



Licensing Siebel CRM

How to avoid the most common pitfalls

An Insight Whitepaper

Introduction

This Insight whitepaper provides an overview of the most common issues seen at those enterprises that entered into a Siebel CRM contract, and is written together with Insight's Strategic Business Partner b.lay.

The content of this whitepaper is based upon our experiences of the last 10 years, in which we worked with many enterprises, globally, and is grouped around the following area's:

- # Introduction of Your Caveats
- # Siebel CRM Before and After Oracle's Acquisition of the Product Suite
- # Unawareness of Siebel License Keys
- # Siebel Legacy Pricing vs. Oracle Pricing
- # Siebel Legacy Metrics vs. Oracle Metrics
- # Individuals Authorized vs. Individuals Using the Software
- # Inactive Users Still Having Access?
- # Incorrect Assignment of Responsibilities
- # Siebel Professional Edition vs. Siebel Enterprise Edition
- # External Users Using Internal Applications
- # Concurrency Will Migrate to Processor if Licenses Are Exceeded
- # Custom Views Determine Usage



Licensing Siebel CRM

Introduction of Your Caveats

Siebel CRM ranks high among software solutions and suites targeting the Customer Relationship Management processes and practices that are of great value to companies. Customer intimacy together with product leadership and operational excellence are seen as the three keys to entrepreneurial success.

The huge popularity of the original Siebel Systems products has been the reason of Oracle's acquisition of the company in 2006. License-wise many things did change after that. The next 11 sections of this Insight white paper address many of the common caveats for organizations to avoid in the context of non-compliance and financial risk.

Obtaining the proper License Keys; Legacy Pricing and Metrics vs. new policies; intricacies of Authorization and Responsibilities; Professional or Enterprise Edition of the software; External and Internal Applications; Concurrency and the Processor metric; and last but not least the issues around Custom Views – being aware of the importance of these fundamental factors, often in combination, are the foundation for organizations to become compliant and in control of their Siebel CRM software license management.

If you are in need of extra expertise and a structured approach, feel free to contact Insight. We will help you make software compliance an exciting opportunity to improve your business!

Siebel CRM Before and After Oracle's Acquisition of the Product Suite

Customer Relationship Management is software developed to improve profitability, revenue and customer satisfaction. There are many CRM solutions available, the most popular being Salesforce CRM, Sap CRM, Microsoft Dynamics CRM, Zoho, Oracle Siebel and Sugar CRM. In this white paper we will focus on Oracle Siebel, which was developed by Siebel Systems Inc. Oracle Corporation acquired Siebel Systems in 2006.

Siebel CRM is a large and complex software solution that allows organizations to manage customer information, and to process orders, service requests, payments, etc. The Siebel products are available as:

- # Horizontal Applications
- # Vertical Applications
- # Analytics

The Horizontal Applications are industry independent solutions (e.g. Siebel CRM Base and Siebel Contracts) whereas the Vertical applications are industry specific products such as Siebel Public CRM Base and Siebel CME Contracts. The Vertical Applications contain the entire set of modules from both horizontal and vertical applications, which means the vertical ones are more expensive.

The Analytics products (e.g. Siebel Sales Analytics) were available as standalone editions until version 7.8 after which they were discontinued. Nowadays, the functionality of the Analytics products is bundled in the Oracle Business Intelligence product group.

In addition to the Horizontal and Vertical classification, the Siebel applications may also be classified by user type:

- # Employee Applications – products designed to be used by your employees, for instance sales people using Siebel Contracts.
- # Customer Applications – products to be used by an organization’s customers, mainly designed for purchasing online, e.g. Siebel Public Sector eService.
- # Partner Applications – products to be used by partners of the organization, e.g. Siebel Public Sector Partner Portal.

From a licensing perspective, policies may differ depending on the type of Siebel products.

Unawareness of Siebel License Keys

Licensing became more complex after Oracle acquired Siebel Systems. In the past, an end user had to enter into a license agreement with Siebel, after which he would receive his unique license keys to enable the functionality purchased. Oracle however made Siebel license keys freely available on the external website (<http://www.oracle.com/us/support/licensecodes/index.html>) so end users could download them without upfront having obtained a license.

A standard Siebel installation offers all available Siebel modules and functionalities in which applications are unlocked by license keys. Many Siebel customers have one or more unlicensed products installed.

The license keys downloaded often include more functionalities than the organization is licensed for. Extra Siebel modules/functionalities in use will need to be licensed, reflecting the total number of authorized users.

There are many non-compliance risks for either the old licenses from Siebel Systems – before Oracle’s acquisition that is – and the ones currently applied by Oracle. We will discuss the most common issues in this white paper.

Siebel Legacy Pricing vs. Oracle Pricing

Prior to Oracle’s acquisition, Siebel products were sold as Individual Application (e.g. Siebel Sales Enterprise) and as Application Bundle (e.g. eAdvisor & eConfigurator Bundle). However, the number of Application Bundles offered was small and were rarely sold. In December 2006, Oracle started selling Siebel products under the three standard pricing models for Oracle applications:

- # Component licensing
- # Custom Application Suite (CAS) licensing
- # Enterprise licensing

Component licensing is Oracle’s traditional a la carte pricing model and cost effective for customers licensing one or a few Oracle products with a limited number of end users. For example: Siebel CRM Base, licensed per Application User, allowing one individual to use one single Siebel software program.

Under CAS licensing a customer may purchase different software products in one bundle (e.g. Siebel CRM Base licensed per Custom Suite User). This metric allows one individual to use multiple Siebel software programs as defined in the bundle.

Enterprise licensing allows customers to license the desired Siebel software programs for their entire organization without having to keep track of specific user licenses, servers or deployment locations on which the Siebel software programs are installed. An example would be Siebel Asset Management licensed by the Enterprise Metric “Enterprise \$M in Revenue.”

Siebel Legacy Metrics vs. Oracle Metrics

The metric units that Oracle applies today for the Siebel products are not totally different from the legacy metrics used by Siebel System. Siebel products were generally sold per user. One of the most common user-based metrics was Named User, which migrated to the Application User metric in use today. Both Named User and Application User licenses focus on the number of individuals authorized to use the software, regardless of whether the user is actively using it or not. Below are both the Named User and Application User metric definitions, as listed in Oracle’s current pricelist for Siebel products.

Application User is defined as an individual authorized by you to use the applicable licensed application programs which are installed on a single server or on multiple servers regardless of whether the individual is actively using the programs at any given time. If you license the Oracle Self Service Work Request option in conjunction with Oracle Enterprise Asset Management, you are required to maintain licenses for the equivalent number of Application users licensed and you are granted unlimited access to initiate work requests, view work request status and view scheduled completion date for your entire employee population. For Order Management, application users are allowed to manually enter orders directly into the programs but any orders entered electronically from other sources must be licensed separately by Electronic Order Line.

Named User is defined as an individual authorized by you to use the programs which are installed on a single server or multiple servers, regardless of whether the individual is actively using the programs at any given time. Customer may copy, install and use these Siebel Programs for additional Named Users only upon payment of additional Siebel Program license fees.

Another type of user-based license is Registered User. The current Registered User licenses are equivalent to the legacy Registered User licenses: both focus on the number of business partner individuals authorized to use the software. Partner Applications are typically licensed under this metric.

For other, non user based licenses such as Processor, Physical Server, Computer etc., usage counts are based upon the (physical) hardware on which the Siebel software programs are deployed.

Computer licenses are very similar to the legacy Physical Sever licenses; both focus on the number of servers where the software is installed. Licenses on the Physical Server metric often come with limitations such as number of CPUs on the machine or number of records stored in the database installed. End users need to make sure that these extra limitations in the terms of their agreement are being met, since any breach of these restrictions would require purchasing additional licenses.

Some metrics only became available for Siebel Products after Oracle’s acquisition, such as Custom Suite User, Enterprise, and metrics that are not available anymore like Concurrent Users.

Individuals Authorized vs. Individuals Using the Software

The most common Siebel license types are user based such as: Named User, Application User or Registered User. For these metric definitions the total required number of licenses is determined by the total number of distinct individuals which are authorized to use the software, no matter if they are actively using the software.

One of the common mistakes of organizations using Siebel is to license only the users that are actively using the products, even if their contract states that every user authorized to make use of the software needs to be licensed: no matter if they are active users. The users that left the organization or persons that changed roles may not actually use the software anymore, but could still be authorized and therefore still have to be licensed.

This means that you should perform a proper cleanup for all your production environments, and you should extend this clean-up for the test/development/acceptance environments as well.

Originally, Siebel usually allowed their customers to install the software in a test environment at no charge. However, after Oracle's acquisition the Siebel licensing follows the standard Oracle policies, which require the test, development and acceptance instances to be licensed as well. Therefore, any person who may only be authorized to use the programs in a test environment, even if he is not actively making use of the software program in this environment, still must be licensed.

Proper cleanup involves performing the user deactivation process in a correct and complete way, so that anyone is removed who doesn't need access to the Siebel Programs anymore, in accordance with Oracle's methodology.

Inactive Users Still Having Access?

Most organizations do not comply with Oracle's methodology for measuring usage in a Siebel environment and usually any clear deactivation methodology is lacking. Old users are simply deactivated by changing logins or it is assumed that anyone who left the company or changed roles should not be counted to have access to the software anymore. As said however, Oracle requires organizations to license each person that is formally authorized to use the software, no matter if she or he is an active user.

Again, it's extremely important to apply a proper and complete deactivation process, consisting of updating employee IDs, statuses, responsibilities and many other changes at both the database and the application level.

Incorrect Assignment of Responsibilities

Users have access to Siebel products once they are assigned a Responsibility. This contains one or more views that are part of a Siebel product. Any user with a Responsibility is automatically authorized to use the corresponding views and Siebel products. People may be actively using only a part of those views, but still be authorized for the rest. These extra views as included in the responsibilities can provide access to other Siebel modules/functionalities for which an organization may not have licenses or have a smaller number available, which results in non-compliance.

Siebel administrators usually assign responsibilities to users without knowing that the views behind those specific responsibilities may be part of Siebel products for which the organization didn't acquire a license yet. Thus, a proper clean up should involve validating the user responsibility association process as well.

Siebel Professional Edition vs. Siebel Enterprise Edition

Siebel CRM Professional Edition (SPE) is a scaled-down version of the Siebel Enterprise Edition. Siebel SPE is less complex than the Enterprise one and developed for small and medium-size businesses (SMEs) that don't require the full Enterprise Edition.

By and large, SPE is a good fit for smaller businesses, but the software has its limitations. For instance, Vertical Siebel Products are not available in Siebel Professional Edition, but they are available in the Enterprise one. Hence, a big pharmaceuticals company with Enterprise can benefit from tailored Siebel business processes out of the box, while a smaller organization with Siebel Professional would not.

Differences between the two Siebel business solutions can have a big impact on licensing. Many Siebel Professional Edition customers often use Enterprise Edition functionality, without being aware. This usually happens when the downloaded key is wrong and as a consequence will allow the usage of functionality that wasn't paid for. It also occurs when the downloaded key provides access to more functionality than needed. Organizations making use of Siebel Enterprise Edition modules/functionality need to migrate their SPE licenses to the more expensive Siebel Enterprise Edition license.

The reverse scenario is customers being licensed for the Enterprise Edition version while using the restricted functionality provided by the Professional Edition license keys. Many organizations are unaware of this and often actually don't need the entire functionality (Enterprise Edition) for which they are paying good money.

External Users Using Internal Applications

Siebel product offerings consist of: Employee Products, Customer Products, Partner Products and Analytics, which were migrated to Oracle Business Intelligence Products. An organization can be licensed for internal Siebel products which are the Employee Products, and external Siebel products developed for customers and partners.

Organizations using external facing applications should normally purchase licenses on a metric for external (non-employee) users. External facing licensing metrics are often cheaper, due to the smaller size of the population. Many organizations provide external users access to internal applications without owning an external license type. Compliance then can only be determined on the available (internal) license metrics (typically Named User, Application User or Concurrent User), resulting in large non-compliance situations and associated costs.

Concurrency Will Migrate to Processor if Licenses Are Exceeded

As presented in the section Legacy License Metrics vs. Oracle License Metrics there are old licensing metrics (e.g. Concurrent User) that Oracle nowadays does not sell anymore. In case a customer who is on old license metrics exceeds their current license grant (even by for example only 1 concurrent user), they are normally required to migrate the old license metrics to the current ones and purchase additional licenses on the new license metrics, which are typically more expensive.

Properly keeping track of their changing population will allow organizations to make sure that old license metrics do not exceed the entitled quantity, and gives you time to assess the new metrics on which Oracle sells. Moreover, keeping track of the changing population

allows you to stay informed of Oracle's licensing practices and migrations, and keeps you up to date of implications that occur when extending the use for certain old metrics.

Custom Views Determine Usage

Many organization have implemented customized views in their Siebel installation to accommodate their personal needs based on the standard Siebel functionality. The bulk of Siebel usage in organizations comes from custom views. You should pay close attention to what Siebel modules and functionalities the custom views build upon, especially since if only one single custom view is mapped to an unlicensed application, this may imply large compliance risks and associated financial risks.

Most Siebel CRM customers don't realize that users with access to custom views will eventually be allocated by Oracle to licensed or unlicensed Siebel products.

If you are in need of extra expertise and a structured approach, feel free to contact Insight. We will help you make software compliance an exciting opportunity to improve your business!

Contact us through joost.bakker@insight.com to learn more about how we can support you!

About The Authors



Joost Bakker

Joost joined Insight, your Trusted Advisor, as a global account manager in August 2008. After 3 years he returned back to his roots in Oracle licensing as he worked for Oracle 6 years prior to Insight. Joost uses his knowledge of 6 years in Oracle License Management Services (LMS) to educate, equip and enable software end-users in their challenges with regards to proper software license management.

Joost started in November 2002 as an Oracle Licensing Consultant, after which he fulfilled the role of Benelux Manager for a period of 2½ years. Hereafter Joost was involved in the Strategic Accounts team for LMS in EMEA, where he serviced the international key accounts for Oracle in EMEA. Joost holds a bachelor degree in Company Economics and IT from the Hogeschool Enschede in The Netherlands.



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