

## Stop Sacrificing Your IT Budget for Software

Ten steps to free your budget



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### Executive Summary

License fees and penalties for software make up a significant proportion of today's IT budgets, and much of it is wasted. Automated, integrated tools for managing software assets are among the most powerful ways to reduce IT operational costs with no significant operational impact. Straight from the initial Discovery phase, Asset Management tools identify savings opportunities on licenses for unused, underused, and duplicate software—and a continuous, disciplined program yields much more. Follow ten simple steps to improve software vendor relationships, bring software spending under control, and free up resources you can use to solve real business problems.

### Introduction

Software is expensive—licenses alone account for a significant share of corporate IT budgets.<sup>1</sup> And unlike hardware it's invisible, easy to copy, and instantaneously portable. This puts a larger burden on IT to track compliance, and leads them to overspend on software licenses. By implementing software asset management, companies can recoup costs, create predictable buying patterns, intelligently negotiate software contracts, and align resources to ensure IT investments are optimized and business-aligned.

The resulting bill is steep. Even setting aside penalties for noncompliance, the threat of a software license audit may be used for negotiating leverage, to pressure customers to purchase extra licenses “for safety”, upgrade early, or buy extended bundles or support packages. And vendors are growing even more assertive: new initiatives such as cash rewards for turning in noncompliant companies<sup>2</sup> demonstrate their determination to hold their ground on licensing.

Technological progress makes the situation worse. Virtualization, for example, gives IT the power to create whole PCs and servers out of nothing, populate them with an operating system and application software, and move them from one physical host to another in the blink of an eye. Free of the old physical constraints, virtual machines (VMs) have become the go-to solution for many business requirements, and a significant new source of software license compliance risk.

### The asset management imperative

Software license fees and penalties are one of the most visible symptom of IT asset management (ITAM), but not necessarily the most costly. Most large organizations have significant waste and duplication problems, and expenses that can be foregone with little or no business impact. These include:

- Surplus assets in the form of uninstalled “shelfware”.
- Software sitting installed but unused on servers or user machines.
- Underutilized software installed throughout a department instead of on a few shared resources.

More sophisticated analysis often shows expenses that are subtle but no less costly:

- Specialized software used intermittently on a seasonal or project basis yet licensed year-round.
- Obsolete applications that are replaced but not removed—and still under license.

1-Thomas Waigum. “Software Audits on the Rise: Survival Tips,” CIO magazine. (Framingham, MA: IDG Enterprise. January 6, 2010) <http://www.cio.com/article/print/512818>.  
2-Business Software Alliance. Report Piracy Now! (Web page). (Washington, DC. 2010). <https://reporting.bsa.org>

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- Software purchased and widely installed during business transformations that never caught on but are still being renewed.
- Licensed software installed on idle “reserve” machines, hardware no longer in service, or the PCs of departed employees or those on extended leave.

A problem this big is also an opportunity. Few IT initiatives offer returns as attractive as disciplined management of software assets. Right from the very first inventory, asset management programs often reveal significant areas of exposure that can be corrected by truing licenses to usage, managing virtual machines, operating system, and application deployments more rigorously, or—most likely—some combination.

In a companion paper, we discuss the operational efficiency, effectiveness, and control improvements IT can achieve with asset management (please see the sidebar for details). Our purpose here is to show the corresponding strategic and financial benefits: how a mature, automated asset management solution can help organizations make the most of a significant class of assets.

### **An integrated approach**

Many organizations split management of software assets between IT and Finance, creating patchwork systems that are labor-intensive and error-prone. Their fundamental flaw is separation of technical from financial information about the assets: precisely the information that must be aggregated for an effective response to vendor pressure on software licensing practices.

IT asset management is the core component of any general IT Management solution. It establishes a Configuration Management Database (CMDB) with full inventory, context, and relationship information on each asset, for use in client and server management, patch and upgrade management, Service Desk workflow, and more. A CMDB that conforms to the Information Technology Infrastructure Library (ITIL) standard will offer:

- Tight integration with procurement, inventory, and legacy IT databases for a comprehensive Configuration Management Database.
- Pre-built, customizable workflow templates that optimize and automate complex administrative tasks that cross departmental boundaries.
- Comprehensive reports to meet the most demanding requirements of vendor software license audits.

### **Ten steps to free your IT budget**

IT Asset Management brings consolidation and automation to a set of processes that is typically distributed and manual, and therefore slow, inconsistent, and error-prone. In this section, we'll review some of the benefits available from a mature ITAM solution, along with practical use cases that illustrate their value.

Software audits are a time-consuming distraction for IT staff, can result in very expensive penalties, and compromise your negotiating leverage with vendors. Ask your Symantec representative for a copy of our companion paper, *Never Fear Another Software Audit* to find ways you can use IT Asset Management to cut audit costs and compliance risks to your organization.

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Asset management tools and processes discover, inventory, and track the elements that make up IT infrastructure: software and hardware, installed or not, in the headquarters data center, at branch offices, or traveling with users. The resulting catalog (the Configuration Management Database) serves as the foundation for every other IT management activity from planning and procurement to decommission and secure disposal.

### 1. Discover and track your assets

Automated discovery solutions cut the time and errors associated with finding IT assets, identifying their versions, serial numbers, and other attributes, determining their relationships to one another, and putting them in context.

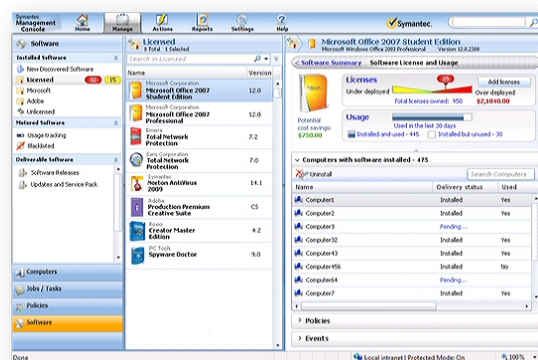
Context includes:

- Acquisition history
- Associated lease agreements
- Associated software licenses
- Location and ownership
- Associated maintenance agreements
- Service history

Information discovered automatically over networks is integrated with data imported from existing records, barcodes from product packages and hardware asset tags, and asset inventories from the Enterprise Resource Management (ERP) system to create an accurate and current CMDB of hardware and software assets and their relationships to one another.

### 2. Manage virtualized software assets

Physical and virtual machines present the same “face” to the network, so ITAM solutions’ Discovery and Tracking capabilities discover application OS and application instances running on them as easily as if they were physical devices. But context information is important because license terms and conditions may differ according to whether the operating platform is physical or virtual—another reason why a full CMDB solution is preferable to do-it-yourself spreadsheets. Likewise, streamed applications may be treated differently than those running on either physical or virtual platforms—a fact that full-featured ITAM solutions include with CMDB context information.



**Figure 1: Dashboard-style display of software usage and license costs accelerates day-to-day management of software assets.**

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### 3. Review and manage software contracts

Side-by-side display of software usage and license cost overcomes the fragmentation that occurs when IT and Finance maintain separate asset inventories, and gives organizations a record of software compliance that is independent of vendor tools and assessments. As shown in Figure 1, an integrated dashboard-style display can quickly pinpoint location and ownership of noncompliant software instances, and quantify exposure due to overdeployed assets or the savings available from license harvesting or delayed purchase in the case of underdeployed assets. This information is the basis for periodic—experts recommend quarterly—review of software contracts, with adjustments as required not only to avoid fines and penalties, but to cut licensing and maintenance fees for unused software.

### 4. Organize compliance records

Detailed, current information about applications installed across your network and their associated licenses simplifies audit preparations. Automated reports organize compliance information quickly to meet enforcement agency requirements—and even when information collected using a credible third-party solution is not accepted outright by software vendors, it establishes an initial reference point and frames a more balanced discussion.

### 5. Terminate leases

IT pays close attention to new assets, but is sometimes more relaxed about the ones they replace. This is particularly risky with embedded or invisible assets like software. Workflow tools assure that assets are properly retired, including frequently neglected steps such as lease termination for software, and secure disposal of hardware.

### 6. Monitor employee on-boarding and termination

Updating records of employee assets, information, and permissions through status changes is a complex task that crosses multiple departments and involves significant costs and risks. Poor synchronization is demoralizing, wastes staff time expediting approvals and following up. Delays in software provisioning for new employees has direct impacts on productivity, and inconsistent deprovisioning raises license costs and penalty risks.

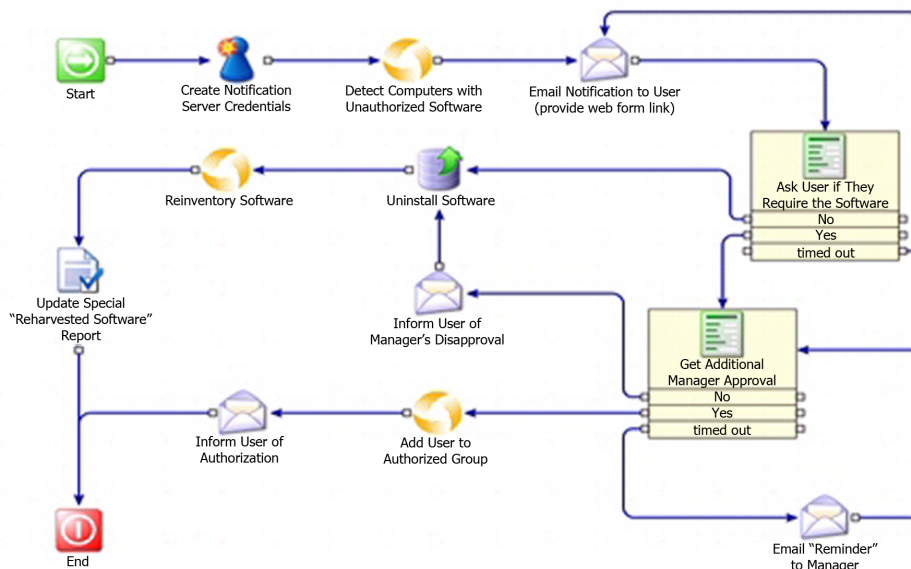


Figure 2: Automated workflow for software license harvesting.

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#### **7. Harvest licenses**

An automated process to discover and track software assets, integrating information from multiple sources and orchestrated into an automated, efficient process can dramatically reduce software license costs. License harvesting, following a workflow like that in Figure 2 identifies unregistered software for removal, uninstalls unused software, consolidates or shares underutilized instances, and reallocates or delays purchases of any resulting surplus. Independent analysis by Forrester Research rates the total economic impact of Altiris IT Management Suite 7 at a risk-adjusted 71 percent over a three-year period: a payback period of just 19 months.<sup>3</sup>

#### **8. Control costs with chargebacks and guidance**

License costs drop when they become part of the business unit budget. An ITAM solution can serve as the foundation of an efficient, well-documented chargeback program, backed by usage information that can show business unit managers low-risk opportunities to cut costs. A “live” Configuration Management Database is a powerful tool for real-time asset tracking and cost control.

#### **9. Manage the software lifecycle**

By integrating planning, procurement, and end-of-life processes into asset management, organizations can enjoy complete accountability of assets from procurement through disposal, and make intelligent decisions on issues that affect their total costs of ownership: purchase, upgrade and migration timing, maintenance and technical support levels, standardization, and more.

#### **10. Normalize buying behavior**

Reactive management of software costs can lead to oscillations between unrealistically low forecasts and unforeseen cost overruns, with spikes for penalties. By combining software usage trend information with growth forecasts and vendor software roadmaps, organizations can negotiate software license agreements that meet their requirements on the best possible terms. Figure 3 shows the results of such a program at a major US durable-goods manufacturer.

Disciplined, integrated asset management permits a greater degree of control over software expenses than today’s scattershot approaches, opening up new cost-recovery options, and reducing both cost and uncertainty.

### **A proven asset management solution**

Altiris™ Asset Management Suite from Symantec improves visibility into IT assets at every point in the lifecycle to reduce costs and fulfil compliance initiatives. The suite helps organizations eliminate unnecessary software and hardware costs, proactively manage vendor contracts, and align resources to ensure IT investments are optimized and business-aligned.

- Track discoverable and non-discoverable assets in a central repository for accountability and cost control.
- Manage software licenses to ensure compliance and optimize purchasing decisions.
- Visualize the relationships between hardware, software, contracts, users, and organizational units to enable comprehensive asset reporting.
- Manage the status of each asset and use state changes to automate common processes, such as employee onboarding or asset reallocation.

<sup>3</sup>Bob Cormier. The Total Economic Impact of Altiris™ IT Management Suite 7.1 From Symantec: Multicompany Analysis. (Cambridge, MA: Forrester Research, Inc. January, 2011).

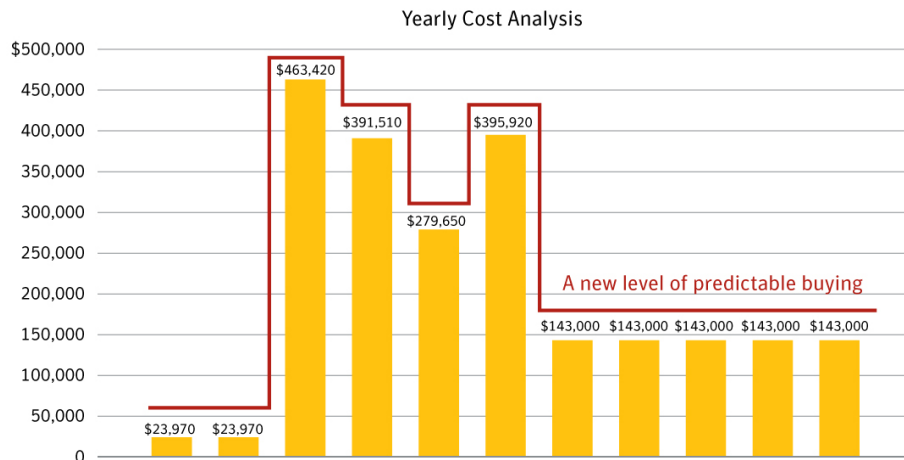


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#### **Unified software lifecycle management**

- At-a-glance details of financial exposure or potential savings for all software under management.
- Custom search support to create filters quickly and save them for repeat use.
- Separate listing of newly discovered software for one-click assignment as managed or unmanaged.
- Management of software inventory, metering, delivery and license tracking through a single interface.



**Figure 3: Software expenditures at a major US durable-goods manufacturer. Software asset management, license compliance, and a new vendor agreement brought a pattern of uncontrollable cost oscillations under control.**

#### **Integrated analytics**

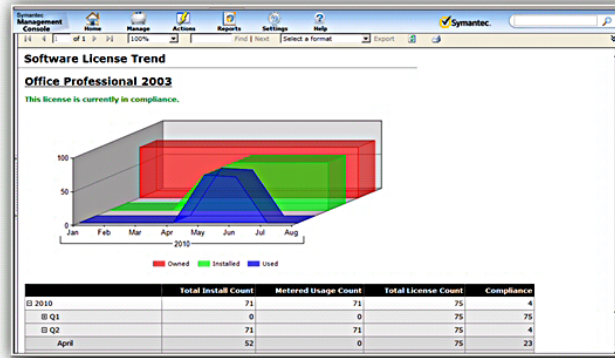
- Executive dashboard tracks key performance indicators for your organization and assesses trends as they emerge.
- *Ad hoc* data mining– multidimensional analysis and customized graphic reports using Microsoft® Excel pivot tables, not SQL.

#### **Built-In Process Automation**

- Process automation workflow now incorporates non-Symantec technologies such as HR and finance systems, for process automation across departments and systems.
- Custom process orchestration that one customer used to save \$2M and 18 months of project time using just one workflow.

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**Figure 4: Graphic display of software over or under deployment**

### Conclusions

Many organizations get serious about asset management in response to an expensive audit. It's a good motivation: asset management is one of the fastest ways for IT to save a lot of money. But it's only a start. Asset management is the starting point for disciplined, standards-based management that elevates the efficiency, effectiveness, and control of one of the most important classes of IT assets.

End-to-end asset visibility cuts excess purchasing quickly, and built-in comparisons of purchased and used software licenses reduces the risk of fines, but just as important allows the retirement or harvesting of idle or underutilized software assets.



## About Symantec

Symantec is a global leader in providing security, storage, and systems management solutions to help consumers and organizations secure and manage their information-driven world. Our software and services protect against more risks at more points, more completely and efficiently, enabling confidence wherever information is used or stored. Headquartered in Mountain View, Calif., Symantec has operations in 40 countries. More information is available at [www.symantec.com](http://www.symantec.com).

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