

The IT Leader's Guide To Modern IT Asset Management

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Introduction

As organizations undergo digital transformation, they must manage a growing number of devices and applications. Meanwhile, data has become the most valuable asset for many companies – requiring careful management to extract accurate insights and ensure information security.

IT asset management (ITAM) has been gaining a lot of attention lately as remote employees use more applications to handle a growing amount of data via multiple devices.

ITAM refers to a system of business practices for managing an organization's IT assets through purchasing, auditing, and inventory tracking processes. It aims to ensure all IT assets are accounted for while handling deployment, maintenance, upgrades, and disposal for secure and efficient operations.

Simply put, ITAM is more than getting applications and devices to the hands of your employees. So, what do IT leaders need to know to develop a comprehensive framework that covers all the bases?

This guide discusses the consequences of poor ITAM, the challenges IT leaders face in managing their assets, and what you can expect from a holistic ITAM strategy. Then, we'll explore the three pillars you should address to support a robust implementation and how to create a holistic ITAM framework to drive business outcomes.

Consequences of Poor IT Asset Management

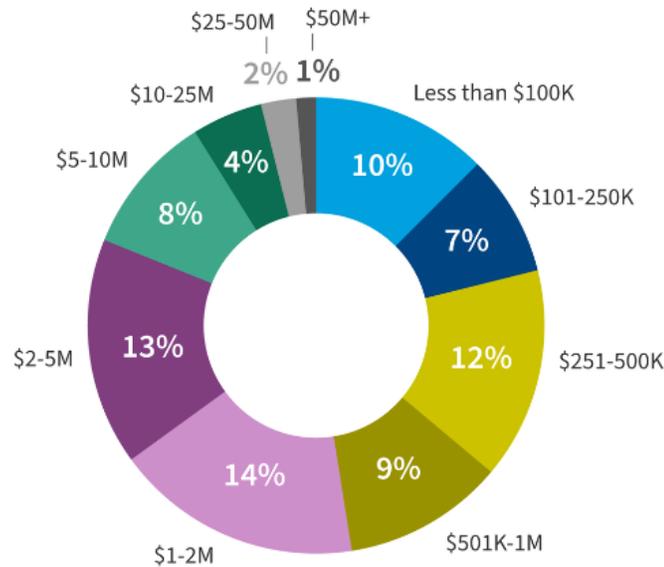
Poor ITAM can be the root cause of many IT challenges. The results of an ineffective ITAM strategy can be far-reaching:

- **Confusion and inefficiency:** Lack of clarity about IT assets' status, location, and condition may cause inefficient asset utilization.
- **Wastage:** Without proper ITAM, organizations may purchase unnecessary software or hardware or overspend on licenses.
- **Security risks:** Outdated software, unpatched systems, shadow IT, or unknown assets can become targets for cyber threats like malware, hacking, or data exfiltration.
- **Breach of licensing agreements:** Failure to accurately track software licenses may result in audits, penalties, and legal consequences.
- **Consumption gap:** Mismatches in the demand for IT resources and their availability or allocation may impact productivity.

- **Regulatory compliance issues:** Failing to adhere to regulatory requirements and industry standards or provide audit trails may result in fines and legal actions.
- **Operational downtime:** Unexpected breakdowns or failures of critical IT assets can lead to costly disruptions and downtime.
- **Frustrating employee experience:** Not having access to the right tools may impact employee satisfaction and your ability to retain talent.
- **Reputation damage:** Data breaches, downtime, lawsuits, etc., may diminish customer, partner, and stakeholder trust.

Amount Organizations Spent Over the Past Three Years on Audits by Software Vendors

Estimate how much your organization has paid over the past three years as a result of audits by software vendors



N=500
 Source: Flexera 2023 State of ITAM Report
flexera

Source: Flexera

Why are these consequences of poor ITAM so pervasive even among organizations with ample resources? The discipline's complexity and fast-evolving requirements mean IT leaders face challenges from every angle.

Top ITAM Challenges: Software, Hardware, and Data

Holistic ITAM must cover all IT assets – software, hardware, and data – each with unique challenges as technologies and regulations evolve. Today's IT leaders must address all of them to ensure the effective implementation of an ITAM strategy.

Software Asset Management (SAM): More Than Counting Licenses

Effective SAM must transform existing processes to enhance transparency and optimize resource utilization. However, many organizations fail to implement policies to assess their procedures and address inefficiencies.



The future of software asset management is about governance, not counting licenses...

By 2026, organizations that reposition software asset managers from centralized execution to strategic governance and oversight will have **30% more efficient software spending** than those that do not.

(Gartner)

Cookie-cutter SAM processes often fail to meet a company's unique requirements, a lack of data insights impedes continuous improvement, and poor visibility into software assets (e.g., licenses, installations, and usage) hamper accurate decision-making and compliance efforts.

Organizations that don't have a centralized license entitlement management system to analyze and manage usage rights from various software vendors may face challenges in aligning license procurement and retirement processes with their needs and budgets.

Moreover, some companies fail to implement accurate and granular cloud service monitoring. As a result, they often fail to optimize cloud service configurations and license allocations to support business requirements and maximize their investments.

Hardware Asset Management (HAM): A Moving Target

Managing hardware assets (e.g., laptops and smartphones) is even more complex than tracking software licensing and usage. For example, we can scan a network remotely to determine inventory and consumption patterns with 95% accuracy. On the other hand, the hands-on nature of hardware asset management makes it more costly and less scalable.

Unlike software, hardware is constantly in flux. Keeping a baseline inventory is difficult because employees frequently trade, upgrade, or lose devices. Even if you can establish a baseline, you must create a dynamic repository that syncs with data sources in real-time to gain relevant and actionable insights.

Additionally, few IT teams or service providers have the boots on the ground to support a distributed workforce or the capabilities to handle the entire asset lifecycle, from acquisition and identification to safe and responsible disposal. It's also challenging to manage and monitor numerous physical touchpoints, each of which can be a security and compliance weak link.



Ghost assets may take up 3-5% of your hardware budget, and underutilization may cost \$500 per asset.

(AMI)

Data Management: A Hard-to-Wrangle Business Necessity

Data security has become more complex by the day, while an increasingly diverse ecosystem means organizations are more likely to be exposed to sophisticated threats. Yet, data is the lifeblood of many business processes, and protecting your customer and business-critical information is no longer an option.

Meanwhile, data analytics from your IT processes can help you avoid violating software contracts, which may lead to audits, legal consequences, and hefty penalties. The insights also help you identify where you're spending your budget and where redundancy creates wastage to curb overspending and underutilization.

Organizations can **reduce 20% to 30%** of their software spending **by eliminating redundancy or over-provisioning.**

A **typical** North American enterprise has data quality with **60% to 70% accuracy.** However, your data quality **should be at 95% accuracy** to support effective decision-making.

Access to data is just the first step. You must also have the ability to turn the information into actionable insights. Unfortunately, many companies invest in Configuration Management Databases (CMDBs) like ServiceNow to connect IT processes and data but fail to support adoption – spending a lot of money without achieving the desired outcomes.

Piecemeal processes can't help you overcome these challenges. Effective ITAM requires a mindset change where IT leaders approach the discipline holistically to ensure all the moving pieces work together synergistically.

The Importance of a Holistic, Modern ITAM Approach

Tackling discrete elements in your ITAM plan puts you in a reactive position. Here's how a holistic approach helps you turn the table and get into the driver's seat:

- **Enhance asset visibility:** Achieve a comprehensive view of IT assets, including hardware, software, licenses, and warranties, across all teams and locations.
- **Optimize cost:** Identify and eliminate underutilized or redundant IT assets to reduce capital expenses and save costs.

- **Comply with software licensing agreements and IT-related regulations:** Avoid potential fines and legal consequences.
- **Minimize downtime:** Proactively manage IT assets to optimize performance and ensure timely maintenance to prevent costly, unexpected downtime or outages.
- **Mitigate data security risks:** Maintain up-to-date security patches, monitor vulnerabilities, and protect sensitive data with the latest best practices.
- **Manage software licenses:** Prevent over-licensing or non-compliance to reduce costs and avoid audits and penalties.
- **Ensure business continuity:** Support disaster recovery and business resilience by implementing robust backup plans for critical IT assets.
- **Enhance sustainability efforts:** Facilitate responsible disposal of obsolete IT assets and promote green asset lifecycle management practices.
- **Optimize IT investment:** Extend IT asset lifespan, reduce premature replacements, and make informed decisions on asset upgrades or replacements.
- **Increase ITAM maturity:** Implement policies and procedures to align IT resources with business strategy and objectives.
- **Improve IT Service Management (ITSM) integration:** Deliver a seamless user experience for requesting, deploying, and managing IT assets.
- **Increase employee productivity and satisfaction:** Provide access to the right tools and devices so employees can perform their tasks efficiently.

However, ITAM involves a lot more than what meets the eye. Issues and challenges often have deep-seated root causes. As such, successful implementation starts with building a solid foundation.

The 3 Pillars of Modern IT Asset Management

We address these three pillars in every ITAM initiative to execute a robust strategy:

ITAM Pillar #1: Asset Management Governance

IT asset management governance establishes policies, processes, roles, and responsibilities for handling asset management projects, tasks, and issues. It involves these essential components:

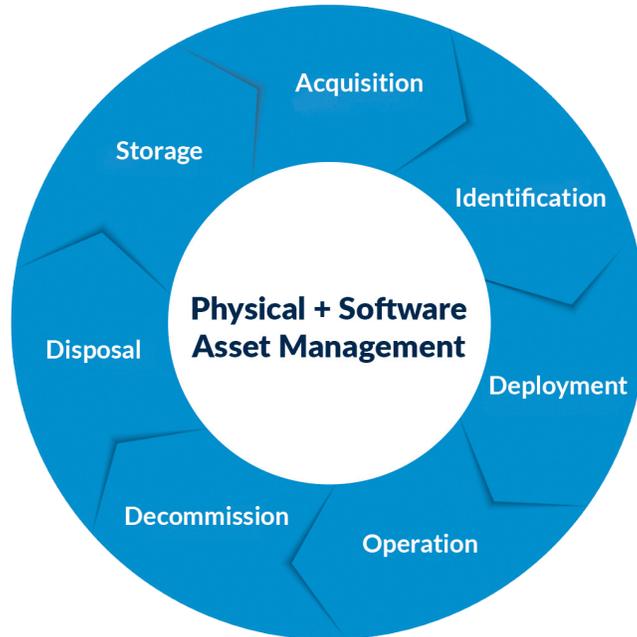
1. Interface with organizational and customer governance frameworks to align ITAM operations with business requirements.
2. Create and maintain an ITAM governance framework that reflects the latest end-user needs and policy requirements.
3. Conduct internal compliance reviews to ensure AM operations adhere to the strategy and meet its objectives.
4. Handle escalations: Respond to issues the AM technical domain structure can't resolve through the AM governing structure.
5. Manage attestations: Collect evidence to demonstrate responsible or accountable parties have met conditions or requirements.
6. Evaluate AM performance: Regularly assess AM activities against pre-defined performance criteria to support continuous improvement.
7. Generate and distribute reports: Inform stakeholders of critical findings like data quality, asset status, process efficiency and effectiveness, etc.

ITAM Pillar #2: Asset Lifecycle Management (LCM)

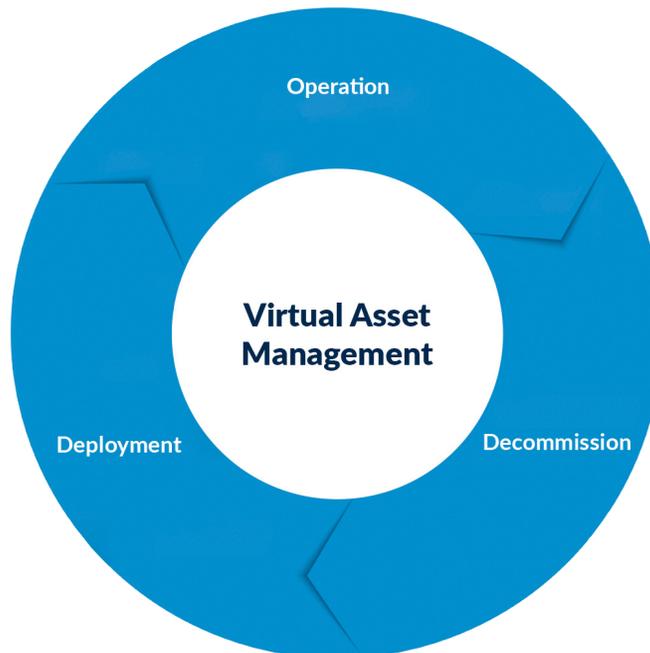
An LCM framework helps organizations manage IT assets effectively to increase productivity and ROI by making informed decisions about IT needs and services. For example, you may improve purchasing decisions by analyzing various resources' lifecycle stages, performance, and utilization.

The LCM macro process consists of seven lifecycle stages for physical software assets and three lifecycle stages for virtual assets. It also includes data collection points to capture metrics throughout device lifecycles for analytics to inform decision-making.

The 7 lifecycle stages of physical and software asset management:



The 3 lifecycle stages of virtual asset management:



ITAM Pillar #3: Discover, Audit, Reconcile (DAR)

IT asset discovery automatically identifies and catalogs an organization's IT resources to provide complete visibility into the IT asset landscape. Meanwhile, IT asset audits analyze IT assets and usage data to ensure effective management and alignment with the company's goals.

The discovery and audit processes identify errors, inefficiencies, and opportunities for cost control. Then, the reconciliation workflow involves submitting defect tickets and addressing the issues. You should perform DAR continuously and on all assets for comprehensive ITAM.

How to Create a Comprehensive ITAM Framework

With so many moving parts, managing IT assets is hardly a stroll in the park. A comprehensive ITAM framework covers all the steps, components, and dependencies to improve performance, security, and productivity while reducing costs and improving budgeting accuracy.

6 Essential Components of an ITAM Framework

A well-designed ITAM framework should consist of these essential elements to cover all the bases and ensure seamless implementation:

Scope

Identify process purpose, goals, and capabilities. Your ITAM objectives, such as optimizing asset utilization, ensuring compliance with licensing agreements, and minimizing security risks, should support your overall business strategy. Also, clarify the processes to be managed, the stakeholders involved, and the activities covered.

Policies

Design policies and standards to govern how the organization acquires, deploys, monitors, and retires IT assets. The policies should align with industry best practices, regulatory requirements, and organizational goals. Also, establish conceptual models to provide a framework for decision-making and process execution.

Processes

Develop structured workflows and procedures for each asset lifecycle stage. Standardize the processes to promote consistency, efficiency, and scalability. Also, document workflows, roles, responsibilities, and dependencies to facilitate knowledge sharing and training.

People

Determine the organizational structure and define roles and responsibilities (e.g., asset manager, procurement officer, and compliance officer) to support your ITAM activities. Provide training, support, and tools to enable these individuals to perform their duties effectively.

Controls

Define key performance indicators (KPIs) like asset utilization, compliance levels, cost savings, and risk exposure. Create a reporting system to assess the effectiveness and efficiency of the ITAM process and inform continuous improvement.

Technologies

Select and deploy ITAM tools that align with your organization's requirements, budget, and IT infrastructure to support asset discovery, inventory management, license optimization, compliance reporting, and more. Also, provide training and documentation to IT staff and stakeholders to facilitate adoption.

3 Tiers of Dependencies ITAM Should Address

The success of an ITAM initiative depends on various factors. Here are the three tiers of dependencies your plan must address:

Tier 1: Trustworthy data on asset inventory, including hardware, software, applications, operation, information, and identification.

Tier 2: Controls and sustainment for asset lifecycle management to support planning, acquisition, operation, verification, and disposition.

Tier 3: Financial and operational integration and automation to improve cost efficiency, reduce compliance risks, and improve service quality to achieve the desired outcomes.

Analyze asset economics, such as licensing, financing, and contract structures, to improve cost efficiency. Address vulnerabilities, assess regulatory requirements, and centralize log management

to reduce security and compliance risks. Also, evaluate asset configurations and service request processes to improve service quality.

Set the Stage for Your ITAM Initiative

Careful and thorough planning is essential for a successful ITAM initiative. Start with conducting kickoff planning sessions to identify the focus for your ITAM strategy. Here's what to cover:

- Discover gaps and challenges related to your current ITAM practices and explore key requirements and priorities for achieving your ITAM objectives. These may include data management, quality control, lifecycle management, and tooling.
- Define reporting and analytics requirements to support your ITAM objectives. For example, you may create user stories to help understand pain points, challenges, desired outcomes, and key stakeholders' reporting needs.
- Identify the information you need for the ITAM initiative, such as metadata about software and hardware assets, license entitlements, usage data, and contractual agreements. Then, design a data model to organize the information for analytics and reporting.
- Set up data capture points (DCPs) by identifying the sources and touchpoints where you'd capture asset data. Automate the data capture process and integrate information from disparate sources to ensure visibility, completeness, and accuracy.
- Establish quality control checks (QCC) to ensure data accuracy, integrity, and reliability. Define validation rules, determine monitoring procedures, and assign responsibility to ongoing quality control efforts.
- Determine roles and responsibilities throughout the asset lifecycle, clarify workflows, approvals, and escalation paths, and identify key decision points and checkpoints. Document these decisions to support implementation.
- Define the capabilities and features for your ITAM systems based on your business requirements and priorities. Determine criteria for selecting ITAM tools, such as scalability, ease of use, vendor support, and cost-effectiveness.
- Summarize key findings and decisions from the planning sessions to align all stakeholders on the initiative's objectives and priorities. Develop a detailed project plan and timeline for addressing outstanding issues and implementing the project.

There's a lot to consider when planning and executing an ITAM initiative. That's why more organizations turn to third-party service providers to access expert knowledge and accelerate their implementation.

Should You Use an ITAM Partner?

Most organizations can benefit from working with a third-party ITAM services provider to maximize their IT investments.

An ITAM partner brings specialized knowledge of best practices, industry standards, and emerging trends to the table. You can augment your internal resources with external capabilities to accelerate implementation.

An experienced partner knows where to look for cost-saving opportunities. It can leverage economies of scale to reduce software licensing costs through optimization, streamline asset procurement processes, and minimize the risks of non-compliance penalties.

An ITAM partner offers scalable solutions to help you adapt to your organization's evolving needs and growth trajectory. It can also take on day-to-day asset management tasks, allowing your internal team to focus on core business activities and strategic initiatives.

Moreover, an ITAM partner often has established relationships with software vendors. It can help you negotiate contracts, resolve licensing issues, ensure compliance, navigate complex vendor landscapes, and manage vendor relationships.

How to Choose an ITAM Partner

The success of an ITAM initiative depends on various factors. Here are the three tiers of dependencies your plan must address:

1. Effective ITAM requires specialized knowledge, expertise, and tools. Partnering with the right service provider is essential for reaping the most benefits. However, finding a technology ally with all the capabilities under one roof to create synergies and efficiencies while eliminating blind spots is challenging.
2. Seek a partner who can meet you where you are and help you leverage your current investments in tools, resources, and processes to address ITAM requirements. For example, Compugen's platform-agnostic approach helps our clients gain ITAM maturity based on their existing infrastructure and business priorities.

3. Your partner should also help you align the consumption of cost with the realization of value via a pragmatic plan to execute your ITAM strategy. The outcome-oriented approach should include gated milestones to keep your investment manageable and predictable.

Lastly, your partner should support adoption to close consumption gaps and maximize ROI. For instance, when you partner with us, our Organizational Change & Adoption professionals will help your employees maximize productivity with the new assets and processes.

Redefine Your IT Experience with Modern ITAM

In today's complex IT landscape, organizations must implement a holistic ITAM strategy to control costs, ensure compliance, close consumption gaps, and maximize their ROI. However, finding a technology partner with all the capabilities under one roof to create synergies and efficiencies while eliminating blind spots is challenging.

Consulting firms hand you a strategy on paper and say, "Good luck with that". Meanwhile, most IT service vendors don't have the capabilities to create a strategic plan that aligns with your business requirements or handle complex hardware lifecycle management.

Compugen Systems delivers a truly end-to-end ITAM solution thanks to our broad range of expertise and outcome-aligned capabilities for managing software, hardware, and data.

Organizations from coast to coast trust us for asset lifecycle management (ALM) services to handle modern acquisition, asset identification, warehousing, inventory management, modern deployment, asset decommissioning, and safe and responsible IT asset disposal.

Meanwhile, our asset management consultation services help you audit and assess existing IT assets, analyze usage patterns, identify inefficiencies, and recommend opportunities for cost optimization. We also leverage historical data and industry expertise to reduce risk and inform procurement decisions.

We're Your Partner in IT Asset Management

Learn more about our ITAM Advisory services to see how we can help you achieve business outcomes and boost your ROI.

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