

The complexities of public cloud software licensing

What you need to know for cloud deployment



The cloud isn't new.

But despite widespread adoption, the technology is still in its early years. And when you consider public cloud licensing rules — which are complex and constantly changing — it's easy to see why many organizations struggle to stay on track during cloud deployments.

The result is that organizations frequently run the risk of non-compliance during cloud transitions. But the consequences of non-compliance are significant and can include overspending, increased audit risk, and other negative outcomes.

3 software licensing considerations before checking 'yes' or 'no'

Combing through software licensing rules is tedious. To save time, many organizations check the box saying they already have a license when launching a virtual machine. It's a risky practice, and while it rarely causes immediate problems, issues often arise down the line during an audit.

So, what do you need to know before navigating this troublesome honor system?



Licensing rules can vary from cloud to cloud.

Rules that apply to one public cloud provider — e.g., Amazon Web Services (AWS), Microsoft Azure, Google Cloud Platform (GCP) — are not guaranteed to apply to another.



Just because it's an honor system doesn't mean you should make careless licensing decisions. Verify before you act.

Know the ins and outs of your providers to maintain compliance.

For example, in October 2019, Microsoft decided they would no longer allow end customers to treat AWS and GCP as outsourcing providers. This decision created several licensing rules too numerous to list — and too difficult to interpret alone.



It's nearly impossible to know the nuances of every provider's licensing requirements. You should consider a partner who can help you wade through complex rules to ensure compliance.



A deep understanding of cloud rights associated with traditional on-premises licensing is essential to minimizing cloud spending.

Organizations that don't know the use rights of their previously purchased software licenses may overspend or double-dip with licenses.



To keep cloud costs under control, go product by product to determine optimal usage in the cloud. Double-check if your on-premises licenses still apply before transitioning.

Build a cloud framework

Don't go solo when building a roadmap for the public cloud transition — consider a partner. The best third-party partners have established relationships with leading public cloud providers to help companies maximize cloud investments. Ensure a public cloud transition is compliant, cost-effective, and seamless with top technology companies, including:



Take a deeper dive

Download our [“Software Licensing in Public Cloud: What You Should Know”](#) white paper for more insights.

