

WHAT IS IT ASSET MANAGEMENT?

AN IAITAM WHITE PAPER



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Look around any workplace and you see Information Technology (IT) assets. If you are working in an average office environment, you probably have a computer monitor with a CPU at your desk along with a smartphone and VoIP telephone. A short distance away is a networked printer, copiers, scanners, fax machine and servers. This is the IT equipment that handles a majority of the work executed daily for the organization. The importance of this equipment is taken for granted, and the management of it underestimated and misunderstood. The reality is that this equipment fuels the organization and represents a major investment of the organization.

The management of these assets in a way that maximizes their value to the organization is IT Asset Management (ITAM), combined with the roles that develop and implement the program to achieve the program's mission. IT Asset Managers are the professionals that take on the responsibility for managing the electronic assets that have sufficient risk and value to warrant management beyond normal supply chain procedures. Software Asset Managers specialize in the unique complexities for managing the compliance and usage of software. Hardware Asset Managers focus on the management of the physical equipment beyond the technical and logistical aspects.

IT Asset Management (ITAM) is a set of business practices that incorporates IT assets across the business units within the organization. IT Asset Management joins the financial, inventory and contractual responsibilities to manage the overall life cycle including tactical and strategic decision making. Across every organization type and size, ITAM delivers service to everyone in the organization to facilitate current and future business operations. The mission of the IT Asset Manager is to maximize benefits while minimizing risks from IT assets in their organization.

These business practices work. The United States Marine Corps' Don Brookins, who recently became a Certified IT Asset Management (CITAM), shared that, "Since my completion of the CITAM training and certification course I have been able to save the United States Marine Corps over \$1.2 million

dollars from incorporating the knowledge I was able to bring back from the CITAM course.”

IT Asset Management succeeds because of a strong focus and on policies, processes, outcomes, roles and goals. Implementing best practices happens over time, taking advantage of the strengths of the organization and shoring up the weaknesses. The roadmap includes short and long term goals that are ultimately driven by the goals of IT, other business units and the organization itself. Since the goals are varied and the processes involve individuals from different departments, a program structure implemented as a core competency is recommended for ITAM.

An ITAM program defines the mission, overall strategies, objectives, measurements and prioritization for IT Asset Management actions within an organization. The ITAM program creates a centralized place to define implementation, measurement and process improvement.

Making the Most of Existing Processes, Systems and Policies

IT assets cause conflict because although they are critical to the work, they remain difficult to control and very expensive. Organizations without the added discipline and visibility offered by ITAM are often frustrated by the communication gaps that allow assets to be lost, acquisitions made when spares are in the warehouse, or upgrades that fail due to incomplete information. Non-ITAM existing processes, systems and efforts just don't seem to be enough and executives begin to doubt the organization's ability to manage the diverse and mobile portfolio of IT assets.

An example of the impact ITAM brings to the organization's business activities comes from Sherri Cart, CSAM, a member of VeriSign, Inc.'s Asset Lifecycle Management team. While working on divesting non-core business units, Cart explained that the hard work paid off with “our team...saving the company \$8.3M in maintenance and support costs for both hardware and software for a period of one year. Our understanding of software contracts terms and conditions as well as software licenses types aided us in transferring existing contracts, licenses and hardware assets while ensuring that we stay within our entitlements.”

IT Asset Management closes the gaps through a service perspective built on processes and policies. Since ITAM is focused on value, coordinating and improving existing processes is step one in adopting an ITAM program. Systems, data and resources are assessed and reasonable actions are taken to incorporate best practices. Each project closes gaps and uncovers savings opportunities.

An Acquisition Example

Think about the processes, roles and policies that currently govern (or should govern) the acquisition of IT assets. There are specific tasks that must happen in the correct sequence in order to make the correct decision about an acquisition and obtaining it at the right price. Some of the roles involved in the processes for an IT asset acquisition include:

- ⇒ Acquisition Manager
- ⇒ Stakeholder
- ⇒ Receiver

- ⇒ Technical Personnel
- ⇒ Financial Manager

ITAM best practices define and communicate between and about these roles, eliminating misunderstandings, time lost and performance roadblocks.

The processes and systems of acquisition include:

- ⇒ Request and approval, which includes application of standards, redeployment and initiating a purchase if appropriate
- ⇒ Vendor relationships, existing contracts and new opportunities
- ⇒ Acquisition, with formal selection processes, contract negotiations and contracts execution
- ⇒ Receipt, initiating payment of invoice and creating an incident to configure and deliver to the correct individual/location/department

This complexity may be part of any acquisition, but the special knowledge it takes to manage expensive, critical and highly mobile IT assets justifies the extra discipline of IT Asset Management. This special knowledge does not end with technical experience, vendor relationship experience or contracts knowledge. It requires them all.

As with any directive within the organization, ITAM processes require support from executive management. The organization's policies are one way that senior management clarifies the responsibilities for every employee. For example, the following policies provide guidance during acquisition:

- ⇒ Expense policy, clarifying how IT assets may be acquired
- ⇒ Privacy policy, identifying the assets belong to the organization without expectation of privacy
- ⇒ Security policy, highlighting data security, confidentiality, loss and theft prevention

Acquisition processes require ongoing management supported through policies and backed by measurements. Measurement requires data and the ability to interpret beyond the silos of individual process steps. Examples of measurements include customer satisfaction, the vendor's compliance to the contract, usage and strategic impact.

IT Asset Management provides the transparency to build a portfolio of value-maximized assets beyond what ordinary supply chain processes can deliver due to the unique complexity of these assets.

Goals Drive IT Asset Decisions

The customers for IT Asset Management are everyone within the organization. That means that each department's goals influence what ITAM does. An effective ITAM program unifies departments to work collectively towards organizational goals AND incorporates departmental goals. This business viewpoint is the missing link between IT and user departments. ITAM bridges the gap between technology requirements and business needs.

Examples of goals are:

- ⇒ Gaining the most value from expenditures
- ⇒ Strategic planning for system and application upgrades
- ⇒ Reducing risk of data loss or breach
- ⇒ Disposing of assets in a cost effective manner that secures data and meets recycling goals

IT Asset Management professionals help reduce risk, improve accountability, streamline performance and uncover savings, leading to a reasonable

expectation of savings and control over the inventory. The ability to plan and make better informed decisions are deliverables of ITAM, offering practical improvements such as homogeneity in the environment and financial predictability.



What Assets Benefit from the Discipline of ITAM?

Balancing risk and value against the cost of management, an ITAM program includes different types of IT assets at varying levels of management. The following list identifies commonly managed IT assets in categories:

- ⇒ Hardware (physical components such as desktop computers, monitors, servers)
- ⇒ Software (applications, operating systems, databases)
- ⇒ Mobile (laptops, smart phones, tablets/pads)

The decision is made that goals such as governance requirements, risk reduction and savings make these assets ideal candidates for managing for maximum value. For instance, distributed hardware can be managed so that visibility into the inventory is maintained. Deciding what level of hardware in the system is a decision process such as: is the cost or risk of loss with a USB cable, a tablet or a mouse sufficient to require tracking? Server, mid-range and mainframe computers are frequently managed because of the risks associated with their mission-critical performance and data security.

Software empowers the organization but also brings significant risk, particularly with the uphill battle to use software according to copyright laws and the terms of the license. Consider the following statements about software and compliance:

- ⇒ Maintaining compliance requires an accurate inventory, historical documentation and the ability to produce these items on an ongoing basis
- ⇒ Over-purchasing software licenses is a common occurrence in organizations without ITAM programs, wasting money on unnecessary licenses and overwhelming less robust

management strategies

- ⇒ Software that is not used after acquisition is most likely still incurring expense from maintenance and can be an issue during future negotiations with the vendor

Software Asset Management

Software Asset Management is more than license compliance and includes a broad array of processes to maximize the value of the investment in software. For most organizations, the investment is significant and the discipline that Software Asset Management brings delivers results.

Cart also states that “working with stakeholders and performing internal audits on a regular basis will help spread the awareness and importance of staying within compliance with vendors and contracts.”

Some of the important action points across all goals for Software Asset Management (SAM) include:

- ⇒ Software inventory
- ⇒ Periodic self-audits
- ⇒ Documentation
- ⇒ Harvesting / Redeployment

Inventory management is essential to compliance but also critical to software negotiations, disaster recovery planning and strategic planning. Self-audits identify risks to data security, process flaws and policy issues. Documentation includes Proof of Purchases (POP), Certificates of Authenticity (COA), licenses and other legal documents that prove the right to use the software. Software harvesting and redeployment utilize assets to their full potential, attaining maximum value from the investment.

Hardware Asset Management

Hardware Asset Management carries many of the same responsibilities as SAM, but focuses on managing the physical components of the IT assets such as desktop computers, monitors, servers, networks, laptop computers and other mobile devices. The management of hardware assets includes the complete asset lifecycle, from need through disposal, although services teams often



execute the lifecycle processes while the Hardware Asset Manager gathers the data and a broader set of financial and contractual information about the assets. The scope of Hardware Asset Management is broader than the finance department, extending beyond capitalized assets to all assets of a type. Assets may also be leased, with special financial and logistical issues that require Hardware Asset Management services. Another IAITAM Member wrote a similar success with Hardware Asset Management as he did with Software Asset Management as he, "...saved \$2M in 18 months by implementing better PC leasing strategies [such as] negotiated better leasing terms [and] reduced past-due lease times from 7 months to zero."

Hardware management is also essential to Software Asset Management, with hardware inventories a requirement during a software audit. Some of the important action points across all goals for Hardware Asset Management include:

- ⇒ Asset identification
- ⇒ Inventory
- ⇒ Redeployment
- ⇒ Disposal planning

Asset identification, such as a bar code tag or Radio Frequency Identification device (RFID), is an important step in inventory management, financial management and ultimately in disposal management. Redeployment, an important ROI tool, cannot be done without logistical and inventory management. Examples of savings from redeployment include:

- ⇒ Permits continued use of leased hardware assets prior to lease termination
- ⇒ Eliminates the purchase of new hardware
- ⇒ Speeds delivery to end user as redeployment is generally faster than ordering and receiving new assets

Disposal planning begins at the time of acquisition since disposal issues can infuse additional costs into the process that impact the asset's ROI. Disposal planning helps maximize value and protect data security while reducing the risks of recycling issues.

Why IT Asset Management is Necessary

An IT Asset Management program allows maximum benefit from IT assets, with the lowest cost, while reducing financial and compliance risks. The ITAM repository is the collection of data about the financial, inventory and contractual aspects of IT assets for analysis and reporting over time.

Without a functional ITAM program, the accounting for assets is often restricted to a *one-time* cost approach, virtually eliminating managing assets based on Return on Investment (ROI) or Total Cost of Ownership (TCO) and entirely eliminating any lifecycle analysis.

ITAM delivers long term value, back up by Cart's experience that "...our team has shown management how ITAM can have a positive impact on business," and "performs monthly asset audits at a 95% accuracy rate surpassing [the current] Service Level Agreement (SLA)."



Long term value from ITAM best practices includes:

- ⇒ Overall cost reduction
- ⇒ Increased control over IT assets
- ⇒ Improved software compliance
- ⇒ Better customer service such as preparing for new hires before that person reports to work
- ⇒ Improved communications and understanding between IT and other departments
- ⇒ Reduced governance risks from legislated requirements
- ⇒ Increased support for security and disaster recovery preparedness
- ⇒ Improved budgeting and other strategic decision making processes

IT Asset Management is an investment that provides substantial and measurable benefits for short, medium, and long-term needs and goals. Trained IT Asset Management professionals have the ability to introduce best practices that deliver real value to the organization, whether facing a software audit or preparing for a merger.

ABOUT IAITAM

The International Association of Information Technology Asset Managers, Inc. ("IAITAM") is the professional association for individuals and organizations involved in any aspect of IT Asset Management ("ITAM"), Software Asset Management ("SAM"), Hardware Asset Management, and the lifecycle processes supporting IT Asset Management in organizations of every size and industry across the globe.

After years of discussion, consulting engagements, process improvement studies and research back as far as 1998, IAITAM officially incorporated in March of 2002. The organization's concept came about when this small group of software and hardware asset managers began meeting to discuss the need for a centralized organization devoted to expanding and codifying information and knowledge within the IT, Hardware and Software Asset Management fields. The outcome of these initial discussions was to add structure and recognition to the newly created profession of IT Asset Manager within the enterprise, which included items such as:

- ⇒ The development of advanced training programs and industry accepted certifications to build formal expertise and gain professional recognition
- ⇒ There was a definite need to obtain access to unbiased answers to specific questions through a neutral industry advocate
- ⇒ Professionals needed to have a secure area to frankly discuss mission critical issues within the IT Asset field with other IT Asset Managers
- ⇒ There was and still remains a definite need to educate executive management regarding the benefits of an Asset Management program and acquiring and retaining trained expertise in the field of IT Asset Management and program implementation

Until the formation of IAITAM, the IT industry as a whole had not recognized the value of accurately monitoring IT assets and consequently suffered from over-investment and under-utilized IT assets and the resulting lack of control and inflated budgets. Throughout IAITAM's history, we have striven to support the IT Asset Management profession through expert training and advice as well as lead the profession down a path of best practice to enhance the business drivers of ROI, efficiency, risk avoidance and professional development for the practitioner, resulting in value for their organizations.

IAITAM's Mission Statement

IAITAM's mission is to be the principle, non-biased resource for comprehensive IT Asset Management best practices worldwide, enabling practitioners and industry professionals to achieve continuous success through ongoing education, certifications and networking as well as providing information pathways for knowledge enrichment and professional growth within ITAM.



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