



License Compliance Advisory

Protecting your interests and maximising returns



With the increasing significance of software assets as an enabler of business and revenue, CXOs are faced with four critical questions:

01.

Do we recognize, value and record software assets appropriately?

03.

How can one avoid surprises around liabilities/contingent liabilities, tax evasion and fraud resulting from improper management of software assets?

02.

Does our internal audit perform checks on software assets with the same rigour as for our tangible assets?

04.

Are we aware of security threats arising from the use of unauthorised or non-genuine software/downloads? How will that affect our information infrastructure?

A recent study¹ indicates that most organisations do not seriously consider managing their software assets, primarily due to the lack of understanding of the policies and procedures. A little over a third of the companies surveyed had little or no control over their software asset life cycle.

Lack of knowledge on licensing terms can lead to mismanagement of software, exposing an organisation to copyright infringement, penalties and even litigation.

The average exposure could range from a few lakhs to several crores of rupees. Software companies around the world lose over USD34 billion in revenue to unlicensed installations².

KPMG's Licence Compliance Advisory (LCA) services can assist clients in proactively managing their software assets. This in turn can help enhance return on investment by better utilisation of existing software, reducing risk and liability exposure.

Our LCA services can provide clients with an independent report indicating their extent of compliance as well as non-compliance liabilities. We work with client teams to identify the organisation's current and future software licence requirements and help them plan compliance in a phased manner that complements budgets and cash-flow considerations.

Our full suite of services includes:

Software deployment identification



We can review the procurement of software licences using publisher sales records and identify current deployments across multiple publishers and client locations

Software Licences reconciliation



We can analyse software licences with other sources for accuracy such as software deployments or entitlements. This helps clients understand their software usage patterns and estimate future requirements

Software compliance gap analysis



By analysing the data within the client organisation, we can determine the actual licensing position and make suitable recommendations

Our full suite of services includes:

Software Asset Management (SAM) current state assessment and best practices



We can benchmark the organisation with respect to the role its people, processes and technology play in managing the software assets

ISO 19770 implementation roadmap



We can help clients align their existing processes and controls for software asset management to the prescribed ISO standards, thereby mitigating non-compliance risks

SAM Tool recommendation

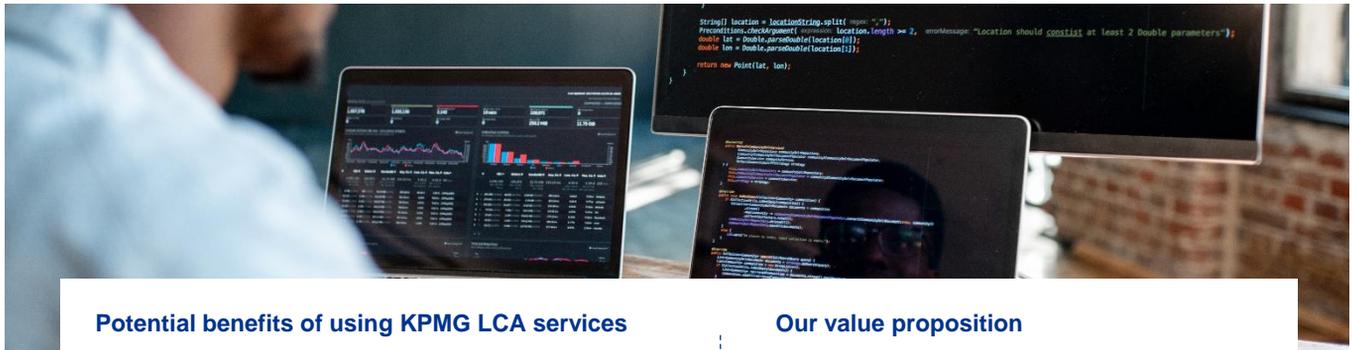


Depending on the client's long-term business goals, we can recommend strategic SAM tools that will help them achieve those goals

Periodic audit/review



We will help our clients to measure the effectiveness of their software asset management processes and controls periodically



Potential benefits of using KPMG LCA services

- **Position of Knowledge**
 - Understand and proactively manage software license entitlements
 - Track effective license positions across publishers
 - Structure better commercial license terms to fit current and future needs
- **Avoid financial exposure**
 - Streamlining software assets leads to better efficiency
 - Reduction in software maintenance costs
 - Lower technology risks, outages and associated costs
 - Reduction in losses from theft and misuse
- **Enhanced transparency**
 - Ensures compliance by using legally licensed software
 - Robust corporate governance framework

Our value proposition

Vast experience: Our team has conducted over 2,000 licence compliance reviews in India and over 10,000 globally, across all industries and most leading software publishers.

Dedicated and trained resources: Our team comprises professionals with in-depth experience of forensic accounting, software and digital content licensing and business. They bring a forensic approach to compliance to help clients look at issues holistically.

Technology backed solutions: Our dedicated forensic technology laboratory aids our review process by providing accurate and objective reports with fast turnaround time. This lab can mine and analyse large volumes of data in paper as well as electronic formats in minutes.

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