Getting Started With IT Asset Management

By InvGate, January 2018

Introduction

Sometimes IT professionals can focus too much on "the next big thing" rather than on getting "the basics" right; and, believe it or not, IT asset management (ITAM) is one of those "basics."

ITAM is the foundation of any effective IT organization and IT service management (ITSM) – it can act as the catalyst for incident, problem, change, and configuration management. As well as potentially saving companies thousands in licensing fees and helping to prevent a "zombie server apocalypse" (there's more on this later).

In this whitepaper, there's advice on:

1. What ITAM is
2. The Benefits of ITAM
3. Sowing the seeds for ITAM
4. How to make an ITAM business bulletproof
5. Progressing your business case to go-live following approval

Please read on for more information.

1. What's ITAM?

According to Wikipedia, ITAM is:

> *"The set of business practices that join financial, contractual and inventory functions to support life cycle management and strategic decision making for the IT environment. Assets include all elements of software and hardware that are found in the business environment."*

In short, and in simpler English, ITAM is the people, processes, and tools that are put in place to manage, control, and protect all IT assets in an organization over time.

ITAM should be a key part of an IT organization's strategy. By gathering information about the hardware and software that make up IT services, ITAM can be used as a decision-making tool regarding hardware and software use, purchases, and redistribution.

ITAM also helps organizations to manage their IT estates more efficiently – by knowing what makes up an organization's key services, time and money is saved through avoiding duplicate or unnecessary asset purchases and ensuring that software licenses are reused ("reharvested") where appropriate. This not only drives efficiency, because an effective ITAM function can mitigate risk in terms of fines and sanctions relating to being under-licensed and provide valuable support in software audits.

2. The Benefits of ITAM

ITAM isn't just a tool, nor is it just a set of processes – it's a business capability. Having an effective ITAM function will give your company the following benefits and more:

COST SAVINGS

By knowing what "makes up" your IT services, nothing is lost or "missed." Meaning that hardware and licenses can be reused, duplicate purchases can be avoided, and the organization is in a stronger position when negotiating new contracts with suppliers. ITAM provides visibility and control of your IT assets throughout the entire asset lifecycle – from request to disposal – making it possible to optimize asset use, drive down costs, and ensure that the business gets better value from its financial investment in IT.

Want proof of there being an issue with asset visibility and control? In late-2015, the Wall Street Journal stated that so-called zombie servers, or servers where no one knows what they're for (or even if they're still needed), had hit epidemic levels. One estimate put the level of zombie servers at over 10 million worldwide, using up power roughly equal to eight large power plants in total.

Then of course there's the "opportunity cost" of not reusing this underused hardware and software elsewhere. Plus, your organization might be paying ongoing maintenance on software that is no longer needed or for cloud services that could just be ceased.

RISK MITIGATION

Modern business is filled with risk, plus there's also the need to be compliant – both internally and externally, and in both regulatory and contractual ways.

Having ITAM people, processes, and tools in place means that your company can reduce, or mitigate, certain risks. For instance, it could be the risks associated with understanding the age of your hardware estate and missing the fact that the business is exposed through the risk of equipment failure and the effect it would have on revenues, reputation, and customer retention. In some industries, the risk could be regulatory too.

However, much of the risk management associated with ITAM relates to software licensing – the risk of being under-licensed, including financial fines, reputational damage, and the possibility of prison terms for key business personnel. There's also the risk of the additional work needed to manage the fallout of a failed software audit.

INCREASED EFFICIENCY AND EFFECTIVENESS

Having control of your IT estate makes for better decision making and a better bottom line. You're able to base decisions on what you know you have, rather than what you think you have, as well as being able to factor in costs based on the entire lifecycle of an asset rather than just the ticket price.

Having ITAM in place also makes for a more stable production environment. Think about it, if you know what you have, you are able to know how it fits together and what the critical dependencies are. It will also provide key information in managing a major incident (prioritizing where the support effort needs to be) and change management (ensuring that the business impact is captured and the correct users are notified).

INCREASED CUSTOMER SATISFACTION

By "doing" ITAM, your company is making a very clear commitment to quality. It's saying to end users and customers "We care about you, your assets, the level of service we're providing, and our compliance to regulatory requirements and standards."

By having ITAM in place, incident management and request fulfillment processes are more effective – requests can be processed more efficiently and it's easier to trace an incident or request against an asset. Giving greater transparency and visibility, as well as the potential for improved knowledge management. All leading to a better quality of service and improved customer satisfaction.

3. Sowing the Seeds for ITAM

ITAM isn't something that happens overnight – you need to have a plan, a solid business case, and a very clear scope. But before you even get to that, you can still look for quick wins.

Start by understanding what's already being done by your IT service desk and support teams. The chances are that every time a person rings up the service desk to log a ticket, that person is asked to confirm their details against an asset tag to ensure that the service desk records of who's using what equipment are up to date. It might not be perfect, but you have the beginnings of an asset register with the details of your user base and their most frequently used applications which gives you a solid base to start from.

Another approach is to talk with your tech support teams. They install most new hardware and software, and provide ongoing support. So, they're probably the ones with the records, maintenance contracts, or license certificates. Documents might be crammed in a desk drawer, and all but forgotten about, but it's a place to start from a documentation and proof of license standpoint.

A final thing to try from a soft ITAM launch, or quick win, perspective is to talk to your procurement (or finance) teams. If all purchase requests are handled centrally, you'll have a record of most, if not all, hardware and software that's been requested and bought. So, you can get a real handle on the extent of your IT asset estate.

The main thing is to just do something. Seriously, it's that easy. The small steps outlined above won't change the world, but they will give you a place to start if you're overwhelmed by the scope of ITAM. And by doing them, you will already have a small database of asset information and a central place where proof of license, maintenance contracts, and ongoing warranties are stored.

4. Creating the Business Case for ITAM

Creating a business case for ITAM, i.e. the decision-making tool that aligns the case for ITAM to business outcomes and requirements, is the best way to succeed with an ITAM initiative. Not only in terms of justifying any investments but also in agreeing the ITAM scope and the metrics used to establish success.

An ITAM business case is no different to any other business case, and will have the best of success – and then for initiative success – if it includes the following sections:

- Sponsorship
- Business objectives
- Scope
- Costings
- Benefits (both tangible and intangible)
- Recommended approach
- Outline proposal for a project plan

SPONSORSHIP (AND SUPPORT)

You can't do ITAM on your own. Good ITAM is everyone's responsibility, plus it might need funds to start with before it can then save more than it costs. So, your ITAM initiative ideally needs to be "championed" from the outset.

To have the best possible chance of success, you'll need to have support from across the organization. Firstly, you'll need to have support from senior management, ideally someone who can make your case at board level. Having such senior management support means, rightly or wrongly, that your case will be taken more seriously because of the level of seniority involved.

If you have a recent "own goal," such as an adverse finding in a licensing audit or an embarrassing major incident caused by lack of asset management, then so much the better. As nothing adds a sense of gravitas to a business case than being at the sharp end of a recent (and possibly public) failure.

While senior management support is important, so is the support of your colleagues in the service desk, procurement, and tech support teams. As they'll be the ones involved with your ITAM policies and practices on a day-to-day basis. So, try to involve them early on in the process and continue to bring them along with you. It's so much better than presenting them with a "done deal." Plus, if they feel like they've been included in the decision-making process, then they're more likely to buy into your solution and to champion it going forward.

The final set of people that you'll need support from is your end user community. As already mentioned, ITAM is everyone's responsibility – so you'll need to make the process for requesting software as easy and painless as possible. The key message here is empowering your users rather than making them feel limited, so if it's currently like pulling teeth, improving access to software could be your first quick win.

BUSINESS OBJECTIVES

The case for ITAM needs to be aligned to current and future business objectives. If you present a business case that's tech-driven, and doesn't communicate positive business outcomes, then it will fail because no one will be able to understand it let alone buy-in to it.

Some examples business objectives include:

- Improved audit performance, with a reduction in, or the elimination, of adverse findings
- Ensuring that the correct level of software licensing in place – saving money and/or ensuring compliance
- Optimizing the use of IT assets, with the associated financial savings
- Having a better negotiation position at contract renewal time (financial savings again)
- Being better placed for business and/or IT transformation – asset procurement models that map to current and future business needs will support upgrade and migration planning
- A more secure IT estate – as only appropriate, virus-free software can be installed in the production environment.
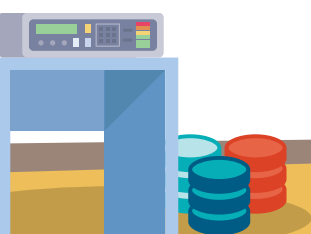
SCOPE (AND PRIORITY)

For most organizations, ITAM is too big an initiative to take a big bang approach. So, instead you will need to prioritize your efforts and the areas to be targeted.

At the business case stage of any ITAM project, look for quick wins to demonstrate the fastest, most effective return on investment (ROI). Also, focus on your biggest areas of exposure. This might be your software "big hitters" such as Microsoft, Oracle, and Adobe – then prioritizing initial ITAM activity based on the risk to the overall organization. Another approach is to look at the areas that cause the business the most pain. For instance, if you have an open asset-related item on your risk register, attack that first and get the environment mapped out.

The key thing is to make sure that your ITAM scope is clearly defined from the outset, because ITAM is something that can be very prone to scope creep.

COSTINGS

ITAM costs are not just about the tool and what it costs. It's also about the underpinning processes as well as the people needed to run them – these will cost too.

Your ITAM project is absolutely dependent on people – even with a solid ITAM tool, and unless you have the right people your ITAM project is likely to be a failure. So, ensure that you budget for, and can recruit/train, enough people to run the processes involved.

Finally, process creation will also incur costs. Whether it's done in house or via third parties who can offer a quicker, and potentially better, solution.

BENEFITS

The high-level benefits of ITAM have already been touched on but, at the business case stage, this is where you will need to tailor the benefits to your organization, building up by different line of business benefit scenarios. Some examples could include:

Department	Benefit
Risk & Compliance	Making it easier to comply to regulatory directives be it SOX, IL3, and/or the ISO standards. Having solid ITAM processes also means that your risk and compliance people are better prepared for vendor audits as the right documentation and checks are already in place.
HR	Tying ITAM into the acceptable IT usage policy such that everyone knows the dos and don'ts for using work equipment. ITAM also helps to improve employee compliance to corporate regulations and policies that minimize security and legal risks.
Service Desk	Asset information helps with incident management – the service desk agent knows more about an affected asset and might thus be able to diagnose and fix it more quickly. One central source of approved and supported software can also be used to initiate a consistent request fulfillment process.
Tech Support Teams	One central list of approved software – that's deployed centrally by a definitive media library (DML) – will make it easier, faster, and safer to install software.
Security	Only authorized, safe, licensed hardware and software being deployed to the production environment will reduce the risk of cyber threats.
Procurement	One standard, central process for purchasing provides a better understanding of the corporate hardware and licensing position, which in turn enables more effective contract negotiation. With the ability to track assets, and costs, throughout their entire lifecycle.
Business Continuity	Having data on business-critical assets as a key input into IT service continuity plans.
Business	Better budget planning of projected spends – making IT spending more transparent and assured.

RECOMMENDED APPROACH

This is where you outline your preferred approach in terms of tool, consultancy/advisory, and additional staff. Make sure that the options considered and preferred outcomes are laid out clearly, are easy to understand, and are closely aligned with business goals and directives.

5. Progressing Your Business Case Following Approval

There are a number of steps to be taken once a business case if approved.

DEALING WITH CHALLENGES

No matter how comprehensive your ITAM business case, there'll always be questions and challenges – so it's useful to be prepared for them in advance. Here are five of the most common challenges to ITAM project proposals and suggestion on how to respond:

1. **"We don't have money."** Talk about the money wasted on fines from being under-licensed, money wasted on over-licensing, not getting the best deal at contract renewal time, or not being able to keep track of all the assets in your IT estate. That ITAM can help save money by putting you in a stronger negotiating position come renewal time (as you'll actually know what you have) and will also enable you to reharvest licenses and equipment where appropriate. ITAM done right will save your business money.

2. **"We don't have the time."** Talk about the time wasted on manual processes, duplication and rework, physical stock taking, or panic preparations for a software audit. Then there's the time wasted going through multiple processes for requesting new IT hardware and software, as well as the time taken to find license and support information because nothing is standardized or centralized. ITAM saves you time too.

3. **"We can't afford an expensive tool."** Doing nothing is not an option. Not ethically, financially, or legally. So, what can you do? Well, firstly not all ITAM tools are expensive. But, appreciating that ITAM might need to prove itself before an investment is made in a tool, you can start with what you have – service desk data and network monitoring/discovery tool data. It's not ideal, but at least it gives you a way of tracking the hardware and software assets in your estate, and it's a starting point you can build on to justify a fit-for-purpose ITAM tool investment.

4. **"We can't afford expensive consultancy."** Effective ITAM isn't the easiest thing in the world to implement but this doesn't mean that you need to spend a fortune on consultancy. If funds are limited, reach out to your local itSMF or ISACA chapter as both organizations can provide real-life best practice material and put you in touch with other members from whom you can learn.

5. **"We have other priorities."** ITAM isn't seen as the most high-profile of IT processes but it's critical in your efforts to manage, control, and protect your IT environment. The argument to be made here is "How can meeting our financial, legal, and ethical obligations not be a priority?" "And why would we want to sell our business stakeholders short by operating suboptimally?"

PLANNING

Once you've have pan-business buy in for ITAM, gather and confirm your ITAM requirements by setting up workshops with your key stakeholders. Engage with both IT groups and the rest of the business such that nothing is missed or left out. If you have an internal risk or audit department, now is the time to befriend them – because they'll have the most up-to-date regulatory requirements you will need to adhere to such as SOX, IL4, or Basel 3. As well as any industry standards, such as ISO 19770, ISO 20000, or ISO 27001.

Plan what you want ITAM to initially cover carefully. Do you want to cover all production assets? What about test, development, and disaster recovery (DR) environments? Whatever scope you agree, make sure that it's included in any service level agreements (SLAs), operational level agreements (OLAs), or underpinning contracts (UCs) such that you've documented what you're working to and can hold the right people accountable.

POLICY

The policy stage of your ITAM project is a key step in ensuring that it's effective – so it needs to be clearly defined, communicated, enforced, and managed. The ITAM policy needs to be tightly aligned to business goals and the right balance between flexibility and risk needs to be found.

Every organization is different – thus a financial institution or government agency will have very different requirements to say, a small tech start up. So, tailor your approach accordingly.
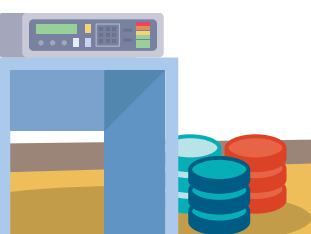
When writing your ITAM policy, use the standard format used by your business for a consistent look and feel such that it's easy for people to find the right information. Standard things to include in an ITAM policy will include guidelines on asset management, dos and don'ts, where to go for further information, and it should take into account the organization's size, user requirements, staff mobility, use of mobile devices, and organizational structure.

Finally, your policy should be made available to all staff and be reviewed annually to ensure that it stays fit for purpose.

TRAINING AND COMMUNICATION

The right levels of training and communication will help to ensure that your ITAM processes are followed effectively. In terms of communication, attend every team meeting, management huddle, and all-hands call you can get invited to.

Get people onside at these forums, so that they know how beneficial ITAM can be – to them and the business – and reassure them that they won't have to go through lots of red tape just for the sake of it. If you have an internal communications team then use them too – ask for messages on the company intranet or even a leaflet drop on desks.

There'll be multiple types of ITAM training to consider, for example:

- End user training
- Service desk training
- Support team training
- Procurement training
- Subject matter expert training

GO LIVE

So hopefully you're "good to go" – you've gathered your requirements, confirmed your scope, got buy in, and have written up your policy, process, and procedures. If you're really lucky you might even have a dedicated ITAM tool so that automation is possible. You've socialized your ITAM process with support teams, ensured everyone has been trained, and you've communicated the go-live date.

So deep breathe time, and go for it! This is just the beginning, something you can use as a springboard to make real improvements to operational stability over time.
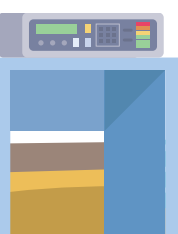
METRICS

You will need some form of ITAM mission statement. It doesn't have to be fancy, but it does need to be a statement of intent for your team and your processes. An example of an ITAM statement could be:

> *"To manage, control, and protect all IT production assets in our estate to deliver better business outcomes."*

Then comes the critical success factors (CSFs) – these look at how you achieve your mission. Examples CSFs for ITAM include:

- To ensure that all IT asset spend and use is optimized, with waste minimized
- To ensure that all production IT assets are under the appropriate change control and that no unauthorized changes take place
- To ensure that all production IT assets are protected by ensuring that only authorized hardware and software are used
- To ensure that all software audits are passed.

Then there's the key performance indicators (KPIs). These give you the detail of how you're ITAM is performing at the day-to-day level, and act as an early warning system such that, if things are going wrong, you can act on them quickly. Example KPIs for ITAM include:

- Increase in the production IT assets accounted for via your ITAM process
- Reduction in audit findings
- Reduction in unlicensed software
- Increase in inventory accuracy (be careful with this one though – you might have an accurate inventory but do little to benefit from it)
- Reduced service total cost of ownership (TCO) due to ITAM savings made.

Summary

"Doing" ITAM should be the easiest decision you ever have to make as an IT professional. By understanding your IT estate, you can balance quality against costs, improve customer satisfaction, and mitigate risk.

Your business case is effectively where you set out your shop window for ITAM. By aligning ITAM with business objectives – such as cost savings, increased compliance to regulatory requirements, risk mitigation, and a more streamlined operating model – you will not only effectively communicate the benefits of ITAM, but also give your ITAM initiative the best possible chance of a successful outcome in terms of funding approval and implementation.

Finally, getting started with ITAM is just the beginning. It will allow you to get the basics in place, ensure that the business requests and uses IT assets in the right way, and ensure that the right controls are applied to your live environment. Over time, the day-to-day running of your ITAM processes will offer up improvement opportunities – especially when increasing scope – that will deliver even greater business benefits from your initial ITAM investment.

About InvGate

InvGate is a provider of IT service management (ITSM) and IT Asset Management (ITAM) solutions, designed to simplify and improve the lives of IT professionals.

InvGate Service Desk helps customers to provide better IT support, offering a single point of contact for end users to report IT issues and make requests for new services. With capabilities aligned with the ITIL best practice framework, InvGate Service Desk enables your company to improve IT support efficiency, to reduce costs, and to improve the quality of service and the customer experience for end users.

If you'd like to try InvGate for yourself, then you can start your free 30-day trial today.