

# FlexNet Manager for IBM

## Software License Optimization for IBM Software Products

### Benefits to Your Organization:

- Optimize IBM license management to reduce ongoing software costs
  - Buy only what you truly need
  - Track burn down of your Value Bucket (also referred to as Substitution Bucket)
  - Ensure proper accounting of legacy contracts and entitlements
- Maintain continuous software license compliance to minimize IBM audit risk
  - Maintain readiness if you've opted in for IBM's 'License Management Option' (LMO)
- Manage IBM contracts to reduce software maintenance costs
  - Gain deeper insight into usage so you can identify opportunities to reduce maintenance
- Automate license management to improve operational efficiency
  - Leverage, enhance and automate use of existing IBM data sources (ILMT, TADd or IEM SUA)
  - Significantly reduce time and resources needed to respond to audit notifications

For many organizations, IBM represents one of the top vendors in terms of their software spend. In addition, IBM is on the list of the top 5 vendors that perform the most software audits. For these two reasons, organizations need to proactively manage and optimize their IBM software licenses to reduce cost and audit risk.

But, **IBM license management is challenging**—IBM utilizes some of the most complex license models in use today. These include IBM Processor Value Unit (PVU) in full capacity and subcapacity (i.e. virtual) environments, User Value Unit (UVU) and Resource Value Unit (RVU) models. IBM uses a wide range of license models including concurrent and business metric based licensing. With PVU licensing, IBM required customers to use only its own tools for reporting license consumption in subcapacity environments—IBM License Metric Tool (ILMT), Tivoli Asset Discovery for Distributed (TADd) or IBM Endpoint Manager for Software Usage Analysis (IEM SUA). Organizations are often concerned that there are gaps in the coverage provided by these tools due to the difficulties in deploying them. This can lead to software audit risk exposure. For this reason, customers often want an independent assessment of their PVU license consumption.

In addition, IBM has periodic reporting programs, such as License Management Option (LMO) and SAM Offering where the customer agrees to regularly report its IBM license position in exchange for potential waiver of the standard audit clause. IBM typically includes the LMO option in every new Enterprise License Agreement (ELA) renewal. If an organization is considering participating in such a program, then an automated process for understanding its IBM license position is a necessity.

Flexera Software can help organizations address all these areas of concern with regard to their IBM software estate. **FlexNet Manager for IBM** is a scalable Software License Optimization product that is built on the **FlexNet Manager Platform**. It automates entitlement based license management to enable the reduction of license, maintenance and audit costs for a variety of IBM license models in datacenter server environments, while maintaining license compliance. It provides next generation software asset management functionality including automated license reconciliation for a wide range of IBM products.

FlexNet Manager for IBM data used to determine a license position for IBM software is **accepted by IBM for sub-capacity reporting** as an alternative to IBM License Metric Tool (ILMT), Tivoli Asset Discovery for Distributed (TADd) and IBM Endpoint Manager for Software Usage Analysis (IEM SUA)\*

FlexNet Manager for IBM is part of the **FlexNet Manager Suite for Enterprises** used by thousands of enterprises to gain control of and optimize spend across their software estate.

### Discovery, Inventory and License Management

FlexNet Manager Platform provides scalable hardware and software asset management across more than 16,000 publishers and 150,000 applications, providing insight into installed software and application usage while delivering purchased versus installed license reconciliation. Its comprehensive reporting capabilities allow users to identify and evaluate areas of compliance concern and make informed decisions that reduce license and maintenance costs.

FlexNet Manager Platform integrates with many other IT systems to collect the data necessary for next generation software asset management. This includes out-of-the-box connectivity to Microsoft SCCM, as well as connectors for other third party inventory and configuration management tools. It also provides connectivity to HR, Active Directory, procurement, ERP and other systems for user, computer, purchasing and organizational data.

For IBM license management, FlexNet Manager for IBM can import inventory and usage data from IBM License Metric Tool, Tivoli Asset Discovery for Distributed and IBM Endpoint Manager for Software Usage Analysis. Alternatively, FlexNet Manager for IBM (based on the Platform) provides its own discovery and inventory capability that can be used to independently assess IBM software installations and license consumption, including both full capacity and sub-capacity scenarios. **In fact, FlexNet Manager for IBM data used to determine a license position for IBM software is now accepted by IBM for sub-capacity reporting in lieu of ILMT, TADd and**

**IEM SUA.\*** Like ILMT, FlexNet Manager for IBM can scan hardware devices as frequently as every 30 minutes to collect the inventory data needed for sub-capacity license consumption calculations.

Customers are able to compare the results from ILMT, TADd or IEM SUA to FlexNet Manager for IBM. This ensures that organizations have no gaps in their IBM coverage that may result from using only ILMT, TADd or IEM SUA. Improper implementation or ongoing care and feeding of one of these mandatory IBM tools can unknowingly expose organizations to audit risks (false positives). Comparing outputs to FlexNet Manager for IBM can alleviate doubts and concerns that customers sometimes have about their initial setup or ongoing usage of ILMT, TADd or IEM.

As with other products in the FlexNet Manager Suite, FlexNet Manager for IBM leverages the Platform to collect data from many sources and help automate the software license reconciliation process. The Platform's Application Recognition Library is used to scrub the raw inventory data and generate the list of installed software titles, versions and editions for each physical and virtual computer in the IT environment. The inventory and application recognition process supports a wide range of IBM titles including those from the DB2, WebSphere, Tivoli, Rational, Cognos and Lotus offerings.

The Platform's Stock Keeping Unit (SKU) Library contains more than 700,000 software product SKUs and is used to automatically match inventory and application usage data with software purchase orders and contracts. The SKU Library includes more than 50,000 IBM software product SKUs. The Platform determines a license compliance position for IBM by reconciling contract and license entitlement (Purchase Order) data with installed software. (See diagram below).

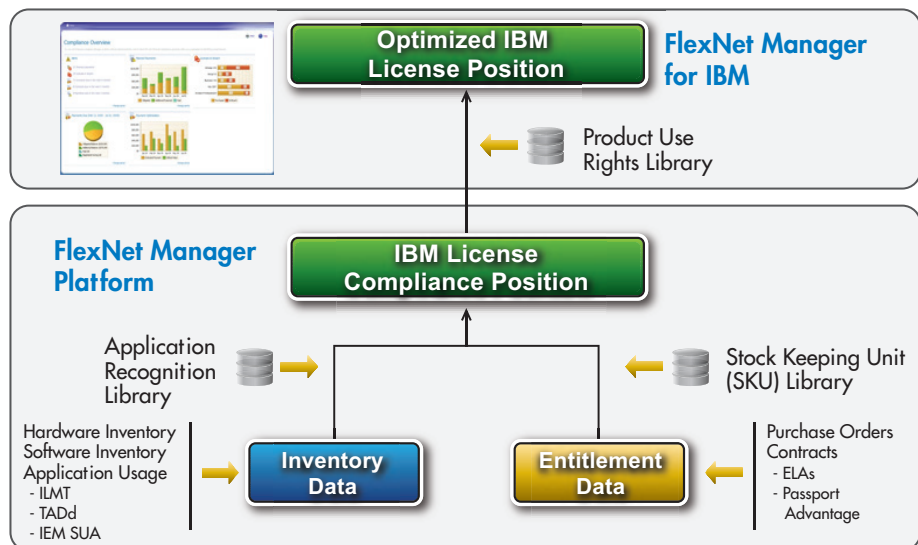


Figure 1: FlexNet Manager for IBM Flow Diagram – Showing how it leverages the Platform

## Product Summary

The compliance status of products, based on the compliance of licenses for each product

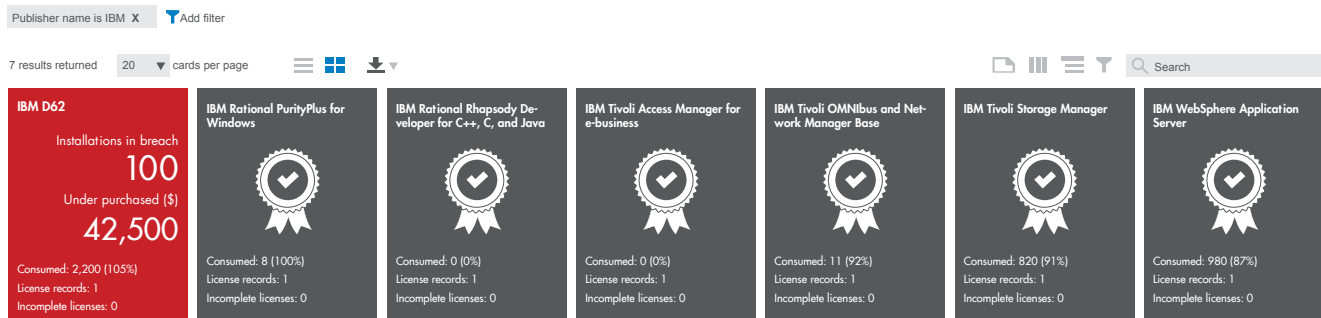


Figure 2: FlexNet Manager for IBM Product Summary Screen

### IBM Software License Optimization

FlexNet Manager for IBM provides a **Product Use Rights Library** which encapsulates IBM licensing rules, including PVU, RVU, and UVU points tables, and virtual use rights. License templates in the IBM Product Use Right Library cover more than 50,000 IBM SKUs. FlexNet Manager for IBM enables organizations to calculate an optimized license position for IBM software products—reducing license consumption and ongoing software costs.

FlexNet Manager for IBM reports license compliance and over-licensed conditions for IBM software, as shown in the Product Summary below. It also helps organizations manage IBM licensing contracts by utilizing the Contract Management features in FlexNet Manager Platform.

### IBM Value Buckets

Some IBM customers have contracts that allow them to trade in existing license spending on unused licenses for new licenses. This trade in clause is often referred to as a “value bucket”, “substitution table” or “PPA points table.” It requires organizations to track ‘burn down’ of titles or points that are being consumed. This is often very challenging to track and can be very manually intensive. FlexNet Manager for IBM helps automate this process and ensures that organizations are correctly tracking IBM license entitlements. This enables organizations to understand at all times how much IBM software is still available to consume, while also allowing them to determine if they are truly deriving value from that software.

### IBM License Models Supported

FlexNet Manager for IBM supports many different IBM license models, including the following:

- Processor Value Unit (PVU)
- Resource Value Unit (RVU)
- User Value Unit (UVU)
- Authorized User
- Concurrent User
- Floating User

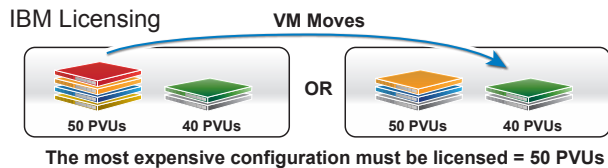
### Managing IBM Licenses in Virtual Environments

FlexNet Manager for IBM manages both full capacity and subcapacity licensing for the PVU license model. Subcapacity licensing allows customers to only license the processors allocated to the virtual machines or hardware partitions that run that IBM application, rather than the full capacity of the physical server. This can reduce licensing costs.

FlexNet Manager Platform supports discovery and inventory of several virtualization technologies including: VMware vSphere and ESXi, Microsoft Hyper-V, IBM AIX (LPAR, WPAR), and HP-UX (nPars, vPars). It correlates virtual machines (VMs) to physical hosts and collects information on allocation of hardware resources to VMs and hardware partitions to enable accurate license management of processor/core based license models, such as IBM PVU. (PVUs are a function of processor type, server model, cores per socket, etc.) Subcapacity license counting rules differ by virtualization technology and this knowledge is built into FlexNet Manager for IBM to automate IBM license management in virtual environments. FlexNet Manager for IBM calculates the required number of PVUs based on the hardware and software inventory data and built-in licensing rules.

FlexNet Manager for IBM also supports virtual server cluster environments, such as VMware vSphere clusters where technologies like vMotion and Dynamic Resource Scheduler (DRS) are in use. It takes into account the DRS Host Affinity Rules that determine which physical hosts in the cluster may be used by a particular application running on a virtual machine. FlexNet Manager for IBM calculates the “high water mark” for IBM licensing in the server cluster to ensure that organizations are correctly licensed for these complex and highly dynamic environments.

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**Figure 3: Calculating the High Water Mark for IBM PVU Licenses in a Server Cluster**

## License Simulations – ‘What If’ Analysis

FlexNet Manager for IBM provides a license simulation capability that allows organizations to assess the impact of IT environment changes on IBM licensing, including the financial impact. This powerful feature enables organizations to determine in advance what the impact will be if they increase the virtual server pool to meet peak seasonal or business demands, for example. Simulations can also be performed for changes to the hardware such as adding or removing processors, installing a new software product, or changing shared processor pool settings. By performing this “What If” analysis, organizations can potentially avoid the financial implication associated with the ‘high water mark’ that ILMT, TADd or IEM SUA will permanently record for IBM audit tracking purposes.

## Advantages of FlexNet Manager for IBM and FlexNet Manager Suite

While FlexNet Manager for IBM data is accepted by IBM for sub-capacity reporting, it’s important to also take a look at the advantages of the broader FlexNet Manager Suite solution. FlexNet Manager Suite provides these additional capabilities, not offered by the IBM tools:

- Supports a broad range of license models—for IBM and many other vendors
- Provides license management and optimization across many vendors
- Understands and applies vendor specific product use rights to optimize your license position for multiple vendors (this applies to IBM PVU license consumption too—for example, standby servers for WebSphere Application Server can be exempted, meaning they won’t consume a license)
- Includes a comprehensive Contract Management capability

- Integrates with leading IT Service Management tools, including Configuration Management Database (CMDB) and service desk products such as BMC Atrium, Remedy, and ServiceNow
- Provides ‘What If’ Analysis for proactive license management of complex datacenter server environments

## FlexNet Manager for IBM Automates IBM License Management

FlexNet Manager for IBM is the only Software License Optimization solution that automates IBM license and contract management to maintain continuous license compliance and reduce license, maintenance and software audit costs for IBM software products. Flexera Software’s IBM solution can greatly enhance existing, IBM tools and automate license reconciliation processes that tend to be manual and workforce intensive. The IBM Product Use Rights Library is used to determine an optimal license position, taking into account all the many ways that organizations may have deployed IBM products.

## About Flexera Software

Flexera Software helps application producers and enterprises increase application usage and the value they derive from their software. Our next-generation software licensing, compliance and installation solutions are essential to ensure continuous licensing compliance, optimized software investments and to future-proof businesses against the risks and costs of constantly changing technology. Over 80,000 customers turn to Flexera Software as a trusted and neutral source for the knowledge and expertise we have gained as the marketplace leader for over 25 years and for the automation and intelligence designed into our products. For more information, please go to:

[www.flexerasoftware.com](http://www.flexerasoftware.com)

### Next Step:

Learn more about FlexNet Manager for IBM and the other products in the FlexNet Manager Suite for Enterprises—visit [www.FlexeraSoftware.com/SLO](http://www.FlexeraSoftware.com/SLO) or contact a Flexera Software representative.



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