

Navigating an Adobe® Software Audit:

Tips for Emerging Unscathed

✘ 28 NONCOMPLIANT
LICENSES

✘ 22 UNAUTHORIZED
DEVICES

✘ 15 INSUFFICIENT
RECORDS

“Only 1 in 10 companies feel ‘extremely well prepared’ for a potential software audit, with 47 percent of respondents describing their companies as ‘somewhat’ to ‘not prepared at all.’”

(IDG Research Report)

When facing a potential software audit, it pays to be prepared—especially if an Adobe product is involved. The company is notoriously thorough and strict when it comes to the audit process; in fact, Gartner published an entire report on how to survive one, implying that it’s a serious business indeed.

So, considering the likelihood that you (yes, YOU!) belong to the 90% who don’t consider themselves “extremely well prepared” for a software audit, and because many of our own customers have experienced it firsthand, we’ve created this guide to help you understand just what an Adobe audit entails, why you’d be a target, and how to effectively manage the process should they come knocking.

First thing’s first, what is a software audit?

The word “audit” itself is something that has sent fear into the lives of many an accountant, and for an IT professional, a software audit is no different. A software audit is an independent analysis and review of a software product or service to ensure its use complies with specifications and contractual agreements with a vendor. In other words, it’s an investigation to determine whether copies of installed software are actually licensed and paid for.

While this may sound simple in theory, things can get very complicated in practice—especially when an organization has hundreds or even thousands of end users to keep track of. It’s also important to note that a software audit is a vendor’s legal right, which means that your organization must accommodate if tapped for an audit.

Recent research from IDC and Flexera Software reports that 85% of organizations are “accidental” software pirates and are unknowingly using more software than they have paid for.

Audit vs. True up: What’s the diff?

Though the goal of both processes is to ensure software is properly licensed, the difference is in the approach.

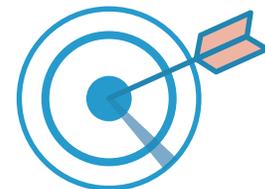
AUDIT:	TRUE UP:
Generally impromptu	Scheduled regularly (ie quarterly)
Penalty fees for overages	No penalty fees
Resource-intensive	Simple and painless

Is your company a target?

Contract compliance is an important part of any vendor-client relationship. Good vendors want to continuously provide the best products and services possible and therefore must work with clients to ensure their solutions are being used according to contract specifications.

Some vendors, however, choose to view non-compliance as an additional revenue stream and capitalize on this with unpredictable, time consuming and costly audit processes. According to Gartner research, one such vendor is Adobe, who has ranked among the top three for audit frequency over the past five years. Furthermore, a 2013 Software Audit Industry report revealed that Adobe was ranked the second 'most actively auditing vendor' and #2 on the 'vendors believed to be most likely to audit' list.

If you're an Adobe customer and have yet to be audited, you'd be better off asking yourself when, rather than if it will happen—especially considering the typical size of organizations targeted for audits is a wide range from 200 desktops to 2,000+. Key takeaway: if you thought it this was just for the big guys to worry about, think again!



Why does Adobe audit their customers?

While Adobe is concerned with non-compliance in terms of customer licenses, they also want to protect their intellectual property—so much so, that they have enhanced their audit process as recently as 2014.

In addition, Gartner reports that the audit penalty fees and restructured licensing agreements from which Adobe profits have become an important revenue stream for the company—and one that seems to be strategically intensified as necessary, being that Adobe's audits generally coincide with their financial year-end.

Therefore, IT managers must be on the lookout for any situation that may increase the chance of an audit within their organization, in addition to proactively training staff regarding the areas of risk.



What are potential indicators of an impending Adobe audit?

- If your company has been part of a merger & acquisition
- If any major business changes have occurred within your organization
- If you are a large global organization with a vast number of end users
- If you have not upgraded your software in a while and your version may be at the 'end of life' stage
- If you have not renewed any contracts with Adobe or cancelled any subscriptions



The negative impact on businesses productivity

IT teams are stretched as it is. A Spiceworks report (State of IT 2016) states that 59% of companies will not be adding to IT staff numbers. With increasing reliance on technology across all parts of a business, there is significantly more work to do with less hands.

Unfortunately, an Adobe audit can completely derail an IT department's plans and priorities, which can in turn negatively affect the business as a whole. How can one company have such a negative effect on so many others? It's all in the approach.

7 days' notice:

According to Gartner, Adobe will only give 7 days' notice of an impending audit, leaving minimal time to prepare. Even worse? The industry norm is 30 days.

No reassurance

Adobe offers no contractual reassurance that a software license report will not impact normal business activity. Not the best news if you are launching a new product, website or are in the middle of a major technical sprint.

No helping hand

Gartner states that no audit subject will get any assistance from Adobe when it comes to entitlement records, even if you did buy through a reseller.

A study from Cherwell in 2013 surveyed organizations that had faced audits and found that over **70% of respondents cited 'the amount of time consumed' as the most challenging aspect** of their software audit.

Enterprise resources required

Surviving an Adobe audit will usually require a dedicated resource to manage the workload. In large organizations this usually falls on the plate of a dedicated Software Asset Manager. However, most SMB-sized companies don't employ such a person, so the buck is passed to the already-stretched IT Manager.

Catch 22

Adobe holds organizations responsible for maintaining the completeness of their entitlement histories; however, Gartner reports that proactively ordering missing records without being engaged in an audit could potentially trigger Adobe to initiate one. Talk about a lose/lose situation!

7 Key tips for managing an Adobe Audit

With the possibility of an Adobe audit always looming, IT teams must be perpetually prepared to field one, or else face a week of frantic information gathering (remember—Adobe only gives 7 days' notice before an audit).

The biggest trap for many businesses facing Adobe's audits is the demand for specific data which their licensing agreements do not require customers to maintain. In other words, there's no need for the information outside of an audit, so many teams don't have it handy and are sent scrambling to compile it when the auditors come knocking.

To prevent a full-blown fire drill, here are some suggestions for ways you can prepare and ultimately reduce the burden of an Adobe audit on your organization:

1. Know your rights

Ensure you have a thorough understanding of your license agreement, its requirements and what compliance looks like.

2. Simplify with tools

Utilize software asset management (SAM) tools to give you a clear view of installed software licenses on your network. (Do note that these tools will not work if you have exceeded your license count in your end user license agreement [EULA] / software license agreement [SLA]. There are plenty of free SAM tools on the market, like [Spiceworks' Inventory Management and Audit tool](#).

A study conducted by Cherwell in 2013 found **46% of companies who had installed a SAM tool found it very effective** at producing the information required for the audit, and a further 50% found it somewhat effective.

3. Know your users

Understand your software users. Are they using multiple devices with the software installed? This is important as applications, not files, are licensed.

4. Track your assets

Be able to provide the file path and executable filename information for software deployments in your organization. This will help determine that there has been no installation of 'cracked' or 'portable' Adobe software.

5. Keep your receipts

Keep records of all purchases, and if you're going through a reseller, confirm they have the correct documentation as well. Adobe will hold the customer—not a reseller—accountable for licensing, so ensure that entitlement emails have been received from the reseller.

6. Beware the freeware

Be aware of freeware licensing: what may be free for a consumer may not have the same usage rights for a business user.

7. Prove you're savvy

Maintain data supporting how software is installed, used or configured in your organization.

Other things to look out for:

- Check your contracts – Most end user license agreements include an audit clause agreeing to allow Adobe to carry out an on-site audit. Check every contract or volume agreement to make sure there is no clause that overrides this.
- Check you have an accurate list of all your software purchases, as Adobe may not share what records they have themselves.
- Track license upgrades – as upgrades are only valid with an original full license.

To summarize, if you're an Adobe customer, you can very realistically expect to face a software audit by their team. Though enforcing audits is very much a right of Adobe, consensus seems to be that they take things to a new level of intensity.

To be sure an audit doesn't derail your organization's day-to-day operations, a great deal of proactive preparation is required. You've got to be on your toes—will they choose you this year, or will they pass you by? There's no way of knowing, unless of course you choose to remove the possibility altogether by opting for a new partner.

At Nitro, we take a different approach that's focused on working smarter and worry-free. With a world-class customer success team, simple contract terms and quarterly licensing true-ups that never involve penalty fees, Nitro can help keep your organization—and your IT team—running smoothly and producing great results.

Ready to hear more about the ways Nitro differs from Adobe?

Contact us today—we can't wait to meet you.

Sources

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About Nitro

Nitro is a document productivity company. We make it simple for business teams to convert, share, sign and analyze documents anywhere on any device. Founded in 2005 in Melbourne, Australia to disrupt the PDF market, Nitro is used by more than 550,000 businesses, including over half of the Fortune 500. Nitro headquarters are in San Francisco, with offices around the world.

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