

OpinionWire

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► EMBARCADERO CREATES A NEW VARIATION ON THE 'ALL-YOU-CAN-EAT' LICENSING MODEL

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CATALYST

Every time there is a fundamental shift in either the economic climate or the way that we deploy IT systems, it seems that changes to licence structures become part of the way the industry comes to terms with the broader changes. A reasonable balance has to be struck between adequate compensation to the vendor for the investment made in creating the software and the recognition of value by the purchaser. Innovations in licence models rarely come from the small set of established major vendors – generally maintaining the *status quo* is more to their advantage in sustaining their existing revenue streams. Rather, it is the vendor organisations trying to open up a new market or break in to an established market that have the most to gain.

Embarcadero has thrown a new ingredient into this pot, in its 'All-Access' variant on the 'all-you-can-eat' licensing model.

IMPACT

Embarcadero provides a range of tools for database administrators, application and Web developers, architects, and system designers. Through acquisition and internal development it has ended up with a broad portfolio of tools. For IT managers, managing individual licences for different users would simply add extra complexity to the already difficult task of ensuring that effective use is made of all the different licences from a multiplicity of vendors.

Embarcadero's All-Access provides the whole tool-chest of products in one centralised installation, which can be unlocked by the appropriate membership pass. Instead of a simple all-or-nothing model, Embarcadero provides bronze, silver, gold, and platinum membership levels that unlock different combinations of tools for different levels of requirement. Membership is priced such that an organisation needing more than two or three tools can benefit from the All-Access model over the per-product licensing (which will remain available). There is still the ability to choose between network or workstation licences. Under the network licence mechanism the server holds a current inventory of licences and can manage named or concurrent users depending on the customer's preferences. On top of these choices Embarcadero will make a form of application streaming available to enable zero-installation client deployment. Embarcadero calls this 'InstantOn', and it will be extended from a few individual tools to the whole of the All-Access tool-chest later on this year.

ANALYSIS

At times when IT budgets face considerable constraints, user organisations are more inclined to reduce costs by purchasing suites with broader functionality rather than individual best-of-breed tools. This initiative is well-timed to appeal to organisations that are looking to reduce costs, as well as simplify their licence arrangements.

Traditional licences based on servers or processes are not likely to be workable for much longer as we move to greater exploitation of virtualisation, cloud, and Software-as-a-Service (SaaS). The two realistic alternatives are pay-per-use and 'all-you-can-eat'. Pay-per-use is likely to be more appropriate for large-grained functionality such as applications or services – in the Service Orientated Architecture (SOA) context – but not manageable for fine-grained resources or utilities. The disadvantage of 'all-you-can-eat' is difficulty in providing sufficient choice so that the customer can select between different levels according to individual needs. This is necessary in order for the customer to easily justify the value to the business.

Embarcadero seems to have achieved a nice balance here with the simplicity of licence management together with sufficient options to appeal to a broad set of user requirements. It is a model that we feel other vendors will follow.

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