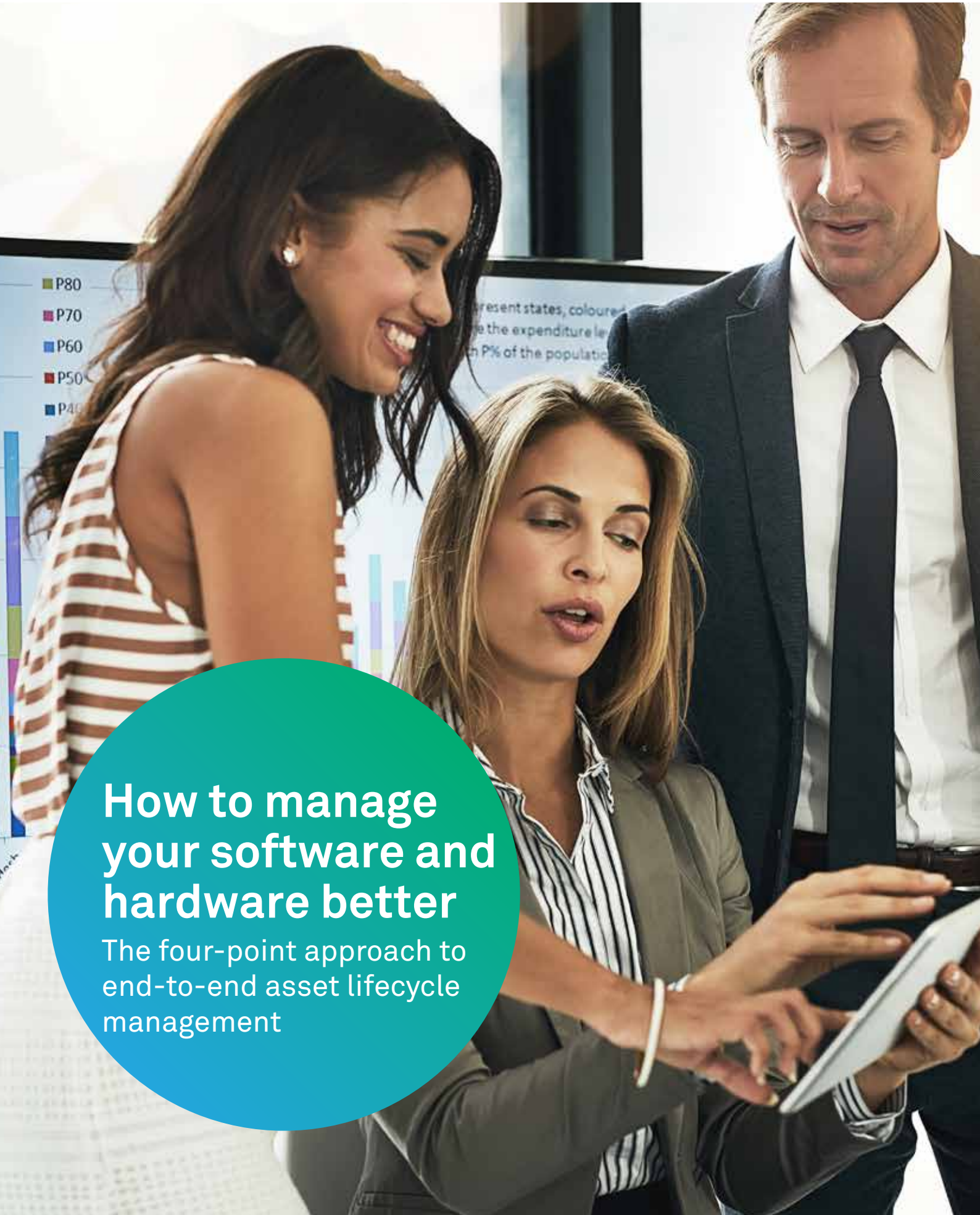


How to manage your software and hardware better

The four-point approach to end-to-end asset lifecycle management

As businesses expand, the volume of their IT assets also increases proportionately, making it challenging to track the end-to-end asset lifecycle. According to Gartner, enterprise software is the fastest growing component, accounting for 8.6% of worldwide IT spend, followed by devices1. Independent Software Vendors (ISVs) offer licenses in a variety of ways - per user, per device, per virtual machine and so on. Considering enterprises have thousands of licenses, acquired through numerous channels, managing them can quickly become confusing and costly. Despite these challenges, the IT Asset Management (ITAM) process is still an afterthought at most organizations, with little time, budget and best practices dedicated to it.

Let's deep dive into why ITAM has emerged as a critical enterprise function today, the challenges enterprises face in streamlining it, and the benefits they can realize by getting it right.

Why enterprises fail at ITAM

Lack of awareness around the significance of deploying an effective ITAM process is still the biggest hurdle that keeps organizations from gaining an end-to-end view of their IT asset inventory. Organizations are also reluctant to hire the right skilled professionals for Software Asset Management (SAM)/ITAM as it often proves expensive and time consuming.

Most organizations fail to invest in asset baselining or automation initiatives for ITAM, resulting in incorrect base lining of assets. In such legacy environments, physical asset count is merely an approximation, making assets vulnerable to theft and losses, besides leading to sub-optimal utilization and reactive maintenance. Furthermore, organizations lack a single tool to discover deployed software from all publishers and manage entitlement.

Additionally, Configuration Management Database (CMDB -often incorrectly considered as an Asset Management tool) is not updated in real time. Neither is it integrated with procurement, discovery, and other tools. In the absence of a formal/documented process for warehouse management, Return Material Authorization (RMA) and decommissioning/disposal of IT assets, organizations also face significant risks due to software license non-compliance, potentially leading to heavy penalties. Unclaimed software that could have potentially saved a significant amount on new software procurement goes unnoticed. Further, most organizations lack formal ITAM governance mechanisms or process agreements with different ITAM stakeholders to control process violations and proliferating IT expenses.

As mergers and acquisitions gain momentum across industries and complex cloud or SaaS licensing models become the new norm, it is imperative for organizations to move beyond the traditional way of asset tagging. Real control of the computing environment begins with knowing what is on the network and where.

Laying the foundation for effective ITAM: Four key building blocks

Modern IT asset managers are under constant pressure to avoid waste, accurately forecast costs, ensure optimal utilization of assets, and reduce critical dependencies. Effective ITAM has therefore emerged as a critical enabler as it can save enterprises the cost of buying redundant hardware and software, as well as maintenance and leasing costs on equipment they no longer use. It also empowers procurement to make informed purchasing decisions. Further, it offers cross-functional teams (IM, CM, PM and service desk, help desk) accurate insights into asset consumption and assigned users.

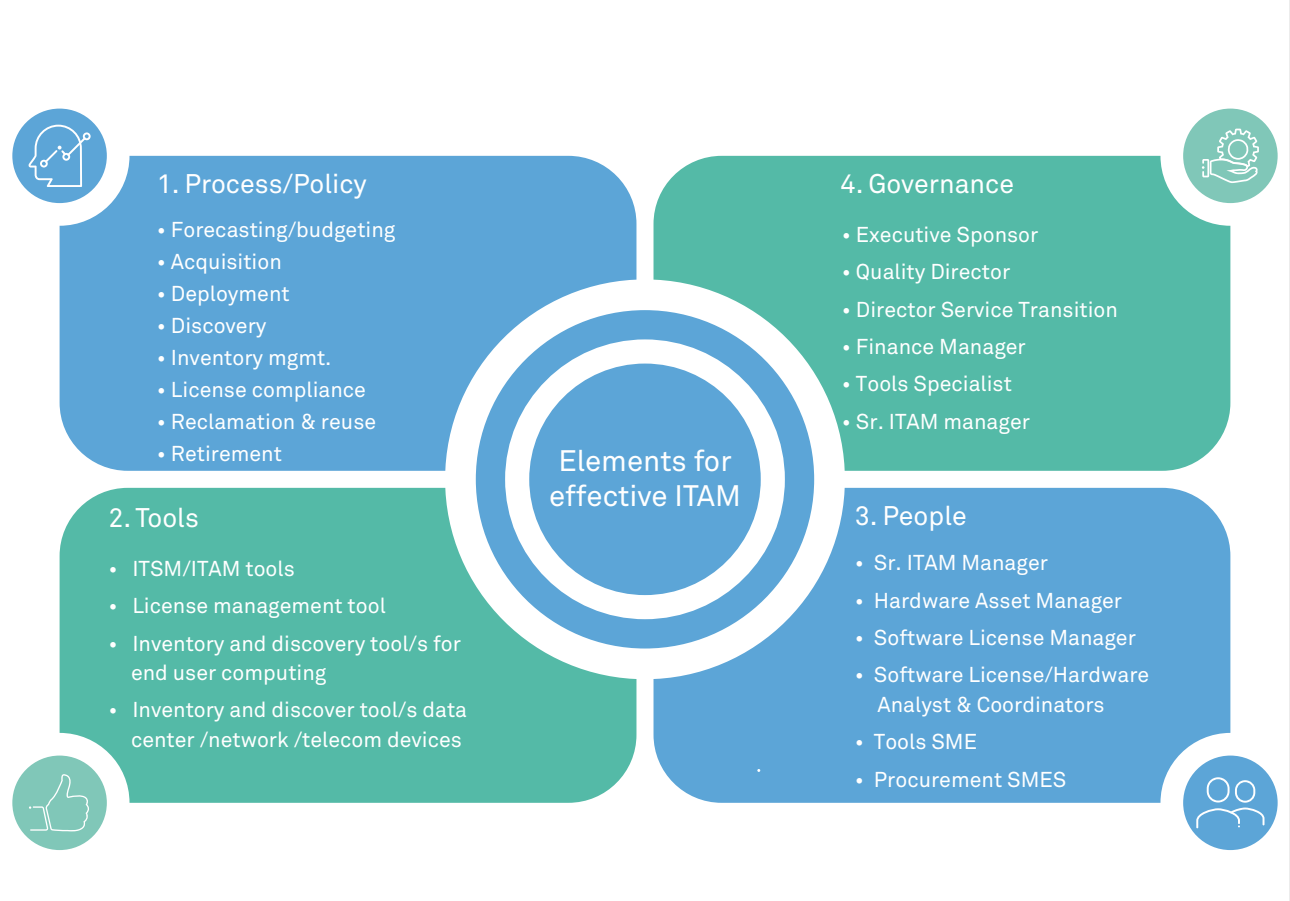
The four foundational elements of effective ITAM (See Figure 1) are:

#1 Process/policy: Clearly lay out the goals and objectives of inventory management, license compliance, deployment, discovery, reclamation and reuse, as well as retirement and/or disposal of assets. In addition, define asset and configuration standards, BYOD and security guidelines, technical support and maintenance processes. An ITAM policy document, comprising clear KRAs for all ITAM stakeholders, is critical to driving ITAM objectives and outcomes.

 # 2 Tools: Right tools for inventory/license management, procurement, and asset discovery ensure smooth and effective implementation of ITAM policies and processes. They help enhance visibility, agility and efficiency, prioritize risks and drive continuous service improvements.

 # 3 People: As businesses demand greater transparency into their IT spend, placing the right skilled people (license managers, analysts, tools and procurement SMEs) at the right place to manage the entire ITAM process is imperative. Combining different skills can help organizations create a fully functional team that is able to correlate the business needs of different organizational departments and align with overall business objectives.

#4 Governance: Having the right governance and robust control mechanism in place to monitor process deviations and violations, ensures that the right operational practices are administered properly, and risks (financial and operational) are either mitigated or eliminated completely. Automating the ITAM governance process helps streamline monitoring of stakeholders.



Implementing ITAM: Leveraging a four-step framework

An end-to-end asset lifecycle management, transformation and harvesting framework must adopt a four-step approach (See Figure 2).

Step 1: Leverage the expertise of industry analysts, specialists, service integrators and consultants to create frameworks across governance, technology, data, operations, compliance and other streams.

Step 2: Create a plan for critical aspects such as infrastructure setup, technical architecture, communication, risk management, and PMO.

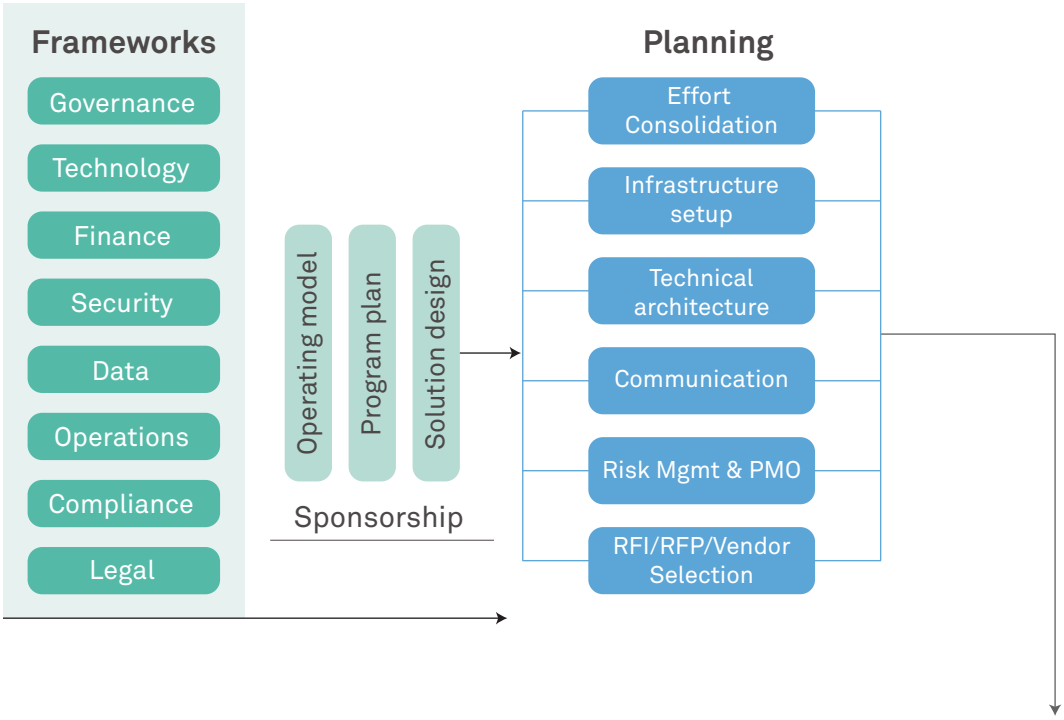
Step 3: Define the operating methodology through gap analysis, ISO/ITL alignment, and automation and integration of workflows.

Step 4: Set up a governance methodology for optimization and continuous improvement.

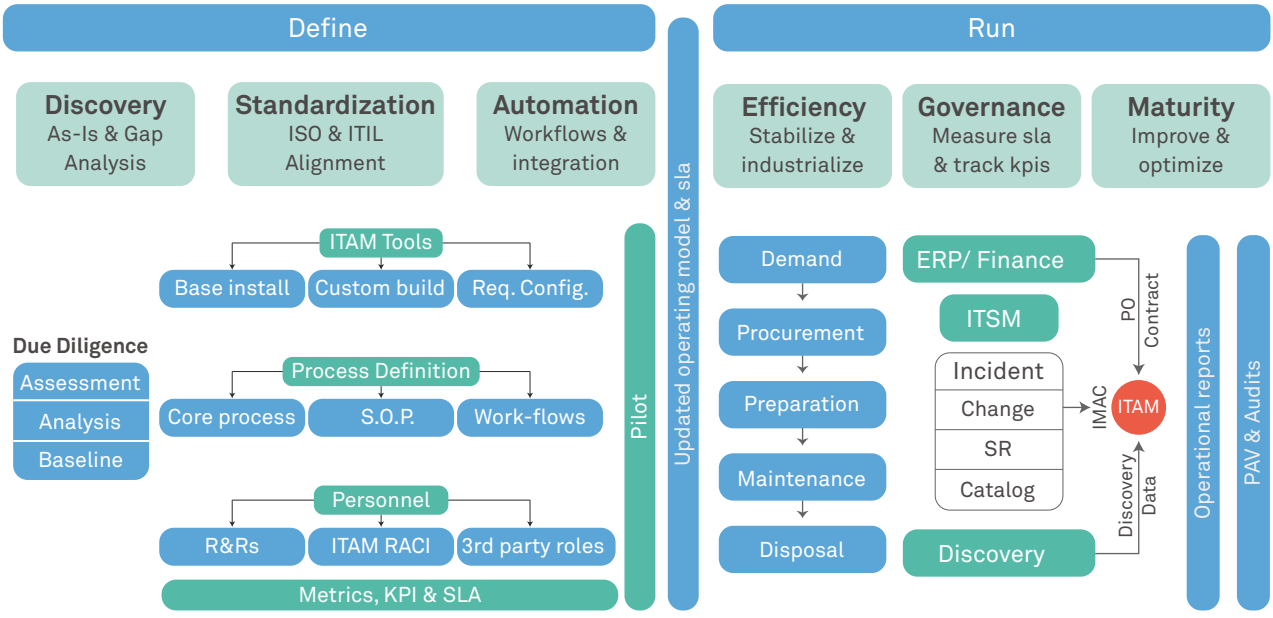
ITAM strategy

Strategy & Design

Inputs from specialists, industry analysts and consultants



Operating methodology



Getting to the sweet spot: Benefits of effective ITAM

Centralizing the ITAM process enables three key benefits for enterprises:tt

Qualitative

- Superior operational efficiency by enabling just-in-time procurement through automated inventory validation for each request. Organizations can take advantage of fluctuating market forces to compress handling and warehouse costs.
- Improved accountability as IMAC requests can be traced back to incidents or changes.
- Higher asset utilization from reduced leakage while a highly accurate asset database (with over 90% accuracy) provides the basis for effective consolidation.

Financial

- Lower TCO and OpEx by eliminating unnecessary expenses on software licenses, penalties, underutilized EOL/EOS hardware and assets, and helpdesk costs.
- Superior financial tracking as enterprises are able to avail volume discounts from software publishers, and claim the right depreciation by retiring assets at the right time. Organizations that practice ITAM report 15% or lower TCO. Greater savings are realized in procurement (160%) and operations (44%).

Compliance

- Reduced risk of non-compliance arising from unauthorized usage of license entitlement that may lead to heavy penalties.
- Mitigated security/financial risk arising from asset disposal process. Globally, there are stringent policies on e-waste disposal and the lack of a controlled process for disposal could lead to governmental penalties and restricted operations.
- Minimized security risk by securing the IT environment from malicious or illegal software, and preventing unintentional usage of executable programs that may carry virus or spyware.

Future-proofing ITAM for the digital age

The fundamental asset management challenge of balancing cost, risk and performance is magnified several fold today, given the speed and scale of digital transformation. The future will see the As-a-Service model take hold in ITAM to enable agility and security, and mitigate compliance challenges in the age of cloud-first strategies.

ITAM will encompass all digitally enabled or connected technologies, irrespective of ownership (cloud, SaaS, PaaS or hybrid) or control (IT, business unit or customer). However, governance of managed ITAM service providers will be a key aspect that can make or break the equation. End-to-end asset lifecycle management, transformation and harvesting, can be advantageous to organizations looking to reimagine ITAM.

About the author

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Atul is an accomplished ITAM professional with more than 14 years of experience in ITAM modernization, process consulting, business development of ITAM services, and ITIL service transition. His expertise spans ITAM/SAM service implementations, ITAM operations, ITAM maturity assessment, ITAM maturity roadmap development. Atul is certified as CSAM (Certified Software Asset Manager), CHAMP (Certified Hardware Asset Management Professional), PRINCE 2 Practitioner, ITIL Intermediate, and MCP.

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