GSDC
Global Skill Development Council

REAL-WORLD CASE STUDIES IN SOFTWARE ASSET MANAGEMENT

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CASE STUDY 1

Oracle Audit of a Global Manufacturer — $50 Million Compliance Shortfall

What Happened

A large global manufacturing company with operations across 15 countries held an Oracle Enterprise Agreement covering database and middleware software. When Oracle's License Management Services (LMS) team issued an audit notification covering the entire global deployment, the SAM team scrambled to compile inventory data from disparate systems — some using spreadsheets, others relying on a legacy CMDB that had not been updated consistently. The data was 18 months old and did not reflect several infrastructure upgrades that had occurred in the interim.

What the Audit Found

Oracle's auditors discovered that the company had deployed its databases on VMware-virtualized servers. Under Oracle's licensing policy, VMware is not recognized as a "hard partition" technology — meaning every physical processor in a VMware cluster must be licensed, not just the vCPUs allocated to the Oracle virtual machine. The company had been counting only allocated vCPUs, a common and costly misunderstanding. The compliance gap between what was licensed and what Oracle determined was owed: approximately **$50 million**.

CASE STUDY 1 — CONTINUED

Oracle VMware Licensing: What Good SAM Would Have Prevented

The Core Problem

A mature SAM program with Oracle specialist expertise — internal or through a third-party advisory firm — would have understood the VMware licensing rule. The ELP calculation for Oracle in virtual environments requires applying Oracle's specific rules, not simply counting allocated vCPUs. Regular internal compliance checks would have surfaced the gap years earlier, when remediation options were still available.

The company negotiated a settlement below $50 million — but still paid **tens of millions** to resolve the audit. They subsequently invested in a specialist Oracle SAM solution and engaged an ongoing licensing consultancy.

Key Takeaways

- Oracle's virtualization licensing rules are among the most complex in enterprise software — logical assumptions are frequently wrong
- VMware clusters and Oracle licensing require specialist knowledge — general SAM tools cannot handle this without proper configuration
- A compliance gap compounding over years becomes exponentially more expensive than one caught and addressed annually
- Specialist Oracle licensing expertise costs a fraction of an Oracle audit finding

CASE STUDY 2

Microsoft True-Up Surprise — A Mid-Sized Financial Firm Discovers 3 Years of Back Payments

What Happened

A financial services firm with approximately 2,000 employees held a Microsoft Enterprise Agreement with an annual true-up requirement. For three years, the IT team submitted true-up reports based on help desk ticketing data — counting only formally requested and approved software deployments. No automated discovery tool was in use, and the team had no visibility into software deployed outside the formal request process.

What the Audit Found

When Microsoft conducted a formal audit at EA renewal, a comprehensive network scan revealed actual deployment was significantly larger than reported. Software had been deployed by local IT administrators, by users installing from company network shares, and through automated deployment processes that bypassed the formal request system. The gap represented **three years of under-reported usage** — with interest provisions in the EA applying to unreported usage. The company paid arrears for three years plus interest, and was required to purchase a substantially larger EA at renewal reflecting true deployment.

CASE STUDY 2 — CONTINUED

True-Up Accuracy: The Discovery Tool Imperative

The Root Cause

True-up submissions were based on ticketing data — which only captured formally approved deployments. An automated discovery tool would have captured all deployments regardless of how the software reached the endpoint.

- Software deployed outside formal channels is still licensed software — the licensing obligation exists regardless of how it arrived

The Compounding Effect

Each year of inaccurate reporting added to the liability. Three years of cumulative under-reporting — plus interest — made the final settlement dramatically larger than any single-year shortfall would have been.

- Inaccurate true-up submissions create a growing liability that compounds across years — not just a one-time error

The Correct Approach

Automated discovery tools running continuously provide the accurate deployment picture that EA true-up obligations require. They are not optional — they are the mechanism for generating the data the agreement contractually requires you to report.

- Discovery tools are not optional for EA customers — they are how accurate true-up data is generated

CASE STUDY 3

Adobe Audit of a Creative Agency — Named User Credential Sharing Exposed

What Happened

A creative agency with 150 employees held an Adobe Creative Cloud for Teams subscription covering 80 named user licenses — sufficient for full-time creative staff. The agency regularly engaged freelancers on client projects. To enable collaboration, the agency created a pool of shared Adobe credentials that freelancers could use during engagements. The agency viewed this as a practical, cost-conscious solution for short-term engagements.

What Adobe Found

Adobe's named user license terms prohibit credential sharing — each license is tied to a single individual. Adobe's usage analytics detected multiple simultaneous logins from the same accounts across different IP addresses and devices. The audit revealed that 80 named user licenses were being accessed by a significantly larger population — full-time staff plus rotating freelancers. At peak project periods, usage data confirmed concurrent access by many more individuals than the subscription covered. Adobe required retroactive license purchases covering all users detected during the audit period. The agency's Adobe partner status was temporarily placed under review.

CASE STUDY 3 — CONTINUED

Named User Licensing: No Grey Areas

What Good SAM Would Have Prevented

A SAM professional reviewing the Adobe subscription against named user license terms would have identified that credential sharing violated the agreement. The correct approach: purchase monthly subscriptions for freelancers, or require freelancers to bring their own licensed Creative Cloud subscriptions to client engagements. Understanding the named user vs. concurrent licensing distinction is foundational SAM knowledge.

Key Takeaways

- Named user licenses are non-transferable and non-shareable — this is not a grey area in the license terms
- SaaS vendors have usage analytics capable of detecting credential sharing — the assumption that it will go unnoticed is incorrect
- Freelancer and contractor software access is a SAM responsibility — not just a security or IT access issue
- Doing it correctly from the start is always less expensive than remediation after an audit finding

Adobe offers monthly subscription options specifically designed for short-term engagements — the cost of doing this correctly is predictable and manageable when built into project budgeting from the start.

CASE STUDY 4

Open Source GPL Violation — A Software Company's Product Launch Halted

What Happened

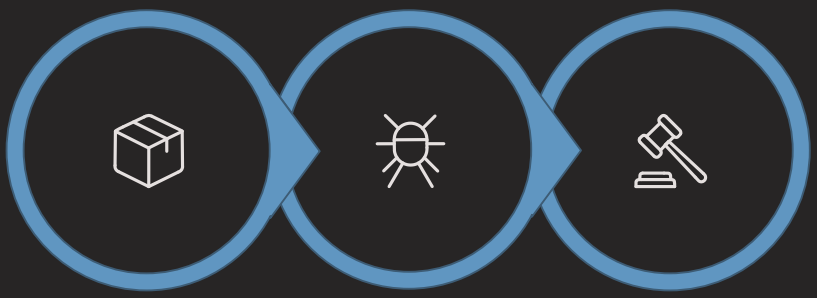
A software company developing a commercial application incorporated open source libraries into its product using standard package management tools. Under launch deadline pressure, the development team assumed open source meant freely usable without restriction. One dependency was licensed under GPL version 2 — a license that requires any software incorporating its code and distributed to others to itself be released under the GPL, making source code available to all recipients.

What Happened at Launch

A legal review at launch flagged the GPL dependency. The company faced two options: remove and replace the GPL library (significant development rework) or open source the entire application — commercially unacceptable for a proprietary product. The launch was delayed **three months** while developers replaced the dependency with a permissive-license alternative. Commercial consequences included lost first-mover advantage, unmet customer commitments, and development capacity diverted from new features to remediation.

CASE STUDY 4 — CONTINUED

Open Source SAM: Compliance at the Speed of Development



Dependency Introduced **SCA Flags License** **Policy Decision**

A software composition analysis (SCA) tool integrated into the CI/CD pipeline would have flagged the GPL dependency at the moment it was introduced — not at legal review weeks before launch. The company subsequently implemented FOSSA for ongoing compliance scanning and developed an internal open source license policy approved by legal.

Open Source ≠ Free

Different licenses impose very different conditions on use and distribution — GPL, LGPL, MIT, and Apache licenses are not interchangeable

GPL is a Legal Obligation

Compliance is not a preference or best practice — it is a legal requirement with real commercial consequences for non-compliance

Shift Left

Open source license compliance must be managed in the development process — not discovered during legal review at launch

SCA Tools

Software composition analysis tools make open source SAM practical at modern development speed — automation is the only scalable approach

CASE STUDY 5

SaaS Sprawl at a Technology Company — $4 Million in Unmanaged Spend Discovered

What Happened

A fast-growing technology company with 800 employees empowered business units to subscribe to SaaS tools using company credit cards and expense accounts. IT maintained a list of 40 formally approved applications but had no visibility into departmental purchases. When the company engaged a SaaS management platform ahead of a Series C funding round — where investors were scrutinizing operational efficiency — the results were alarming.

What the Discovery Found

The platform identified **over 220 distinct SaaS applications** in active use. IT's approved list covered 40. Total annual SaaS spend was $6.8 million — IT believed it was $2.8 million. The $4 million difference was entirely outside IT governance. Among the discoveries: 14 different project management tools (company had standardized on two), 8 video conferencing tools, 6 document signing services, and multiple instances of the same application subscribed to independently by different teams — at different price points, including some paying individual rates for enterprise products.

CASE STUDY 5 — CONTINUED

SaaS Rationalization: From $6.8M to $4.1M

The Outcome

The company rationalized its SaaS portfolio — eliminating duplicates, negotiating consolidated agreements with preferred vendors, and establishing a SaaS governance policy. Annual SaaS spend dropped from **$6.8 million to $4.1 million** — a $2.7 million annual saving — while actually improving the tool experience by consolidating to better-supported, organization-wide agreements.

By the Numbers

220 applications discovered vs. 40 IT-approved

$4M in spend invisible to IT governance

$2.7M annual savings from rationalization

30–40% typical SaaS savings from eliminating duplicates

- SaaS sprawl is the most common and most expensive software management problem in modern organizations — and most significantly underestimate it
- Shadow IT is a *financial management* issue, not just a security issue — it represents significant uncontrolled spend
- The cultural tension between team autonomy and governance must be managed through policy and process — not ignored

CASE STUDY 6

SAP Audit of a Retail Organization — Named User Type Misclassification

What Happened

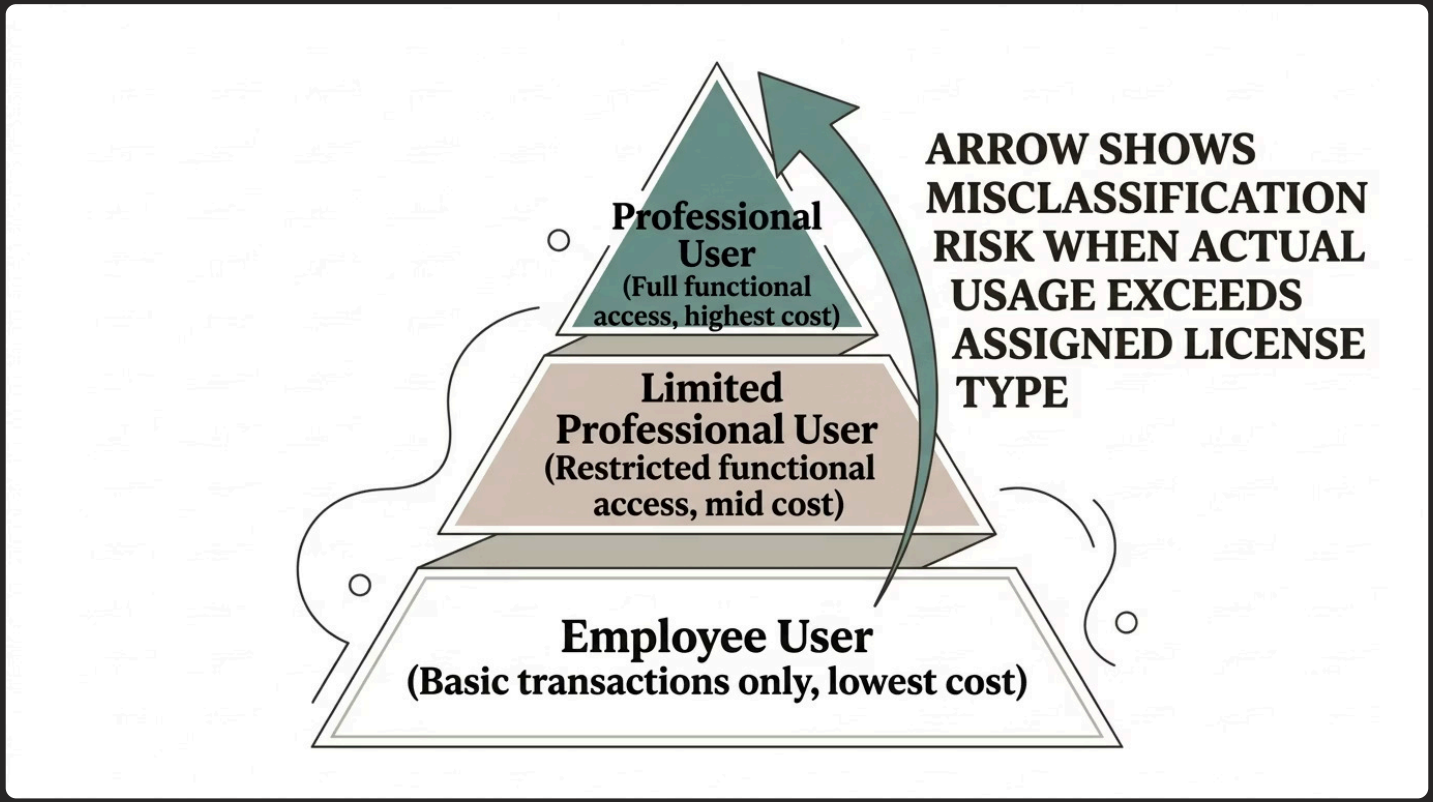
A large retail organization with SAP as its core ERP system had approximately 1,500 SAP users. SAP's licensing model categorizes users into named user types: Professional Users (broad access), Limited Professional Users (restricted access), and Employee Users (basic transactions only). To minimize licensing costs, the organization had licensed primarily the lower-cost categories. Users needing broader access had been assigned Limited Professional User licenses with access configurations that, in practice, extended beyond what that user type permitted under SAP's rules.

What SAP Found

SAP's audit examined not just license assignment but what transactions users actually performed. SAP licenses by **functional access** — if a user performs transactions classified under the Professional User category, they require a Professional User license regardless of what license type they were assigned. Transaction log analysis showed a significant number of Limited Professional Users had performed Professional User transactions — generating reports, accessing cross-functional data, and executing processes that exceeded their licensed category. The reclassification to Professional User licenses represented a substantially higher cost per user across the misclassified population.

CASE STUDY 6 — CONTINUED

SAP License Optimization: Access vs. Assignment



SAP Licenses What Users Do — Not What They're Assigned

Transaction log analysis during an SAP audit is comprehensive. The assumption that access configuration and actual usage are equivalent is frequently — and expensively — incorrect.

User Type Misclassification Is Preventable

An ongoing SAP license optimization review comparing actual transaction usage against licensed user types would have identified the gap before the audit — enabling either access restriction or planned procurement at negotiated rates.

Specialist Expertise Is Required

Generic SAM tools and general IT staff cannot reliably calculate SAP compliance without SAP-specific knowledge. This is one area where specialist tooling and expertise are not optional.

CASE STUDY 7

The Merger That Inherited a Compliance Crisis

What Happened

A private equity firm acquired a mid-sized professional services company. Standard M&A due diligence covered financial statements, customer contracts, legal liabilities, and key personnel. Software licensing was not assessed — it was considered a routine operational matter. Six months post-acquisition, the acquired company received audit notifications from three software vendors simultaneously: Microsoft, Adobe, and an industry-specific application vendor. All three audits were triggered by the change in ownership — a known and deliberate vendor audit trigger.

What the Audits Found

The acquired company had no formal SAM program. Software had been managed informally across department heads, with the central IT team holding limited visibility. License agreements were distributed across email inboxes and filing cabinets with no central record. Across the three audits, compliance shortfalls totaled approximately **$800,000**. The acquiring firm had purchased a business without knowing that $800,000 in software compliance liability was embedded in it — undisclosed because no one in the acquired organization knew it existed.

CASE STUDY 7 — CONTINUED

SAM as M&A Risk Management

What Good SAM Would Have Prevented

A software license compliance assessment as part of M&A due diligence — a standard service offered by SAM advisory firms — would have identified the shortfalls before close. The acquiring firm could have adjusted the purchase price, required remediation before close, or included warranty clauses holding sellers responsible for pre-acquisition liabilities. The due diligence cost is minimal compared to the potential exposure.

The acquiring firm paid the $800,000 in unbudgeted compliance settlements — directly reducing deal returns. They subsequently mandated software compliance assessment in all future M&A due diligence processes across their portfolio.

Key Takeaways

- Software compliance liability is a real financial risk in M&A — and commonly overlooked
- Change of ownership is a known audit trigger — vendors actively monitor for acquisition events
- Pre-acquisition compliance assessment should be standard in M&A due diligence
- SAM programs are a financial risk management tool for PE firms — not just IT operational practice

CASE STUDY 8

License Harvesting Program Saves $1.8 Million Annually

What Happened

A global insurance company with 5,000 employees was spending approximately $12 million annually on software licenses. Following the departure of a long-serving IT asset manager who had managed software through personal relationships and accumulated knowledge, a new SAM manager deployed a software discovery tool to build a current, accurate picture of deployment.

What the Analysis Revealed

The discovery and usage analysis found a consistent pattern across multiple major software products. Approximately **18% of licensed software** was installed on active machines but had not been launched in 90 days. A further **12%** was installed on machines belonging to users who had left the organization in the previous 12 months — machines reassigned to new employees without the departing user's licenses being reclaimed. Together, these represented approximately 30% of software spend — licenses paid for but delivering no value. Additionally, 8% of Microsoft 365 users held E5 licenses but usage data showed they only accessed email, basic Office applications, and Teams.

CASE STUDY 8 — CONTINUED

License Harvesting: The Fastest SAM ROI

$1.2M	$600K	$1.8M	350…
Harvesting Savings	**M365 Right-Sizing**	**Total Annual Savings**	**Year-One ROI**
Annual savings from license reclamation program in year one	Annual savings from E5-to-E3 right-sizing for users who didn't need premium tier	Combined annual savings from the SAM optimization program	Return on SAM program investment of ~$400K (tool, team time, process)

- License harvesting is consistently the fastest and most impactful SAM cost optimization activity — the licenses are already paid for, they just need to be reused
- HR system integration is critical — departure events must automatically trigger license reclamation, not depend on manual processes
- Software utilization data is the foundation of right-sizing decisions — without it, optimization is guesswork
- SAM ROI is demonstrable and substantial — the business case is typically clear within the first year of a mature program

CASE STUDY 9

IBM Sub-Capacity Licensing Violation — A Manufacturing Company's $30 Million Exposure

What Happened

A large manufacturing company used IBM Db2 across its production management systems on VMware-virtualized servers. IBM's sub-capacity licensing option allows customers to license database software based on processor capacity allocated to the virtual machine — rather than all physical processors in the server. Sub-capacity licensing is significantly cheaper. To use it, IBM requires deployment and correct configuration of the IBM License Metric Tool (ILMT), which generates the audit trail IBM requires to validate sub-capacity licensing claims.

What IBM Found

The company had deployed ILMT years earlier but had never verified its configuration. It was running — but not producing reliable output and not accurately scanning all virtual machines running IBM software. IBM determined that because ILMT was not functioning correctly, the sub-capacity licensing terms were not met. Under IBM's rules, customers who fail ILMT requirements forfeit their right to sub-capacity licensing — reverting to full capacity licensing based on all physical processors in all servers in the cluster. The difference between incorrectly-applied sub-capacity rates and full capacity licensing: approximately **$30 million**.

CASE STUDY 9 — CONTINUED

IBM ILMT: Deployed Is Not the Same as Working

The Critical Lesson

ILMT configuration verification must be a routine SAM control for any IBM database customer using sub-capacity licensing. IBM's requirements are documented: the tool must scan all relevant systems, reports must be generated at required intervals, and output must be reviewed for accuracy. The company assumed a deployed tool was a working tool — a SAM governance failure with a $30 million consequence.

The company negotiated a settlement below $30 million but still paid millions. They engaged IBM licensing advisory services, correctly reconfigured ILMT, and restructured their virtualization architecture to use IBM-approved hard partitioning for their most significant IBM deployments.

Key Takeaways

- IBM sub-capacity licensing requires correct ILMT deployment and configuration — without it, the entitlement does not apply regardless of actual usage
- Assuming a tool is working without verification is a SAM governance failure — tools must be validated, not just deployed
- IBM's virtualization licensing rules require specialist expertise — general SAM knowledge is insufficient
- Specialist IBM licensing expertise costs a fraction of an IBM audit finding

CASE STUDY 10

How a Mature SAM Program Turned a Vendor Audit Into a Negotiating Opportunity

What Happened

A global financial services organization with a mature, five-year-old SAM program received an audit notification from a major enterprise software vendor covering its global deployment of business intelligence and analytics software. Unlike most organizations receiving audit notifications, the response was calm and structured.

The SAM Program's Response

Within 24 hours, the SAM team convened its standard audit response team — SAM manager, legal counsel, procurement lead, and the vendor relationship manager. Legal reviewed the notification against the contract's audit rights clause and challenged one aspect of the requested data that exceeded contractual entitlement. The SAM team pulled the current ELP from their SAM platform. The ELP showed the organization was **over-licensed by 15%** — the result of a recent organizational restructuring. A comprehensive, audit-ready package was assembled within one week from SAM tool data, not manually assembled. The audit closed with no findings and no payment obligation.

CASE STUDY 10 — CONTINUED

Audit-Readiness as Competitive Advantage

Audit Outcome	Negotiation Outcome	Relationship Outcome
No compliance shortfall. No payment obligation. Audit closed cleanly — because the data was accurate, current, and immediately available.	Over-licensing data used as leverage at renewal. 12% reduction in renewal quantity — saving **$340,000 annually**. 8% unit price reduction secured in new agreement.	Vendor renewed at lower rates with a customer who demonstrated precise software management. Vendor relationships improve when customers know exactly what they have and what they need.

- A mature SAM program converts an audit from a threat into an opportunity — organizations with accurate data have nothing to fear from vendor audits
- Audit-readiness means having current, accurate ELP data available at all times — not assembling it in response to an audit notification
- Usage data is negotiating leverage at renewal — over-licensing discovered proactively enables negotiation down, not just continuation
- The return on SAM investment is demonstrated most clearly when an audit that could have cost millions generates savings instead

The defining difference between organizations that pay millions in audit findings and organizations that convert audits into savings opportunities is not luck — it is whether they have a mature, data-driven SAM program running continuously before the audit notification arrives.

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