

Find the Diamonds in the Data with ITAM

Traditionally, IT Asset Management (ITAM) and Software Asset Management (SAM) tools have been viewed as tactical tools to assist with the general management and inventory of hardware assets and software license assets. The past five years have seen a fundamental shift in how organizations adopt, deploy, and manage technology assets delivered by vendors, partners, and cloud service providers. With growing enterprise-wide adoption of cloud-based computing applications / Software as a Service (SaaS) there is a growing need for IT departments of all sizes to step-up their ability to report and analyze software license and device utilization.

As subscription-based, as-a-Service, and hybrid solutions have become common place, the tools used to manage them have also evolved. ITAM tools have moved beyond typical inventory license management, to become integrated sources of data and usage metering tools. Organizations that succeed at analyzing data and extracting insights from how they use their IT investments will benefit substantially from spending efficiencies, optimizing asset usage, and mitigating risk.

Integrating ITAM in the Cloud Era

To address the changing technology landscape, ITAM tools (inclusive of SAM) have become core enterprise tools that help organizations understand heterogeneous IT environments, managing distributed workforces and cloud-based assets. Much like assets that are moving to the cloud, new ITAM tools have embraced the as-a-Service model to aid deployment and enhance data gathering and reporting.

These tools are paramount to managing costs and regulatory/security data related to equipment, software, and cloud services. ITAM tools are able to help the IT department drive meaningful adoption, mitigation, and licensing for the business, thus determining where the real diamonds lie in terms of how its users use their tools to meet the organizations goals.

Many ITAM tools integrate with reporting and analytical engines to inform organizational budgeting practices and highlight potential compliance risks, therefore offering data to improve the overall decision making and performance of the business.

“Asset management isn’t a dying process, it’s just more complicated. Cloud hasn’t eliminated the need for asset management, it’s just become another hard-to-manage asset.”

– Sandi Conrad, Senior Director
Infrastructure & Operations
Info-Tech Research Group



Building an Impactful Asset Management Process Requires the Right Tool

Info-Tech's research has found that while many organizations have deployed asset management programs and solutions, many of these leverage ad-hoc or basic asset management processes supported by inadequate tools. **A lack of a proper asset management strategy and use of ineffective tools creates challenges to providing data to the business and being able to support and defend against audits.** By underestimating the value a strong ITAM tool can offer, organizations expose themselves to significant risk and poor financial planning. Thereby, corporate leadership often misses one of the most direct ways to improve their operations and bottom line.

When devising a useful asset management process, the single most important consideration is to build a single and centralized source of data.

Much like diamonds, if you don't have the right process to shape the data, its value won't be realized. A centralized view of hardware, software, and cloud assets can help create standardized policies that provide a clear view of what constitutes assets, where and how they are stored, and lifecycles of assets across the organization. A centralized process improves visibility into current hardware and software environments which ultimately inform software and hardware rationalization, opportunities for redeployment, and reduction in overall total cost of ownership.





Businesses of all sizes struggle with ad-hoc or poorly adhered to asset management processes and are often caught deploying more than one asset management tool with redundant functionality. A critical consideration to realize value is the selection, deployment and maintenance of a **central ITAM tool** that rapidly and accurately integrates data and provides insight into asset utilization. Use simplicity and value to guide your decisions.

Build a process that will capture data, validate, inform decisions with policies, and standardize procedure. Pick a central tool that will best meet your needs!

Once a process is defined and a tool is selected, the real work to implement begins. Early implementation begins with gathering hardware and software contracts for all known assets. If your IT department does not have contracts stored in a central location, source them from your procurement department as the first step of the implementation plan. At first, give each large contract dedicated focus and capture the data one contract at a time. Then, for smaller, less critical contracts, capture the information as they come up for renewal. For example, vendors will often provide warranty and age information upon renewal. Use this data to populate your tool if it isn't captured automatically.

Once data is captured and validated across all your assets, begin identifying policies to ensure that the information is regularly tracked and kept up to date. Establish rules of operations that promote consistent behavior around data capture to ensure effective analysis and value realization.

Core Features of an ITAM Program

In order for an enterprise to effectively use data and support efficient processes, a tool should be implemented that possesses the following baseline features:



Decentralized Management

Able to manage licenses across a geographically dispersed environment, but with the ability to roll information up to a centralized view.



Inventory Repository

Maintains an ongoing repository of assets and their use to enable historical analysis.



Basic Financial Analysis

Able to generate basic financial and asset usage reports to identify overall licensing costs and savings.



Integrated Discovery Tool

Includes mechanism for automatic discovery of assets.



Dependency Mapping

Automated dependency mapping is a good add-on if you're looking to follow ITAM with configuration management.



Virtual Server Management

Able to identify and manage virtual server installations.



Intuitive to Use and Implement

Not every tool will be easy to use, but the harder it is to understand and work with, the longer it will take to see benefits. It is especially important for a tool to be quickly implemented. Don't underestimate usability and implementation requirements.

There are a number of use cases where value can be realized through implementing an ITAM tool with these core features. A company can improve data sharing between finance and support, synchronize Configuration Management Databases (CMDB) to asset repositories, or link asset data to enable reporting across multiple systems. These opportunities amplify the ability to proactively identify compliance risks and improve performance.



Future-Proof Your ITAM Needs

SaaS is going to be the de facto delivery model for an increasing number of applications and services for the modern organization. More organizations are empowering their users, business units, and partners to use web-based solutions to create nimble access and delivery, innovate, drive performance, and reduce IT infrastructure overhead.

This model is all well and good, however IT managers must have a plan for how they ensure that new tools are used and licensed appropriately.

Rationalization may lead to the evolution of current SaaS tools or replacement by multiple point solutions. While SaaS promises higher performance in terms of adoption and support, your asset management toolkit must support this new model by reporting on utilization trends and usage metering. Data will enable decision-making based on how assets are being used, by whom, when, and where. Only upon collecting and analyzing the data can IT understand the value and risks of these solutions to the business.

Distinguishing Features of a Value-Driven ITAM Program

To capitalize on ITAM's impact, pursue tools that have the following value-driving features:

- 1. Data Normalization**

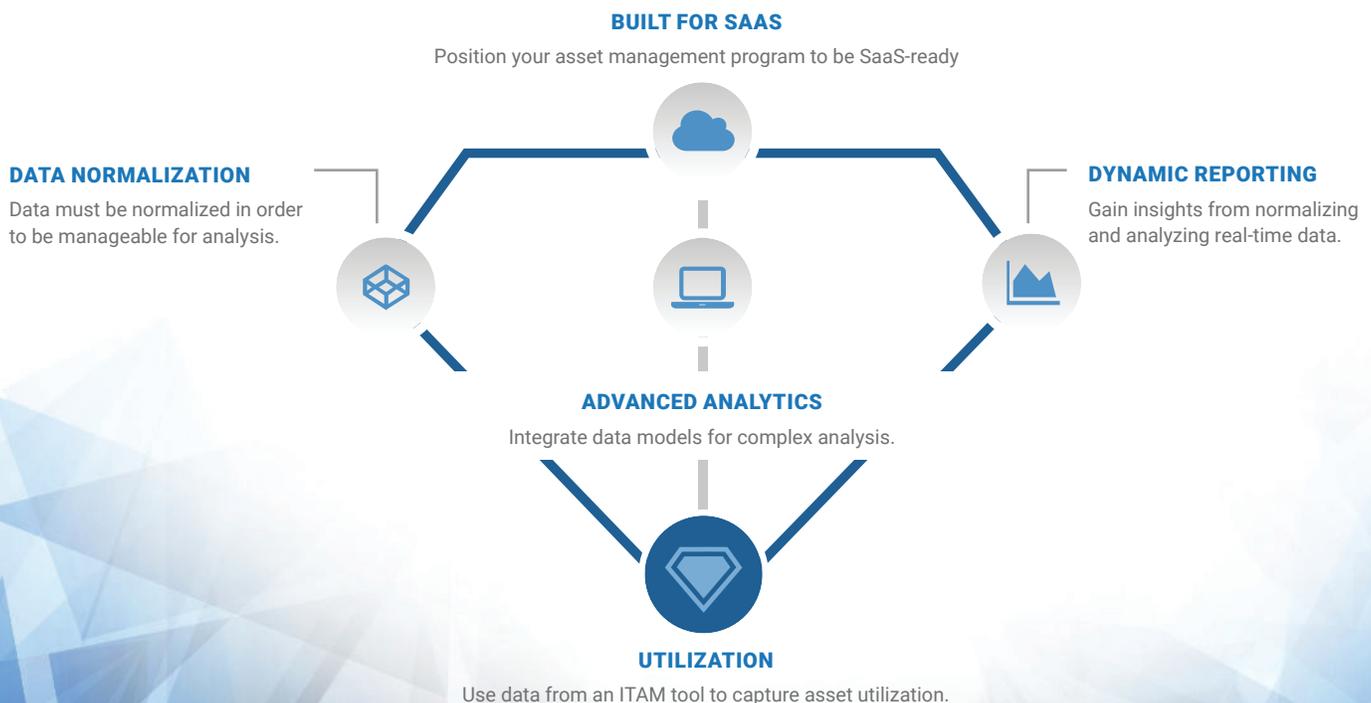
Discovery tools provide extremely raw data. Without normalization, the asset management team needs to create rules for every piece of software to consolidate into manageable reports.
- 2. Advanced Analytics**

Beyond basic financial analysis, tools should include the ability to support an integration with service catalogs, enabling real-time analysis of budgeting and spend, and the procurement process. Advanced support should also pull from financial data, installation data, and the licensing library to provide complex predictive modeling to understand impacts to licensing and budgets prior to making any technical changes.
- 3. Dynamic Reporting**

Insights are gained from seeing data in real-time, ITAM tools must have the ability to dashboard or integrate with current IT management tools and systems and provide deep insights into the organization's use of traditional, virtual, and cloud-based resources. Effective monitoring and reporting can save organizations from over licensing and dramatically improve budget allocations by aligning spending with usage.
- 4. Built for SaaS**

Application strategies are led more and more by vendors offering cloud-based delivery models that augment, enhance, and optimize delivery and support. These solutions can be proliferated at a rate faster than any on-premise or virtualized solution could be and are by nature platform independent. Asset management tools should not only support this model, but be based on the same model.
- 5. Choice is wonderful, but you pay for utilization**

Understanding, documenting, and reporting on what you have is an admirable goal. However, understanding how the organization is utilizing its assets to outperform the competition is key. With that in mind, ITAM tools must go beyond logging inventory – rather service utilization at the system and user level will empower an IT manager to develop business cases for growth that are tied to the facts of how information technology supports the organization's goals.



Data from Effective ITAM Tools Create Opportunities and Reduce Risk

In today's data-driven world, data normalization, utilization and advanced analytics are the truly differentiating components of a value-driven ITAM program. By leveraging data, IT Asset Managers are given the unique opportunity to turn uncut data sources into refined, clear, and valuable resources through:

1

Improved Asset Utilization

2

Reduced Costs

3

Mitigated Audit Risk

1 Improve Asset Utilization

Needless procurement of new equipment and software or replacement of hardware that could have performed sufficiently following a new operating system release can increase operating costs. Through readily available and refined data, ITAM programs can create clarity around the high cost of underused/unused IT assets and help you avoid both of these instances. Value-driven ITAM programs provide the ability to conduct financial modeling based on usage metering to ultimately demonstrate ROI. Usage metering enables organizations to identify assets of all types that exist, and assets that could be better utilized, repurposed, or even removed; thereby optimizing spend and improving organizational financial performance. Applying analytical pressure to your data will transform your assets into ROI-driving diamonds.

2 Reduce Costs

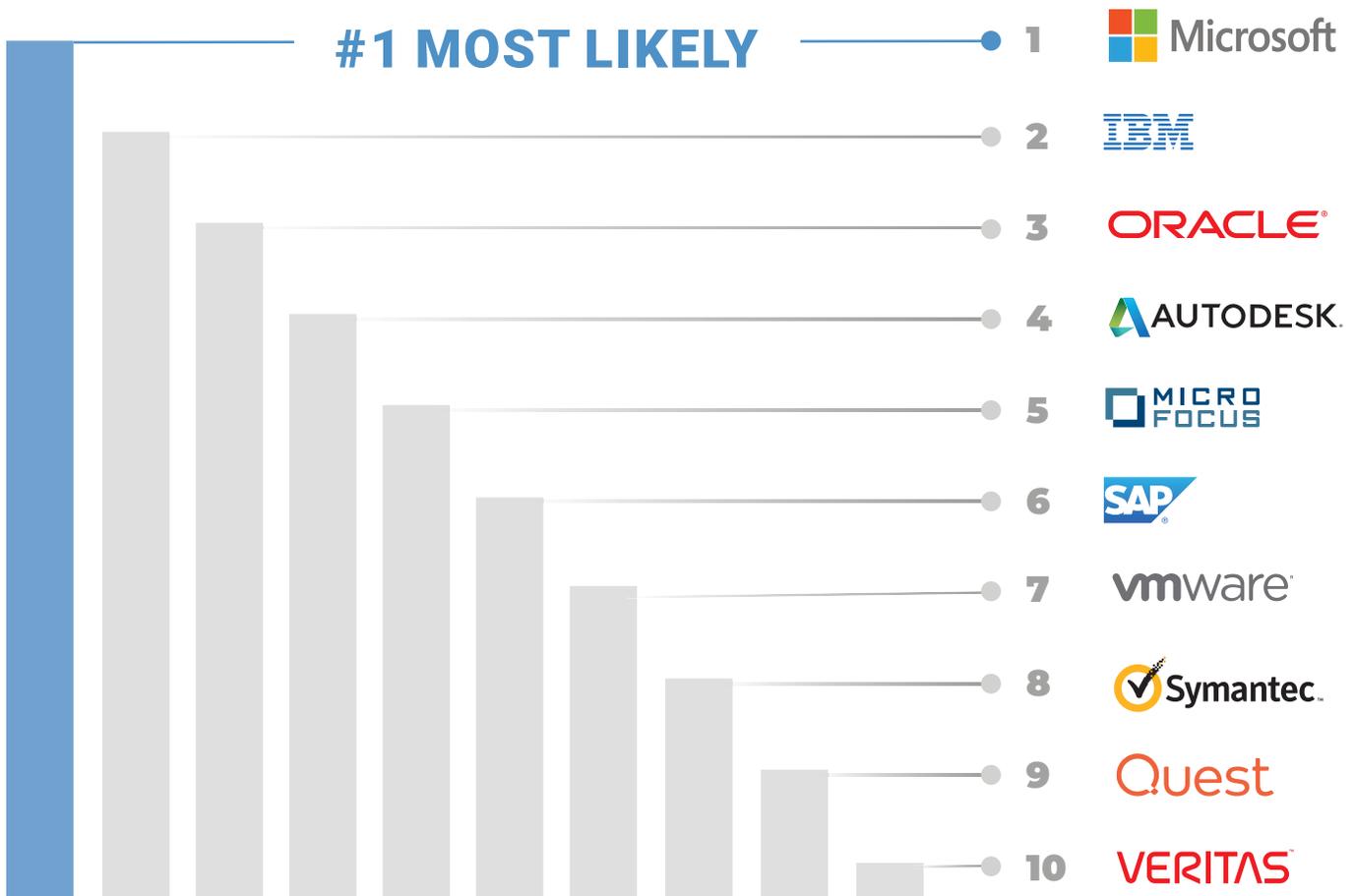
Legal actions and penalties that result from ineffective ITAM processes can severely impact an organization's financial performance. Failing to secure systems with personal data, transactions, or account information can violate federal regulations and lead to severe penalties, especially in dealing with European Union citizens data (GDPR). These penalties are avoidable costs, with the right ITAM tool by helping you understand all data sources within your organization.

One final financial benefit of a well-constructed ITAM process is avoiding costs associated with unsecured assets. The average value of a lost laptop, according to the Ponemon Institute is \$49,246. A lack of security and awareness of the assets you have can compromise the security of sensitive information and the financial performance of the business.

3 Mitigate Audit Risk

Vendor audit fear is a primary driver for licensing management and therefore by improving the accuracy and workload of audits is a massive benefit. Organizations should be especially concerned with audit frequency, especially from Microsoft and Adobe (See Figure 2 below). Vanson Bourne, a specialized technology market research firm, found that the average penalty of non-compliance with software licensing was \$750,909 and that 46% of companies had periods of non-compliance.¹

Software Vendors Likely to Audit ²



1 Sean McGrath, MicroScope, Half of all firms are unprepared for the true cost of a software audit

2 Info-Tech Research Group, Vendor Practice

What Does the Future Hold?

There is plenty of room for future developments as IT's environment continues to evolve, but future decision making relies on streamlined data today! However, IT Managers must be cognizant of the changes likely to impact their processes to ensure that they maintain a robust, value-driven and

impactful asset management process in the future. With regards to the asset management industry, Info-Tech anticipates that the following trends will impact the asset management industry on 3-5 year horizon, including:



Cloud environments are managed in a multitude of ways such as web filtering, web scraping, and import from administrative consoles. This data is displayed in just as many ways and will require a review of analysis and presentation methods to see how the analytics will work for you.



Machine Learning (ML) is still in early stages with service and asset management tools. Prepare now to fully embrace ML in IT asset management by auditing data. As libraries continue to improve, ML will likely take the form of analyzing and shaping data based on how systems and users use the tools they are given.



Internet of Things is already starting to merge with IT assets, though much of the data is used quite inconsistently. As a minimum, synchronizing data to manage lifecycles will allow data collection to be done once with multiple uses. IoT for ITAM will be a challenge for organizations because of the vastness of the data. As processing power improves, so too will the ability to leverage this information.



Complex licensing scenarios are continuing to improve with solutions, including software recognition and license rules engines to calculate license compliance such as Oracle, SAP, IBM PVU, concurrent and network licensing, and a variety of other rules such as upgrade, downgrade rights, and suites.



Integration and Synchronization of data is a growing necessity. Often ITAM tools overlap with Configuration Management Databases (CMDBs). When the data overlaps and is not consistent, it needs to be synchronized before being integrated. Without synchronization, an organization can end up with inconsistent and useless data for decision-making.



Diamonds Are Forever, but Assets Shouldn't Be

The future is quickly approaching.

As part of the transition to an automated era and the era of "IT as a Business Partner", organizations must begin to use ITAM tools to gather **insight proactively** on how assets are utilized or replaced in the most effective manner. The optimal asset management solution will provide opportunities to substantially optimize usage, efficiently cut costs, minimize risks and limit exposure during software audits. Find the right tool for your business that uncovers opportunities and can be implemented in a speedy manner.

About the Analyst

Sandi Conrad - Senior Research Director, Infrastructure

Sandi Conrad is a Senior Research Director for Info-Tech Research Group with extensive experience gained over the years in managing assets, auditing and optimizing licensing agreements, building documentation, improving service desks, and optimizing processes.

Prior to joining Info-Tech, Sandi ran her own consulting company delivering software and asset optimization services. She educated clients on best asset management practices, conducted gap analyses, and provided management consulting and software auditing services. During this time she also authored the Software Asset Management Starter Kit.

Sandi has worked in the past for Large Account Resellers (LAR), Systems Integrators (SI), and Value Added Resellers (VAR), and was one of the first Software Contract Administrators in Canada. She has provided consulting services for hundreds of clients over the years, including IT asset acquisition and management strategies and service desk standardization and optimization.

Sandi is a certified software manager with SIIA, software practitioner with IBSMA, hardware asset management professional with IAITAM, is certified on Lean IT Foundations through Pink Elephant, and has held many process and technical sales certifications with various Software Publishers over the years. Sandi also holds a Graduate College Teaching Certificate from Fanshawe College.

About Info-Tech



With more than 30,000 active members worldwide, Info-Tech Research Group (www.infotech.com) is the global leader in providing research and analysis and practical, tactical Information Technology. We have seventeen years of history in delivering quality research and analysis. Info-Tech is the fastest growing full-service IT firm in North America. Info-Tech's products and services combine practical and tactical guidance, and ready-to-use tools and templates that cover the full spectrum of IT concerns. Our practical approach is designed to create a clear and measurable positive impact on the bottom line of our member organizations.

About Scalable



Scalable Software Ltd. ("Scalable") is a leading supplier of innovative IT Asset Management software. Scalable's IT Asset Management solutions aim to assist IT Asset Managers and Software Asset Managers cut costs, reduce compliance risk, and minimize waste. Scalable's Asset Vision product offers a unified, Software-as-a-Service (SaaS) platform for the management of IT assets from mobile devices through to cloud infrastructure. The SaaS nature of Asset Vision ensures a cost-effective, secure and rapid platform for Scalable's customers.



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