



THE IMPORTANCE OF STAYING COMPLIANT

By Joe Goodwin, Customer Support Manager

As a regular Maximo user you will know how difficult it can be to keep on top of user management when so many other demands press upon you. However, you may be surprised to learn that in a recent survey 63% of businesses said they'd been audited by at least one software vendor for 'licence compliance' over the past 12 months (Source IDC Media). Furthermore, more than a third of these respondents had paid more than £200,000 for audit settlements and penalties.

Who is affected?

This issue relates to **Maximo V5 onwards**, where licenses are issued on a role-based named user basis. Maximo has no mechanism to ensure that a customer's user count exceeds their licences, nor does it to limit users' access to Maximo modules within their licensed roles. As a result, IBM rely on an audit system to ensure that users remain compliant with their license agreements.

This is all very well, but IBM assume that any user, without the appropriate entitlement, represent a requirement for a new license and, following the audit, this is invoiced at the full list price automatically, plus up to two years of maintenance.

Trying to sort out the ensuing mess and persuading the auditors that the situation is any different can be both time consuming and frustrating. Recent changes to the audit clause wording in IBM's Passport Advantage contract also make it harder for users to negotiate once an audit has taken place. It is, therefore, far better to be ready and ensure that you stay compliant.

Pre-Audit Reviews

By conducting an internal review, your organisation can eliminate such compliance risks. To assist with this process, we are recommending Fisher IT Asset Consulting (FIAC), who offer a Pre-Audit Review service to measure user registrations and permissions against license entitlements, along with recommended actions. This independent review, covered by an NDA, adopts a similar approach to that used by IBM and their auditors, however, it also differentiates between registered users, secondary users and self-service users to ensure that customers are billed accurately for each license.

The benefits

1. Saving on over-licensing

Not surprisingly, auditors and vendors tend not to emphasise 'over-licensed' positions – after all, it is not in their interest and no End User License Agreement has a refund clause. Users can have good reasons for purchasing more licences than needed, such as upcoming projects, or buying more for the future and securing a discount. However, if these licences become excessive due to reduced requirement, users can save significantly and instantly by switching off their annual support & maintenance payment, usually worth around 20% of the full licence cost.

2. Acting on overuse

Many 'overuses' of Maximo software are caused by accidental deployment of user accounts or mis-configuration of user's access roles. Once identified, these can be easily addressed via reconfiguration with no additional cost.

Compliance issues caused by genuine over usage are still possible due to the absence of built-in restrictions in Maximo. In such instances, users can resolve the matter more cost effectively if

additional license fees are negotiated prior to an IBM audit. We estimate that we can save companies up to 100% by negotiating discounts off the IBM list price, as well as up to two years' worth of back dated maintenance, which would be payable for additional licenses as part of an IBM audit settlement.

What does it cost?

An Audit Review through FIAC costs from £2,500 for an organisation with up to 500 Maximo users. Compared to the cost of carrying out an audit, the financial exposure that users could have can be substantial, as the case study below illustrates.

Maximo Audit Review Case study

A UK-based property developer sought FIAC's help after undergoing an IBM compliance audit in relation to its use of Maximo in 2010.

The problem

- The company's field engineers were accessing Maximo remotely;
- The engineers' account access rights are not controlled and left as default;
- The 'real' usage only required 'Limited Use' licences (£800 each)
- The customer was liable for licences under the full 'Authorised User' licences (£4200 each), as the engineers had access rights to advanced modules.
- There were more than 220 engineers accounts identified that were non-compliant;

The outcome

- The customer was liable for around £750k in additional licence costs, plus £300k in back-maintenance, bringing the total to more than £1 million;
- Following negotiations with IBM, it was agreed that the customer would use this budget for another IBM product purchase instead;

Lessons learnt

- Make sure your system administrator understands the contractual obligations involved before setting users up.
- Conduct regular pre-audit reviews internally, or engage with an external consultancy to manage this process on your behalf.

Get in touch...

If you would like to find out more or to book a Pre-Audit Review, please call me on 08434 610062, or email joe.goodwin@vetasi.com.

About FIAC

Fisher IT Asset Consulting (FIAC) is part of HW Fisher & Company, a top-30 chartered accountancy firm specialising in license software. With a 20-strong team of license auditors and advisors, FIAC offers more than 20 years' experience of conducting license audit reviews amongst the top 10 software vendors, including IBM, SAP, Oracle, Microsoft and Adobe.



In 2014 alone, FIAC inventoried more than 230,000 PCs through its audit review service and delivered an average return of £7m per customer.

EAM NEWS