SOFTWARE CONTRACTING PITFALLS TO AVOID

ENSURING YOU GET WHAT YOU PAY FOR.
AVOIDING COMMON, COSTLY LICENSING MISTAKES.

CLEARPRISM™
ACCELERATING TRANSFORMATION BENEFIT AND VALUE

A Leading Solutions Advisor to Business and Technology Leaders
Accelerating business transformation for distribution and manufacturing companies.

Software licensing is critical to the success of any business transformation effort. Under- or over-investing is costly and time consuming.

Avoiding these seven pitfalls can increase project success and business contribution while lowering cost and time.

1 Paying Too Much

Companies often spend more than they need to. Simple overpayment of as little as 10% can double the cost of the solution in as little as eight years. Consider: a.) doing your homework; b.) evaluating more than one solution; and, c.) buying at the right time, usually at the end of a quarter or the year,to avoid overpayment.

2 Buying Too Many Users

Its common to license too many "seats," too soon. Don't pay for licenses for future users, or for future phases. Purchase user licenses as-you-go, increasing "seats" as users are added along the way.

3 User Definition Game

This is a complex issue. Beware of the "read only" user bait-and-switch game. Vendors lower up-front cost with low-price read only licenses. When read only users access more functionality the vendor comes back for more license $$. Carefully map your user needs to user definitions that best fit usage. Planning ahead saves lots of money.

4 Support Cost Increases

Support is an unavoidable cost. Every vendor has standard, built-in price increases—depending upon the vendor, varying between 3-7% per year. Did you know that this is highly negotiable?

5 The "Other" Licenses

Vendors love this. It's a common sales strategy to have you focus on the application licenses while they know that you'll need additional "hidden" database and technology licenses—sometimes from a completely different vendor. Ensure all licenses are revealed from the start. Avoid the "uh-oh" license budget surprise moment.

6 Overspending the Future

Get a price hold on everything you may think you may need today and in the future. Make sure to get the hold for as long as you can. Secure your future license budget today.

7 Overbuying Today

Only buy your "must have" list of modules. There is no ROI on shelfware, so avoid it by buying only what you need when you need it.

Remember that a software vendor is not necessarily your best advocate in the licensing process. Take time to understand your preferred vendor's contracts and licensing rules so you don't get accidentally burned.

Alternatively, avoid all of these contacting pitfalls by having an independent, experienced and skilled CLEARADVOCATE on you team—right from the start!

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CLEARADVOCATE
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