



FOUR BEST PRACTICES FOR SOFTWARE ASSET MANAGEMENT

By Chris Williams, Manager of IT Service Management Product Marketing, BMC Software, and Steve O'Connor, General Manager for IT Business Management, BMC Software

Do you have a good handle on your IT organization's assets — what is and isn't being used, the true costs of those assets, and whether they are best suited to meet business needs? Could you be saving the business large sums of money through more strategic use of IT assets? Are you exposing your organization to the risk of noncompliance with licensing requirements?

These questions can be answered if IT has the proper asset management tools available. It's important to determine whether you have fully utilized the tools and embraced the entire lifecycle of the asset management process. You should also be able to identify whether you have the right types of assets to meet your needs. Finally, you need to be able to use assets in a predictive manner in order to build and supply new services.

What Is Service Asset Lifecycle Management?

People often have difficulty understanding what is meant by *asset management* because of the different types of components and processes involved. IT asset management, when performed holistically with an eye toward all of the supporting and managing processes, should focus on how to manage the entire lifecycle of your IT assets. This includes a wide variety of assets — from desks, phones, and other physical assets to monitors, desktops, and various IT hardware devices, to “soft” assets, such as software licenses, contracts, and so on.

Software asset management is particularly important. It involves managing costs, improving utilization, and complying with internal and external configuration and usage policies — from the initial request through retirement. In other words, there is more to software license management than simply having enough licenses (or too many) for the number of end users utilizing the assets.

There is also the issue of auditing and compliance. IT organizations are routinely hit with million-dollar-plus fines for noncompliance and a lack of accurate records. For example, the auditor might say, “I show you as only having 4,000 licenses for this product used by all your employees, but we think you've got 20,000 employees. Show me the details.” That burden of proof is on the enterprise. Therefore, the organization is forced into a fire drill that could last weeks or longer, producing information that may still be inaccurate, and ultimately, facing a large fine.

The following four best practices will help you address the challenges of software asset management and avoid this kind of scenario.

Best Practices for Software Asset Management

It is important to make sure you are adequately managing inventory from procurement to deployment, and throughout the lifecycle of each asset. *So, where do you begin? How do you spark the organizational transformation necessary to make software asset management a reality?*

STEP 1: KNOW WHAT YOU HAVE

Begin by going through the processes necessary to find out exactly what you have and how your assets are being used. Without automated discovery, reconciliation, and normalization, it's basically impossible to gain an accurate picture of what software is deployed within each organization.

One challenge is that multiple names may be associated with a specific software asset. You may need to reconcile this naming information against multiple entries in several different locations. Without discovery, you don't know whether you've got a single true source of record because you have to rely on multiple tools — from inventory spreadsheets to databases — to record the information.



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What you really need to do with discovery is to get a complete picture of the asset, and then make sense of that information. Finding meaning is probably one of the key problems IT faces. There is too much information and no accurate read of what's out there. What's more, because assets can have many different names, there's often a misinterpretation of what an asset is, what you're licensed for, what you should be using, and what you might need more of.

Discovery provides one glimpse of an asset, or configuration item (CI). This view helps you to better understand

the asset's relationship to its use, deployment, records, and listings within a product catalog. *What assets are users requesting? Are they using the right name? Are you buying multiple assets by department when you could be using enterprise-wide licenses? Gaining a CI view with a complete, normalized, and reconciled set of information gives you the intelligence to manage these assets better.*

Without conducting discovery on a regular basis, you lack visibility into what is being consumed, who is consuming it, whether it should be deployed on an as-needed consumption model, or if you need to increase your license count. Discovery solutions can be leveraged to identify this information and reveal whether you have what you need to support the business.

STEP 2: UNDERSTAND HOW CONFIGURATION, DEPLOYMENT, MONITORING, AND MEASUREMENT ARE DONE

When you look at IT assets from a component point of view, you may learn that you have "X" number of devices, with variant descriptions and names for those devices. You may also learn that the physical components carry multiple definitions because of how they are configured: standard server deployments, embedded databases and applications, physical and virtual images, or traditional vendor-supplied applications brought in house. However, when it comes to discovering the purpose, relationship, cost, and use of the components, they may be shared or purchased for several different uses.

Imagine if you purchased a certain commodity at an incredible price and deployed it out into the field. You assume that everything is working great, but you're not quite certain what the use case is for that asset. Perhaps you are using it as a front-end server application, a set of applications, or as a resource to drive Web-based business from direct consumers and other business partners.

Having an asset, and knowing what it is, is only part of the equation. You also need to know how it is being used and configured, and how it is impacting your business. These rules come into play when you are looking at a configuration and when you are setting up information about the asset. You need to know what you are actually doing with the physical component, as well as the data residing — or accessible from — that component. *What are the rules defining how that component's access control list should be configured? What are the environments in which that component or asset resides? Are there other legal governance requirements you need to consider?*

STEP 3: GET CONTROL OVER COMPLIANCE

An inventory spreadsheet is often the repository of information about the number of licenses issued, suppliers, vendors, and payments. Unfortunately, it's difficult to manage all the information about your assets when it is in that form. With tens of thousands of software CIs out there, it is very challenging to do effective auditing without good reporting and analytics. You need to have the end-to-end scope of what each asset is, what it does, why you bought it, who is using it (if anyone), and whether it is being used correctly. For compliance purposes, for example, the person who requested an asset or has access to an asset is not likely to be the same person who approves its purchase.

A centralized asset management console can help you visualize how assets are being used, reported, and measured. Metrics will help you understand overall compliance at a glance through dashboards and summary statistics.

It's important to visually understand where your company is coming from in terms of compliance. You need to determine whether there are certain aspects of your business that are more loosely protected and that don't fit with your corporate agenda for governance.

- » From a configuration point of view, determine whether you have created a security posture that leaves you vulnerable or introduces risk.
- » Look at your certificates, contracts, and usage guidelines (terms and conditions). Identify whether they are in conjunction with your security postures and expectations as well.
- » Look at how you manage this kind of information centrally and how you report on it.
- » From a financial point of view, identify what it costs to audit your environment. Are you using a third-party contractor that costs you \$400,000 a year to validate your environment, or do you have a solution with those capabilities out of the box that you can license for \$30,000 a year? Identify whether the solution is practical and gives you the automation you need with predefined searches, filters, and customization.
- » Be sure to track your certificates by vendors. This includes knowing what your certificates are based on your software contracts and by supplier. Look for any breaches or potential breaches. Make sure that your active products are ones that you are supposed to have.

You need to be able to identify whether there are assets in house that people have downloaded that you don't know about. This all comes back to discovery, where it

is important to have one centralized view of your environment that tells you what you should have and what you need to be compliant. This should provide you with information on any vulnerability so you can protect your organization from violations. It all ties back to vulnerability, governance, and risk.

As a long-term goal, you should strive to facilitate the collection of information about asset management, including metrics about the asset's users, costs, and benefits.



A federated configuration management database (CMDB) gives you one central repository for all asset information from an asset configuration management point of view and how the assets relate to the services they support. Service management solutions are available that can provide a one-stop, at-a-glance look at what you own, how it's used, its effectiveness, any related problems and incidents, and its total cost. In addition, service request management can provide a console for personnel to use to request assets.

STEP 4: LOOK TO THE FUTURE.

As a long-term goal, you should strive to facilitate the collection of information about asset management, including metrics about the asset's users, costs, and benefits. Here's an example.

Let's say you buy a physical asset at a discount, along with a software package at a very low cost. This may appear to be a good deal at first, but it's important to understand the true cost of supporting the total asset (physical and software). Don't forget the meaning behind the saying, "You get what you pay for." For example, if you buy a software package for use on laptop devices, and the software is only \$4.00 a month per license, you need to look at the total purchase and lifetime support costs. Maybe the license is very low cost, but your internal support costs for the laptop can escalate dramatically if a problem related to the asset has not already been identified. The support calls for that asset may need to be elevated to a level-two or level-three analyst.

Then there are costs related to parts, service, labor, incident administration, problem diagnosis, and more. When you take these factors into consideration and multiply them by the number of times users need help, you could discover that the cost to support the asset could far outweigh the benefits of the initial discount and low-cost software.

You may be able to evaluate this asset stack and say, "I can get a better deal overall from another product that might be more expensive initially but also provides better overall support for the business service that we're trying to deliver." You could save your organization a substantial amount per month per instance of high-level support for that particular asset because that level of support won't be needed. In addition, you could provide greater service in meeting business goals. As a result, a higher initial investment in the asset and in the software to support it seems prudent. The right asset management tool can help you to not only pinpoint such potential cost-benefit improvements, but also make a powerful financial argument for purchases.

On the back end, also consider soft dollar costs. Productivity decreases when laptops are unavailable. You pay monthly maintenance on that asset. In addition to the initial purchase price of the asset, you also have the cost of a Level 1 staff person who opened the ticket, the cost of a Level 2 person who was escalated to fix it, and then the cost of the user not being able to work. Add all that together, and you have the real cost of ownership of the asset. So, from a continual service improvement point of view, you might want to consider shifting your asset portfolio away from that particular asset and invest in something else in the future to reduce those costs.

Also look at what assets you need long-term, short-term, strategically, and tactically to roll out a new service. *Do you need new servers, software, or end-user licenses?* Think about future needs so you can better plan your total IT cost portfolio. For example, if you will be rolling out new assets in six months, look in advance at the expected supply and service costs for that asset.

By thinking long-term, you can better plan out your asset stack. For example, you may discover that you have 112 extra licenses for an asset that you purchased last year that are just sitting on the shelf. *Can you retrieve those licenses from people who aren't using the software and then use them against a new service?* People all have assets on their devices that they have never used. If you can pull those licenses back and redeploy for a future use, you'll be saving money.

Another area to examine is the end-user request process. *How do users request new assets? What's the fulfillment process? What are the costs? What are the suppliers' rates? What service level management is needed to meet service level expectations for those new assets? Can you bundle certain assets and make them easy for an end user to request?*

This is similar to the cloud model. If you're going to have a service, your customers have to be able to ask for it. That's where the service catalog comes in. The service catalog should include both physical and soft assets that are bundled to create the services people need. You can also enter into dynamic licensing and dynamic usage at that point, allowing you to pay for assets only as they are needed. They sit in a collective pool that can be shared, and that drives down overall costs as well.

The Time Is Now

Given the complexity of today's IT environment, effective asset management is essential, particularly when managing software license assets. By following the best practices described here, you can get a better view into your organization's software assets, protect the business from risk, and save a significant amount of money. For more information about BMC Software solutions for asset management, visit www.bmc.com/products/offering/Asset-Management.html.

ABOUT THE AUTHORS

Steve O'Connor, BMC Software's general manager for IT Business Management, is responsible for leading the organization that develops solutions to provide better transparency into IT resources, activities, financials, and regulatory compliance.



Prior to joining BMC, O'Connor was a founder of ITM Software and was responsible for product management, product development, marketing, and professional services and support. He also served as chief information officer and vice president of Information Services for Silicon Graphics, Inc., (SGI) and held various IT leadership and management positions within Sun Microsystems and Cullinet Software. Over the span of his IT career, he has managed all major IT disciplines, including applications development, applications support, desktop computing, data centers, networks, and telecommunications. O'Connor earned a B.S. from Boston College, School of Management, where he majored in computer science. He also holds a J.D. from Suffolk University, School of Law.

Chris Williams, manager of IT Service Management Product Marketing for BMC Software, is responsible for the product marketing of the Service Support discipline, which includes the BMC Remedy IT Service Management Suite, BMC Service Desk Express Suite, and BMC's Software-as-a-Service solutions for IT service management. He manages a team that focuses on solution-level strategies that leverage the comprehensive capabilities of integrated IT processes and practices. Williams has more than 29 years of IT experience, including 15 years managing data centers, operations, and technical support organizations for financial, government, retail, and manufacturing organizations. He also owned and managed an ITIL consulting firm specializing in technical and business process analysis. He has been with BMC for 14 years and has managed technical consulting departments, professional services teams, and global product marketing teams.



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