Cost-Effective SQL Server Client Licensing Can Be A Difficult Target To Hit

By Christopher Barnett

Most business owners are familiar with the "traditional" server-plus-client licensing scheme for many Microsoft server software products, such as Windows Server operating systems, Exchange messaging software and SQL Server database software. That is, you purchase one license permitting the installation and operation of the software on a server, and then, in addition, you purchase client access licenses (CALs) in sufficient quantity to allow devices or users on the network to access and use that software. Many business owners also are familiar with the processor-based licensing option for SQL Server, where you purchase a (much more expensive) license for each physical processor running on the server where the software is installed, but then acquire the right to have an unlimited number of users or devices access and use the software. However, determining when it makes sense to move from server + CAL to processor-based licensing is no easy trick, especially as IT environments start increasing in size.

First, it is important to keep in mind the fact that the value line between the two licensing options depends on the number of processors involved and on the edition of SQL Server to be deployed. For example, on a 4-processor server running Enterprise Edition of SQL Server, the "break even" point under Microsoft's current MSRPs is approximately 618-619 clients. In other words, At 618 or fewer clients, the server + CAL option likely makes better sense, while at 619 or more clients, you may want to consider processor licensing. By contrast, for a 2-processor server running Standard Edition of SQL Server, that "break even" point is approximately 81-82 clients.

In addition, though, it also is important to keep in mind the fact that SQL Server CALs allow a licensed client-user or client-device to access an unlimited number of SQL Server databases in the company's network. Therefore, in the above Enterprise-Edition example with 619 clients, if the company has two servers that have the same hardware configuration, but that have the same pool of clients, then server + CAL licensing would result in a licensing bill of approximately $118,700.00, while the previously attractive processor-based option would result in a bill of approximately $219,960.00.

Finally, if a company's IT infrastructure is to include a number of SQL Server installations on virtual servers, then the licensing calculations will be further complicated by the different virtualization rights entailed with the different SQL Server editions. For example, SQL Server Datacenter may be licensed only on a per-processor basis, but it allows SQL Server to be deployed to an unlimited number of virtual servers on the licensed physical server. By contrast, SQL Server Enterprise licensed on a per-processor basis allows SQL Server to be deployed to only four virtual servers on the licensed physical server, and SQL Server Standard can only be licensed to virtual servers based on the number of virtual processors supporting each virtual operating system environment.

It is little wonder that companies often get tripped up by Microsoft's licensing rules for SQL Server and other server software products. Unfortunately, licensing errors also can be very costly in the event of an audit. It makes sense for businesses to work with experienced licensing counsel when planning new SQL Server architecture and assessing existing deployments for license-compliance purposes.

About the author Christopher Barnett:

Christopher represents clients in a variety of business, intellectual property and IT-related contexts, with matters involving trademark registration and enforcement, software and licensing disputes and litigation, and mergers, divestments and service transactions. Christopher's practice includes substantial attention to concerns faced by media & technology companies and to disputes involving new media, especially the fast-evolving content on the Internet.

Get in touch: **cbarnett@scottandscottllp.com** | 800.596.6176