1. What are software licenses?
   1. Official document or agreement between the creator and the end user for use and or possession of software, for a specified time, in specified circumstances and for a specified purpose
   2. The license agreement doesn’t merely contain obligations pertaining to the use of software, but also assures things like technical help and guarantees for the end user in case of bugs or faulty software etc.
2. What is the purpose of licenses?
   1. The main purpose of a license is to allow the creator or publisher of the software to control the distribution and use of their creation and any derivative creations
   2. A license can allow use and distribution of software in circumstances that otherwise would be illegal or unlawful
   3. Another very important aspect is that a license allows the creator to make money off of their own work without necessarily being involved directly
3. Who do the licenses serve, and who do they not?
   1. They serve the creators, allowing them to make money
   2. They serve the end user as well, if the license contains any guarantees to monetary compensation, updates and maintenance, or also technical help in case of problems with the software
   3. If the user is not even aware of the existence or doesn’t understand the implications of the license, then it definitely does not serve them
   4. Licenses do not serve people who do not mind downloading software and other intellectual property for free
   5. In a way, a very strict license may hamper the spread and distribution of software, theoretically harming the creator him/herself
   6. They do not serve users that for all intents and purposes, have to use certain software, and by doing so they have to agree to a license
   7. They do not serve users that do not care about how the software is supposed to be used and distributed
   8. They do not serve users that are too poor to buy proprietary software
   9. End users have to sometimes have to wait for official release of software due to differences in law in their respective countries or locations
4. When and to whom are licenses important?
   1. In an informal situation, when the user intends to install and use some software for personal things at home, the importance of a licence is diminished due to the fact that any possible repercussions or consequences in case of a breach of the license agreement are unlikely due the overwhelming amount of online piracy and difficulty in tracking individual breaches of agreement
   2. In contrast, in a company setting the importance of licenses is much greater. As public entities, they are subject to strict regulations, which makes it difficult for them to sell their products unlawfully. They are also easier targets for audits.
5. Software Licensing Audit
   1. An audit is a process during which the legality of the software inside the company is checked.
   2. The purpose of such an audit is among others greater control and various forms of cost savings. It can be an effective mechanism of improving software distribution in a company. Audits also ensure that the company is operating within legal and ethical guidelines. Ensuring ethical and lawful use of software also minimizes the risk of computer viruses.
   3. Software Asset Management is a business practice that involves managing and optimizing the purchase, deployment, maintenance, utilization, and disposal of software applications within an organization.
   4. A software compliance audit as a subset of Software Asset Management roughly goes like this:
      1. Identification of Software Assets.
      2. Verifying the Software Assets including licenses, usage, and rights.
      3. Identifying gaps that may exist between what exists on the installations, and the licenses possessed, and the rights of usage.
      4. Taking action to close any gaps.
      5. Recording the results in a centralised location with Proof Of Purchase records.
   5. This process is managed by SAM software. Larger organizations could not efficiently perform audits without discovery and inventory management applications.