Operational Model Design

Improving Business Growth, Operational Efficiency and the Customer Experience

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Operational Model Design Objectives:

- Accelerate deployment success through well-defined and accepted requirements definition

- Document a comprehensive use-case catalog

- Document a 'blueprint' architecture

- Identify and address system and organizational constraints

- Address use cases in extended 'Quote-to-Cash' scenarios defined as 'Prospect-to-Support'

- Provide a single source of communication and knowledge transfer to enable entitlement and compliance management system design

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Ease Complex Problems with Expert Assistance

Software vendors and intelligent devices manufacturers increasingly struggle with the growing complexity of entitlement management system design. They must grapple with supporting new business models, the demands of product lifecycle management, a plethora of entitlement and compliance policies and the unique challenges that accompany corporate acquisitions.

In addition, organizations often lack a comprehensive understanding of business processes required to support their software or embedded software business. This stands as a critical hurdle to the design and development of a robust and scalable entitlement management solution and is often the root cause for high operational costs, and/or an inability to bring new products or product license models to market.

Flexera Software Global Consulting Services has extensive experience helping organizations make sense of complex entitlement management

design issues. Operational Model Design assists organizations in making sense of this complexity by building cross-functional awareness of their operating environment through the cataloging of their prospect-to-support (figure 1) use cases. The introduction of industry best practices and the ways in which Flexera Software technologies have addressed similar business needs provides vision for the subsequent design of a robust and scalable licensing, entitlement and compliance management system.

How Operational Model Design Works

Operational Model Design features a combination of analysis and onsite, structured workshops, culminating in the creation of an operational model and use-case document. The operational model is a fully documented use-case catalog for all customer prospect-to-support business processes. The blueprint architecture for the entitlement management system design is also included in the document.
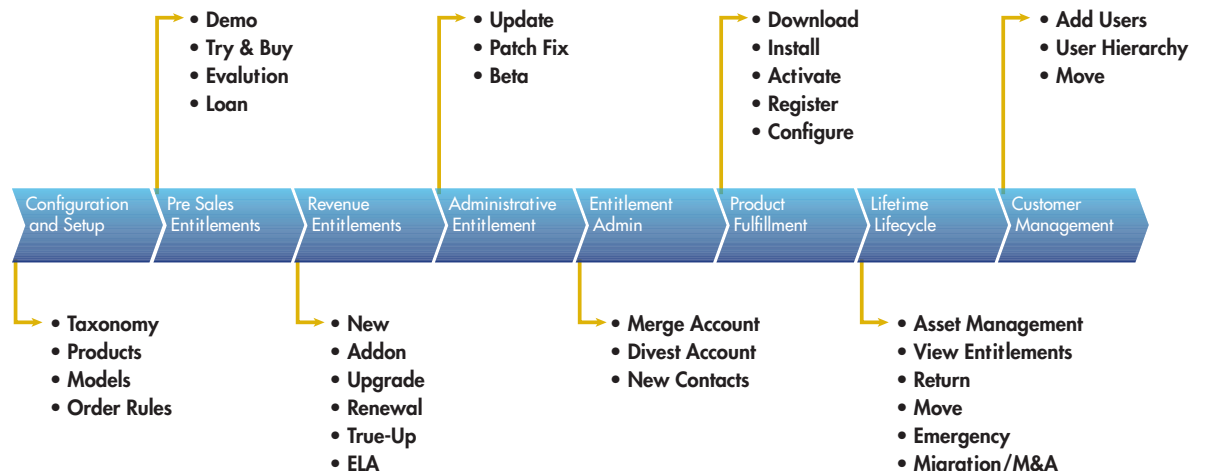
Figure 1: "Prospect-to-Support" Business Processes

8-10 Months

Go Live

| Education & Assess | Policy | Operational Model | Evaluate & Plan | Design | Build, Test, Deploy |

2 Weeks
- *Assessment Report*
- *Context Setting*

3 Months
- *Policies*
- *Operational Model (Use Case Catalog)*
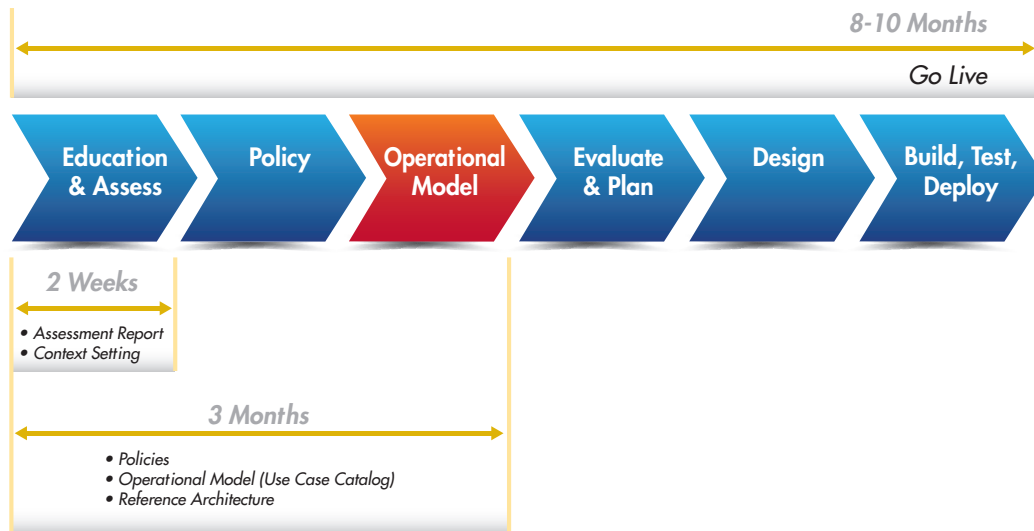- *Reference Architecture*

Figure 2: Flexera Software's High Output Entitlement Management Deployment Methodology

Through pre-workshop exercises and subsequent workshop discussion, participants will define the operational model relating to entitlement and compliance management, including processes and systems supporting the end-to-end product lifecycle, supply chain, delivery channels and financial management. Specific use cases will also be derived including: revenue entitlements, non-revenue entitlements, entitlement administration, customer fulfillment, license lifecycle, license activation, customer management, business intelligence and transition planning.

Upon completion of the Workshop, Flexera Software will deliver the documented operational model and use cases defined in the workshop to the project sponsors.

Operational Model Design is part of the **operational model phase** of Flexera Software's **High Output Entitlement Management Deployment Methodology** (figure 2) to deploy high-value solutions in the shortest amount of time. This methodology uses the **Flexera Software Success Framework** (figure 3).

| Product & Market Climate | Corporate Business Drivers & Principles | Customer Needs |

Revenue Model & Commercial Intent

License Model
Revenue Generation Model
- Recurring vs. Up-front Revenue
- Perpetual, Subscription, Utility, etc.

License Metrics
A unit of Usage to Apply Pricing
- Simple, Fair, Scalable, Measurable
- CPU, Server, named user, etc
- Use Model

Product (Line) Strategy & Structure
Commercial Structure
- Product Taxonomy & Structure
  – Products, Bundles, Suites….
  – Upgrade, Upsell, Update, etc
- Commercial Units

Compliance & Enforcement

Compliance Strategy
Compliance Approach
- Philosophy & Vision
- User Experience

Enforcement
Technology Considerations
- Common License Layer
- License Key Methods & Structure

Entitlement Management & Delivery

Prospect-to-Support Systems & Processes
License Entitlement & Fulfillment
- Business Systems & Integration
- Business Processes

Figure 3: Flexera Software Licensing, Entitlement Management and Delivery Success Framework

Operational Model Design

Objective
The objective of *Operational Model Design* is to gather business requirements and to define a blueprint architecture and associated operational model.

Delivery Approach
The engagement is delivered by two Flexera Software consultants in three distinct phases:

Phase I: Advance Preparation and Planning
– Flexera Software: workshop preparation
– Customer: pre-work reviewing the organization's existing business flows and use cases

Phase II: Requirements Gathering Workshops
Five to eight days of interactive requirements-gathering workshops are conducted in a structured fashion, based upon the Flexera Software Success Framework.

The workshops typically require participation by 10-20 subject matter experts from multiple cross-functional areas. Agenda topics include:
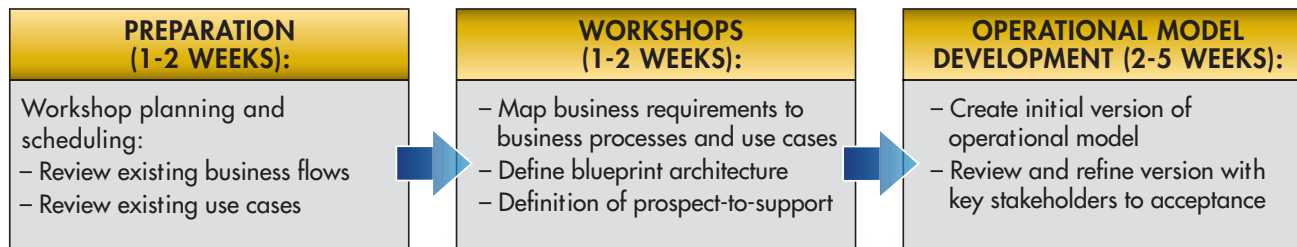
- Business Requirements Review
- Product Structure and License Model Review
- Blueprint Architecture
- Prospect-to-Support Use Cases
    o Pre-Sales and Non-Revenue Entitlements
    o Revenue Entitlements
    o Administrative Entitlements
    o Entitlement Administration
    o Customer Fulfillment
    o License Lifecycle
    o Customer Management
    o Transition Planning

Phase III: Operational Model Development
The operational model and use-case document is created, reviewed and updated.

Project Timeline
Operational Model Design occurs over four to nine weeks in the following sequence below:

PREPARATION (1-2 WEEKS):	WORKSHOPS (1-2 WEEKS):	OPERATIONAL MODEL DEVELOPMENT (2-5 WEEKS):
Workshop planning and scheduling: – Review existing business flows – Review existing use cases	– Map business requirements to business processes and use cases – Define blueprint architecture – Definition of prospect-to-support	– Create initial version of operational model – Review and refine version with key stakeholders to acceptance

Operational Model Design

Deliverables

At the end of *Operational Model Design*, the organization will have signed off on a completed operational model. The operational model document will contain the following:

- Blueprint Architecture

- Prospect-to-Support Use Cases

    o Pre-Sales and Non-Revenue Entitlements
    o Revenue Entitlements
    o Administrative Entitlements
    o Entitlement Administration
    o Customer Fulfillment
    o License Lifecycle
    o Customer Management
    o Transition Planning
    o Mergers and Acquisitions and New Product Introduction Process

This will enable the organization to begin the immediate design of an entitlement management solution.

Primary Audience

Customer resources required for this engagement and subsequent document review typically include a project lead and multiple cross-functional subject-matter experts. These attendees are expected to represent the following functional areas:

- Order Administration
- Customer Support
- Product Marketing
- License Operations
- Sales Operations
- Fulfillment/Delivery Operations
- Manufacturing
- Product Management
- Finance Analysts
- IT Business Analyst

Related Services

Operational Model Design is part of an overall methodology to produce a high-value licensing, entitlement management and delivery solution in a minimum amount of time.

The following service is recommended prior to *Operational Model Design*:
- **License and Compliance Policy Design:** this engagement empowers organizations to create official license policy documents.

Operational Model Design is a pre-requisite for the following:
- **Entitlement Hub Build, Test and Deploy:** this service takes the entitlement management system from high-level design to deployment.

Successful Entitlement Management Begins with an Operational Model

Entitlement management should be operational-model driven. An operational model defines key business requirements, blueprint architecture, business process use cases and potential solution gaps.

Operational models enable organizations to:

- Reduce the difficulty of communicating complex business processes
- Accelerate implementation of entitlement and compliance management systems
- Reduce or eliminate root causes of high entitlement and compliance management operational costs
- Reduce product structure complexity
- Build cross-functional awareness of operational environment
- Ensure that the monetization of products is delivered with a robust and scalable entitlement and compliance management system
- Ensure entitlement and compliance management is viewed and communicated as a business solution solving business issues
- Eliminate delays due to late requirements gathering

Operational models are propelled by business drivers that encourage new revenue models, streamlined operational costs and improvement of the customer experience. These drivers help define the organization's business goals, customer needs and competitive business practices required for a successful operational model.

Licensing, Entitlement Management and Delivery Services and Solutions

Applications no longer just help the business, they run the business, and to software vendors and, increasingly, intelligent device manufacturers, they are the business. To compete and win today, software vendors and intelligent device manufacturers must go to market faster with differentiated product offerings, ensure they are fairly compensated, make every dollar spent count and retain every single customer. All of this must be done while facing substantial hurdles.

Flexera Software has long been the global leader in Application Usage Management. Over 3,000 software vendors and intelligent device manufacturers rely on our comprehensive licensing, entitlement management and delivery suite of software licensing, entitlement management, electronic software delivery, software updates and compliance management solutions as core components of a strategic solution for Application Usage Management: FlexNet Producer Suite for Software Vendors and FlexNet Producer Suite for Intelligent Device Manufacturers.

Flexera Software is unique in its ability to offer a comprehensive and integrated solution spanning the full lifecycle of business processes. These solutions provide critical business intelligence to sense market change and develop the appropriate course corrections and are designed to deliver the flexibility to quickly adapt to your evolving business needs. Together they transform numerous tactical tasks to address today's strategic needs, delivering continuous software compliance, information at the point of action and optimized usage and value for your products.

About Flexera Software

Flexera Software helps application producers and enterprises manage application usage and increase the value they derive from their software. Our next-generation software licensing, compliance, security and installation solutions are essential to ensure continuous licensing compliance, optimize software investments and future-proof businesses against the risks and costs of constantly changing technology. Over 80,000 customers turn to Flexera Software as a trusted and neutral source for the knowledge and expertise we have gained as the marketplace leader for over 25 years and for the automation and intelligence designed into our products. For more information, please go to: **www.flexerasoftware.com**