



White Paper Executive Summary

The Commercial Case for CodeMeter

Insights from Customer Case Studies

In the realm of protection and licensing solutions for software-powered businesses, the „Make or Buy“ decision is pivotal. To gauge the worth of a product, it's imperative to grasp its purpose, prerequisites, and how modern solutions like CodeMeter tackle IP protection, software security, and novel licensing strategies. This white paper delves into the calculation of Return on Investment (ROI) for CodeMeter using real-life data and insights gleaned from extensive interviews with actual CodeMeter clients in the software business. We've distilled this wealth of information into four comprehensive case studies, representing a wide spectrum of CodeMeter users. These range from small software enterprises supplying simulation software to industrial controller manufacturers, similarly sized firms providing 3D printing designs, medium-scale mechanical engineering companies, to large corporate providers of comprehensive business process software packages.

For all four cases, the calculation includes the initial start-up costs in their full spectrum, including the simple price for protecting and licensing software up to the development and post-integration support costs for implementing CodeMeter in an existing back office and process landscape. Beyond these initial costs, the operating costs during the licensing system's use were considered, again differing substantially depending on the scale and specific needs of the clients. The type and pricing structure for the

necessary license containers, be it software, hardware, or cloud, have a direct impact on such costs.

Contrasting with these costs, the ROI calculation predicts likely revenue growth for all four cases. The new revenue can be expected from the additional sales won by preventing piracy, from the expansion of the market made possible by protecting one's IP reliably from more unscrupulous competitors, and – a crucial factor – the new revenue gained from introducing new sales channels, licensing options, or even complete business models, such as subscriptions, pay-per-use, or pay-per-feature licenses.

The resulting data was brought together to calculate the ROI for CodeMeter on two timeframes: Up to the break-even point, which is reached by most businesses within a single year from integration, and in the longer term (three years). The data revealed that the ROI varies greatly between the different company sizes, but reliably at a high level. While the large and medium-sized businesses can expect a more than three- to fourfold return (357% to 405%), this grows to an approximate sevenfold ROI for the smaller companies (661% to 745%). And the effect is sustainable or even growing over time, as the initial investment pays off and only running costs are incurred: Here, the larger companies in particular reap the benefits of scale and can expect rapid improvements in the cost vs. earnings calculation with every passing month.

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