Oracle Unlimited License Agreements: Five things you need to know before you sign up

Unlimited License Agreements can be an attractive way to license your Oracle products. But they're not the right fit for every organization. Here are five considerations to help you decide whether a ULA is the best path for you.

Robert Stapleton
Director of Global Business Development
Cintra

Stapleton is an experienced Business Development Director, with nearly 20 years' experience in delivering technology solutions, predominately in the Oracle Enterprise space. Having spent over ten years at Oracle as a commercial and licensing expert, he joined Cintra in 2015 where he works in partnership with Cintra's clients to help them maximize return on investment and reduce total cost of ownership.

Oracle Unlimited License Agreements (ULAs) are fixed-price on-premises license and support agreements that give your organization the right to deploy unlimited quantities of specified products, over a set period of time – typically between one and five years.

What are the benefits?

ULAs simplify license management, by allowing you to rapidly deploy Oracle technology without having to calculate additional license requirements – or negotiate these with Oracle and your CFO.

This type of license agreement also gives you predictability around your annual support costs. The price you agree with Oracle at the start is how much you'll pay in support every year for the duration of the ULA, regardless of how many processors you deploy Oracle to.

Considering a ULA?

If you're considering signing or switching to a ULA, here are five key things you need to think about.

1. Is your organization the right fit for a ULA?

Broadly speaking, Oracle ULAs are most cost-effective for organizations with plans for rapid organic expansion, and who are currently buying on-prem Oracle licenses ad hoc.

Conversely, if you're about to enter a period of mergers, acquisitions or divestments, these can be exceptionally complex to manage under a ULA. If any one of these events is likely, consider an alternative license type.

Equally, if your strategy is to progressively move to the public cloud over the coming years, a ULA is unlikely to be commercially advantageous. This is because ULAs generally don't extend to public cloud services.

2. No price list

There's no official price list for ULAs. What you pay will depend on several factors, as well as your negotiating capabilities.

We advise anyone considering entering into a ULA to talk to an independent Oracle licensing expert before speaking Oracle, to ensure you secure yourself the right agreement for your needs.

3. Understand your IT roadmap

The main factor influencing the price of your ULA is your expected IT requirement over the coming years. Before you begin your ULA negotiations with Oracle, you need to understand exactly what this looks like.

Are you planning to open new data centers, where you'll want to deploy Oracle products? Will you be launching major new services, again requiring additional software?

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Equally important is to know how likely these events are to happen. For example, you might go into negotiations and agree a ULA price, based on the assumption you'll be opening three new data centers in the next year and deploying lots of additional technology. If this expansion doesn't happen, you'll effectively be paying for large amounts of software that you aren't using – a huge opportunity cost.

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4. Split out your ULAs

For the sake of simplicity, many organizations put in place a single ULA covering all the Oracle products they currently use. But during the term of their ULAs, we often see organizations looking to switch away from certain Oracle technologies, while keeping others. An example would be a business looking to move off Oracle middleware, but keep Oracle Database.

If this situation arises, it's far simpler if you've got separate ULAs for the respective products, thereby enabling you to negotiate the exit of one, while keeping the other(s).

5. Legacy support

All your existing Oracle support agreements will be combined into a single support cost under your ULA, equal to the current total price you're paying.

This means that for the duration of your ULA, those support costs are fixed. If your needs change and you want to terminate some of those support agreements to reduce costs, you won't be able to. ULAs are therefore best for customers with relatively small existing support footprints.

However, if your organization does have a large number of support agreements and still wants the all-you-can-use benefits of a ULA, consider putting in place multiple ULAs for different products.

The importance of making the right decision

A ULA is probably the most important and expensive agreement you'll ever sign with Oracle. If it's the right fit and you negotiate a good deal, it can enable you to kick on with your growth journey, focusing more of your time on product and service innovation, rather than commercial complexity. But get it wrong, and you'll be living with the consequences for years to come.

So if you do think a ULA looks like the right licence agreement for you, get some independent perspective, just to be absolutely sure. And when you do come to sign the contract, make sure you read the terms and conditions with particular care, to be sure that what you're signing up to is going to deliver what you hope it will.

Contact us today...

Americas

United States of America

Global HQ
3 Park Avenue
32nd Floor
New York, NY
10016
T: +1 212 481 6501

One Galleria Tower
11335 Noel Road
11th Floor
Dallas, TX
75254
T: +1 469 289 1760

1701 W. Northwest Hwy
Suite 100
Grapevine, TX
76051
T: +1 469 289 1760

Europe

United Kingdom

Coach Houses 1&2
Eastwood Park
Falfield
Gloucestershire
GL12 8DA
T: +44 (0)845 121 3242

3rd Floor
144 St. Vincent Street
Glasgow
G2 5LQ
T: +44 (0)845 121 3242

Ireland

Ormond Building
31-36 Ormond Quay Upper
Dublin
Dublin 7
T: +353 87 692 8765

Middle East and Africa

United Arab Emirates

T: +971 4 446 2058

India

Plot-2, Block C
3rd Floor DLF Building
Rajiv Gandhi Chandigarh IT Park
Chandigarh,160101
T: +91 172 456 8321

General information

info@cintra.com

Sales enquiries

sales@cintra.com

Careers

careers@cintra.com

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