

# The Trinity of ITAM Success

*A tool-centric approach to ITAM is akin to buying a self-help book, stopping after ten pages, implementing nothing and wondering why your life hasn't changed.*

## Executive Summary

ITAM is responsible for managing all of an organisation's IT assets, be they hardware, software or people. ITAM implements processes that manage the request, approval, acquisition, tracking, control, optimisation, reporting and disposal of these assets; ITAM effectively defines the lifecycle for the management of IT assets.

In this document we explore what appears to be a common approach to ITAM, whereby organisations focus on a tool centric approach and as a result fail to deliver an ITAM solution that works. It then builds to explain more about other vital areas of this management discipline, that are imperative to be able to deliver effective ITAM.

ITAM is unique to each organisation, with numerous factors determining what is the right solution to meet individual business needs. The ITAM Maturity Model is briefly explored to provide insight on what journey across this model would best suit your organisation.

## Highlights

- Today's common approach to ITAM
- Risks of ignorance
- Implications of poor asset management
- A tool centric approach will not deliver effective ITAM
- Why ITAM is much more than a tool
- Essential factors in choosing the right tool
- Importance of people and processes in effective ITAM
- The ITAM maturity model
- Where should you sit on the ITAM maturity model



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## Risky business: How most IT assets are (un)managed today

The chances are, if you were to ask the MD or CEO of most medium-to-large-sized organisations how they proactively manage their IT assets, they would likely respond by saying they keep a close eye on the IT budget. While keeping a watchful eye on the chequebook is a sensible thing to do, this does not mean that the assets being paid for out of the IT budget are being proactively managed. Knowing how much an asset costs, and understanding its value to the organisation, are two very different things.

Likewise, if you were to ask the same business leader how many PCs the company has, “oh about seven hundred,” or “just shy of two thousand,” is likely to be the reply. The truth is however, unless they can give you a whole number (with absolute certainty and confidence) then they might as well be plucking numbers out of the air. Yet this level of ignorance is largely unique to IT assets. If you asked them how much rent they pay, how many staff they employ, or how much stock they have on the balance sheet, the chances are they would have a system in place which gives an unequivocal, precise answer.

This lack of knowledge of IT assets is not uncommon. In many organisations it is not a case of IT assets being poorly managed, but of them being entirely unmanaged. Many organisations have no clear idea which IT assets they have, where they are located and how/if they are being used.

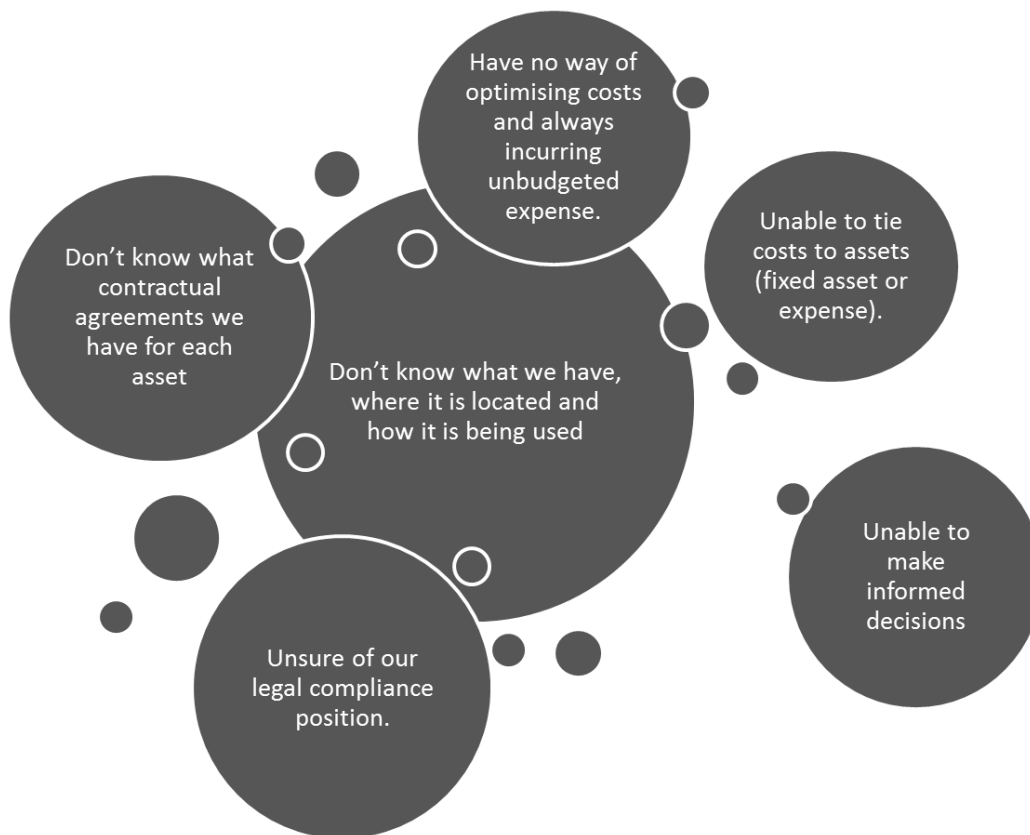
## So what is the problem?

Ignorance over IT assets costs organisations dearly, year on year, whether they know about it or not. While most of these are financial in nature (for both the top and bottom line), some of them are legal and potentially very serious; losing sight of software usage for example and being unable to prove to a software vendor that you have sufficient licensing in place can result in potentially devastating un-forecasted software bills.

Without the foundational knowledge of an accurate IT inventory and a proactive approach to IT Asset Management, organisations are not just being wasteful, but reckless.

It is no surprise that most growing businesses are not in the habit of proactively managing their IT assets. They are, quite rightly, more focused on acquiring and serving their customers to worry about what would appear to be an administrative distraction. Yet as their business grows, and they acquire more and more IT assets to serve the business, they soon reach a point not too dissimilar from the following.

## Pop! The ballooning risks of IT asset ignorance



The “bubbles” illustrated above start out as little niggles to the business, such as being forced to buy a new software licence when you know you have plenty of spares lying around somewhere, or discovering that your new intern doesn’t have a laptop because the previous intern didn’t return it when their placement ended. But the longer these bubbles are ignored and allowed to grow, the more difficult they become to handle without them popping.

Over time, the implications of this lack of management over hardware, software and related IT assets can be significant, as summarised below.

## The implications of poor IT asset management



## Introducing ITAM; IT Asset Management

In order to help companies manage their IT assets and avoid the numerous risks outlined in the previous chapter, the business practice of IT Asset Management or “ITAM” was developed. ITAM has spawned a multimillion pound global industry, with global standards being defined and updated, and new innovations and tools continually being developed to further advance the management of this critical business infrastructure.

ITAM is responsible for managing all of an organisation’s IT assets, be they hardware, software or people. ITAM implements processes that manage the request, approval, acquisition, tracking, control, optimisation, reporting and disposal of these assets; ITAM effectively defines the lifecycle for the management of IT assets.

ITAM enables an organisation to track and maintain the financial and technical information of the IT Asset and its associated lifecycle. It is designed to reduce waste by controlling stock, over-deployment and over purchasing. Those organisations that follow the strict principles of ITAM receive numerous benefits, the most notable being the elimination of IT over-spend due to reliable knowledge of what is purchased, deployed and required to be retired or returned. Additional benefits include a more streamlined and straightforward IT procurement process, the reassurance of maintaining a legal software compliance position, and the additional security safeguards of maintaining good records of the location and use of IT assets.

It is difficult to introduce ITAM without also mentioning another acronym “SAM,” or Software Asset Management. SAM is the business practice of managing and optimising the purchase,



deployment, maintenance, utilisation, and disposal of software applications within your organisation.

SAM is sometimes considered as an adjacent discipline to ITAM; with SAM focusing on software, and ITAM focusing on hardware. However, because we consider ITAM to be about much more than managing physical hardware, we view SAM as a subset of the overall ITAM approach. This paper is focused on the ITAM practice as a whole. If you would like more detailed information on SAM specifically, please consult with our dedicated whitepaper on the subject.

**Download our “Effective SAM” Whitepaper**

[www.lmoltd.com/effective-sam/](http://www.lmoltd.com/effective-sam/)



## ITAM today: The tool-centric approach

**“I bought several tools but the problem hasn’t gone away”**

When it comes to implementing ITAM, most organisations start by implementing specialist ITAM tools. A relatively mature ITAM infrastructure for example will consist of the following three tools which will work together to provide a level of oversight and management over the various IT assets;

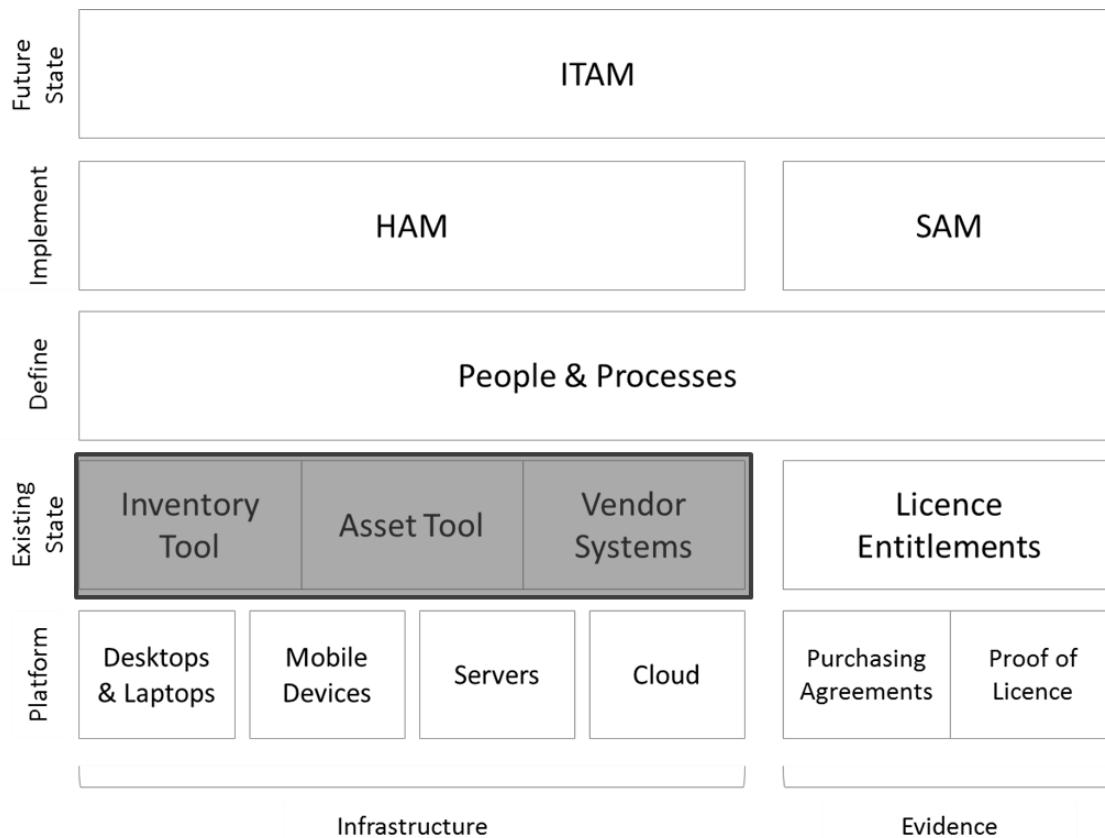
1. Basic ITAM solution (e.g. BMC, ServiceNow, HP)
2. Inventory tool (such as Microsoft’s SCCM, Snow Software)
3. Proprietary vendor systems (e.g. IBM, Oracle)



While this model looks good on paper, it is fundamentally flawed because it places too much expectation on the tools, while undervaluing other factors which are even more important to the success of an ITAM programme; namely people and processes.

See the diagram below which shows where these three ITAM tools should fit into a broader, successful ITAM programme. Many ITAM programmes start and end with the purchase of some tools, without ever building the broader infrastructure around them.

## The position of ITAM tools in the overall ITAM process



As a result of this tool-centric approach, when a company discovers the current ITAM software is not performing as expected, the default solution is often to purchase yet another tool. ITAM budgets therefore remain disproportionately geared towards the purchasing of more tools with little in the way of fundamental, organisational change to support them. Organisations then inevitably find themselves disillusioned with the tools they have.

This tool-centric approach to ITAM is akin to buying a self-help book, stopping after ten pages, implementing nothing and wondering why your life hasn't changed. Yes, the right tool is important, but a tool is only as useful as the people who use it, and the processes that support them.

**A tool alone is not enough to deliver successful ITAM. It must be matched with appropriate people and processes.**





## Case study: UK Media Company

### Number of Devices: 30,000

**Summary:** The client's team believed their current inventory tool was not delivering what they needed and were going to buy a second, at a cost of £250k (£150k plus £100k for implementation).

**Outcome:** Following evaluation, it was discovered the current inventory tool had not been used correctly and was more than capable of producing data to allow a less expensive and better suited solution to be used. This included overlaying a licence management tool to normalise the data and maintain all of their licences going forward.

**Monetary Saving:** £160k saved, and the new solution was more closely aligned to their needs.

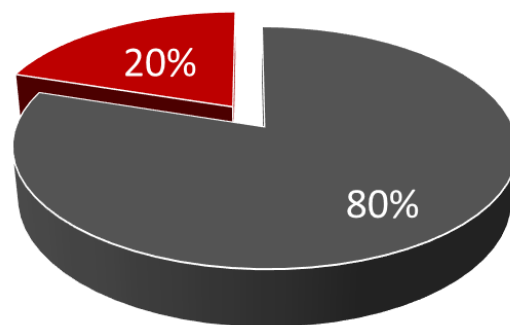
## What ITAM should be: Much more than a tool

As we have established, ITAM is not a tool, but a professional business practice for managing IT assets. It is worth remembering that IT assets are not just hardware and software, but people and processes too. Any resource that has a financial cost associated to it should be considered an asset when it comes to ITAM.

Most ITAM tools focus on cataloguing and managing the physical assets (i.e. server, desktop, laptop etc.), which results in the other assets being easily forgotten. The tool-centric approach to ITAM outlined in the previous chapter is therefore an incomplete approach to ITAM, which ultimately leads to disappointing results for the organisation and a (largely unjustified) tarnished reputation for the tool vendors. A new approach to ITAM is therefore needed that takes into account all IT assets.

For ITAM to be successful it must become engrained within the organisation. The tools must be used by people who are sufficiently trained to do so, and processes must be put in place to ensure they are used continuously as a matter-of-course and not as a "task to do when you haven't done ITAM for a while."

The weight of an organisation's investment in ITAM (not just in monetary terms, but in focus, energy, time etc.) should therefore be on the intangible aspects of ITAM, the people and process, instead of the tools.



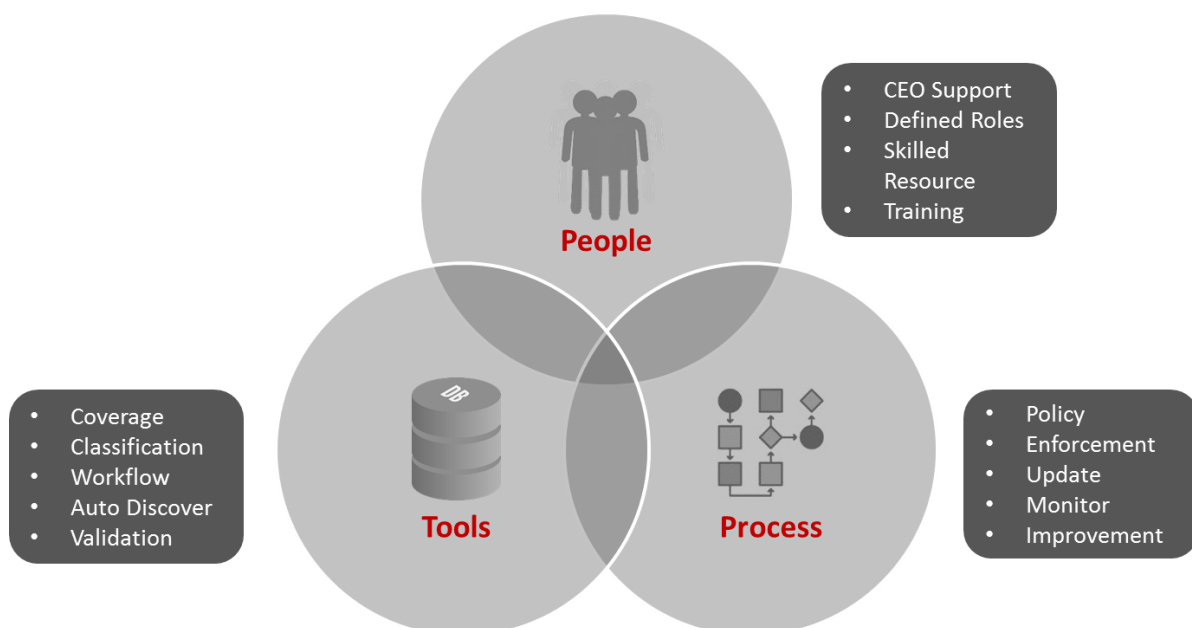
■ People & Process ■ Tools

## People, process and tools: The Trinity for ITAM success

Many organisations who have implemented ITAM tools soon become disillusioned with their purchase. They believe these systems are failing and start to look for an alternative tool. However, it is often not the tool that is the problem, but the lack of skill and processes supporting the tool. Therefore, instead of looking for yet another tool to (finally) solve the problem, the company should focus on implementing processes and training their staff on the existing systems.

## People, process, tools: The Trinity for ITAM success

The following diagram shows how the three elements of people, process and tools work together to deliver effective ITAM



## People

The number of people required to contribute to the success of an ITAM programme in any organisation is significant; that is because everyone in the organisation has a role to play, whether that be the CEO to authorise the programme, procurement to follow the processes set out, an ITAM manager to coordinate and manage the process, to every IT user (i.e. everyone) being aware of the processes and following them.

At a high level, the most important stakeholders for ITAM fall into three categories; management (from the CEO downwards), IT and finance. If just one of these fails to get on board, the ITAM programme will fall down before it's even started.

## Process

ITAM is a continuous lifecycle which starts with the request for an IT asset to fulfil a specific business objective. From there ITAM's role is to administer and control each associated activity required to fulfil this requirement. ITAM optimises the processes and resources

required to service the request, ensuring that the approval, procurement, stocking, tracking and, later, the disposal processes are executed in the most cost effective manner for the organisation. All of this requires a series of specific processes which roll seamlessly from one step to the other.

- 1) **Plan:** The planning phase relates to defining the business requirements, highlighting the business case, objectives, specifications and budget estimations.
- 2) **Purchase:** As defined within the plan, the organisation purchases the asset in the most cost effective manner. During this phase, the ITAM process must ensure that all financial information relating to the procurement stage is accurately archived and that all associated activities are defined and registered.
- 3) **Stock:** Once purchased, the organisation must make sure the asset is received, categorised and recorded in the Asset Inventory.
- 4) **Deploy:** Once received and identified as stock, the operations team can then deploy the asset.
- 5) **Retire/Dispose:** When the asset reaches its end of life period, the process of retiring or disposal must be executed effectively, ensuring that it does not disrupt or impact the live environment.

## Tools

The procurement of ITAM tools to deliver the programme should only be completed once you have scoped out your specific requirements, have identified the people who will be ambassadors for the programme as well as those who will implement it, and have mapped out the business processes that will be required to ensure ongoing adherence to the programme.

As shown in the earlier chapter, it is typical for an organisation to deploy the following three different tools, however this is dependent on the size of the organisation and how sophisticated they need their ITAM programme to be.

- 1) Inventory tool
- 2) Asset Tool
- 3) Vendor systems

When choosing which tools to implement it is important to bear in mind three important factors:

- 1) **There is no magic bullet:** Every ITAM tool on the market does a great job of something, however there is no one-size-fits-all solution. This is why it is important to start with your requirements, the IT/hardware you need to manage, your budget etc. in order to choose the right tools for the job.
- 2) **Configure the tools correctly:** ITAM tools require significant amounts of information to be effective. If they are not configured correctly with the right information, then they are as good as useless. Many organisations fail to factor in implementation costs when budgeting for an ITAM tool, so they inevitably attempt to configure the tool themselves. Unfortunately, the vast majority of the information required by an ITAM tool is meaningless to most people

except those who are trained in the nuances of ITAM. Leave the configuration to the professionals.

- 3) **Use the tools:** In LMO's experience, in 9 cases out of ten the reason why a tool was not delivering as promised was down to the fact it simply was not being used as it should have been. If you are going to invest the money in a tool, be sure to invest the time as well.

## How mature is your ITAM?

As we have established during the course of this whitepaper, ITAM is an extensive, complicated and strategic business practice which requires specialist tools, processes and people with the necessary knowledge, skills and desire to be delivered effectively.

At LMO Consultancy, we believe that organisations transition on a journey in their ITAM maturity, starting from the relatively Undisciplined situation where a lack of any formal process results in hardware data being disparate at best and software only being found to be un-licenced when a vendor conducts an audit, all the way up to the fully Optimised position where all assets are optimised and tracked through their lifecycle by a series of mature processes. There are many steps and successes along the way. Have a look at the following chart of ITAM maturity.

Where does your organisation sit and where should it be to meet your business needs?

## ITAM Maturity Model

Undisciplined	Reactive	Proactive	Managed	Optimised
<b>Hardware</b>	<b>Hardware</b>	<b>Hardware</b>	<b>Hardware</b>	<b>Hardware</b>
Disparate Data	Discovery	Asset Management	Asset & Catalog Management	Asset Life Cycle Management
<b>Software</b>	<b>Software</b>	<b>Software</b>	<b>Software</b>	<b>Software</b>
Compliance Issues	Archiving POL	Auto License Reconciliation	Auto Compliance Reconciliation	Minimised Asset Consumption
Renewal Mismanagement	Manual License Reconciliation	Targeted Compliance	Software Life Cycle Management	Asset Optimisation
<b>Processes</b>	<b>Processes</b>	<b>Processes</b>	<b>Processes</b>	<b>Processes</b>
Lack of Process and Tools	Asset Inventory	Asset Inventory	Asset Inventory	Asset Inventory
	Asset Procurement	Asset Procurement	Asset Procurement	Asset Procurement
		Asset Operations & Maintenance	Asset Operations & Maintenance	Asset Operations & Maintenance
			Software Asset Management	Software Asset Management
			Asset Catalog Management	Asset Catalog Management
				Disposal, Audit & Reporting

The journey and destination differs between organisations for numerous reasons. It's correct that having truly optimised ITAM provides huge benefits but it comes at a cost. In fact, to move through each stage can be a costly process and you must be very clear as to where you are

now and what is realistic for your organisation to aim for and achieve. Size of organisation, especially in terms of devices and software usage, along with available budget, play important parts in determining what can be achieved and ultimately meet your business needs.

However, even a sizeable budget will not guarantee success; a robust business case, executive support, good project management and effective change management are vital to ensure buy-in from all involved in delivering the processes and tools required to implement and maintain the right ITAM solution.

## **People, process and tools are the Trinity of ITAM success**

### **LMO?**

LMO is an independent consultancy with a group of ITAM and SAM experts, focusing on delivering significant cost savings in the complex world of hardware, software and licensing management. The team has decades of experience of helping businesses in ITAM with real specialism in software licensing and has been involved in the development of SAM standards and methodologies that are now used throughout the world.

Our skilled consultants have worked with companies across the globe assisting in all areas of IT and Software Asset Management helping to optimise the full lifecycle of assets.

### **LMO Services**

For more information on how LMO can help you, please visit [www.lomconsultancy.com](http://www.lomconsultancy.com)

There are specific sections highlighting how we deliver our ITAM and SAM services, for further details please go to [www.lmoconsultancy.com/services](http://www.lmoconsultancy.com/services)

### **Contact LMO**

For a free consultation on how we can take you on your journey towards complete ITAM Optimisation, please contact LMO Consultancy directly on:

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