



Expert Insight Oracle Advisory Services



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Cut costs. Control risk. Kick start innovation.

Oracle's licensing revolution has created a turning point. While most organizations are scrambling to keep up, forward-thinking executives will see something different: a catalyst for a comprehensive IT portfolio review.

Understanding Oracle's new normal

Oracle hasn't simply changed its licensing policies—it's rewritten the enterprise software playbook. The implications for finance, compliance, operations, and strategic planning demand immediate attention.

Five critical changes are converging to create unprecedented pressure—and unparalleled opportunity.

1. Java licensing transformation: employee-based pricing

[Oracle's January 2023 introduction of the Java SE Universal Subscription](#) fundamentally changed the commercial landscape for Java customers. The [previous per-user or per-processor licensing models have been replaced by an employee-based metric](#), meaning organizations must now license all employees—including those who do not use Java—rather than just active users.

The numbers highlight the impact. For example, a company with 10,000 employees but only 50 Java users is now required to license all 10,000 employees. [At Oracle's published rates](#), this can translate to a dramatic increase in costs—often exceeding a 1,000% rise compared to previous models. In some cases, industry analysts have [documented increases of up to 30-fold](#) for certain organizations, depending on their prior licensing and usage patterns. This shift has made Oracle's Java licensing a major budget concern for many enterprises, especially those with large headcounts and relatively limited Java usage.

2. Cloud policy 'doubling effect': the multi-cloud penalty

[Oracle's June 2024 cloud licensing update](#) impacted multi-cloud strategies directly. Virtual CPU counting mechanisms now require clients to count two vCPUs as equivalent to one Oracle processor license when using multi-threading, which can effectively double licensing costs for AWS, Azure, and Google Cloud Platform deployments. This has resulted in typical third-party cloud environments (e.g., AWS, Azure, Google) becoming more expensive to license than Oracle's own public cloud solution (Oracle Cloud Infrastructure).



3. Annual support escalation

[Oracle's annual support cost increases](#), also known as annual adjustments, which are typically 8% create a compounding cost issue for businesses with substantial Oracle estates. A company paying \$5 million annually faces \$400,000 additional costs yearly—before any new deployments. Over five years, these support costs increase from \$5 million to \$7.3 million—46% growth.

4. Contract repricing policies

When companies attempt to shed unused licenses, [Oracle recalculates support fees for the remaining licenses at today's higher list prices](#), rather than honoring the original discounted rates. The result? Total support costs often stay the same—or even rise—despite a smaller license footprint. This mechanism effectively traps organizations in their existing spend, making meaningful savings through consolidation nearly impossible.

5. Audits: the focus on Java

Oracle actively monitors Java usage through licensing metrics, download monitoring, and “call home” capabilities. [Gartner projects](#) that over 20% of organizations will face a Java licensing audit by 2026. In recent years, [more than half of Oracle compliance inquiries have involved Java](#), and multi-million dollar claims are now routine for large enterprises. Fortunately, settlements are often negotiated down—[frequently to a fraction of the initial claim](#)—when organizations are well-prepared and seek expert advice.

These five forces converge to create Oracle's new normal characterized by cost increases and compliance risk.



Spotting the opportunity

The opportunity within these changes might seem exceptionally well hidden, but it starts with the mandate that organizations do something in response to this level of disruption.

There are three likely responses:

You opt for expensive migration projects

You rely on reactive internal management

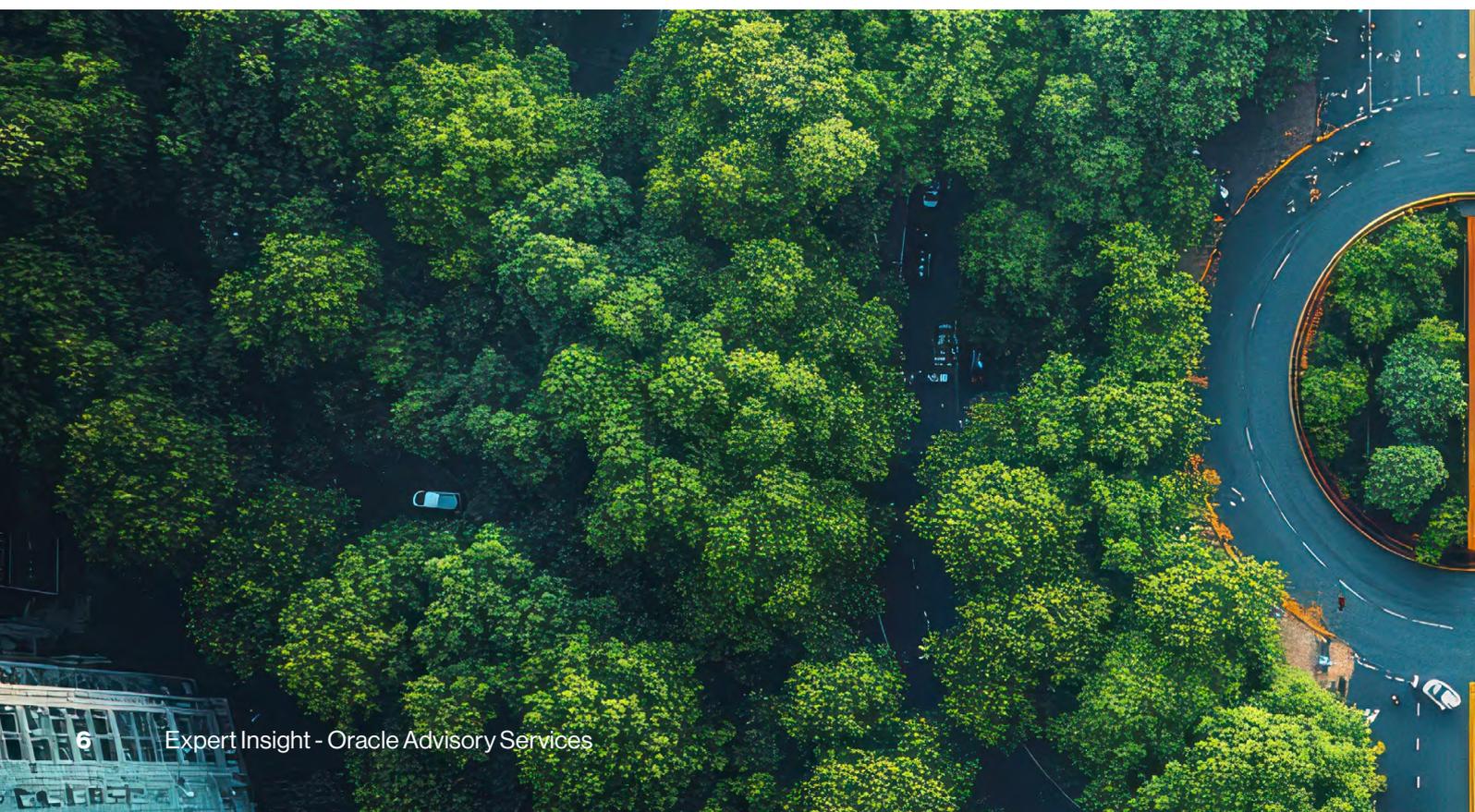
You build strategic advisory partnerships

Option 1: Platform migration strategy

Migration to a credible Java alternative is a viable long-term strategy offering independence from Oracle's constraints. [Oracle's own documentation](#) and authoritative [industry commentary](#) confirm that Oracle JDK and OpenJDK builds are essentially identical from Java 11 onward, providing functional compatibility with only cosmetic differences. Other options like PostgreSQL continue to gain enterprise adoption as organizations seek database independence, with research [showing 71% developer retention](#) and [a considerably lower TCO](#) compared to traditional proprietary alternatives.

However, migration also demands substantial strategic investment and carries significant complexity risks including technical complexity, a likely need for infrastructure redesign, operational disruption, plus skills and training requirements.

Planning, training, and redesign typically require up to 12 months or sometimes longer for complex environments and transition risks can prove significant.



Option 2: Reactive internal management

Many organizations default to internal management, trusting their own teams to interpret complex requirements and negotiate directly with Oracle.

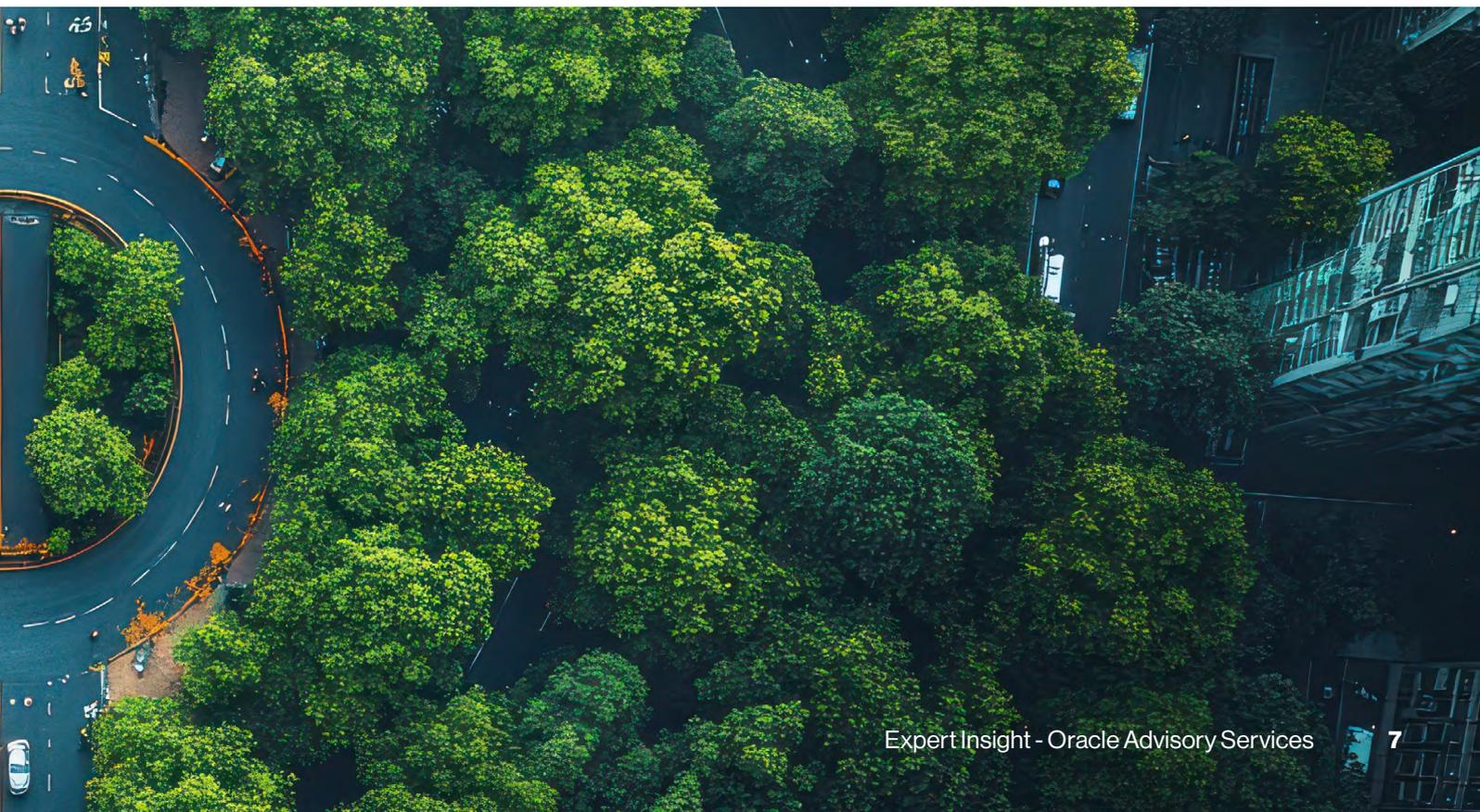
There are limitations to this approach. [Oracle's own documentation](#) acknowledges the technical complexity of feature usage tracking and compliance verification, while independent consulting firms routinely recommend external licensing expertise for audit preparation. Internal teams frequently lack the specialized knowledge required to challenge Oracle's non-contractual policies or navigate the intricate licensing rules that can transform minor configuration errors into significant financial exposure.

Consequences can include prolonged uncertainty, diverted resources, and reactive decisions constraining future choices. Given Oracle's complexity, internal management probably represents the highest risk approach.

Option 3: Expert advisory partnerships

This route can offer the best of both worlds, combining the expertise of your internal teams with specialist Oracle knowledge and additional resources from an external partner invested in delivering the best deal you can get from Oracle. Strategic partnerships enable proactive risk management, optimal contract positioning and substantial cost optimization that internal resources alone simply cannot achieve.

SoftwareOne's Oracle Advisory provides comprehensive support including contract analysis, audit defense, strategic negotiation, and innovation funding development. Our methodology mirrors Oracle's own audit processes, ensuring accuracy in compliance assessments and negotiations.

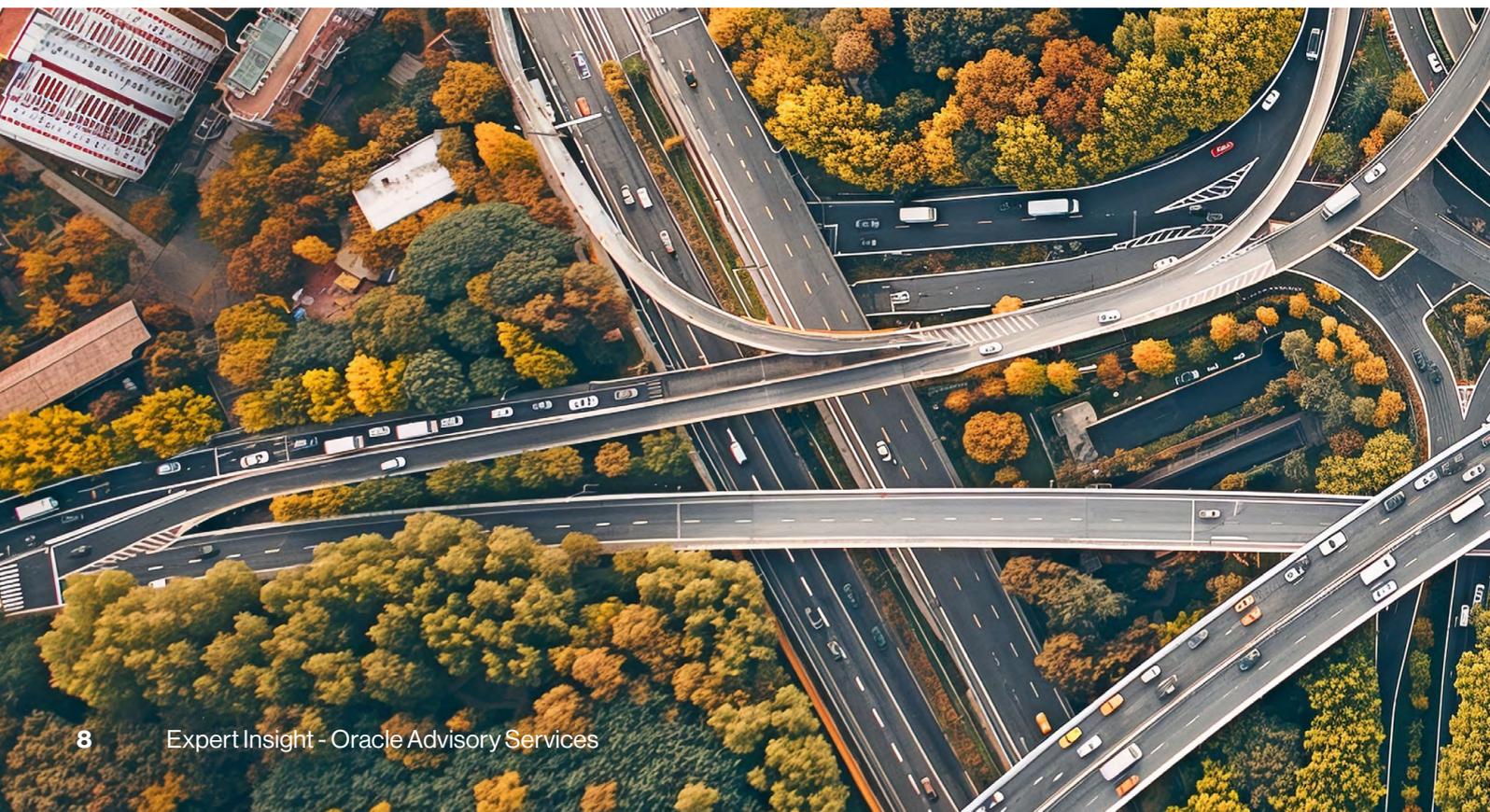
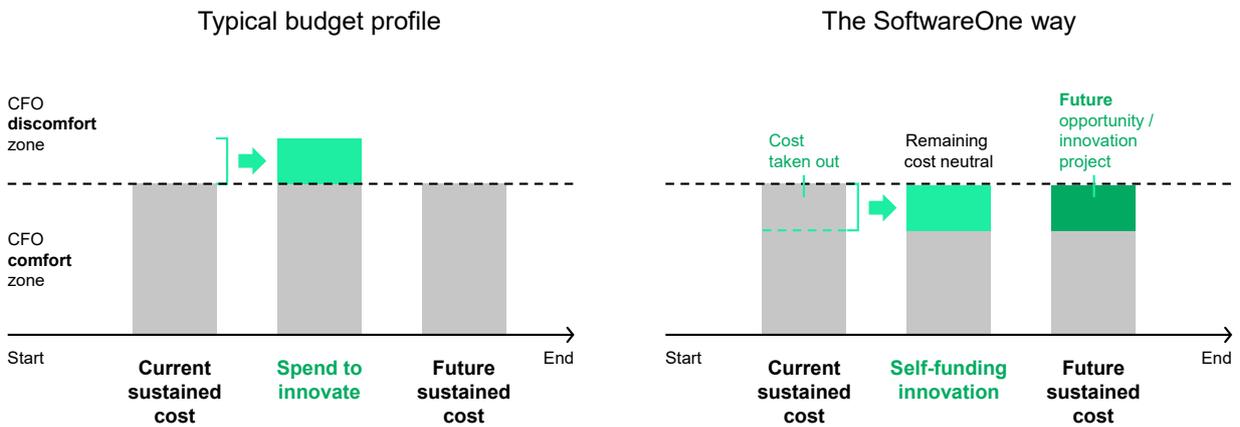


Flipping the narrative

Turning publisher pressure into cost-optimized innovation

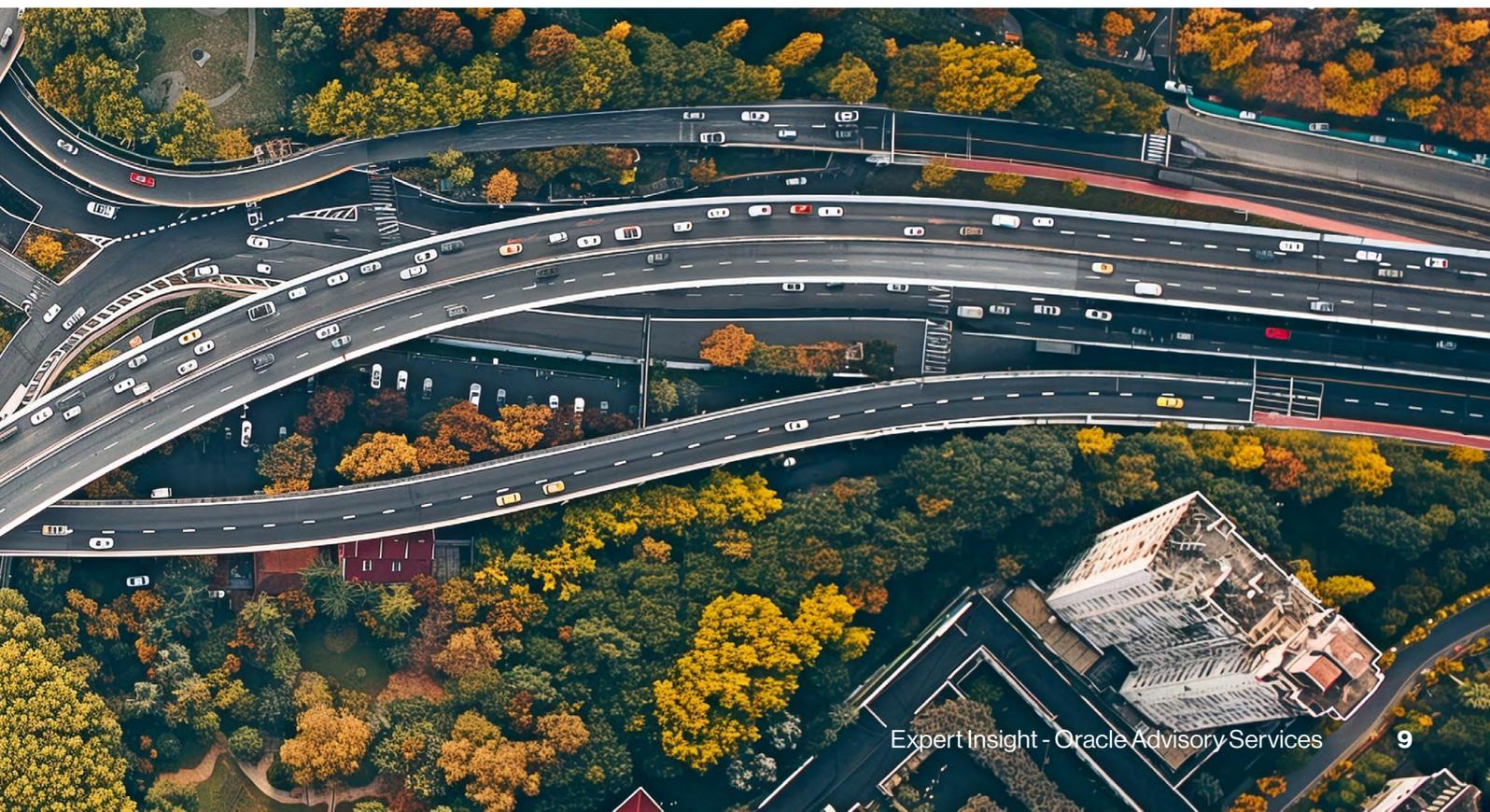
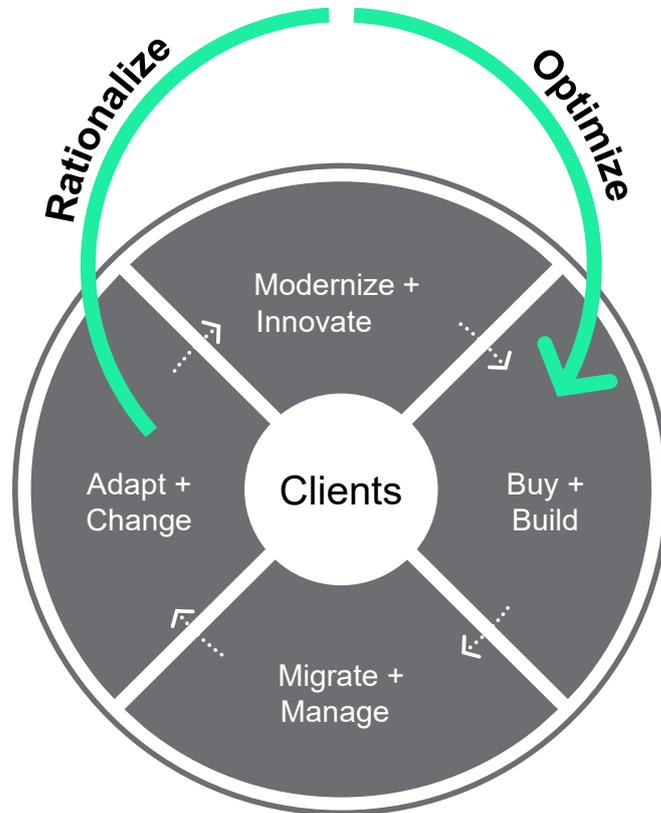
The results we achieve are tangible and significant, demonstrating the potential to unlock millions in released capital.

That's budget previously trapped in licensing inefficiencies, audit threats, and escalating support costs now available for clients to use for more productive purposes based on their own individual organizational priorities. Those priorities could be cloud migrations, AI initiatives, cybersecurity improvements, or simpler wins like better cash flow, debt reduction, and operational efficiency. SoftwareOne helps clients find the innovation funds they need from resources they already have without the need for additional budget allocation. This creates a self-funding innovation flywheel, making it easier for businesses today to keep up with market trends as well as their competitors—without requesting new budgets.



This innovation flywheel isn't theoretical. Our clients transform licensing liabilities into innovation assets, creating competitive advantages from compliance challenges. They turn licensing complexity into strategic simplicity, audit threats into transformation opportunities, and publisher pressure into an innovation accelerator.

The flywheel spins—and transformation funds itself.



Success stories

Client	Oracle Challenge	SoftwareOne approach	Outcomes
<u>European financial institution</u>	\$30m compliance exposure from audit claims and excessive support costs	Comprehensive audit defense with contract restructuring and licensing optimization	\$30m liability eliminated, \$2m annual support savings
<u>Middle Eastern hospitality group</u>	\$12.8m Oracle audit claim across multi-property operations	Deep contract analysis revealing 99% of claims were incorrect, strategic portfolio review	Settlement reduced to \$45k (99.6% reduction), \$1.7m annual savings
<u>Global oil and gas corporation</u>	Complex ULA renewal with VMware compliance complications	Strategic PULA/ ULA split addressing Oracle and VMware requirements	\$3.2m annual support optimization with full compliance
<u>Fortune 200 corporate spin-off</u>	100+ entities requiring Fusion Cloud analysis during separation	Comprehensive consumption analysis with subscription rebalancing	\$800K investment resulting in \$57m cost avoidance
Global leader in health and beauty products	Unlimited License Agreement expiring with 10,000 processor licenses needed	Storage and network isolation strategy reducing license requirements	Annual support reduced from \$4.2m to \$1.5m (64% reduction)
German financial services company	Oracle audit claim of \$3.4m challenged by client	In-depth audit analysis and factual dispute resolution	Audit claim reduced to \$750k, ongoing partnership established

Your next steps

Oracle's licensing revolution demands decisive action. Forward-thinking executives are transforming this challenge into an opportunity. Here's how you can begin to cut costs, control risk and kick start innovation—in partnership with SoftwareOne.

- 1. Request compliance assessment**— Understand your true Oracle position, including hidden risks and optimization opportunities.
- 2. Engage expert advisors**— Whether defending audits or planning strategic negotiations, expertise determines outcomes.
- 3. Connect savings to innovation**— Take the opportunity for Oracle optimization savings to fund your transformation agenda, not general budgets.

Ready to transform Oracle complexity into strategic opportunity? Contact SoftwareOne today for an Oracle compliance assessment that identifies immediate risk mitigation and long-term optimization opportunities across your entire software estate.

**CONTACT US
TODAY**

Find out more at
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