

# It's time to flex

Go from cloud software licensing confusion  
to control, confidence and collaboration



Your guide to unlocking savings, reducing risks and taking  
charge of your hybrid software licensing strategy

# From risk to reward

In general, when we think cloud computing, we think unlimited scalability and endless flexibility.

Managing your license position in cloud environments? That's a whole different story.

➤ Anyone with exposure to software licensing knows that managing them can be complex and even chaotic. Without the right tools, you're just throwing money into a bottomless pit.

Managing software licenses in the cloud introduces another layer of complexity to an already challenging software asset management (SAM) practice.

**Those new to managing software in the cloud often struggle with things like:**



Underutilizing or over-provisioning software in a cloud environment



Forecasting and planning cloud costs



Knowing what software is there and where it's running



Knowing if there are less expensive license options available

That's why — despite the big promises of hybrid cloud — managing cloud software license positions can add a significant burden to any ITAM team.

If this is you, you're not alone. For many people making the switch from on-premises to the cloud, these problems don't just stick around. They multiply.

A cloud-based pay-as-you-go (PAYG) model may give your organization the freedom to adapt resources at any time, but that freedom can come at a big price. PAYG license costs can add up quickly — especially when ITAM teams who are managing software in the cloud aren't collaborating with FinOps teams who are managing your cloud infrastructure.

**You could be wasting thousands (maybe even millions) simply due to a lack of visibility.**

To put that into context, you could be wasting thousands (maybe even millions) simply due to a lack of visibility. And, even if you've made the move from a PAYG to a bring-your-own-license (BYOL) model, the same issue could mean you're exposed to license compliance penalties.

## Let's fix that.

In this guide, we'll cover the major cloud software licensing challenges facing modern IT organizations and show you how to overcome them through practical steps. Our goal is to help you flex from confusion to control, so you can save money and reduce risk while using your new knowledge to approach software licensing in hybrid environments with confidence.

It's time to bring software licensing under your command. **Let's get started.** ➤

# Ignoring cloud software is costing you — big time

They say ignorance is bliss, but when it comes to cloud software licensing, it could have you paying a steep price. You're not just losing money, you're losing control. Here are the four major problem areas you can't ignore if you want to manage your cloud licenses more efficiently and cost-effectively.

## When you can't see, you can't save . . . or secure

Loss of visibility means loss of control. When you don't have a clear view of your license position in the cloud, it's impossible to know:



If you're under- or over-provisioning licenses



If you're budgeting and forecasting your software expenses accurately



If you can save money by hosting your applications elsewhere or with a different license model



If alternative licensing models can cut costs without compliance concerns

If that doesn't seem risky, think of it like multiple people using your credit card and not knowing the balance.

## Manual processes? That's so yesterday

Relying on manual processes to track and manage licenses is not only tedious, but also time consuming and error prone. And guess what? By the time you're done, it's already outdated.

Unfortunately, many ITAM teams are still bogged down in spreadsheets trying to figure out:

- How many core licenses are needed for VM instances
- Which licenses can migrate from PAYG to BYOL to save money
- Where licenses are compliant and where they aren't

## Mind the gap (between ITAM and FinOps)

Your FinOps and ITAM teams **should be working together** like a well-oiled machine. This is especially critical in today's complex hybrid cloud world, where software can be spread across multiple cloud environments in addition to on-premises environments.

ITAM teams know what software you've purchased and where it's being used on-prem. While your FinOps teams specialize in managing cloud costs. Without close collaboration, there are no checks and balances to prevent unnecessary licensing spend.

## Looking to save with BYOL but forgetting compliance? That's still a loss

Uniting your FinOps and ITAM teams unlocks a new cost-saving superpower: Bring Your Own Licensing, or BYOL. With BYOL you could save 80% or more by moving away from PAYG licenses.<sup>1</sup>

Switching PAYG to BYOL can yield significant savings and make cost forecasting easier, but be wary:

- Your ITAM teams need a complete view of your on-prem and cloud licensing consumption
- FinOps teams need to understand which instances are appropriate to move from PAYG to BYOL
- You'll need to ensure your move to BYOL is fully compliant so you're audit-ready

Trust us, vendors love audits. In fact, our 2024 State of IT Asset Management Report showed that 22% of respondents were paying over \$5 million due to software audits over the past three years.<sup>2</sup>

### » UNBOX THE POWER OF HYBRID ITAM AND FINOPS

Find out how aligning your cloud spend strategies can help you flex your way to bigger savings and more innovation

LEARN MORE

1. <https://azure.microsoft.com/en-us/blog/save-big-by-using-your-onpremises-licenses-on-azure/>  
2. <https://info.flexera.com/ITAM-REPORT-State-of-IT-Asset-Management>

# Time to take control

Here's the deal: If you don't gain visibility into your software license position in the cloud, you're always going to be playing defense. It's time to flex, take control and cut costs.

Here's how:



## Separate your cloud costs

Work with the FinOps team to separate out your software vs. infrastructure costs



## Prioritize the workloads

Identify the areas with the highest licensing costs that are also good candidates for BYOL (24x7 workloads are a great place to start)



## Close the ITAM-FinOps gap

Bring your teams together to get the full on-premises and cloud licensing picture so you can plan your cost-saving shifts



## Spend money to save money

If your existing on-prem licenses won't fulfil your cloud needs, bring procurement in to purchase the licenses you do need



## Plan for compliance

When shopping for a tool to help with BYOL compliance, be sure it supports true multi-cloud and on-premises hybrid environments

» SEE HOW SNOW SAVES 9% OF TOTAL COMPUTE AZURE BILL WITH BYOL

Read our in-depth case study to reveal how Snow Software puts cloud license management principles into action

[READ MORE](#)

## About Flexera

Flexera helps organizations understand and maximize the value of their technology, saving billions of dollars in wasted spend. Powered by the Flexera Technology Intelligence Platform, our award-winning hybrid IT asset management and FinOps solutions provide comprehensive visibility and actionable insights on an organization's entire IT ecosystem. This intelligence enables IT, finance, procurement and cloud teams to address skyrocketing costs, optimize spend, mitigate risk, and identifies opportunities to create positive business outcomes.

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