

The Value of Asset Management for the CIO

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CIOs want to ensure that all IT assets across the organization are well-managed in order to operate efficiently, control costs and comply with contract requirements and regulations. However, as IT software contracts have become more complex and varied, many organizations recognize that they need a more automated approach to effectively manage software licenses. Software contracts are complex because they take into account the version of software, the maintenance of that software platform, the costs associated with the hardware configuration and the number of users authorized to use that software. In addition, it can be very challenging for organizations to understand how many licenses of a software product they have and how, where, and by whom these software products are being used. The CIO wants to ensure that the IT team has all the information it needs regarding how software is used and how the licenses are managed so the company is not at risk of failing an audit. The many variations in software license models and the increasing use of virtualization have added complexity to what should be a straightforward problem.

What does this mean in the real world? Let's take the example of a chief information officer in a business services company. The CIO is under pressure from the CEO and CFO to reduce the size of the IT budget while ensuring that IT delivers the quality of service needed by the company. The company has expanded rapidly over the past several years by buying some key competitors, becoming a leader in its sector. Company leadership understands that in order to maintain its position it has to be able to provide maximum service at a reasonable cost. New competitors are entering the company's market and challenging its dominance. These competitors have an advantage because they are smaller and do not have the overhead or compliance regulations of this market leader.

The CEO and CFO have provided the CIO with a challenge. He has been told to cut expenses within IT; gain economies of scale from acquisitions; develop a streamlined approach to manage audits from internal and external sources; and have a repeatable process for managing IT assets so they support the company's strategy and revenue goals. The CIO understands that achieving this goal will ensure that the IT organization is viewed as a true partner in the business.

But achieving this goal is more difficult than it appeared at first. First, the details about IT software assets were not stored in a comprehensive manner. In fact, much to his dismay, the CIO discovered that details about who was using what software were stored in hundreds of spreadsheets across hundreds of departments. Making matters worse, these spreadsheets were often out of date. For example, no one had accounted for the licenses that had been in place when companies were bought. The CIO only discovered the problem when he requested a report on IT software assets from both central IT and divisional IT organizations. Only a few divisions were able to give him any information. Other IT teams insisted that they needed at least a month or more to provide an accurate list of what software was installed, what versions were being used,



The Components of IBM Tivoli's IT Asset Management Portfolio

IBM Tivoli's IT Asset Management Portfolio is designed to help CIO's maintain visibility into software asset demand and usage. As a result, the organization can control spending on software and maintain a state of readiness for any potential software audits. This portfolio consists of tools intended to help discover and manage software on virtually any platform with many license types.

One of the first steps in automating the IT software asset management process is to gain accurate and dynamic insight into software the organization already owns. IBM Tivoli's Asset Discovery tools provide agent based discovery services covering many different platforms. These services can provide a complete picture of what software is installed, if it's actually being used, and whether the software is deployed natively or in a virtual machine. CIO's need to ensure that the right people in the organization have this information to maintain software license compliance and to adequately prepare for an audit.

The IBM Tivoli IT Asset Management tools collect the data from IBM Tivoli Discovery tools and any other tools you may have deployed. Once you have this data, the IBM Tivoli Asset Management tools enable you to compare purchased software inventory with what is actually deployed. This allows companies to quickly assess whether or not they are over or under purchased. The IT organization can use this information to develop more efficient and cost-effective software contracts, and to reduce expenses by eliminating un-used software or repositioning under-utilized software.

and which software was actually benefiting the business. To make matters worse, IT operations requested additional head count or consultants to execute the request.

The CIO has a difficult choice: does he allocate expensive talent to develop an accurate picture of how software asset are used in the organization or does he estimate software usage and licensing based on inaccurate and incomplete information? How will he be able to respond to key vendors who are beginning to demand an audit of licenses? To make matters worse, the CIO knows that this will not be a one-time request. He knows that management intends to purchase more companies over the next few years. This will mean more software licenses to rationalize and manage, along with additional negotiations with software

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vendors and auditors. The only option that will allow the CIO to meet his responsibilities to senior management is to automate the process of managing ever changing IT software assets.

Creating Efficient Processes with Automated IT Asset Management

The CIO thought about the different IT platforms his organization needs to support Windows, Linux, Mac, x86, and mobile to name a few. He realized he would be dealing with an increasingly chaotic situation unless he found a solution quickly. Ideally, he wanted to deploy one solution that would be well integrated and work across all the different environments. In order to have a consistent view of information at the right time, he wanted to use a portal designed to provide a comprehensive view of all IT assets.

Instead of using spreadsheets to keep track of software and hardware assets and software licenses, an automated tool can discover and then monitor these assets. The discovery process can include an automatic identification of all the software on the various platforms. The CIO will now have the insight he needs to understand: where software applications are installed and used, who is using them, when they are being used, and what applications can be consolidated. The ability to monitor these software assets at the right time will give the CIO the tools he needs to provide his company with the level of IT service it needs to optimize business growth.

The only option that will allow the CIO to meet his responsibilities to senior management is to automate the process of managing ever changing IT software assets.



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