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## IBM Licensing Jargon

### Description

Understand a few of the most important IBM licensing metrics and jargon. The challenge is applying IBM's licensing theory in the real world.

# IBM licensing: The acronyms start with the name and get progressively more complex

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Software licensing jargon used by the different software vendors makes up some of the most complex and potentially confusing terminology to have emerged from the technology industry. As one of the biggest vendors of all, IBM creates more than its fair share of confusion amongst enterprises and has developed some of the most complex software licensing metrics and compliance requirements.

It is essential to be on top of IBM's licensing jargon because its software is so prevalent in the datacenter (and everywhere else). So what are the key terms and acronyms that anyone charged with managing IBM software needs to know?

### 1. PVU – Processor Value Unit.

This metric underpins IBM's licensing methodology and gives a "weight" to the underlying processor technology where IBM software is installed. PVU values are published in IBM's PVU table and range from 30 to 120 PVUs per Core, which then need to be multiplied with the number of Processor Cores available to the application being licensed. Essentially the more powerful the processor technology in use, the higher the licensing costs become.

PVU calculations can be done in both full-capacity and sub-capacity conditions. Here, full-capacity relates to the available Processor Cores in the physical environment and sub-capacity licensing relates to the Virtual Cores available to the product, provided that the sum of the sub-capacity PVU values does not exceed the corresponding full-capacity calculation per machine. For sub-capacity licensing to be an option, it requires an eligible product, eligible virtualization technology and eligible processor technology; but most importantly the deployment of the IBM License Metric Tool (or TAD4D – Tivoli Asset Discovery for Distributed).

### 2. ILMT – IBM License Metric Tool.

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This is a software discovery tool, designed specifically by IBM for sub-capacity pricing purposes, because it is an IBM requirement to be sub-capacity eligible (exceptions exist but typically don't apply). Through agent installs, ILMT is able to collect hardware and software details of installed IBM PVU (Processor Value Unit) and RVU (Resource Value Unit) products in order to calculate the corresponding license requirements.

IBM customers are required to generate ILMT reports at least once per quarter for a period of not less than two years. According to IBM, ILMT needs to be installed and configured within 90 days of the first eligible sub-capacity product deployment.

Using a SAM platform it is possible to automatically import PVU values from ILMT into the license management console. ILMT reports can be automatically generated and the PVU values associated to respective machines, per product and per version. PVU deployments across the datacenter can be mapped to IBM license entitlements to quickly identify compliance risks and opportunities to save costs.

### **3. LPAR – Logical Partition.**

This is IBM's version of Virtual Machines. A logical partition (LPAR) is the division of a computer's processors, memory and storage into multiple sets of resources, so that each set of resources can be operated independently with its own operating system instance and applications.

Each partition can communicate with the other partitions as if the other partition is in a separate machine. Logical partitioning was first studied by IBM in 1976. From a licensing perspective LPARs bring an additional level of complexity since they can have dedicated or shared resources and are often grouped into Shared Pools. This brings an additional level of license capping into play and has an impact on the license calculation methodology for many IBM and Oracle products.

### **4. IPAA – International Passport Advantage Agreement.**

Passport Advantage is IBM's program for combined software license acquisition, Software Subscription and Support, IBM Appliances and IBM SaaS subscriptions. It is designed for larger enterprises that may have multiple sites and relates to the RSVP level (Relationship Suggested Volume Price). It also entails the different obligations and rights that are agreed, impacting the purchased software and relating conditions, restrictions, exceptions and obligations. For smaller organizations, IBM offers Passport Advantage Express.

### **5. IPLA – International Program License Agreement.**

This is the standard agreement that IBM customers accept when they download, install, or purchase any IBM product, and applies to warranted IBM programs. A list of IBM's IPLA family of license agreements and program license information documents can be found [here](#). This page contains the License Information for virtually every IBM product and the many specifics that deviate per version. It is regarded as a "Bible" for any Software Asset Manager requiring insight into specific IBM product licensing conditions.

A SAM platform will enable an organization to identify both the exact flavor and version of installed IBM products as well as recognize bundles and highlight potential upgrade and downgrade paths. In addition, virtually all existing IBM metrics and products can be tailored through custom compare values

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in order to ensure that the IBM software portfolio is fully managed as a single solution and compared against software entitlements.

Although IBM's software licensing may appear complex initially, the principles are not too difficult to grasp. The real challenge lies in applying IBM's licensing theory into a real world scenario, where you need to understand the exact PVU of a given device and calculate the licensing requirement (and cost) for a particular application. This requires high levels of skill and manual calculation.

Using a SAM platform simplifies the task by offering the ability to import PVU values (plus other audit metrics) from the ILMT solution (see above). In turn, managing license requirements for IBM sub-capacity speeds up the process of calculating the Effective Licensing Position (ELP) and also consolidates the SAM process into a single console, so that IBM licensing can be managed alongside other major vendors like Microsoft, Adobe, Oracle et al.

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You might want to read more about our CEO [Sheshagiri Anegondi \(Sheshu\)](#). He is amongst the foremost Oracle License Experts globally.

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