

# Subscriptions

Relationships built to last

**SECURITY  
LICENSING  
PERFECTION IN PROTECTION**



**Ruediger Kuegler**  
VP Sales & Security Expert, WIBU-SYSTEMS AG



**Joerg Jans**  
Professional Services, WIBU-SYSTEMS AG

To access the on-demand reply of this masterclass, please visit

[www.wibu.com/resources/webinars/2022/subscriptions-relationships-built-to-last/access](http://www.wibu.com/resources/webinars/2022/subscriptions-relationships-built-to-last/access)

# Basic Foundations of Subscription Models

- The User leases the software
  - The right to use the software ends when the subscription expires
- In technical terms
  - Time-limited license with **Expiration Time**
- Examples:
  - Anti-virus software
  - Office applications like Office 365
  - Game portals like Sony Entertainment Network

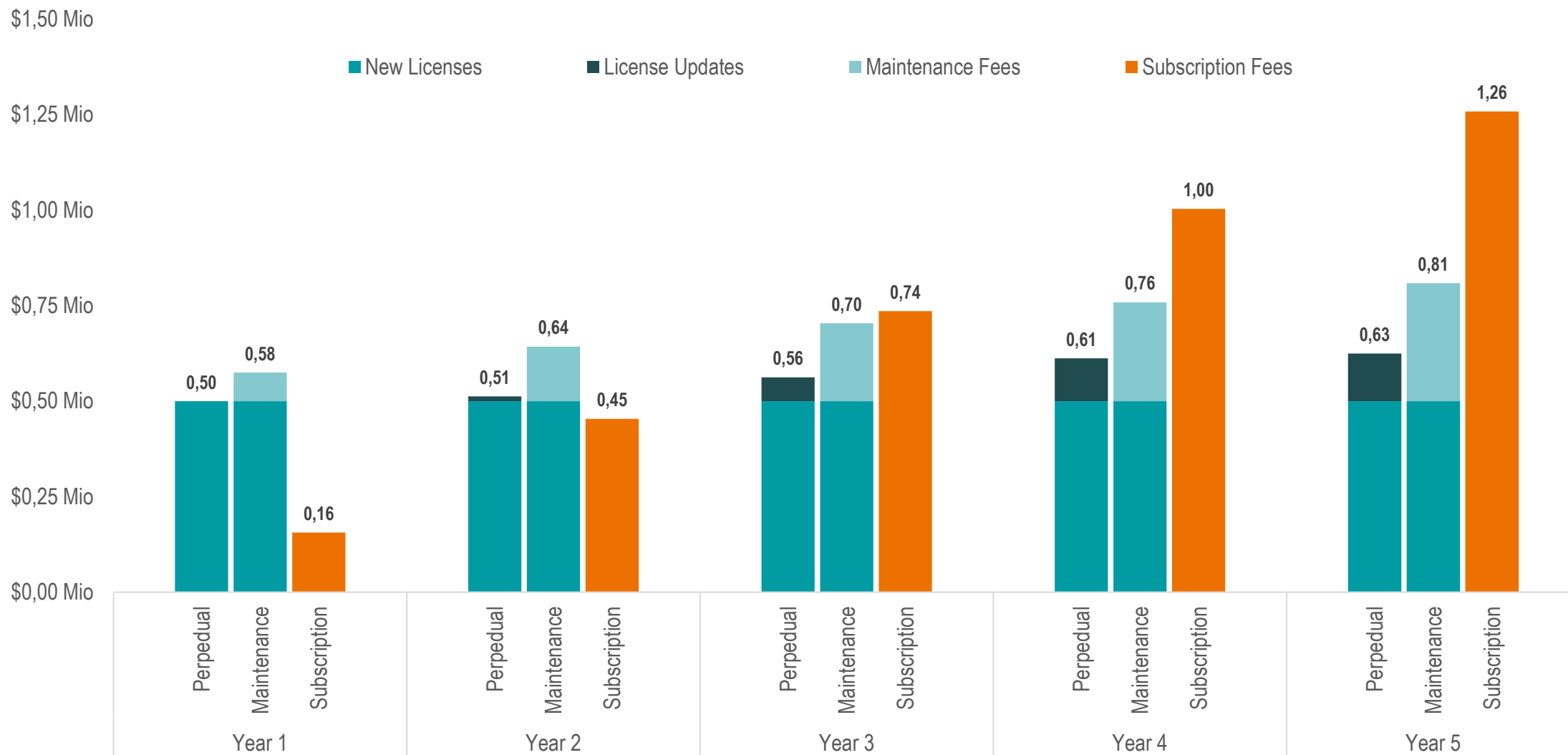
- The User purchases the software & signs up for a maintenance contract
  - The right to use the software does not expire
  - The right to receive updates expires at the end of the maintenance period
- In technical terms:
  - Perpetual license with a **Maintenance Period**
- Examples:
  - Microsoft Software Assurance
  - Perpetual Fallback License (JetBrains)

- Purchasing software only
  - Full price 100%
  - Price of the update 50% - 100%, depending on the last purchase
- Maintenance Subscription
  - Annual maintenance fee 12% - 25% of license fee
- License Subscription
  - Monthly fee 2% - 5% of license fee

- New customers per year
  - 100
- Price of the software application (license fee)
  - \$5,000.00
- Selling a software update
  - 50% of the customers purchase the update
  - Update priced at 50% of the software's
  - Purchase after 2-3 years

- Maintenance Subscription
  - 75% of customers sign up for a maintenance contract
  - Maintenance fee is priced at 20% of license's
  - Churn rate: 10% per year
- License Subscription
  - Price: 4% of license fee
  - 25% more customers thanks to lower upfront costs
  - Churn rate: 5% per year


























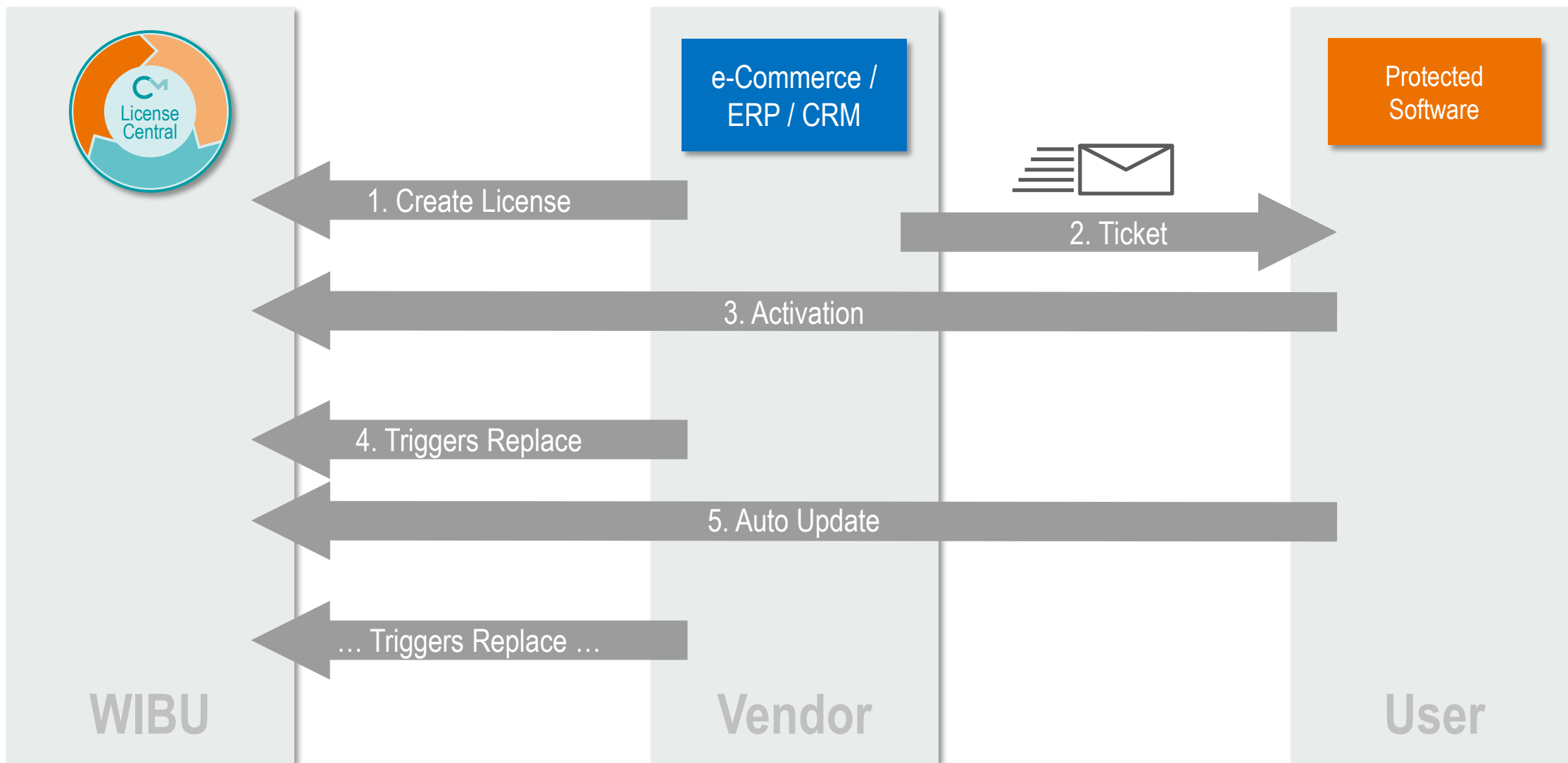
- Selling maintenance contracts via subscriptions is risk-free
- A license subscription model generates more revenues in the long term, but represents a risk in the early years
  - Introducing a new license model attracts more customers
  - For a successful outcome, the selection of the right subscription price is essential: its relation to the full software price and certain psychological barriers at \$50 / \$100 / \$200 / \$500 come into play
  - It is recommended to proceed in stages, i.e. for individual products or markets
- **Specific considerations for each software and market!**

# CodeMeter License Options

# CodeMeter Product Item Options

 Text	 Module Items	 License Transfer
 License Quantity	 Unit Counter	 User Data
<del> Activation Time</del>	 Maximum Encryption Rate	 (Extended) Protected Data
 Expiration Time	 Access Password	 Customer Own License Information
<del> Usage Period</del>	 Minimum Runtime Version	 Hidden Data
 Feature Map	 Named User License	 Secret Data
 Maintenance Period	 Linger Time	 Universal Data

## Renewal Triggered by the ERP



- The ERP, CRM or e-Commerce requests a time-limited license
- CodeMeter License Central creates a time-limited license
- The User activates the license using the ticket (Software Activation Wizard or License Portal)
- The ERP, CRM or e-Commerce triggers the renewal of the license (replace)
- Software (Activation Wizard) collects the renewed license (auto-update)
- The subscription stops when the ERP, CRM or e-Commerce stops renewing the license












## Edit License Entry

### License Entry

Product Code 201000

Action Add

### License Options

License option	Idx	Operation	Value	Allow value modification	Name	
Product Text		Set	SampleNotePad - Subscription - Renewed by ERP			 
Feature Map		Set	Decimal : 268435457 Hexadecimal : 0x10000001			 
Expiration Time		Set	2020Jan01,00:00:00	On order	subscriptionend	 
License Quantity		Set	1, Access permissions: Local			 
Firm Item Text		Set	Sample Company			 
						

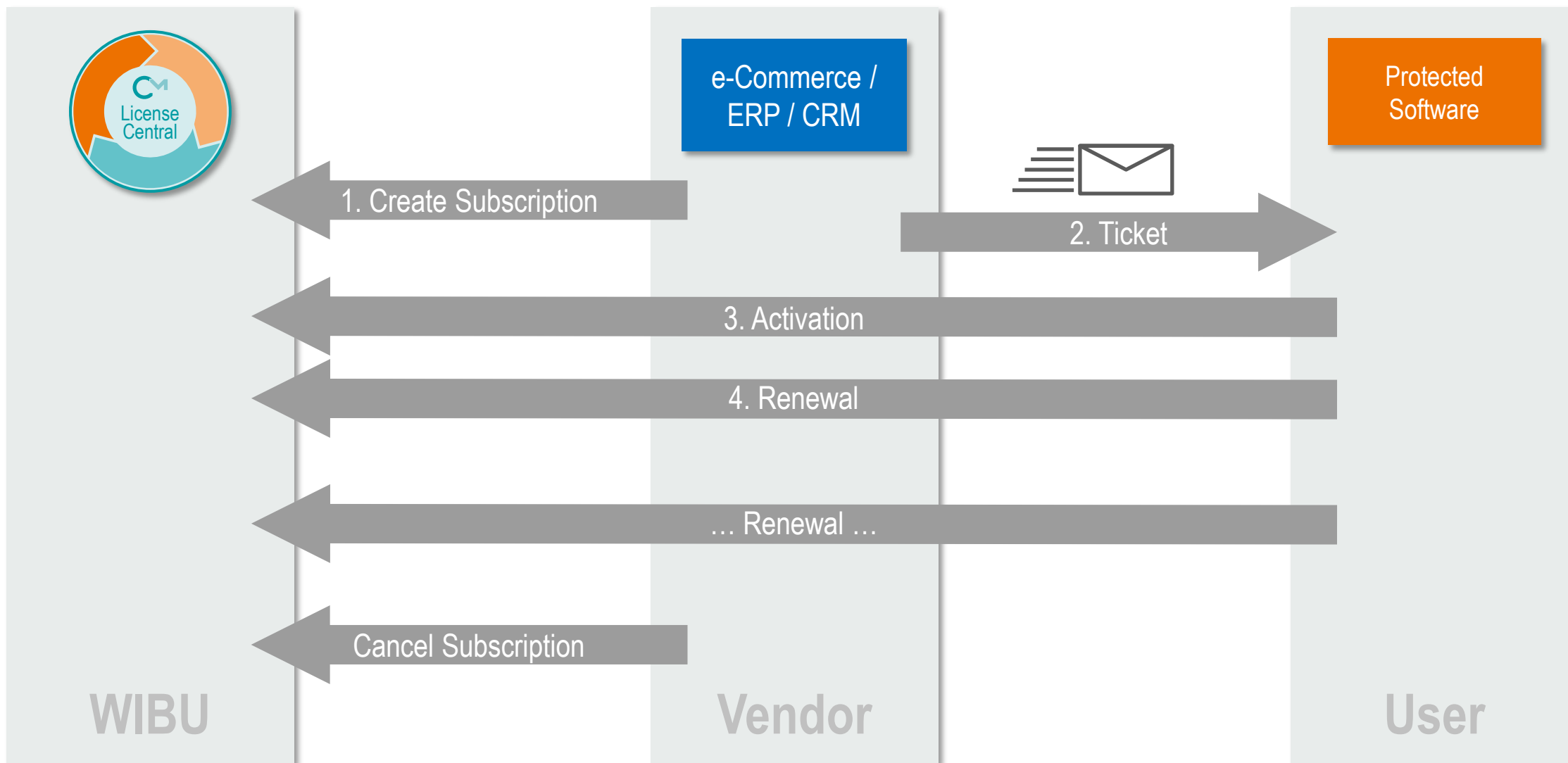
End date from ERP  
(on order)

OK

Cancel



# Automatic License Renewals



- The ERP, CRM or e-Commerce triggers the creation of a subscription
- **CodeMeter License Central** creates the license, which renews itself automatically
- The User activates the license using the ticket (**Software Activation Wizard** or **License Portal**)
- Software (**Activation Wizard**) renews the license periodically and automatically
- The ERP, CRM or E-Commerce triggers the cancellation of the subscription
  - Automatic renewal stops













## Edit License Entry

### License Entry

Product Code 201000

Action Add

### License Options

License option	Idx	Operation	Value	Allow value modification	Name	
Product Text		Set	Sample NotePad - Subscription			 
Feature Map		Set	Decimal : 134217729 Hexadecimal : 0x08000001			 
Expiration Time		Set	2000Jan30,00:00:30	On activation	checkpoint	 
Licenseinformation (COLI)		Set		On activation	ticket	 
License Quantity		Set	1, Access permissions: Local			 
Firm Item Text		Set	Sample Company			 
						

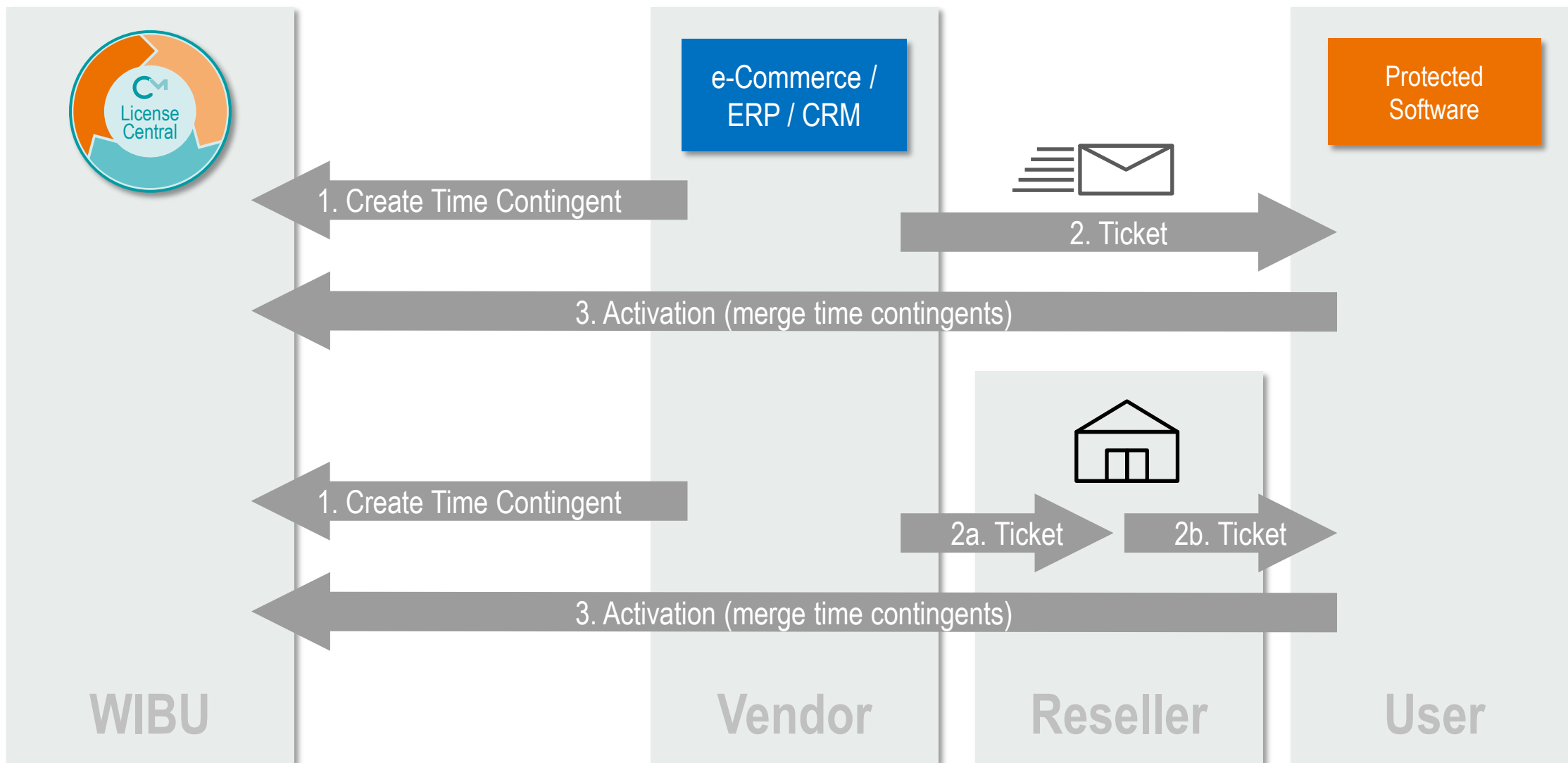
Duration

Threshold

Automatic renewal  
(on activation)

Storage of ticket for  
automatic renewal

## Multi-channel Time Contingents



- The ERP, CRM or e-Commerce creates multiple tickets with time contingents
- CodeMeter License Central creates the licenses
- Optionally: Tickets are distributed via multiple channels
- The User activates the license using the specific ticket (Software Activation Wizard or License Portal)
  - Dynamic calculation of Expiration Time during activation
  - If the User already has a license (with same identifier), time contingents are merged
  - If the User doesn't have a license yet (with this identifier), a new license is created

Edit License Entry

License Entry

Product Code
201999

Action
Add

License Options

License option	Idx	Operation	Value	Allow value modification	Name	
Product Text		Set	Sample NotePad - Subscription - Time Contingent			
Feature Map		Set	Decimal : 67108865 Hexadecimal : 0x04000001			
Expiration Time		Set	2000Dec30,00:00:00	On activation	subscription_001	
License Quantity		Set	1, Access permissions: Local			
Firm Item Text		Set	Sample Company			

+

OK

Cancel

Duration

Subscription ID  
(on activation)



# Summary

- Subscription models are realized using an **Expiration Time** in CodeMeter
- **CodeMeter License Central** can handle different workflows
  - Triggered by ERP, CRM or e-Commerce
  - Automatic renewal
  - Multi-channel time contingents
- **CodeMeter License Central Extensions** (WebDepot, Gateways, License Portal) handle renewals and time contingents
  - Custom adaptations are possible

Many thanks for your kind attention



Europe: +49-721-931720  
USA: +1-425-7756900  
China: +86-21-55661790  
Japan: +81-45-5659710

<https://www.wibu.com>  
[info@wibu.com](mailto:info@wibu.com)