

AUTOMATED LICENSE MANAGEMENT

Improving all-round organisational efficiency



License management is of high importance to organisations, as it helps with cost management, swiftness and more. It is, without a doubt, quite a significant topic in the world of business today. Software gradually multiplies throughout organisations, so, from small start-ups to big enterprises, license management is increasingly crucial and complex. Also, by abiding to the correct license management practices, an organisation can quickly fit into market requirements and increase the company profits. With a Baker Hughes (BH) case study, the Cover Story explains how OpenLM rapidly delivers affordable & automated license management – with refreshing results – how OpenLM turned out to be BH's right choice and also discusses some organisational licensing problems.

Oren Gabay, CEO, OpenLM, recently revealed in an interview that businesses are slowly wising up to the enormous savings that effective automated license management rapidly delivers. Alas, many organisations are simply unaware of this.

“It is not that departments don’t talk to each other, it’s that they don’t talk to each other effectively. For us, here at OpenLM, that (and more) appears to be a recurring theme,” explained Gabay and goes on, “I have visited many companies and was astonished to see the lack of control. Many had little idea about their license servers and who is actually using them. The result being license duplication, added costs, extra staff, increased tracking burden, etc. With the excessive cost of individual engineering licenses, such practices are impractical. One business unit could approve purchase of new licenses when unused licenses of the same type exist on a license server in another business unit.”

OpenLM not only delivers effective, affordable and automated license management, but does so rapidly and with refreshing results. “The initial stage, where we collect and consolidate all license information, brings huge savings to the company,” puts across Gabay.

First-hand project licensing problems

With an engineering background in GeoInfo and location-based technologies, plus having developed and led many largescale field projects, Oren experienced licensing problems first-hand. “Usually, management would first back and then sign off on the purchase of a specific number of additional licenses. Arguably, with lax project control, such undertakings were commonplace and understandable,” Gabay asserted and added, “Yet, so much continued and unnecessary wastage proved unproductive, unsustainable & unpalatable. It simply felt wrong to purchase more licenses as many of our users kept idle licenses on their desktops.”

In 2007, the idea came to develop a tool to manage this – one that would, after an application was idle for a specified period, automatically close it and free up the license for others. The result was immediate validation.

OpenLM obtained universal endorsement

“I didn’t have to approve the purchase of any additional licenses,” Gabay cited and continued, “Subsequently, our existing network provided additional and valued feedback that not only further endorsed the idea but every single one purchased OpenLM. We unsuccessfully tried traditional marketing methods and our real breakthrough & expansion arose, following direct engagement with a core group of receptive & helpful US organisations.”

Consolidated engineering license management

With an established foothold, additional requests rapidly followed. More license managers, data collection methods, better reporting, etc. However, given the savings that companies were making, by far the most popular request was for additional license types. “We listened and, from our initial days of harvesting idle licenses of ESRI ArcGIS software, today, our comprehensive package covers any aspect of engineering license management for more than 60 different license managers, including management, reporting and active optimisation of license usage,” Gabay informed. Through extensive industry knowledge, research and experience of how organisations perform license management, there are three common licensing problems.

Organisational licensing problems

The vast majority of organisational licensing problems fall into either –

1. “I need to buy a license for each user.”
2. “I am using it.”
3. “I might need to use it.”

All are signs of poor practice and symptoms of manual systems. With item one, the entire purpose of network licenses is they are used by multiple users. Items two & three lead to license squatting (we discuss this in the case study). Admittedly, with the former, where the application is active and in use, this is acceptable. Unfortunately, with the latter, it is not.



OpenLMs innovative solutions enable IT professionals to get a clear view of the organisations license inventory, effectively manage and monitor the actual usage, plan license maintenance and procurement, and optimise the utilisation of expensive engineering software licenses

The cost to you

Manual licensing systems are unproductive, inefficient and costly. Unfortunately, when a license is locked, the team cannot function correctly, leading to both tangible & intangible problems.

Tangibles include delays & downtime, increased maintenance costs of inactive software, a larger support & management team and heightened support costs. Intangibles include increased levels of frustration, a breakdown in communication and, with repeat offenders, bad morale. Such problems are hard to alleviate, avoid and administer.

OpenLM maximises efficient license automation

In theory, to minimise downtime, each engineer will have their own license. In practice, costs simply prohibit this. OpenLM is based on an engineering-oriented approach that balances competing trade offs to effectively manage network licenses. Enhancing license availability maximises output, improving productivity optimises usage and heightening efficiency reduces downtime. Moreover, reducing the number of requisite licenses lowers both additional & ongoing costs and delivers several additional benefits, like below –

- **Minimal downtime:** All purchased licenses gain maximum usage

- **Maintenance cost reduction of unused/inactive software:** Improving all-round organisational efficiency
- **Supporting more engineers with existing license pool:** One UK-based energy company almost doubled the number of engineers working in it, without increasing the number of licenses held
- **Downsizing the license management team:** Smaller inventory means reduced inventory management and associated savings

One critical advantage is the speed of results – organisations typically experience enormous savings, following initial license optimisation. However, license management is an active process and to continually deliver, requires ongoing monitoring and management.

A Baker Hughes case study

This is where OpenLM excels. “And, the results can be both rapid & staggering. **That’s roughly a million dollars or \$1.7 million less than what we would have had if we were looking at just our peak demand,**” said Jason Olsen, a senior staff enterprise application engineer at Baker Hughes (BH), at the Engineering Software License Management Conference in October this year.

A large organisation in the energy sector, Baker Hughes employs over 80,000 people. Since 2017, they have undergone

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major turbulence, following both a merger with and a separation from, General Electric (GE).

Initially, they began to integrate into one business. However, their companies had different philosophies and quickly realised that there was a significant shift as very little between the two organisations were done in the same way.

For BH & Olsen's team, **the challenges faced were significant**. Given the elapsed time between merger and separation, not only was their integration incomplete but they now also had to untangle themselves and maintain order among disarray.

"This is a massive undertaking and will take several years. Different timetables exist, each depending on services applications or agreement. Plus, each has its own parameters and contractual impacts," divulged Olsen. Notwithstanding the considerable expense involved, it was critical that they obtain clear focus on business requirements, develop a solid solution and implement a robust plan.

Opposite approaches to common ground

Unfortunately, the two companies' approach to IT was fundamentally different. BH's controlled IT approach, where users submitted IT help tickets when anything needed changing, contrasted with GE's more flexible, informal and self-service-oriented managed IT approach.

"Regardless, direction was essential and more often than

not, the old strategy of aligning with GE's approach was abandoned & what legacy BHI had done would be adopted as a new way of doing things," averred Olsen. In such tumult, focus was critical.

GE recommends OpenLM

BH's prior experience with Flexera meant this was their preferred option. However, GE interceded and because of their experience and positive results from usages, it recommended OpenLM. After investigation, OpenLM proved to be the better choice based on futuristic price and history of customer support.

Overall strategy

Focus and direction are critical for a robust future. But BH also required –

- **Quantifying demand:** Knowing what tools are in use, where they are, when they are accessed and for how long
- **Aggregating enterprise data usage:** For reporting and improvement options
- **Reducing costs:** By optimising pool size, their numbers, by geolocation, as well as to leverage buying power & overall spend
- **Improving divestiture and acquisitions:** By understanding

Consolidated Engineering License Management

Real time usage

Costs and Billing

OPENLM
STRETCHING YOUR LICENSES TO THEIR LIMIT

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License inventory

Compliance

the impact across different areas of the business, including assets, capacity, etc

Furthermore, there would be a bonus for OpenLM's license savings to cover the costs of software renewal and expansion.

Automated access and session management

Previously, managing software was problematic. It was vital that BH's chosen solution could automatically control software access and release hung & idle sessions. The former, to maximise license usage, and the latter, to both maximise license availability & minimise downtime. Given BH's current set-up and problems, these were unconditional.

Over 200 licensed services

Baker Hughes syndicated pools from over 200 license services and technologies, including Abacus, Altair, Ansys, Autodesk, MathWorks and Solidworks. This set-up needed to be monitored & managed and was complex.

Further complications arose after separation. GE's immense purchasing power meant that several concessions that were granted were withdrawn post-separation. This added to the operational and administrative complexity, often broke functionality and, where sudden spikes in demand occurred, presented unsustainable high costs. Ansys was a classic example.

Ansys use case

Containing over 200 products, Ansys delivered over 300 unique features and is extremely versatile. However, restrictive licensing permitted only one tool or feature per bundle and both hampered operations & exacerbated ownership cost.

Pre-separation, the Ansys pool capacity seemed limitless. Users could access what they wanted and at will. "However, for BH, post-separation and having deployed their own Ansys pool, this deployment would prove to be one of our most challenging pools deployed. Fortunately, we had recently deployed OpenLM and we're monitoring the Ansys

pool," conveyed Olsen. The results tell.

Significant and rapid results

BH monitored Ansys over the period of May 6 to June 6, 2020 and created several reports and heat maps to identify key licensing pain points –

- May 6 – 79 licenses were used
- May 7 – 104 used (Ansys provided 25 more)
- May 12 – 138 used (Ansys provided 34 more)
- May 20 – 155 used (peak usage – Ansys provided 17 more. This would cost \$2.7 million to 'close the gap')
- May 22 – It was communicated to the users to change license preferences with OpenLM
- May 27 – 140 used (peak usage)
- June 6 – 100 used (a communication sent to users, asking them to release sessions & released 17 more licenses — saving \$1.7 million)

With savings of between \$1.7 million and \$2.7 million to 'close the gap', results are significant.

Delivering the best experience at minimum cost

OpenLM serves any industry or field that uses software licensed by a license server, from machinery to transportation to aviation to space and more. Its customers range from smaller organisations to Fortune 500 listed companies managing global resources. Together, they deliver the best experience at the minimum cost— whatever the business.

It also provides highly comprehensive data collection & reporting capabilities. In addition, it has a unique license server administration and active user management capabilities.

Stretching your licenses to their limits

Signing off, Gabay said, "We understand that engineering licenses are expensive & critical for continued operational success. Rest assured that by 'stretching your licenses to their limits', the team at OpenLM will ensure you get the utmost from them." □

Courtesy: OpenLM