
The Oracle ULA purchasing primer

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Everything you need to know about realizing the most benefit from a new Oracle ULA.



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An Oracle Unlimited Licensing Agreement (ULA) provides a valuable option for any business expecting to significantly grow its IT estate in the next three to five years. Offering the ability to use as much Oracle software as you need throughout the agreement period, an Oracle ULA is ideal for the flexible requirements of the digitally-transformed organisation, or one that is experiencing rapid growth.

Here's what you need to know:

Why do you need a ULA?

A ULA costs upwards of \$2m depending on the size of your business and its growth plans. A ULA takes much of the guesswork out of Oracle licensing, ensuring that usage is always fully licensed, no matter how many installs you have in place.

How do you prepare for a new ULA?

It is important to realize that a ULA is not a one-size-fits-all agreement and will not be suitable for every organization. To assess whether a ULA is right for you:

Plan ahead. You need to allow several months to assess your needs and negotiate your ULA with Oracle.

How many **licenses and installs** do you currently have in place?

How many **installs** do you estimate will be in place at the end of the agreement?

How will **interim mergers and acquisitions** affect your license count?

Audit your VMware and virtualized environments carefully. Oracle expects you to license every virtual CPU in your arrays so make sure you calculate accordingly.

Are you making any divestments during the agreement period? Will those divestments require interim licensing until they can establish their own Oracle agreement?

Define what "good value" looks like. It may be that your ULA costs more than expected – but if it delivers better value for money in terms of more useful functionality and features, the increase is a smart investment.

These figures will form the basis of Oracle's ULA quote. It is vital that you are as accurate as possible with your estimates to ensure you get the price possible. Understanding your bill of materials gives you the leverage during negotiations because you know exactly what you need – and are less likely to be offered upgrades you don't need and won't use. This involves auditing not only the applications you have in use but also how they are actually used. By identifying functions and features you don't use, or use uniformly across the organization, you can negotiate licensing terms to better reflect your actual situation.

Telling Oracle what you don't need allows you to redefine the parameters of your agreement.

It is also important to note that these estimates (and any shortfall) will affect your ULA renewal (or exit) price.

Who should be involved in the purchasing process?

To ensure the ULA purchase process is as smooth as possible, your preparation work should include input from the:

- IT Director
- CIO
- Head of Purchasing
- CTO
- An internal project sponsor; a senior decision-maker who has authority over the project

Given the complexities of the application and negotiation process, you should seriously consider securing the assistance of an Oracle licensing specialist like Livingstone.

Beware these pitfalls

A ULA should make licensing easier to calculate and manage – but there are potential pitfalls which could increase costs.

VMware and Hyper-V CPU count and licensing

You must count every CPU in your virtualized environment to maintain compliance. Failure to supply an accurate count will lead to non-compliance.

Failing to maintain accurate license counts

Renewal and exit costs are calculated based on license usage at the end of your ULA. It is important to maintain accurate license counts throughout the agreement period – so ensure you have a license management system in place from the outset.

Divestment licensing

Oracle ULAs can be tailored to the specific needs of your business. Don't forget to negotiate a divestiture clause that allows divested entities to continue using Oracle software for a set period (6-24 months), ensuring compliance until they can negotiate their own licensing deal.

Acquisition licensing

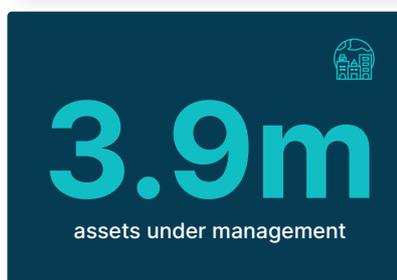
During an acquisition you must pay close attention to how many licenses are being acquired as part of the deal. You can then properly plan how they will be absorbed into the acquiring company's ULA Total Support Stream. There may be additional conditions to consider based around corporate revenue and headcount.

Your Oracle ULA purchasing checklist

- ✓ An accurate license count
- ✓ A good understanding of M&A and divestment plans
- ✓ Properly assessed your virtualized environment
- ✓ A formalized process for tracking licence counts
- ✓ An exit/renewal plan
- ✓ Secured specialist Oracle licensing assistance for licence audits and pricing negotiations

Why work with Livingstone?

Livingstone is an independent provider of software and cloud asset management and optimization services. We work with organizations across the world to deliver remarkable client outcomes including:



We help clients to avoid unnecessary cost and risk, whilst driving value from their investments throughout their lifecycle.



Contact Livingstone today to learn how we can help drive positive outcomes in your Oracle ULA purchasing negotiations.

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Ready to learn more
about how Livingstone
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