ITAM FORUM

The 5 Key Business Benefits of IT Asset Management

If you're just starting out in
IT Asset Management, are learning more
about ITAM, or perhaps you're beginning
to build a business case for ITAM, one place to
start is to understand the five key
business benefits ITAM delivers.

Historically, ITAM has often been referred to
as the 'bean counters'... the team
that counts computers.

As the reach and business value generated
by ITAM continues to grow, ITAM has started
to move out of the shadows and take
a more centre-stage position.

ITAM is on the move

According to [research conducted by the ITAM Review](#), in 2018, 37% of ITAM practitioners reported directly to the C-suite compared with 17% in 2011.

[Deloitte's IT Asset Management Global Survey 2021](#) reports that at present:

(a) 58% of respondents play an informing role as an advisor to the business up from 19% up to two years ago, and

(b) 23% of respondents play a decision-making role as an advisor to the business up from 15% up to two years ago.

There are several reasons for this change:

- Digital transformation has made IT much more critical to the business, elevating it from the team that purchases and fixes your PC to the function that drives and enables digital transformation and business strategy.

- IT purchasing is no longer done just by the IT and Purchasing departments – in fact, you can now argue that every department is an IT department as every department purchases and uses IT. ITAM's domain has therefore expanded across the business to touch every department and with that comes a wide variety of stakeholders and individuals who can benefit from the knowledge and expertise of an ITAM professional.

- With digital transformation comes increased cyber security and information security challenges. It's therefore paramount for organisations to know what IT assets they have, how they are being used, how they are configured and where each asset is in its lifecycle. At its most basic level, ITAM provides transparency to – and visibility of – an organisation's entire IT asset inventory, bringing much value to an infosecurity team.

[Eric Chiu](#), Managing Director of [FisherITS](#), says all ITAM professionals need to understand the benefits of ITAM and how to articulate them to the business in business language, paying particular attention to what's presented and how it's presented as this has an impact on what the business, and the organisation's C-suite, may think of ITAM.

"At a very high level, in order for ITAM to demonstrate value, ITAM professionals need to work with stakeholders to help them achieve their goals. It's about enabling. Understand what your colleagues' priorities are, how you can enable them, and where you can help the organisation achieve its business value," says Eric.

It's also highly worthwhile to align ITAM with your organisation's corporate strategy to determine how ITAM can help. This may not be as daunting as it first sounds. If you want to get key stakeholders' attention, and your C-suite's attention, you need to know what matters to them and how you can help.

This information may shift the focus of your ITAM activities, but by doing so, you'll build groundswell for ITAM and gain a growing network of individuals who will champion ITAM and the business value ITAM delivers.

And, as every experienced ITAM professional will tell anyone just starting out in ITAM or just starting an ITAM project, don't boil the ocean… instead, take a strategic, targeted approach, leverage tactical opportunities and identify low-hanging fruit that will derive the best ROI, cost avoidance and risk reduction.

The Five Key Business Benefits
of IT Asset Management

01   Business Benefit #1:
Money

02   Business Benefit #2:
Risk

03   Business Benefit #3:
Operational Efficiency

04   Business Benefit #4:
Information Security

05   Business Benefit #5:
Sustainability

01

Business Benefit #1:
Money

"It's always nice to sit in a room and say, hey, I saved $80,000 yesterday, what did you do? Not many people can say that."

Brett Zurbrick, ITAM Forum Trustee

ITAM can help to significantly reduce IT asset spend and drive cost savings, and this can be achieved by keeping the following four 'Rs' top of mind: reconfigure, remove, renegotiate and reuse.

It's often quoted that 30% to 40% of all software, whether it's onsite or in the cloud is wasted. So, removing software that's not being used or redistributing software licenses within your organisation will save money. Plain and simple.

The same goes for hardware. When someone leaves your organisation, partner with HR to put a program in place to return desktop and mobile devices and associated equipment to IT so it can be wiped and repurposed for another colleague's use.

This may sound obvious, perhaps even a 'no brainer', but you would be amazed how often this isn't done and how many organisations don't have a formal process in place to manage this effectively.

Good business sense says we should redistribute IT assets that suit the job in hand and not purchase new hardware, or software, simply because it comes with the latest bells and whistles while sufficient, fit-for-purpose assets sit in a draw, cupboard, or the cloud, collecting dust.

When it comes to renegotiating with your suppliers, you can't do this effectively or efficiently if you don't know exactly what you're using, how it's being used and how it's configured. This puts you at a disadvantage to securing cost savings or effectively leveraging your budget to meet business needs.

01

Case Study

American commercial broadcast television and radio network CBS cut its annual Zoom expenditure by more than 32% by finding, removing and re-harvesting licenses.

James Moy is an ITAM Forum Trustee and Senior-Director Global Technology Vendor & Asset Management at a global media company. In his previous role with CBS, James' Software Asset Management team helped CBS significantly reduce its Zoom license spend.

"We were buying a lot of SaaS products, but our contracts weren't centralised at an enterprise level. We also found haphazard deployments, there were no license re-harvesting rules, and purchasing was often happening via corporate credit cards," said James. "We also found duplicity across multiple function tools such as web conferencing, collaboration and CRM."

James' team set out to take an optimisation approach to reduce the number of tools used with similar functionality. "We had to make decisions based on the business' current and future needs and manage these assets more cost effectively so the organisation gained increased ROI from its technology investments."

"There was much discussion internally, especially with stakeholders because although change is inevitable, people, in general, don't like change. We did receive a little pushback, and some people were sceptical. They didn't believe we could manage this."

"ITAM and SAM professionals are often viewed as 'bean counters,' but that's not an accurate description of what we do or the value we deliver. We see many things in the vendor management space, the procurement space and the lifecycle of hardware and software space that affects the bottom line.

We can save organisations a lot of money. It can be difficult, and it can be challenging; but, it's never a dull moment, that's for sure."

Regarding Zoom specifically, James' team identified and removed un-used pro licenses, switched some colleagues (based on their individual usage patterns) to a basic or free account and established a license re-harvesting and redistribute program. A saving of roughly 32% was achieved.

James said this required a paradigm shift for colleagues as it was no longer about an individual's budget or a department's budget but about the company's budget. His team helps to manage spend on behalf of the company.

James' advice for ITAM professionals looking to do something similar…

"If you're looking to purchase an ITAM tool, due your due diligence. Always do a proof of concept. It's like buying a car. You won't know if it's the car for you until you take it for a test ride and understand how it performs. Also, always think about how you will onboard your contracts into the tool to get the data you need and how you will get your entitlement data into the tool to do its job when it discovers your SaaS usage. And, if your goal is to save money, you need to make sure you have integration with your accounts payable system and your expense system."

02

Business Benefit #2:
Risk

"ITAM is no longer optional. It's mandatory. It's necessary to fully understand investments in technology, the corresponding risks, the extent to which those risks have been mitigated or not and ultimately, to be able to demonstrate the value of those investments. The bottom line is that time is your enemy. The longer you wait or delay, the bigger the problem gets and the more costly the lost opportunity is to reduce cost and risk."

Sherry Irwin, ITAM Forum Trustee

There are many areas of risk to consider when it comes to IT assets, including: legal/contractual, regulatory, security, operational, reputational, etc.

An organisation never buys software and owns it. It buys the right (a license) to use it, and that comes with terms and conditions. Typically, you're in a contract with the software publisher, and if you breach that contract, you're adding risk to your business. License compliance from software publishers is often how ITAM activities start, and many associate the cost-savings or cost mitigations that an ITAM program can deliver as the main business benefit of ITAM.

Eric Chiu recommends that ITAM teams should analyse their IT estate to understand where the risks and rewards are present and then to target their efforts to mitigate risk or to optimise their IT investments. "The end goal is to protect against risk and align investments to business requirements, whilst supporting internal IT services and major transformational programmes."

Eric also says that CIOs, for example, are primarily interested in avoiding large, unbudgeted spend that can come with audit redress, which is why addressing compliance issues is so important.

02

Sherry Irwin recommends that, as part of the ITAM toolkit, organizations should have a 'license compliance audit response plan' of pre-defined and approved activities to be undertaken upon receiving an audit request from an external party. An established plan facilitates an appropriate and efficient response, with minimal risk (financial, legal, operational, reputation) and minimal disruption to the organization.

The plan should include, for example:

- Roles and responsibilities in responding to the audit request and conducting the audit.
- Negotiating a detailed audit agreement (with more specificity that may be in the license agreement, including limits on applicable fees based on audit results).
- A communications plan – with the requesting organization and internally. Who communicates what, how, when?
- Identification of data requirements and sources: software as acquired (license entitlements), installed and used.

(Ideally using the organization's license entitlement data.)

Finally, the plan should be updated after every major audit based on lessons learned from that experience. Much of the plan can also be used for internal self-audits, which should be conducted regularly for major software portfolios.

Depending on which sector you work in, or what country you work in, there may be regulatory risks associated with the use of a particular IT asset. For example, if you work in banking or finance, regulators may prevent you from actually operating if they deem you to be reckless with your use of a particular asset.

When it comes to legal risks, for example, you can't dispose of IT equipment any way you would like. There are legal and environment requirements for how to end-of-life an IT asset. There is also copyright law that protects IT assets.

02

Case Study

Rachel Ryan is an ITAM Forum Trustee and the First Vice President – Global Head of IT Asset Management at Danske Bank. She is responsible for Danske Banks' IT assets, including software and hardware globally, providing a focal point for all of the bank's asset management activity.

For Rachel, ITAM isn't just about license compliance. It's also about managing security risks and adhering to banking regulations, which require banks to ensure they are in control of their assets.

Rachel has been successful with transforming – within two years – the bank's ITAM function from a reactive organisation to a dynamic, strategic and forward-thinking one that plays a key role in the bank's transformation agenda. She did this in part by complementing the existing team with senior team members – with industry experience working with major software vendors – while also upskilling and developing other team members.

"When we completed our first large vendor renewal, we were able to secure significant savings, so we really added value and consequently, became strategic partners in every conversation," said Rachel.

Her team started to work with stakeholders helping them to optimise their software estate and ensure cost efficiency (such as Procurement on all new requests and renewals). Because of the team's achievements during its first year, it was asked to also take on the governance of hardware asset management.

"We now work with so many different teams and recently ran education sessions for product owners and application owners on topics such as software license compliance and renewals. We've also inputted into a 'risk owners guide' for product owners in the business tribes on how to manage their risks and how to engage with us for help."

Rachel's team also works closely with the Security team, as this includes IT Business Risk and Controls (all the controls you need to have in place to manage risk for IT), and Vulnerability Management to secure all software that is end of life or out of support.

"Along with creating value around an optimised estate with true cost saving and avoidance, our department is in control of the risks associated with IT assets, which is so important as we work with external regulations and need to meet our obligations to operate as a bank."

"We recently completed a full maturity assessment of our process from an external specialist and came out best in class, a great achievement. The ITAM team has now doubled in size, expanded its responsibilities and moved up a level in the organisation."

03 Business Benefit #3:
Operational Efficiency

Remember, IT Asset Management is about:

- knowing what IT assets your organisation needs now, and in the future, to support its strategic direction
- understanding what IT assets your organisation has now, what it has already purchased/licensed and how to optimise each for business benefit
- managing current and future IT assets through their entire lifecycle so the organisation can gain the most value and benefit from each while also mitigating possible risks

To those ends, ITAM teams are keepers of valuable IT data and data that can be used to:

- facilitate more efficient and effective decision making
- better support users and stakeholders
- help teams be more agile
- enable teams to move faster
- support teams to more quickly respond to business requirements
- identify cost savings
- find and mitigate potential risks

This data can also help to determine how to optimise assets to gain the most output. This is about securing the right resources and allocating them appropriately to those who need them…increasing the output per resource…and therefore, increasing efficiencies. Less in and more out.

If ITAM professionals take IT asset data, produce valuable reports, and share this information with key stakeholders across their organisation (CMDB, Procurement, Enterprise Architecture, projects, Finance, etc.) as 'one single truth', this will support teams, bring value to the organisation and help the organisation make smarter decisions.

Joe the IT Guy offers some good examples of hardware ITAM metrics, software ITAM metrics and operational ITAM metrics within this post.

In a recent ITAM Review webinar, AJ Witt noted, if stakeholders are doing their own discovery using multiple tools, you'll end up with multiple perspectives and multiple versions of the truth and data that is inefficient, inaccurate and untrustworthy. You're the hero. You have all this data. You can help stakeholders achieve their aims.

Tim Jesser from ITAM Forum Patron Snow Software, who joined AJ on the webinar, concurred that the SAM group and the ITAM group tend to be the groups that have the best view, especially if they have a pretty-developed practice and offering and processes, of what's being used form a hardware and software and person perspective, and other groups can really benefit from that. Said Tim, "Who is the person consuming this? Who could benefit from this normalised, cleaned, holistic view of data? Well, Finance could. Regulatory could certainly. Enterprise Architecture could. ITSM groups could. The value of that data and the value of that data to these other gropus can be really powerful."

03

James Moy's case study provides a good example of cost savings and operational efficiency. His team took an optimisation approach to:

- reduce the number of tools being used with similar functionality
- make the right tool decisions based on the business' current and future needs
- manage these assets in a more cost-effective way so the organisation gained increased ROI from its technology investments

Again, less in, more out.

ITAM Forum Trustee Sherry Irwin recently wrote about how the pandemic is forcing many organisations to rapidly source and implement new IT assets to, for example, transition workforces to remote working and customers to online services. She posits that during this time, standard 'due diligence' processes may have been bypassed, or partially bypassed.

So, now is the time for ITAM professionals to work with their stakeholders, Procurement and Finance teams to review any recent IT asset purchases to identify and rectify non-necessary commitments and/or risks that might be present.

04 Business Benefit #4:
Information Security

"If you asked 100 CIOs what their top five priorities are, you're likely not to see ITAM on that list. That said, those same CIOs are probably going to list things like cost reduction or information security both of which cannot really be effectively achieved without ITAM."

Ron Brill, ITAM Forum Trustee and Vice Chair (from ITAM Forum Patron Anglepoint)

Historically, ITAM and Information Security have enjoyed limited cooperation and integration. This isn't necessarily due to lack of interest but because the mutual benefits in doing so haven't been known.

As more and more businesses embrace digital transformation and as more and more employees and consumers embrace the opportunities digital transformation initiatives bring, the prevalence and significance of cybersecurity will continue to increase. Now, more than ever, it's necessary for ITAM and Infosec to work together.

Once you know what you have, how it's being used, how it's configured and where a particular asset is in its lifecycle – the backbone of ITAM – you're in a position to bring value to an information security team. As the saying goes, you cannot manage what you don't know you have. This is why ITAM is so incredibly important. At its most basic level, it provides transparency to and visibility of an organisation's entire IT asset inventory.

By having this 'one single truth', ITAM can help bring visibility and control to potential infosecurity exposures, such as securing all software that is out of license and support, helping to prevent exposures from happening and/or significantly mitigating their impact.

ITAM can also help to verify the authenticity of hardware and software assets to make sure they are what they claim to be and help to provide business intelligence to support business continuity planning.

As George Arezina, a global ITAM leader for an international news and data organisation, said, "From a security standpoint, a software asset management team helps the risk management organization identify and counter potential threats by ensuring that end-of-life products get decommissioned and that product updates and security patches are applied in a timely way."

Yvette Matthews from ITAM Forum Patron ITS Partners concurs, "An organisation that has removed Java for security reasons, for example, may no longer follow up on Java vulnerabilities, but a good software asset management practice will help identify teams or individuals that have re-introduced Java into the organisation."

Yvette also agrees that a mature disposal practice will ensure hardware and software are removed from the environment once they are past their manageable life, greatly reducing unmanageable risk. "For example, a model of laptop is retired and fully removed before the vendor ends upgrade support. Without this program, some devices may remain in use or stored, and when returned to the network, they pose a threat that cannot be mitigated."

The following are key areas, ITAM can contribute value to IT security:

- Asset Purchase: ITAM teams should work closely with Procurement and department team leads with asset purchase authority to help with all asset requests, ensuring nothing is purchased that doesn't need to be and that only fully-reviewed and approved assets are purchased.
- Asset Lifecycle: ITAM can track an asset's full lifecycle and ensure software updates, upgrades and patches are installed in a timely manner. They can also help IT teams develop employee-focused security training, guidance and 'dos and don'ts' documentation.
- Asset Disposal: If an asset is determined to no longer be of value, or if it can be reused or reconfigured for another purpose, ITAM can help to ensure the asset is 'wiped', any data associated with it is sanitised, it is removed from its original use and either destroyed according to environmental disposal guidelines or embarks appropriately on a new, tracked and managed lifecycle.

05 Business Benefit #5: Sustainability

"In recent years, there has been a greater emphasis on environmental, social and governance (ESG) programs. Organizations with ESG programs seek to incorporate these principles into the core of their culture and the way they operate on a daily basis. Here's the good news: organizations don't need to make any trade-offs. They can do both the right thing for the environment and the right thing for business."

Brooks Hoffman, ITAM Forum Trustee (from ITAM Forum Patron Iron Mountain)

The fifth key business benefit of ITAM is its role in helping organisations to reduce their environmental impact.

The choices we make in IT hardware, software and cloud services have an impact on the environment in terms of energy consumption and sustainability. And, for example, if you consider the extraction of certain resources needed to manufacture IT equipment, IT has a large impact on the environment.

ITAM helps organisations to understand what hardware and software it has, how these assets are used and how they are configured, which in turn, helps organisations to reuse, recycle and reconfigure assets, reducing future IT purchases and how much is purchased. ITAM teams can also help organisations make smarter decisions when selecting sustainable partners and suppliers and IT asset disposition (ITAD) providers when it comes to an IT asset's end-of-life.

In a recent webinar with AJ Witt from the ITAM Review, AJ shared some eye-opening statistics:

- Each new laptop consumes approximately 316kg CO_2 emissions
- 1,200 kg of resources – the weight of a small family car – goes into every laptop. This comes from extracting metals from the ground, refining the metals needed to build the laptop, extracting the plastics from oil and gas, etc.
- 190,000 litres of water – the annual household consumption for a family of four – is needed for each new laptop due to extraction, refining and production.

05

Yes, of course you can recycle a laptop when it's no longer needed or fit-for-purpose, but for an organisation to more greatly reduce its environmental impact when it comes to IT, it should reduce its total number of IT purchases and review the carbon emissions from the data centres where its cloud workload is placed.

So, from an ITAM perspective, it is key to think before you buy a new asset or end-of-life an existing asset:

- Do you really need it?
- Would an existing tool suffice?
- What is the expected lifecycle of the new asset?
- What is the total cost of ownership, including the environmental costs of buying that new asset?
- How repairable is it? Are parts available? Can its parts be used in other models or devices?
- Can you source the item from a secondary market?
- Can you leverage the help of an ITAD provider?
- Can you donate the asset to an organisation who needs it?
- Do you redeploy software and hardware assets as people leave the organisation or no longer need them?

If this perhaps sounds like it's not easy, or maybe too much work, sustainability is a growing corporate objective and one that ITAM professionals can align to, raising the business value they deliver to their organisations and as a consequence, raise their profile and gain supporters who will champion their efforts.

In July 2020, the G&A Institute announced that 90% of the S&P 500 published corporate sustainability reports in 2019, up from 20% for publication year 2011.

Also, results from Deloitte's Shifting sands: Are consumers still embracing sustainability? study show that almost a third of consumers claim to no longer buy particular brands or products due to ethical or sustainability concerns. Why does this matter…because these individuals are an organisation's customers, employees, partners, etc.

About the ITAM Forum

The ITAM Forum is a global trade body for the advancement of the IT Asset Management industry. We are a not-for-profit membership organisation, led by ITAM professionals for ITAM professionals. Our members are passionate about IT Asset Management and the business value it brings to companies regardless of size and industry.

The ITAM Forum has two primary objectives:

1. To elevate the position of ITAM by sharing knowledge and best practices that focus on business value and aid to grow the profession.

2. To create – and be a caretaker of – the new ISO 19770 standard certification program so organisations can demonstrate the quality of their ITAM practices.

itamf.org