

LIVE WEBINAR

Mergers, Acquisitions, and Divestitures

Effective Software License Management



March 20, 2024 (Wed)
10:00 AM - 10:30 AM CDT



Linda Cole, Senior Solutions Architect



Key Takeaways

- Simplify the complexities and challenges during Mergers, Acquisitions and Divestitures
- Discover licensing strategies and how IT managers can navigate these challenges effectively.



Linda Cole

Linda has been an industry speaker since 2014. Based in Houston, she is a high-energy senior level consultant with more than 35 years of diversified experience in the technology industry. She is a proven leader with a unique blend of responsibilities in small and large business with a passion for building successful businesses. Currently, as a Sr. Solution Architect, she is helping clients solve their business issues around software licensing.

Challenges

Mergers, Acquisitions & Divestitures

Challenges



SAM Team not involved:

- In due diligence
- Asset transfer
- Short time-frame to react
- Not provided full documentation prior to event

Challenges



Visibility



Audits



Security



**Collecting/sharing
all associated paperwork**

- Master T&C's, Addendums
- Contract
- Latest invoice(s)
- Inventory

First Steps License Transfer



Inventory



Rank by expiration date, contract value, top application cost



Create a matrix with the following information:

- Software Applications
- Contract Value
- Vendors/Resellers
- License Model(s)
 - Perpetual, Subscription, Lease
 - Named user, Concurrent, Metered, Consumption, Node Locked, Host Bound, CPU
 - Term, Trial, Offline, Project Based
- Contract/True-up Expirations
- Assignment Clause

Benefits



By carefully managing the transfer of software licenses during mergers, acquisitions, and divestitures, organizations can

- **Minimize risks**
- **Optimize costs**
- **Ensure continuity of software services** throughout the transition process.



Provide checklist for all activities required

Compliance



Understand License Terms

- Transferability
- Sublicensing
- Limitations



Usage Rights

- Number of users
- Number of installations



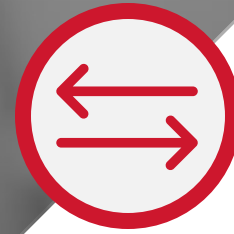
Vendor

- Notify vendors
- Discuss transferability options, renewals, renegotiation options



Inventory and Audit

Contractual Obligations



Transferability



Change of control provisions



Assignment restrictions



Usage rights

Contractual Obligations



M&S



Termination clauses



Data security



Governing Law and Dispute resolution

Divestiture



Identify which applications are transferrable



Value of software licenses to be transferred

- Added value to buyer



Analysis of benefits to keep vs transfer software licenses

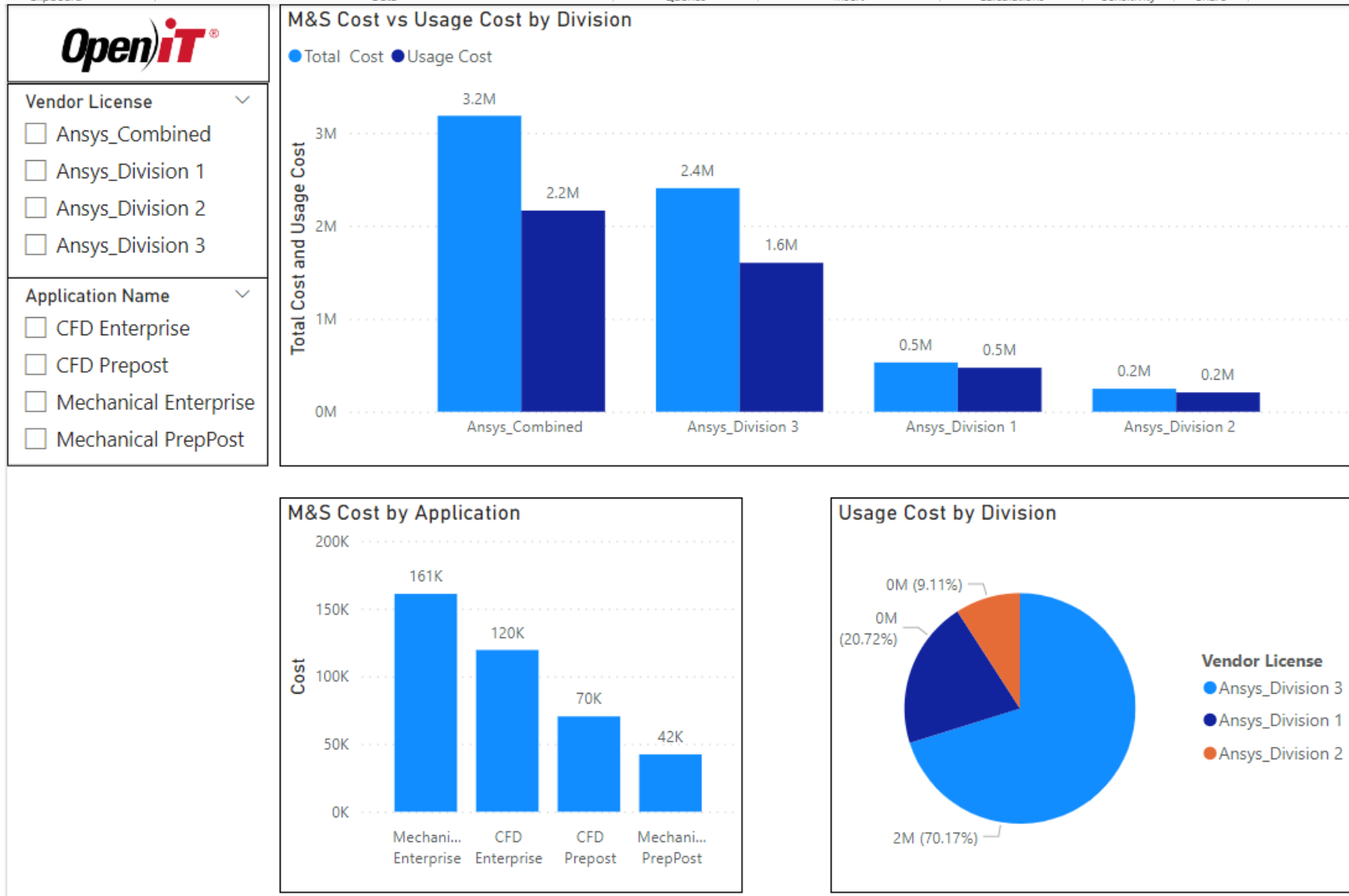
Report Examples

Divestiture – Division

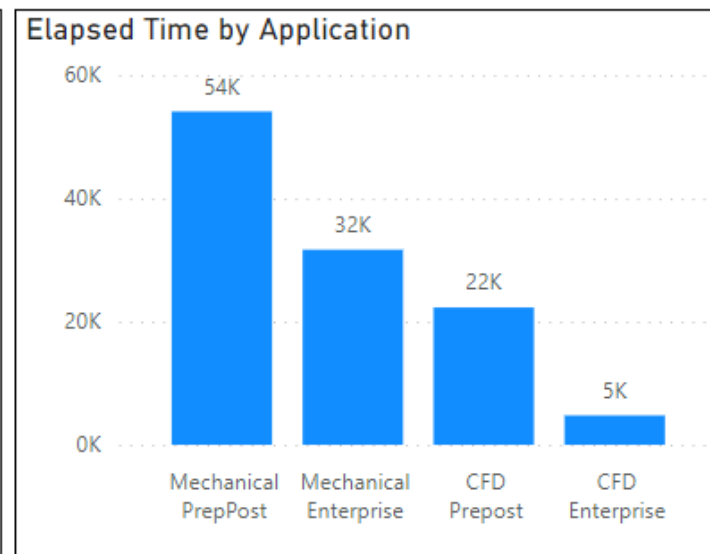
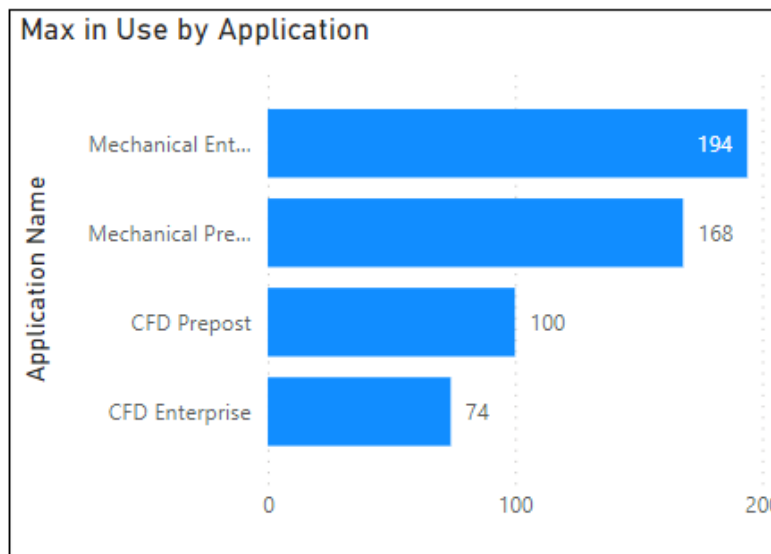
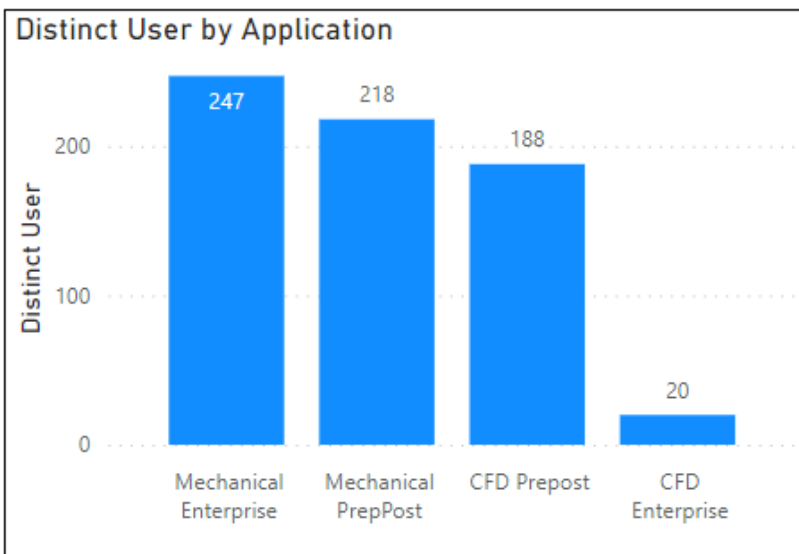
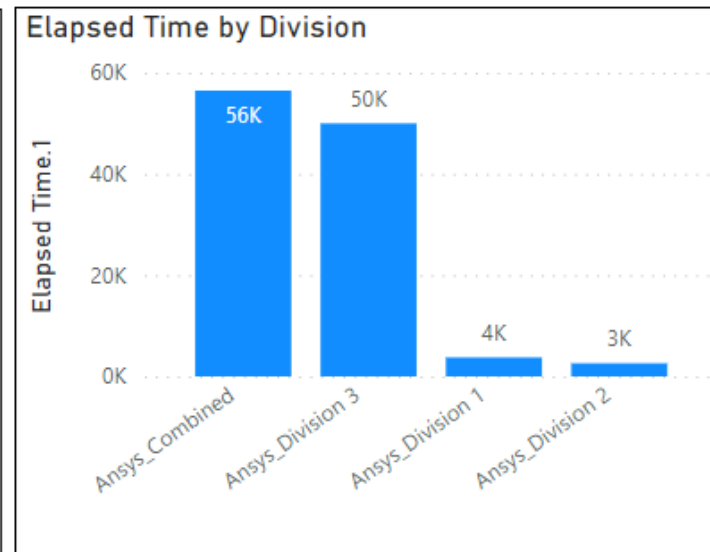
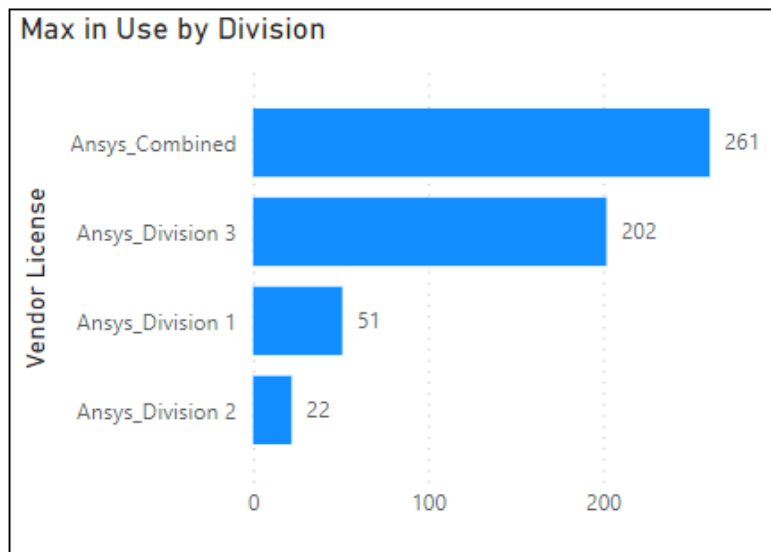
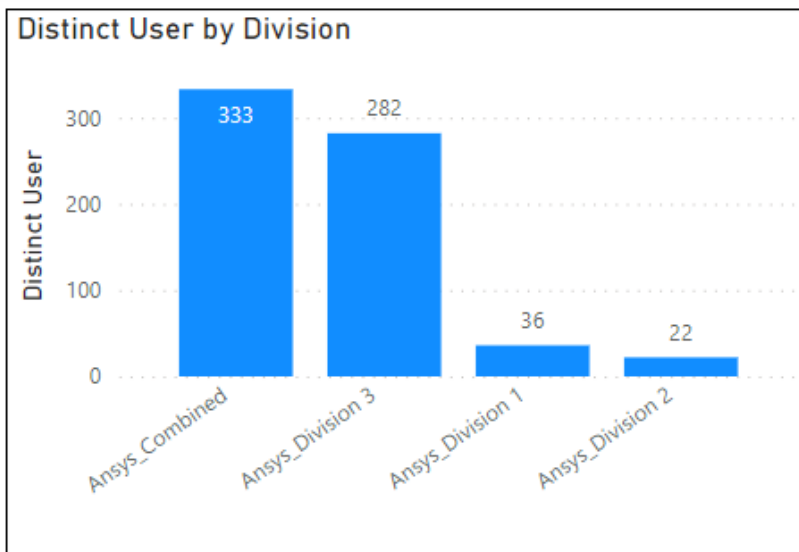
- Use Case – company sold off one of its smaller divisions (Division 2) including all assets
- Needed to identify all software used by that division
- Validate user counts to employee counts
- Example is for one vendor only



Divesting of a Division Example



Divesting of a Division Example

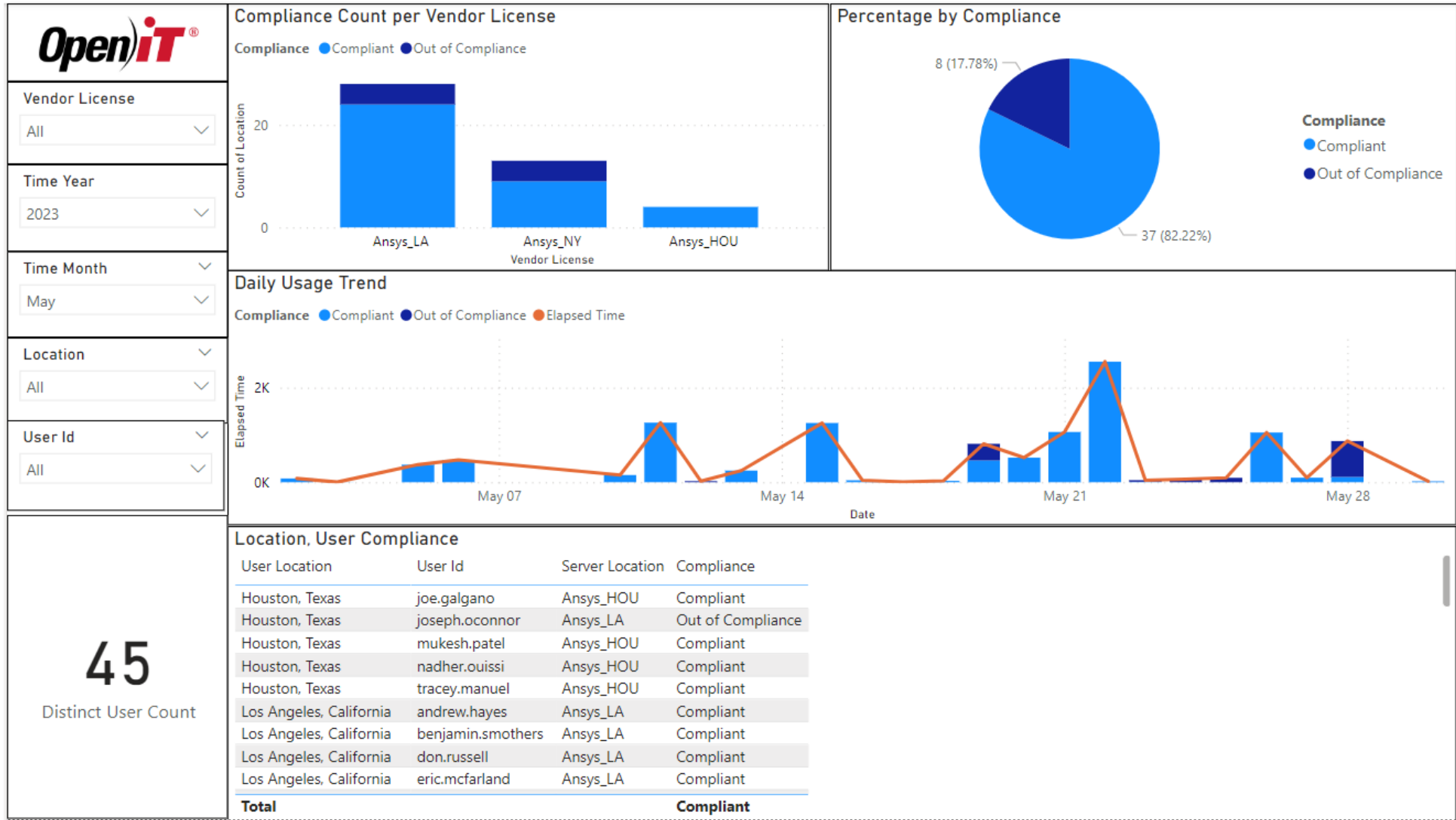


Acquisition – Compliance

- Use Case – Not all software used was included in the sale
- Meter usage by location for compliance



Compliance – Location through Metering



Conclusion

- Metered usage data is key when navigating Mergers, Acquisitions or Divestitures
- Important to build a matrix to:
 - Help determine urgent vs important
 - Act as checklist for all required steps
 - Provide basis for dashboard to monitor progress
 - Avoid unnecessary new purchases



The background of the slide is a dense field of 3D question marks. The question marks are rendered in a light gray color with a subtle gradient and soft shadows, giving them a three-dimensional appearance. They are scattered across the left half of the slide, with some appearing more prominent than others. The right half of the slide is a plain white background.

Questions?

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Two Park Ten Place 16300
Katy Freeway, Houston, TX 77094



+1 281 599 3400



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Thank You.

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