

Software Piracy shows the needs of Software Asset Management

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Piracy Is Still A Challenge

<u>Global</u>	<u>U.S.</u>
38% piracy rate	20% piracy rate
\$48 billion lost revenue	\$8 billion lost revenue



Canada

- 33% piracy rate (\$1.1B in losses)
- 270 piracy reports received in 2008
- Copyright Act allows for statutory damages of 20k per work infringed

Source: Fifth Annual IDC Global Piracy Study, released by BSA, May 14, 2008

Common Forms Of Piracy

- Multiple installations without licenses
 - ✓ License one, install many
- License misuse
 - ✓ installation/use outside the terms of the license
- Upgrade abuse
 - ✓ installation/use of upgrades without owning prior version

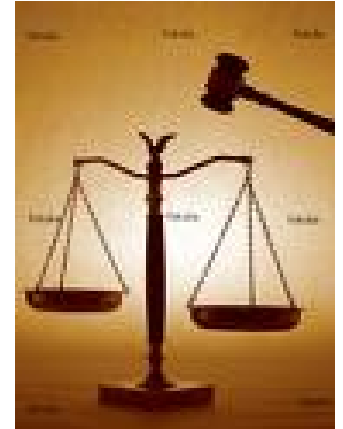
Why End-User Piracy Happens

- Installations aren't monitored
- Inadequate budgeting
- Licenses not tracked
- Employees get the wrong idea
- Unchecked downloading from the Internet
- The company feels immune



Consequences

- No assurance of quality or reliability
- No support
- Sends message: It's okay to steal
- Exposure of your network to security breaches
- Consumption of bandwidth
- Legal exposure



The typical piracy case

- IT Manager contacts BSA
- BSA reviews the information received, checks license information with members
- Based on all available information, we decide how to proceed, audit or litigation
- Audit conducted, review installed v. licensed
- Fine for unlicensed, delete unlicensed, licenses need to be acquired (3x)
- 12-18 months is the typical engagement

Recent Settlements

- Canada
 - Valcoustics (Richmond Hill, Ont.); USD\$22,980
 - Stock-Trak (Montreal, Que)); USD\$11,702
 - Chinook School Division (Swift Current, SK);
USD\$191,543
- United States
 - Taney Engineering (Las Vegas, NV); USD\$205,000
 - Nuvelo (San Carlos, CA); USD\$112,409

Tips: Purchasing Control



- Centralize purchases in one department
- Require purchase requests to be in writing, with appropriate approval
- Ensure requested software is on approved list
- Buy from reputable dealers; avoid deals that are “too good to be true”
- Get complete documentation
- Don’t permit purchases on individual expense accounts

Self Audits

- Start with assessment of needs
- Audit the software installed on computers
- Collect licensing and purchase documents
- Delete unneeded software
- Purchase licenses for needed but unlicensed software
- Repeat Regularly
- *(This is not SAM!)*



Part Two:

Software Asset Management

Software Asset Management (SAM)

– Current State

- SAM is commonly mistaken to be the equivalent of a software audit
- Most SAM activity stops at the product discovery phase
- In many cases, current SAM:
 - is not repeatable
 - does not go the distance to maximize all benefits
 - may not justify the expense, OR show the expected return

What should SAM (really) do?

- Repeatable (consistent implementation)
- IT cost reduction (measurable)
- Easier to measure effectiveness
- Better business agility, can transform & compete

Why do end-users implement SAM?



The BSA SAM Advantage



The first independent, global Software Asset Management (SAM) program, sponsored by the BSA and supported by Autodesk and other vendors.

BSA SAM Advantage will encompass a range of resources – professionally delivered by SAM partners – to take companies easily and efficiently through a globally-recognized, four-tier phased adoption towards attainment of the full ISO*/IEC 19770-1 SAM standard.

The four SAM Advantage tiers are :

- | | |
|--|---|
| (1) Trustworthy data (repeatable compliance) | (2) Control Environment |
| (3) Key Operational Processes | (4) Complete business benefits, conformance with the standard |

**The world's largest developer and publisher of international standards - <http://www.iso.org/iso/about.htm>*

Why align with ISO?

- Historically, SAM was what its maker wanted it to be.
- SAM, under the ISO standard, sets the industry standard for what SAM should be.
 - Allows for standardization
 - Allows for comparison (e.g. where am I in the process?)
 - Allows for measurement (against the standard)
 - Can result in certification

SAM Advantage: Essential, Recommended, Aspirational

IMPERATIVES	TIER 1 Basic SAM readiness - Knowing what you've got when needed	TIER 2 Putting management processes for SAM in place	TIER 3 Integrating SAM into operations – when processes become instinctive	TIER 4 Verifiable SAM processes and full conformance with ISO/IEC 19770-1
License compliance	Repeatable compliance (free-standing)	Compliance driven by effective management controls and procedures	Compliance integrated into key operational processes	Continuous compliance
Information control	IT inventories and information sources under direct control	Information and reporting under effective management direction	Information updated reliably from operational processes	Continuous information integrity
Business risk mitigation (business continuity, regulatory, privacy and data protection)	Mitigate risks of inaccurate and incomplete information	Management properly assesses and directs risk management	Operational processes support risk mitigation	Risks managed
IT governance	Licensing compliance requirements addressable on demand	Full framework for proper governance established	Partial implementation of good governance	Full evidence of good governance over SAM and related risks
Asset management	Credible asset records based on checking	Management use of asset management to maximise benefits and minimise risks	Linked into operational processes	Fully integrated into management and operations
Financial management	Accurate understanding of financial asset baseline position and tactical one-off asset re-deployment	Effective linking of management objectives with sound financial information	Linked into key operational processes to keep information current and improve negotiating position	Continuous financial management (budget and planning)
Better IT management	Knowing what you have allows you to manage better	A business-led strategic approach to effective control	Effective linking of key operational processes to meet management objectives	Continual management improvement fully integrated with IT lifecycle
Security	Identifying issues and losses through complete visibility of what's on the network	Management recognizes and decides on acceptable risks and necessary controls	Security processes benefit from integrated SAM	Security comprehensively addressed

Bottom Line: What SAM Advantage can deliver

1. Better operational efficiency,
2. Industry analysts* estimate savings from SAM to be 30% in the first year alone, with ongoing 5-10% annual cost savings in subsequent years.
3. SAM to a standard
4. Reduced risk of non-compliance and legal liability.
5. Can act as a competitive differentiator

**Source: "IT Asset Management: Moving to Higher Ground," Frances O'Brien, Gartner ITAM Conference 2003*



Thank You.

