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Talking About Technology: Are you guilty of being a software pirate?

By Marc Berthiaume

While no one can deny that the life and adventures of a pirate are exciting, software piracy is not as cool as it sounds. Besides the fact that the buccaneer is wielding a flash drive instead of a saber, the glory and romantic life we all picture when we think of a pirate really isn't the case when your booty is software.

Unfortunately, software piracy is an easy habit to fall into. Many of us have "borrowed" a copy of a program from work or loaded software on multiple computers even though it was meant for one. While these situations can run rampant in large office environments, it is essential that small-business owners understand the importance of software license compliance.

For a small business, a software license violation could be costly enough to do a number on the bottom line, or even cause the business to close. Last year, almost 90 percent of the \$13 million in software violation settlements collected by the Business Software Alliance (BSA), the software industry's watchdog, came from small businesses. Small businesses are an easy target for software investigations because they lack the legal and financial resources to fight such claims.

One of the tactics employed by the BSA is targeting disgruntled or ex-employees. Rewards are provided based on the amount of the fines assessed. They also provide anonymous tip lines to identify companies that may have software illegally installed or obtained.

To avoid problems, business owners must ask themselves how much they know about the software being used by their company. The BSA suggests starting to identify risks by considering the following questions:

- How many PCs do we have?
- How many different software applications do we have?
- Do we need them all?
- If we had an audit, could we be sure of finding the necessary proof of license and purchase?
- How much control do we have over software being installed by staff?
- Do we have a software policy?
- Does everyone understand the policy?

Ongoing task

Once the risks have been identified, it is time to build a software policy and plan that puts you as a business owner in control. While it's not the most fascinating reading you will ever do, taking some time to review your current software licenses is a great place to start.

These licenses should be printed out at the time of installation or they may be located after the fact in the application's folder on your hard drive. Software licenses are version-specific, so be sure to confirm what version you are operating before tracking down a missing license. When reviewing the license, pay attention to how many users are allowed and if a back-up version is allowed on a laptop.

Once you have a handle on the number of licenses owned, determine how many copies of the software are installed. It is important to note that not everyone uses all the software on their computer, so uninstall the applications that are rarely or never used. Next, compare the number of licenses owned with the number of



installations. This process should be documented and may help in the event of a software audit by the BSA or another licensing compliance organization.

It is important to remember that software management is an ongoing task. Regular checks of individual PCs should be scheduled. Licenses should be renewed or updated when new employees are hired. There are many tools that can provide automated solutions and provide up-to-the-minute reports. Finally, gather the company's software documentation, copies of the licenses, key codes and receipts and put them in a safe, fireproof location, preferably off site.

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