

On-Demand IT Asset Management: What It Is, Why You Need It, and How You Can Benefit

Executive Summary

Modern IT is becoming increasingly complex to manage. As business spend more and more money on their IT infrastructures, their environments are becoming increasingly complex and multi-faceted as they deploy a vast array of wide and local area networks, as well as business systems such as enterprise resource planning (ERP) modules, customer relationship management (CRM) solutions, and office productivity tools.

Additionally, as businesses operate on a broader, more global scale, IT assets are often purchased, implemented, and maintained by different departments in remote locations. This, combined with the fact that IT infrastructures are constantly changing and evolving, makes it very difficult to keep track of IT assets and their current status.

Many companies are challenged to effectively keep track of the various workstations, servers, laptops, and other components they own and maintain. They can't accurately monitor their purchases, analyze system usage, effectively adhere to licensing terms and other agreements, and measure total cost of ownership, related expenses, depreciation, and return on investment. As a result, they often suffer from performance problems, lack of enterprise integration, poor asset utilization, and inflated costs.

This paper highlights IT asset management (ITAM) solutions, powerful, feature-rich applications that can help organizations gain greater control over the various components within their IT architectures. ITAM systems have been so effective at helping companies derive greater value from their IT investments that the demand for such solutions continues to accelerate at a rapid pace. In fact, according to industry research firm IDC, the IT asset management software market has experienced double-digit growth in recent years, with annual growth rates averaging in the mid-single digits for the foreseeable future.

Readers will learn how, with ITAM solutions in place, their businesses can better manage their computer hardware and software, correlate assets to contracts and financial records such as software licenses and equipment leases, and detect and prevent IT and regulatory risks to their various technology components. So, they can streamline and simplify maintenance, reduce related expenses, improve asset utilization, and maximize the positive impact IT has on the business and its bottom line.

Readers will also discover the advantages of the software-as-a-service (SaaS) model over on-premise ITAM solutions - which can enable companies to reap the benefits of ITAM applications without the time and cost associated with on-site implementations - and learn about SAManage, the provider of today's most powerful, secure, on-demand IT asset management service.

What is IT Asset Management?

IT asset management (ITAM) is a business methodology that encompasses the various aspects of technology ownership, measuring not only the technical impact of a business' IT infrastructure, but how it affects the company's finances, productivity, and operational performance as well.

By addressing a broad range of technology-related functions, including purchasing, engineering and administration, inventory management, and financial assessment and tracking, ITAM enables the effective and cost-efficient management of any and all technology assets from the beginning of their lifecycle to the end - from procurement and implementation, through ongoing enhancement, maintenance, and analysis, and finally, through obsolescence and replacement.

With ITAM, companies can achieve complete visibility into their technology, gaining an in-depth understanding of what systems and equipment exist, where components reside, how they are used, what they cost, and how they affect core business tasks and activities. Armed with this information, organizations can improve infrastructure efficiency and performance, and minimize related overhead expenses.

Industry analyst firm Gartner cites that “understanding the expected technological and financial life of an IT asset is essential to making the right technology selections and the best financial decisions.” Additionally, ITAM solutions aid in the creation, implementation, and enforcement of asset governance policies and procedures. This facilitates enterprise-wide standardization when it comes to the purchase and use of technology solutions, which in turn can minimize liability and ensure complete compliance with licensing agreements and other technology-related contracts and obligations, as well as government legislation.

How does ITAM accomplish all this? Most of today's IT asset management solutions provide a broad array of features and capabilities that fully support the various components of a comprehensive ITAM strategy, including:

- Solution evaluations, trials, and selections
- Contract negotiation, purchasing, and acquisition
- Vendor relationship management
- Deployment, training, and usage analysis
- Upgrades, maintenance, and administration
- Asset management from a financial perspective (total cost of ownership, depreciation, return on investment, etc.)
- Disposal and replacement

How Does IT Asset Management Benefit Organizations?

Organizations of all sizes, and across all industries, can achieve dramatic benefits through the implementation and use of ITAM solutions. Some of the key advantages include:

Enhanced strategic technology planning

IT asset management empowers businesses to measure the impact of their technology systems on their core business activities and their bottom line results. By understanding how various applications and systems affect their activities, they can better align their applications and with their needs and objectives, ensuring that systems and infrastructures support the corporate mission and goals in the most effective way possible.

Forrester Research claims that this type of insight into technology assets is critical to running IT departments as a business, helping companies to “identify the metrics that business users employ to decide if IT is providing value, and linking these metrics and their associated business services to IT infrastructure components.”

Improved procurement processes

Because ITAM streamlines and centralizes all technology purchasing activities - instead of allowing them to continue to be managed on a department by department basis - unnecessary or duplicate acquisitions are eliminated. And, companies can achieve economies of scale from suppliers by performing more accurate evaluations of vendor performance, fostering stronger relationships, easing negotiation activities, and taking advantage of bulk and volume discounts.

With IT asset management, companies can also better track software license allocation, and better prepare for license renewal negotiations by knowing what needs to be renewed and how many licenses are actually required. ITAM also gives them full insight into how many licenses have been purchased, how many have been allocated and to whom, and how many are un-used. This can help companies avoid purchasing additional licenses they don't need.

“Renegade” software purchasing is also another issue that many companies face - one that ITAM can help prevent. ITAM puts the proper controls in place to prohibit unauthorized staff members from buying technology components without adherence to corporate policies or budgets.

Better infrastructure performance

In order to keep their technology infrastructures performing at peak levels, businesses need to stay on top of software update needs and security requirements. ITAM makes this possible by making it easier

ITAM Benefits:

Alignment

ITAM helps align IT with the business goals, so you can align your IT investments with the business needs.

Procurement

Consolidate purchases and only renew what you need and use. ITAM helps improve negotiation capabilities and vendor management.

IT Control

Better control your IT systems, know where they are and how they are used, and detect risks to your assets.

IT Auditing

Easily audit and account for all your IT assets when needed. ITAM eliminates manual audit efforts.

Compliance

Comply with software license agreements; reduce your legal exposure and business risk.

to track when assets will be due for upgrades and maintenance, so they can be performed in a timely fashion.

Assessing how systems are used - another key capability that ITAM delivers - is also crucial to the comprehensive management of an enterprise architecture. This ability allows organizations to understand how end users access and execute the various features and functions of their business systems. So they can instantly identify utilization issues and uncover new training needs as they emerge, to ensure that users are reaping the full potential of their technology assets.

Additionally, in today's disparate technology architectures, understanding how various technology components across an enterprise work together can be nearly impossible. However, ITAM makes it easy to understand system interdependencies, and assess how each asset within the environment integrates with and impacts other components. This helps to minimize disruptions and loss of productivity when changes to the infrastructure must be made.

Increased cost efficiency

Maximizing IT expense control and ensuring that funds are utilized as efficiently as possible is, one of the greatest challenges for today's organizations, and one of the most important advantages of ITAM solutions. IT asset management reduces technology-related expenses in numerous ways, including:

- Boosting the productivity of IT staff
- Streamlining and improving systems maintenance and administration
- Improving the management of IT budgets
- Maximizing asset utilization and eliminating waste

Simplified IT inventory management and auditing

As companies expand their operations globally, their servers, networks, business applications, desktops, and other components are often scattered across numerous locations around the world. This makes keeping track of technology assets quite difficult.

Compounding the problem is the fact that many companies control their technology inventory using manual, paper-intensive processes, which drain resources and are highly prone to inaccuracies and inconsistencies.

With ITAM software, companies can fully automate the process of monitoring and accounting for all their technology assets, allowing for enterprise wide IT audits in a matter of minutes instead of days. So, they can more efficiently and effectively - and more importantly, accurately - track and manage their IT infrastructures and related inventory, no matter where the various components reside.

Better risk management and improved compliance

IT asset management solutions also enable more effective compliance with Sarbanes Oxley (SOX), one of the most important set of requirements imposed on corporations and their fiscal reporting policies and practices in recent years. While financial professionals are the ones responsible for executing all SOX-related activities, it is ultimately the IT department that must generate, manage, and validate the information accounting staff relies on to create the financial reports needed for SOX compliance.

ITAM allows IT departments to better capture, store, manage, and audit the financial data needed for effective SOX compliance. So they can ensure that it is consistent, accurate, up-to-date, and easily accessible at all times. Additionally, by allowing IT teams to better understand and address system security needs, ITAM helps companies better protect their sensitive and highly confidential financial data from unauthorized access, breach, or misuse.

But, most importantly, ITAM solutions help companies to dramatically reduce risk in their IT environments. By allowing organizations to quickly identify vulnerabilities - such as illegal/unauthorized software, outdated software, games and other downloads, ITAM applications make it easier to see where potential risks may exist, so they can be prevented before major problems arise.

SaaS: The Business Case for On-Demand Services

In the past, companies were tied to installing new solutions and applications at their own sites, putting a strain on budgets and increasing the burden on already overworked IT personnel. But today, the landscape is changing as more and more organizations opt for on-demand solutions, also known as software as a service (SaaS). With on-demand solutions, companies can “rent” a software application that is hosted at a third-party provider’s site, and easily access it via the Internet.

In fact, according to leading industry analyst IDC, as many as 79 percent of companies are now purchasing or considering SaaS offerings. Why the increasing popularity of these types of solutions? Because the benefits are clear and easy to measure. Some of the advantages that organizations have achieved through the use of on-demand solutions include:

No waiting - instant value

Many SaaS providers offer free trial periods, so companies can evaluate the software in a real world environment before they buy. Unlike on-premise applications, which often require long and complex implementation projects, hosted solutions can be rapidly deployed, because all needed components are already “live” at the third-party provider’s site. There is no need to install and test software or

Why SaaS?

No Waiting

SAAS solutions are instantly available and deploy faster than traditional software – that translates to instant value to you.

No Software

With SAAS there is no software to install or manage – the software is running over the internet, managed by the service provider.

No Risk

SAAS helps eliminate shelf ware – try before you buy, and pay as long as you get value.

No Surprises

You know what you pay for and can easily account and budget for the service fees. There are no extra implementation, maintenance or support fees.

provision servers. The software can be made instantly available via the Web. This allows companies to get up and running - and begin reaping the benefits - quickly, while reducing the risks associated with technology deployments such as budget and schedule over-runs, and enabling more rapid return on investment.

Affordability and forecasting

Services provided via a SaaS model require smaller initial expenditure. There is no software or hardware to purchase, no costly maintenance contracts, and no expensive (and high risk) deployment projects. Companies simply “pay as they go”, and continue to use the service as long as they get value without contract lockdowns. This also makes it easier to forecast and budget for related costs.

No software to manage or servers to maintain

Many companies today have limited IT resources. Supporting the ongoing upgrades and patches required with on-premise solutions can place a tremendous burden on IT staff, and distract them from other critical corporate technology initiatives. With on-demand solutions, the software is running and maintained at the service provider’s site, so IT teams can focus on other critical business needs. As new features are introduced by the on-demand vendor, customers can rapidly take advantages of these features without having to upgrade.

Optimized performance, reliability, and security

SaaS providers are accountable for uptime and service level agreements and their primary focus is on system reliability, security and performance. They tend to invest significant resources into their data centers and equipment, maintain redundant servers and backup systems to eliminate downtime in the event of a hardware failure, and administer their systems around-the-clock, to ensure applications are available for clients whenever they need them.

On-demand service providers are better equipped to handle upgrades, enhancements and scalability as they must keep their hardware and software current and scalable in order to remain competitive. Unlike traditional onsite software vendors who must support multiple versions of their own products, and test various releases on different platforms that may exist at customer sites, on-demand solution providers can focus on perfecting a single code base - their latest one, optimized to be delivered on their own technology stack.

And, perhaps most importantly, SaaS providers are extremely security-conscious. They are fully responsible for keeping their clients' data protected at all times, and therefore implement only the most advanced security features such as support for secure socket layer (SSL), server partitioning, and data encryption. Their data centers are periodically audited and certified by industry standards such as SAS70 certification, and their security practices are constantly reviewed and improved.



SAManager: On-Demand ITAM Services

SAManager is a leading provider of robust on-demand IT asset management services. Our cutting-edge solutions are designed to empower enterprises to gain complete visibility into their IT environments, so they can more effectively manage their assets, minimize related risks, facilitate compliance, and optimize utilization.

With SAManager, companies can:

- Easily deploy comprehensive IT Asset Management at multiple locations across the enterprise.
- Achieve greater insight into asset inventory, and understand who is accessing assets, and how they are being used.
- *Proactively* detect and prevent IT-related risks such as illegal software, security gaps, or missing patches.
- Ensure full compliance with software licensing agreements and regulatory guidelines.
- Reduce technology costs and improve budget management.
- Reduce the time and effort required to address help desk issues by instantly accessing asset configuration data.
- Capture and organize IT contracts and software licenses in a centralized location, track terms, renewal dates, and more.
- Correlate assets to contracts, their department and business units, leases, users and technical owners

Powerful and Secure On-Demand Solutions

SAManager on-demand service completely eliminate the time and expense associated with implementing an ITAM service. There are no servers to manage, and no software to install. Enterprise-wide deployments can be completed in just minutes, and new features and enhancements are available immediately. SAManager offers a free trial period that allows you to “try before you buy”. Use all the capabilities of our service for 30 days - at no cost - and see how it can benefit your organization. To find out more about us, visit our Web site at www.samanage.com.

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