

Virtualization Complexities Impact Your Software Licensing Policy

Virtualization continues to make significant impact into enterprise organizations, and software vendors must develop and communicate licensing policies that take into account the impact of virtualization on license servers and applications.

To protect revenue and grow your business in a virtual world, software vendors must think differently and offer new go-to-market strategies. The key question is: “How do you protect software revenues in a virtual world, while ensuring your customers are able to take advantage of the benefits offered by virtualization?”

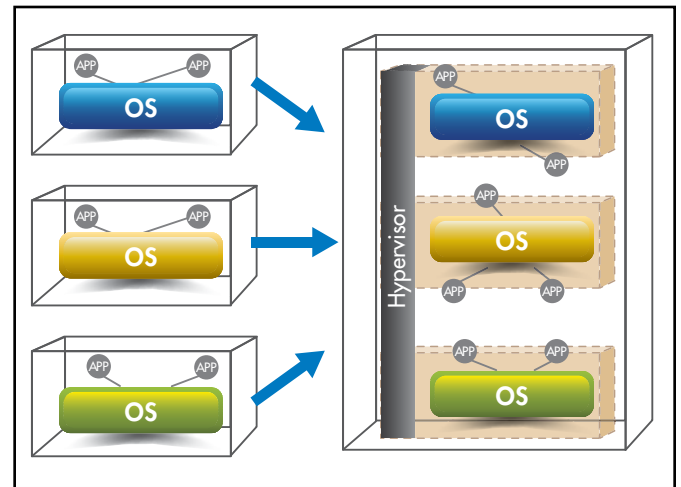
While this question is not new to physical machines, software vendors will face some challenges as they begin to enforce license agreements in virtual environments—especially using traditional licensing models.

Virtualization is a multi-faceted technology with many applications. In computing, virtualization is a broad term that refers to the abstraction of computer resources. From virtual machine to application virtualization, terminal services and remote control—what does it all mean?

As a software vendors dealing with licensing, you will need to come to terms with how your business will accommodate and enable machine virtualization.

What is machine virtualization?

Machine virtualization stands for the ability to create multiple instances of each operating system on one physical machine. With virtual machine technologies, each operating system instance on a physical machine is made to believe it's the only operating system running on that physical machine.



If you are like most software vendors, you may not have modified your license policies to address virtualization. There are six key questions to answer:

1. Have we defined a virtualization policy and has this policy been communicated to our customers? Can we use the same policy as we do for the physical hardware environment?
2. How many of our customers are using virtualization today? Is there a compliance problem and can it be quantified? What virtual platforms are our customers using and in combination with what OS platforms?
3. Are there new markets available because of virtualization, such as time rental via SaaS?
4. What specific problem do we want to solve: piracy, compliance or both? Are we concerned with intentional vs. unintentional overuse?
5. Should pricing be based on physical or virtual resources (sub-capacity pricing)?
6. Should alternate pricing and licensing models be defined for use in virtual environments? Should we charge more based upon the additional virtualization test matrix involved? Is there a market to charge less for limited capability?

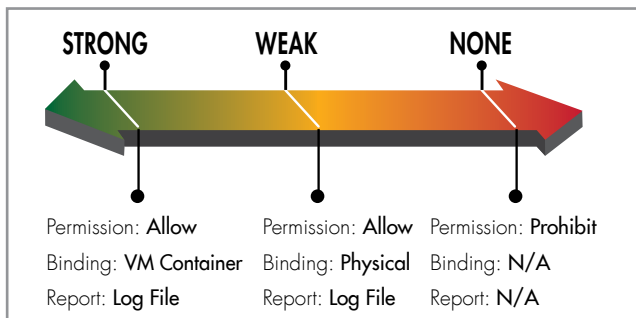
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Because of its strong partnerships with the leading virtualization providers, Flexera Software is well-positioned to help you address these critical questions. Our deep experience in licensing and entitlement management can provide you with industry best practices to define an effective software pricing and licensing strategy for applications running in a virtual environment.

Flexera Software's Approach to Virtualization—Protecting your Software Revenues

With FlexNet Licensing's capabilities, you are able to further protect your software revenue by preventing software leakage due to virtualization. Virtualization has changed the software landscape by making it easier to create multiple machines on a single physical machine. However it also creates a potential vulnerability in terms of license enforcement and compliance.

FlexNet Licensing's virtualization capabilities enable you to establish an enforcement strategy based upon the level of trust you have with your customers. For different customers and geographies, you can decide to let your software product operate or not operate in a virtual environment.



For markets and customers in the "limited trust" zone: FlexNet Licensing will enable you to detect the presence of virtual machines and decide to not allow the license server to run or not to issue a license to an application that is installed on a virtual machine. Permission to run on a virtual machine will be denied. This approach is perhaps the safest for risky markets.

For those markets and customers deemed to be in the middle of the trust range: As a publisher, you can detect the presence of a virtual machine and then decide to bind the application to a physical hardware element (or combination of elements) of the host machine (e.g., MAC address). By doing so, you are preventing the license server from being copied and from issuing licenses from a second virtual machine on the same hardware platform.

For markets and customers where strong trust exists: FlexNet Licensing can help you first detect the presence of a virtual machine and then bind the license server to the Universally Unique Identifier of the virtual machine container. Similarly, the license file for an application can also be bound to the Universally Unique Identifier of a particular virtual machine container. In such a scenario, the end user can take full advantage of the advanced virtualization machine functionalities such as high-availability and fault tolerance by enabling licenses to be moved from one physical machine to another without failure.

About FlexNet Licensing

FlexNet Licensing enables software vendors and intelligent device manufacturers to increase revenues and simplify customer relationships. FlexNet Licensing is composed of FlexNet Publisher and FlexNet Embedded.

The flexible, yet robust licensing capabilities provided by FlexNet Licensing allow vendors and intelligent device manufacturers to address piracy and ensure protection of intellectual property, as well as to react quickly and efficiently to new and evolving markets through creation of new pricing models and versatile product configurations.

FlexNet Licensing is the industry leader, with over 20 years of experience, a proven track record, more than 3,000 customers and over 20,000 FlexEnabled applications to date.

About Flexera Software

Flexera Software is the leading provider of strategic solutions for Application Usage Management; solutions delivering continuous compliance, optimized usage and maximized value to application producers and their customers. Flexera Software is trusted by more than 80,000 customers that depend on our comprehensive solutions- from installation and licensing, entitlement and compliance management to application readiness and software license optimization - to strategically manage application usage and achieve breakthrough results realized only through the systems-level approach we provide. For more information, please go to: www.flexerasoftware.com



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