 345 6789	barbara@specustomer9.com
<input type="checkbox"/>	SPE Customer 10	Elizabeth Anderson	+1 123 456 7890	elizabeth@specustomer10.com

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+ Add Account Details Use this Account

Customers are easily selected from an Account Overview

LicenseWatch Service Provider Edition

The LicenseWatch Service Provider Edition is especially created for IT Service Providers to quickly be able to start delivering license management services. Customers can be connected to the environment very fast so that inventory data is quickly available. No need for lengthy and expensive implementation time. This will keep the cost down of the technology component of the offered license management solution. With the LicenseWatch Service Provider Edition, IT Service providers have a full functional platform to help them implement and then deliver license management services.

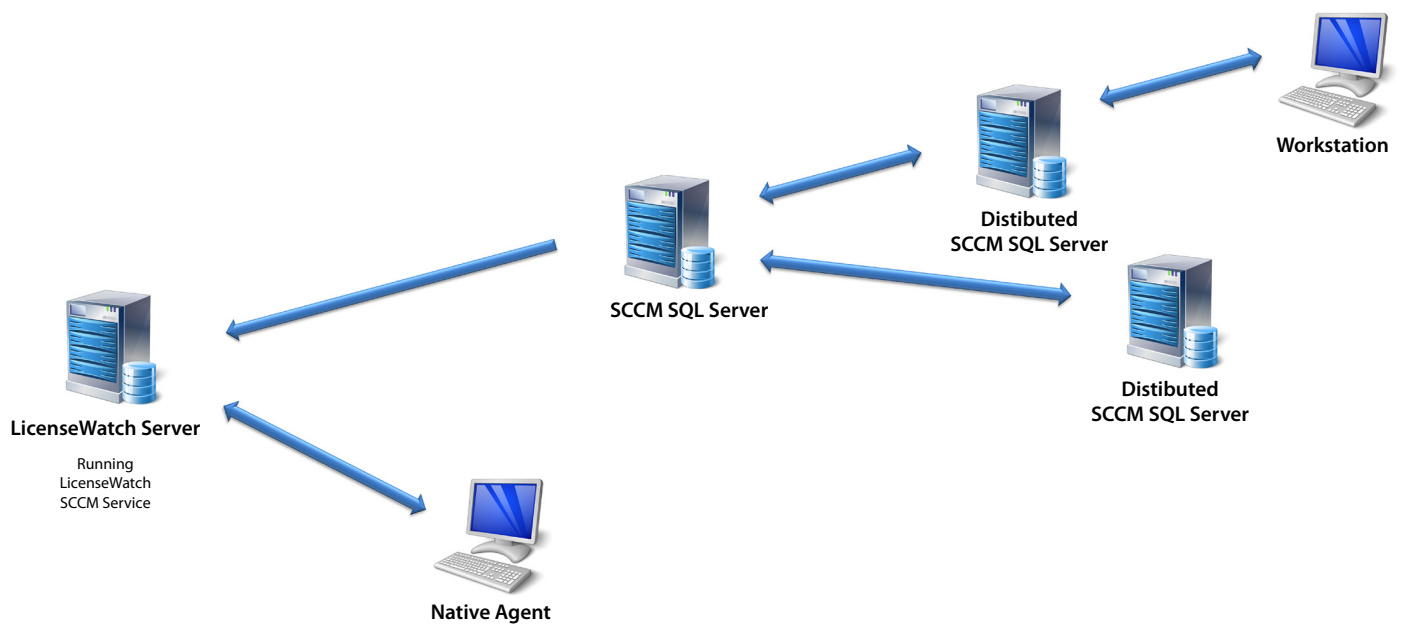
Technical Setup

The Service Provider Edition technical setup is based on a Windows Server running in a datacenter that is connected to the Internet. This Windows Server can even be a virtualized server with for instance VMware or Hyper-V. The heart of the solution is the LicenseWatch application running on Microsoft's Internet Information Server (IIS) using a .NET framework and a Microsoft SQL Server database to store all the data on. The solution does not need its own database server. An instance on an existing SQL Server will be working just fine. On the customer's

computer the LicenseWatch agent is easily installed via an automatically generated MSI file that can be started. Then the inventory and software usage data will be sent to the LicenseWatch server. All communications between the computers and the LicenseWatch server are done by sending XML packets using the http or the secure version https protocol. The LicenseWatch application will put all the required parameters like IP addresses, certificate details, etc. in the MSI file. Customers do not need to have IT knowledge to install the agent.



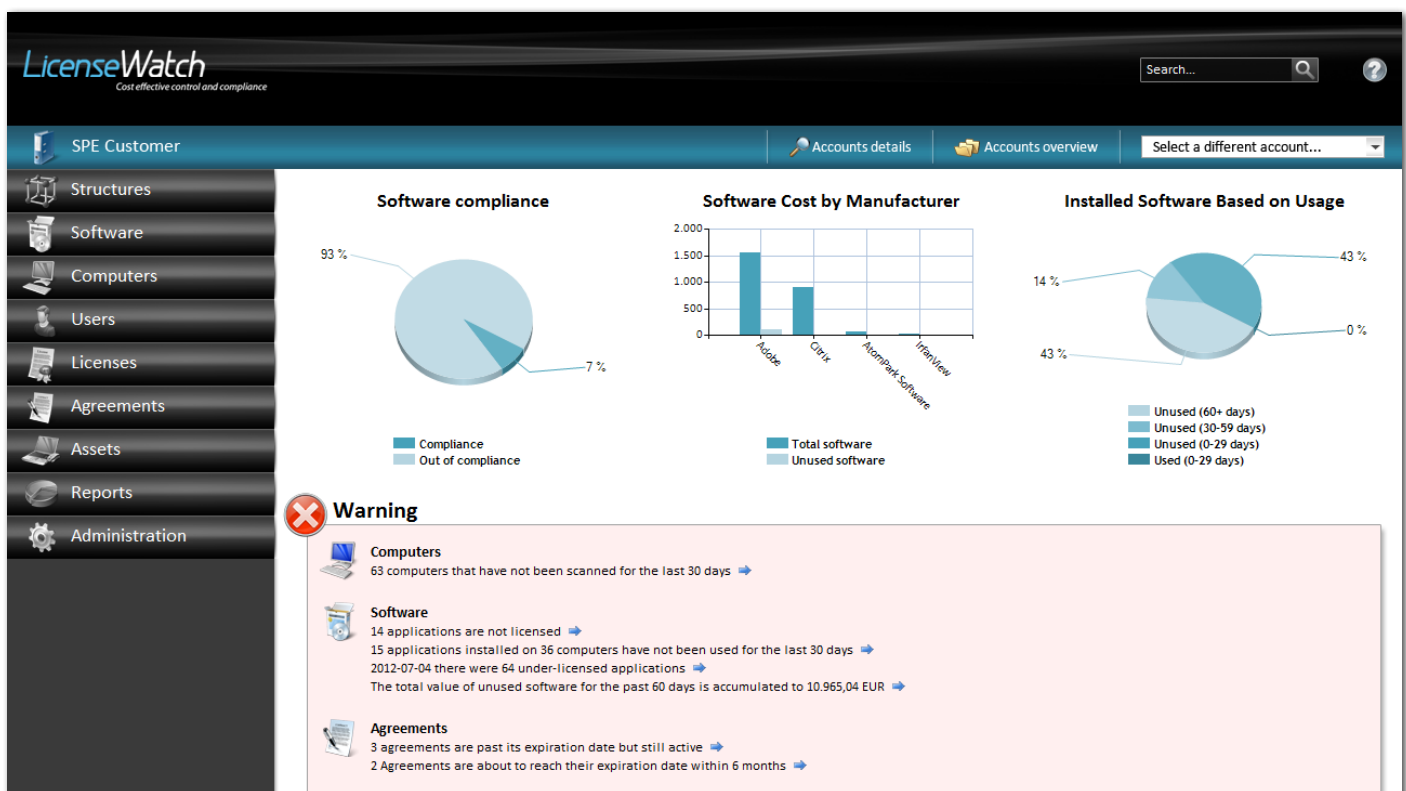
It is easy to access and edit customer details



Deployment Solutions

Customers that also use deployment solutions like Microsoft SCCM can also use the agent that is deployed with this solution to gather inventory and usage data. This

way the LicenseWatch solution connects directly to the deployment solution's database to get all the necessary information.



Once a customer is selected it is easy to get an overview of customer's compliance status

Software Recognition

One important task in the whole process of license management is to find out what software is installed on what computers. This is called the process of software identification. To help automate this task and save time on this part of the process, the LicenseWatch solution features a very powerful software recognition engine. This engine is powered by the LicenseWatch Software DNA database that contains a big set of additional information on the software that is found. With the additional information the task of managing the software that was found on all computers is greatly simplified. To start with, the LicenseWatch Software DNA is able to filter out software that does not require a license. This could be free versions (like Adobe Reader) or trial versions or GPL software. Also the Service Packs and Updates can automatically be filtered out, leaving a much shorter list of software titles to look at. Next to filtering, software is also grouped in families and editions. This allows for easy filtering on specific parts of the software estate first. For instance it is possible to only look at the Microsoft Desktop Operating Systems.

License Management

Once software is recognized, the task of managing your software licenses is next. The LicenseWatch solution automates most of the tasks for you. Once the software agreements and licenses purchased under these agreements have been registered, LicenseWatch will then calculate the effective license position. Using the LicenseWatch DNA it knows what software titles are allowed to up- or downgrade and what licenses can be used to cover for what software installations. From here a compliance statement can be generated. Agreements and licenses can also be imported from a file into LicenseWatch saving type work and eliminating errors at the same time. These imports can also be done on a regular basis, so that license transactions in the organization's ERP system will be copied into the LicenseWatch solution ensuring a continuous synchronization and constant up-to-date information.

Cost Reduction

Another valuable benefit from the LicenseWatch solution is that by properly registering your software agreements and licenses and at the same time have the solution measure actual software usage, customers can start optimizing their software estate. By exactly knowing who is using what software, organizations have a much better understanding what software contracts needs to be renewed and what contracts can be cancelled.

License and Agreement types

When it is clear how software is really used in your organization, you can start looking at your software agreements in place and what licenses have been bought. For instance, is the Microsoft Enterprise Agreement that was signed 2 years ago still the best solution to the current software needs? Maybe the organization is better off signing a Select Plus when the EA needs to be renewed. Of course you need to factor in all the benefits of each agreement type to properly weigh your decision.

Software Products and Suites

By measuring software usage it becomes clear if all users of extensive suite products really need this more expensive software product. Maybe some of the users do not need more than the standard solution. This can be the case with for instance Microsoft Office Standard versus Professional. From the other side, some software vendors offer suite licenses to cover a number of products where it is more economical to license the software under a suite than under separate licenses. Adobe Creative Suite would a good example for this.

Technology

Virtualization is widely used in many organizations today. It is a great technology to cut down on hardware costs and makes it easier to provide access to software. However the impact on how to license the chosen configuration is not always positive. By knowing what is installed where and how it is used, organizations can optimize their virtual environment to also provide the best solution from a software licensing perspective.

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