IT Asset Management Basics:
A Guide to Increasing Value

Transforming
IT Management

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Executive Summary

Challenge

According to industry experts, organizations that systematically manage the life cycle of their IT assets will reduce the cost per asset by as much as 30% in the first year alone. Yet today, many organizations have little or no insight into exactly what assets they own, let alone how they can optimize assets throughout their life cycle, from requisition to disposal. The same holds true for major IT investments. More and more, IT managers are challenged to generate strategic value, but with as much as 75% of the IT budget allocated to maintaining the status quo and "keeping the lights on", this goal remains beyond the reach of most organizations. Companies need a way to identify and consolidate costs across assets to plan spending better and increase the reliability of the budgeting process.

Opportunity

CA provides you with this guide to the basics of IT asset management to help you optimize the use of your IT assets and maximize their business value. The IT Asset Management Maturity Level Summary Chart included in this paper is designed to assist you in assessing the state of your current ITAM processes and setting your roadmap for improvement.

Once you have determined the maturity level of your organization's IT asset management program, you can take advantage of the modular products in the CA IT Asset Management (ITAM) solution. CA provides a chart to match the IT asset management products in its ITAM the solution to your IT asset management maturity level and your organization's desired improvements in IT asset management.

Benefit

The benefits of implementing a high-level, comprehensive IT asset management program include accurate budgeting, cost and risk reduction, increased asset utilization and financial transparency. It enables IT to support user demands quickly while rationalizing the cost of services. IT can work with business as a partner delivering key services that align with business initiatives.

The CA ITAM solution set, dedicated ITAM services and practice consultants can provide standard methodologies, patent-pending integrated IT (IIFs) workflows and proven best practices to ensure maximum return on your ITAM investment.

What is IT Asset Management (ITAM)?

IT Asset Management (ITAM) considers assets from "cradle to grave," e.g., from planning through acquisition, discovery, optimization, management, and ultimately, disposal.

From a best practices perspective, ITAM considers all the physical, financial, and contractual aspects of IT assets throughout their life cycles. The goals of a comprehensive ITAM program should be:

- To cost-effectively acquire the most appropriate IT assets for the organization with minimal risk and maximum benefit

- To maximize IT asset utilization

- To retire or re-purpose IT assets when they no longer provide benefit commensurate with the cost to maintain them

- To provide decision support mechanisms in support of specific internal and external requirements, e.g., mergers and acquisitions , audits, regulatory compliance, etc.

Additionally, effective ITAM requires a balance of people, processes and tools. A team approach, with participation by Purchasing/Procurement, Contracts/Legal, IT, Business Units, Finance, and Asset Management, ensures this balance.

Potential ITAM Benefits

HARD BENEFITS are those that you can quantify in dollars saved. Most common examples are:

- Reduced IT spending because unused hardware and software products have been reassigned or eliminated

- Just-in-time licensing and maintenance payments

- Improved cash flow

- Paying only what you owe because you can reconcile invoices with asset management inventory, payment and contract data.

- Replacing multiple spreadsheets and databases with a centralized, accurate and up-to-date asset repository

SOFT BENEFITS are those that are measured in terms of time and labor costs saved improvements to processes, and the ability to perform activities that might otherwise be difficult or impossible. Soft benefits can significantly outstrip "hard" benefits. However, they are more difficult to quantify. Most common examples are:

- Reduced labor costs associated with time saved by accurate, consolidated asset reports

- Reduction in numbers of Service Desk personnel

- Better budgeting, buying and sourcing decisions, e.g. less time needed to consolidate data for decision-making

- Increased credibility with senior management based on comprehensive, cross-functional IT asset information

- Ability to capture and redeploy assets from personnel who have left the company

- Ability to implement IT standard configurations, thus leveraging suppliers and reducing internal and external support costs

- Automated procurement of assets
- Ability to justify IT service costs based on hard data
- Improved service management

COST AVOIDANCE This represents the opportunity costs, money that would have been spent if the ITAM program had not been in place. Most common examples are money saved when you:

- Harvest and reuse current IT assets instead of buying new ones
- Negotiate better volume agreements with your hardware and software suppliers
- Transfer software licenses (where contract rights allow) to new employees when others leave
- Stop leasing payments as soon as leases expire because you have accurate contract expiry information
- Do not overbuy software licenses or capacity just to be compliant in case of an audit
- Avoid supplier-driven software audit penalties
- Improve vendor management

RISK MITIGATION This represents reductions in organizational liability that could cost the organization considerably and hurt its reputation if the ITAM program had not been in place. Most common examples are:

- Software license compliance
- Reduction in liability due to business change
- Reduction in contractual liability
- Managed electronic software distribution
- Reduction in liability due to employees' personal software being loaded on company systems
- Proper asset disposal in compliance with regulations
- Increased security
- Reduction in liability due to information management issues resolved with proper disposal processes
- Compliance with governmental regulations, such as Sarbanes-Oxley (See Section 3)

SECTION 2

Stages of ITAM

The Role of People, Processes and Tools in ITAM

PEOPLE A successful ITAM program requires senior management support. Also, there is no substitute for teamwork in any asset management initiative. The absence of a cohesive team drawn from these key functional areas — Purchasing and Procurement, IT, Legal and Contracts, the Business Units, Asset Management — is a major reason some asset management programs fail to deliver the benefits expected.

Political barriers, lack of interest, unclear goals and the absence of senior leadership support generally erode team-building efforts even before an asset management program is launched.

TYPICAL FUNCTIONAL ROLES

FUNCTION	ROLE
Purchasing & Procurement The purchasing/ procurement member(s) may be in the finance, IT or business organization and should have a good understanding of the asset procurement process.	• Define informational requirements • Define reporting data
Finance The finance member(s) should report to the finance organization (normally, the CFO) and should have a working knowledge of the assets that will be included in the program. Financial representation is very important, since cost savings and cost avoidance will be key indicators of the success of the ITAM program.	• Define financial requirements • Define audit requirements • Develop cost savings/cost avoidance reporting structure and format • Generate management reports: standard and ad hoc
Contracts & Legal These functions are grouped together, because in many companies, they are unified. In the absence of a designated group of contract specialists, the Legal Department may also represent the contracting entity. Conversely, contract personnel may represent the legal function if in-house dedicated legal staff is not available. Contractual commitments are an important part of determining what a company's overall payments and future liabilities will be.	Legal: • Define legal requirements • Determine compliance issues Contracts: • Participate in contract requirements and goals • Define standard contract terms and conditions • Ensure accuracy of terms entered into the asset repository
IT IT members report to the IT/business structure of the company. These members should be intimately familiar with the IT assets that will be part of the program and the company's current and future IT direction (i.e., future capacity plans and technology direction). They generally report to the CIO/CTO or a business unit leader.	• Participate in process and benefits-related definitions of the asset management program • Input to ongoing asset base (moves, adds, changes in configuration) • Implement technology
Business Unit Business unit managers articulate the business goals and target objectives that will benefit the organization most.	• Participate in development of definitions of business success indicators • Communicate anticipated changes to business plans • Assist in defining business value of program
Asset Manager Typically, the Asset Manager's functional role is defined within the context of the other functional areas listed above. Organizations are increasingly designating dedicated Asset Managers.	• Lead ITAM project • Perform requirements analysis • Set the ITAM program timeline, define milestones • Coordinate cross-functional input • Manage the ITAM implementation process • Provide management reports • Set direction and budgets for additional ITAM program investments

PROCESS In order to succeed, the asset management team needs to be able to modify existing organizational practices or develop new practices (where required) to achieve business goals. The team should also examine ITAM best practices and their probable returns on investment and adapt them to their organization's requirements.

For example, if the company is embarking on an e-procurement initiative, it is unlikely that it will have existing processes in place. IT will need to:

1. Re-examine traditional procurement processes and workflow and modify them appropriately

    or

2. Develop new processes for this initiative. In developing these processes, the team should look at how the end-user will use the selected tools and implement the processes.

If the process makes it more difficult for the end-user to achieve their objective, then the usefulness of the process seriously curtailed.

TOOLS ITAM initiatives are typically aimed at achieving high-level goals, such as delivering business value and improving the information to establish accountability. Therefore, tools should be selected and implemented with an eye to how effective they will be attaining those goals. The fundamental tools required in any ITAM initiative are discovery and repository tools:

- Discovery tools embrace a variety of IT asset discovery and tracking methods, from human inventory and input, to network and remote scanning and reporting of "what," "where," and "how many." Some discovery methods (such as human input) are static, while others are dynamic (such as real time updates via network or remote device readers).

- A repository tool stores all the asset information in a relational database so that the asset data can be analyzed in a variety of ways. Asset information can also be imported into other tools for reporting, planning, business rules compliance, Service Desk updates, etc. Depending on the discovery tool, it may allow limited or unlimited repository customization.

- Once basic data is gathered in a repository, organizations will want to understand and manage the specific asset attributes that drive IT costs. Next steps might include software distribution management, application usage (metering), contract management, vendor management and lease management. To streamline infrastructure operations, consolidated service desk (including change management, configuration management and help desk), vendor scorecards and performance management tools have become increasingly popular.

- Enterprise Resource Planning (ERP) applications have also evolved to include financial repositories, advanced chargeback tools and electronic ordering mechanisms. These components can also leverage the information from ITAM tools, but direct integration is still rare.

Discussion Point: IT Asset Management Maturity Level Summary Chart
The IT Asset Management Maturity Level Summary Chart is designed to assist you in:

1. Assessing the state of your current ITAM processes.

2. Setting your roadmap for improvement.

LEVEL	PEOPLE/ OWNERSHIP	PROCESS MATURITY	TRACKING/ MGMT TOOLS	% ENTERPRISES (2005 [EJN1])
0. Active	Ad hoc; few teams	Lack of maturity and operational management discipline	Few	25%
1. Efficient	IS organization, usually Tier 2 service desk; few linkages with purchasing	Count assets — annual physical inventory; separate hardware and software; inconsistent IMAC (install, move, add, change) processes; basic reports; run as projects	Spreadsheets or databases; auto-discovery; multiple overlapping tools	35–40%
2. Responsive	Cross-functional requirements team; AM Director leads ITAM implementation — reports to IS and finance	Lifecycle management; well-defined processes followed; change management	Integrated ITAM repository and auto-discovery with IT service desk; software usage tools; inventory data linked with financial and contractual data	30%
3.Business Driven	Headcount constant or grown to fulfill service demands	Metrics; service levels; frequent reports; monthly savings opportunities identified/communi-cated to business units. Inventory levels tracked; disposal/retirement plan. Introduction of IT service portfolio management. Technology refresh plan.	Common repository for hardware, software, networking assets (some adding telecom assets); automated requisition integrated with purchasing/ERP.	5–8%
4. Value Creation	As with 3	Mature; manageable infrastructure. Chargeback. TCO linked with ITAM. Data used to audit business efficiency and effectiveness. Processes across all enterprise assets. Broader IT cost recovery.	Repository, auto-discovery, software usage tools; seamless integration of ITAM repositories into portfolio management systems.	Few

Questions

- Does your organization have any ITAM initiatives currently running?
  - What are they?
  - What are their goals and objectives?

- Does your organization have any ITAM initiatives planned?
  - What are they?
  - What are their goals and objectives?

- Has your organization had any ITAM initiatives in the past?
  - Are they still running?
  - Why did they succeed or fail?

- Which functional departments are involved in ITAM?

- Is there money in the budget for ITAM?

- Who is the executive sponsor for the ITAM program?

- Has a team been formed to address the ITAM issues?

- What are the next steps in getting your ITAM initiative off the ground?

- How will decisions be made regarding the ITAM program?

RESPONSE	TYPICAL STAGE	TYPICAL LEVEL OF MATURITY
We don't have an executive sponsor.	Stage 1	Level 0/1
We are planning an ITAM initiative.	Stage 1	Level 0/1
We have never run any ITAM initiatives.	Stage 1	Level 0/1
We don't know what tools and processes we need to get started.	Stage 1	Level 0/1
We don't know which assets to start with.	Stage 1	Level 0/1
We ran ITAM initiatives in the past, but they have not succeeded.	Stage 1 - Restart	Level 1
We implemented a tool solution in the past, but it took too long.	Stage 1 - Restart	Level 1
We need to move from a small team to large cross-functional consensus on ITAM.	Stage 1 or 2	Level 1/2
We have some auto discovery and have done some reconciliation of physical assets, but now need to incorporate the finance and contract data.	Stage 2	Level 1/2
We think we need to do more in terms of ITAM, but don't know what the ROI would be. What kind of advantage in terms of ROI from maturing from one level to the next?	Stage 2	Level 2/3
We have processes in place, but have no way to measure their effectiveness.	Stage 2	Level 2/3
We have ITAM up and running for our hardware assets, but now want to get started on software.	Stage 3	Level 3/4

Stage 1: Starting or Restarting an ITAM Program

As outlined in the ITAM Maturity Chart above, organizations at Level 0 and the earlier phases of Level 1 are typically at Stage 1 when they start or restart an IT program. As with any initiative, getting started is the toughest challenge. Senior management is typically not focused on ITAM, despite the high potential for cost savings and enhanced regulatory and compliance capabilities. Such organizations are often driven to look at ITAM because they have a specific problem to solve. For example, they may be facing an audit by one of their software suppliers or may need more accurate documentation of asset depreciation of tax purposes. Organizations typically have no tools in Level 0. As they move to Level 1, they typically count assets using auto-discovery tools and record the assets in databases or spreadsheets. In many cases, Stage 1 is implemented with a small team with limited cross-functional involvement. In this section, we examine the steps required to start or restart an ITAM program.

STARTING AN ITAM PROGRAM — BEST PRACTICES   The steps involved in starting and sustaining a successful ITAM program are:

- **Form a Cross-Functional Team** Consists of IT, Contracts/Legal, Purchasing/Procurement, Finance, Business Units, Asset Management, and any other function as appropriate to the organization. (See "People" section above.) In many cases, Stage 1 is initiated by a small team with limited functional involvement.

- **Determine the Business Drivers** The best way to get management's attention and obtain funding for an ITAM program is to build a solid business case and financial justification for the program. (See Section 3)

- **Obtain Executive Sponsorship** The higher in the organization, the better. By nature, ITAM projects have extensive reach across disciplines, departments and geographies. Obtaining high-level sponsorship is crucial to success. The role of the sponsor in the initial stages of the program is to facilitate the necessary support and funding for the program.

- **Determine the Scope** It is recommended to start small and demonstrate savings based on a small sample of assets. Ideally, the assets selected should be important enough to successfully deliver a rapid return on investment.

- **Create a Business Case** The business case should outline the goals and objectives of the ITAM program, its benefits and risks (financial and non-financial), projected costs, (initial and ongoing), estimated savings and return on investment (ROI). It should demonstrate how the ITAM program fits the organization's strategic vision. It is often beneficial to provide a scenario of what might happen if the program is not implemented to demonstrate cost avoidance.

- **Establish a Timeframe, Milestones and Success Metrics** It is important to show early successes in order to maintain program momentum and ensure needed funding. Both short- and long-term milestones should be established. One success metric may be that the ITAM program is funded from the savings it realizes.

- **Develop Reports** Reporting accurate and clear data is a key requirement for any ITAM program. Reports should document hard savings (dollars saved), soft savings (time and labor savings) and cost avoidance (potential outlays absent of an ITAM program). These reports must be conservative, believable and auditable. The reports should be distributed to sponsors, team members, senior management and functional/departmental stakeholders who benefit from the program.

- **Determine How to Make Program Self-Funding** If possible, a capitalization plan should be approved by the highest level of internal sponsorship at the outset of the program to secure future funding. One method of contracting for the funding is to tie program funding to a percentage of the hard and soft savings generated by the program over time.

RESTARTING AN ITAM PROGRAM — BEST PRACTICES For many organizations, past attempts to implement an ITAM program have failed. ITAM is a three-pronged effort consisting of teams of people, well-planned processes and technology tools, so when a program fails, the failure can usually be traced back to one (or more) of these constituents. Common reasons for failure include:

- People-Oriented
    - Lack of strong project management
    - Lack of executive-level sponsorship, either initially or ongoing
    - Erosion of team participation after initial implementation
    - Organizationally siloed to the appropriate business units are not engaged

- Process-Oriented
    - Absence of processes
    - Lack of process/policy enforcement
    - More assets than the program can manage

- Tools-Oriented
    - Depending solely on tools
    - Wrong tools for the job
    - Multiple, overlapping tools

Steps to Restarting an ITAM Program Many steps associated with restarting an ITAM program are identical to those used to start a program. However, it is important that they be executed with the intention of overcoming past challenges.

- **Understand Why the Previous Initiative(s) Failed and Why** Unless a project was cancelled due to an external factor, such as a major change in corporate management, the reason for failure can often be traced to one or more of the three foundational asset management program elements — the people, processes or tools employed in the initial attempt.

- **Include Steps to Overcome the Reasons for the Prior Failure in the IT Asset Management Project Plan** The specific problems should be addressed in the project plan for the restart initiative. The plan can be used from a project management perspective, but it is also useful as an internal marketing tool to generate sponsorship and team participation in the renewed effort.

- **Campaign for High-Level Sponsorship** For obvious reasons, obtaining high-level sponsorship demonstrating success to senior management is even more crucial for a program restart than for a new initiative.

- **Limit the Scope** The new program should be beta-tested with a small number of assets. In the initial stages of the restart, it is important not to overextend the scope. As with a new initiative, the cross–section of assets used in the proof of concept should be sufficient to demonstrate rapid ROI.

- **Develop and Distribute Reports** Reporting and distributing results to the stakeholders, sponsors and senior management is critical to maintaining and expanding support for the

program. Appropriate program modifications and adjustments should be made as more assets are added to the program.

Stage 2: Has Done ITAM at Some Maturity Level of Activities but Need to Get Processes to Next Level

Organizations in the latter phases of Level 1 and the early phases of Level 2 in the ITAM Maturity Chart are typically at Stage 2. They do not view ITAM as a "one-time event," but rather an ongoing business practice that unifies people, processes and tools. As the organization matures to Level 2, a director-level asset manager is typically in place and the credibility of the ITAM program is generally accepted throughout the organization. By now, the organization has implemented several asset management processes but has yet to integrate them.

People

STAFFING THE ASSET MANAGEMENT FUNCTION In order to increase the maturity level of the asset management process, it is typically necessary to staff the asset management function with appropriate resources to manage the various programs and processes that will be implemented. Resources might include:

- Asset Manager This individual is the functional manager and the primary interface to other functions, such as IT, Legal/Contracts, Purchasing/Procurement, Business Unit(s) and Finance. Responsibilities include establishment of asset management processes and company policies and procedures, managing compliance, establishment of internal audit processes, participation in the definition of program and tool requirements, management against IT plans and budgets, remaining informed of asset management industry trends, and communication with other parts of the organization via reports and other methods as appropriate.

- Asset Administrator An Asset Administrator is typically responsible for tasks such as performing and maintaining the physical hardware and software inventory (including reconciliation), performing financial and contractual analysis, and verifying invoices prior to paying suppliers. They typically report to the Asset Manager.

- Repository Manager The Repository Manager populates and maintains the asset repository using input from the physical inventory and other relevant documentation. They also participate in defining tool requirements. In addition to the basic skills noted earlier, technical and database management skills are typically required. This individual usually reports to the Asset Manager.

MARKETING THE PROGRAM INTERNALLY Once an ITAM program or initiative is in place, its lifespan is determined by participation and support in the form of additional funding. The team must continually maintain visibility and support of the program throughout the organization. Examples include:

- Internal Program "Advertisement" The reasons for the ITAM program, with emphasis placed on its benefits to the organization as a whole and individual departments and/or business.

- Publish and Distribute Program Results Publish tangible positive results, lessons learned and success stories on the company Intranet. Provide management with electronic and hard copy reports as appropriate.

- Ongoing Evaluation Once program success is proven on a small scale, broadcast the results to other areas of the organization. Elicit participation from each area in the preparation of presentations and live demonstrations so they are tailored to the specific audience.

Process

DETERMINE RETURN ON INVESTMENT (ROI) Typical ROI for an ITAM initiative is generally as follows, according to industry statistics:

	ONE-TIME SAVINGS	ONGOING SAVINGS %/YEAR
Hardware	10–30%	5–10%
Software	10–30%	5–10%

Stage 3: Has Implemented Fully Mature Processes for the Organization but is Challenged by a New Set of Assets Based on Those Processes, e.g., Hardware is Accounted for, but Software Presents a Challenge.
Organizations in Level 3 (and some in Level 4) of the ITAM Maturity Chart are typically in Stage 3. Organizations at this stage usually represent experienced ITAM practitioners. However, ITAM may have been implemented for one type of asset, but a new initiative arises to manage assets for which there is little or no organizational familiarity.

Stage 3 — Best Practice
UNDERSTAND THE DIFFERENCES BETWEEN "SIMPLE" VERSUS "COMPLEX" IT ASSETS:

- "Simple" Assets Tangible, one-time cost items. They are assets that one can "touch and feel" and are generally immobile because of their size or connectivity to other assets. They are normally associated with a one-time purchase that is either expensed up-front or depreciated over time. Examples of "simple" assets include mainframe hardware, storage, personal computers and servers that are purchased, rather than leased.

- "Complex" Assets Less tangible than "simple" assets, one may not be able to touch or feel "complex" assets and they are often distinguished by affiliation with contracts and recurring costs. Managing "complex" assets frequently involves issues such as rights, usage and associated costs. These assets represent the most worrisome subset of assets to IT governance professionals. Examples of "complex" assets include leased hardware (all types and platforms) and licensed software (all types and platforms).

Understanding the difference between managing "simple" versus "complex" IT assets:
MANAGING "SIMPLE" ASSETS:
- People Once a process is established for either manual or automatic recording of data associated with a "simple" asset, the people requirement maintains the integrity of the data, e.g., recording moves or configuration changes, etc.

- Process Recording "simple" assets is best done at the time of purchase or receipt. At a minimum, an audit of accurate data should be performed annually but preferably semi-annually. Changes to the status of the asset should be recorded at that time.

- Tools An auto-discovery and a repository tool are critical to track and manage "simple" assets. Integration with Service Desk and Change Management tools is extremely useful, along with links to other systems, such as purchasing and ERP.

MANAGING "COMPLEX" ASSETS:
- People In comparison to "simple" assets, more intensive "people involvement" is required for "complex" assets. In addition to automatic entry via discovery tools or spreadsheets, manual entry is required, especially for contract data. Resources must also possess the skills to read an input this data in a consistent manner.

- Process "Complex" assets need to be recorded, not only at purchase and receipt, but also at the time they are contracted. These assets may change over time and may move in ways that are more difficult to track than "simple" assets. They should be audited at least semi-annually but ideally once every three months.

- Tools An auto-discovery and a repository tool are critical for "complex" assets. Integration with contract/vendor management, service desk and change management tools are extremely useful, along with links to other systems such as purchasing and ERP.

MANAGING SIMILAR TYPES OF ASSETS ("SIMPLE" OR "COMPLEX") THAT HAVE SIMILAR PROGRAM ELEMENTS:
- Techniques or processes can be leveraged from the management of one asset to the management of another from mainframe software to server software or from leased hardware to telecom equipment.

What Business Issues can ITAM Solve?

An ITAM program is unlikely to succeed in isolation. Focusing ITAM on resolving pressing business issues is the only way to gain management support and funding. This section describes a number of business issues, their role in initiating and sustaining an ITAM program, and the role ITAM plays in resolving them.

Questions

- What are the most pressing externally-driven business issues for your organization?
- What keeps your senior management up at night?
- What specific issues does your IT organization face?

BUSINESS ISSUE	SEE SECTION
One of our software suppliers is planning to audit us.	Software Audit
We are struggling with compliance to Sarbanes-Oxley (or another government regulation).	Compliance/Governance
We are planning to outsource some of our IT.	Outsourcing
One of our key software suppliers is being acquired by another software supplier.	Mergers & Acquisitions: Supplier
We are going to acquire another company.	Mergers & Acquisitions: Customer
IT is too expensive. We need to cut costs.	Reducing IT Costs
We don't know what we already have, so we keep buying more.	Reducing IT Costs, Tracking assets throughout the lifecycle
Our Service Desk is not "helpful."	Service Management
Acquiring and receiving IT is too slow, so the business units procure their own IT and then cannot support it.	IT Procurement Process, Service Management
We can't move fast enough on new business initiatives or shifts in strategy.	New Business Initiatives, IT Planning and Procurement Process
We can't respond to competition in a timely manner.	New Business Initiatives, IT Planning and Procurement Process
We don't know how to dispose of old technology.	Asset Disposal

IT Management/Business Value "Hot Button" Issues

- **Software Audits** Software compliance means conforming to the terms and conditions under which the software was licensed to the buyer by the supplier. However, those terms and conditions are not always clear, leaving companies confused as to the meaning of conformity. An effective software compliance program enables an organization to count quantities and types of software, accurately record relevant information about the software and report and substantiate any its data as part of the program. Many organizations are unwittingly out-of-compliance, because they have not instituted adequate compliance programs.

  Internally, the lack of an on-going compliance program may mean that an organization is over-spending as opposed to under-spending money on its software portfolio. If an organization fails to catalog the licenses it owns, how the software was distributed (electronically or otherwise), the disposition of the software, contractual terms and conditions and so on, then it may be safe to surmise that the organization is overbuying. However, since compliance (or lack thereof) is defined and determined on a supplier-by-supplier basis, or even on an application-by-application basis, it is important to assess compliance as it applies to each software application. (In this case, "application" refers to any specific software program, including infrastructure, database and application server software.)

- **Compliance and Governance** Broadly speaking, corporate governance deals with the rights and responsibilities of a company's management, board of directors, shareholders and stakeholders. One way of defining governance is that it involves the allocation of decision rights within the organization (e.g., deciding what to do and how to do it), as opposed to execution, which is a function of "management." However, from the perspective of IT, this distinction is artificial. Tight corporate governance is required to ensure compliance with both internal and external regulations. The CIO assumes responsibility as "corporate watchdog" for compliance activities.

  Major external regulations that concern organizations include:

  Sarbanes-Oxley This statute, passed in 2002, forces companies to reconsider internal controls and financial reporting practices. Key points:
    - CFOs and CEOs will face criminal penalties for non-compliance. CIOs will face civil liabilities.
    - Departments will need to validate financial data they manage, which directly affects IT.
    - All systems used in generating financial data are directly responsible for compliance.

  Gramm-Leach Bliley Act Passed in 1999, this act requires financial institutions to respect the privacy of their customers and to protect the security and confidentiality of customers' non-public personal information. Non-public personal information is information that is received by the institution for the purpose of conducting business. Key points:
    - Targeted primarily at the financial and insurance industries.
    - Security and sensitivity of personal data is the key criteria for governance.

Health Insurance Portability and Accountability Act (HIPAA) Passed in 1996, this act protects the insurability of an individual in the event there was a change in employment status. Previously an individual would be required to prove insurability before obtaining new coverage. Key Points:

- Targeted at the health care industry.
- Administrative effort focused on compliance is significant.
- IT processing workloads need to be updated or modified in order to accommodate the new reporting requirements.
- There is still no guarantee on data safeguarding measures

European Union Data Protection Directive (EUDPD) Adopted in 1998, this directive gives in the EU nations the right to see, amend and delete data collected from them. Key points:

- Directly affects companies who do business in the European Union.
- The regulation is privacy driven and controls the data being processed.
- The limits to which actual compliance mirror adoption of this law are "lip service" at this point. An effective ITAM program, with discovery, distribution, licensing, repository, procurement, ERP and usage and monitoring tools can provide an excellent framework for regulatory compliance.

- **Outsourcing** When an organization decides to outsource some or all of its IT to a third party, it is initially important to understand outsourcing in terms of hardware and software to determine appropriate pricing. If ownership of hardware is to be transferred to a third party, even if that third party is going to operate the hardware, it is important to understand exactly what systems are moving and their hardware and software configurations. In many outsourcing arrangements, there are considerable software licensing implications. For example, many software contracts forbid the assignment of licenses to a third-party. Others may allow assignment with the explicit permission of the supplier. Resolving these issues can be time-consuming and expensive.

  An effective ITAM program that facilitates client access to hardware, software and contractual details can save considerable time and money when preparing for outsourcing initiatives.

- **Supplier Mergers and Acquisitions** Mergers and acquisitions are on the rise again, especially in the software world. Often, the fastest and most cost-effective path to growth and diversification is acquisition, which increases a supplier's customer base and expands its product and service mix.

Acquisitions often result in changes to supplier hardware offerings or software licensing models. Although customers may delay their response initially, at some point, they will need to consider the new offerings, e.g., to support new applications or reduce maintenance costs. Asset management is required in order to act or react effectively to a supplier hardware or licensing change in the most cost-effective fashion.

Organization Concerns

- **Mergers and Acquisitions** Client organizations are also witnessing an increase in merger and acquisition activity, especially in industries such as financial services and telecommunications.

  A company's merger or acquisition plans are often shrouded in secrecy from everyone, including the company's procurement professionals. However, once the merger or acquisition is announced, employees are expected to respond rapidly with information on the company's IT assets and contractual commitments. Typically, the companies involved maintain different hardware platforms, software platforms and service providers. Contractual terms can differ, even if they are with the same supplier. More than one merger has failed because of the inability to rationalize the IT infrastructure. Without a strong asset management program, the complexity of the task mounts, and IT integration can take much longer and cost much more than anticipated.

- **Reducing IT Costs** A principal concern for many businesses is the rising cost of IT, coupled with the inability to adequately plan for IT initiatives. At a minimum, an effective ITAM program should enable an organization to control IT costs. The organization must have visibility to what assets it has, where they are located, whether they are in use, their lifecycle stage, maintenance costs and similar data. The following outline the key benefits of implementing ITAM. (See Section 1 for specific examples of each type of benefit.)

- **IT Procurement Process** If an organization's IT procurement process is too complex or time-consuming, business unit managers are apt to circumvent the process when they require IT assets. For example, managers may use company credit cards to purchase individual PCs, as long as the purchase price is less than their authorization threshold. On a larger scale, business units have been known to negotiate major software contracts with suppliers without consulting their IT departments to verify the capability to run and support the application.

  It is important to establish standards for hardware and software selection. These standards should be flexible enough to accommodate a variety of uses and users. Establishing standards for service providers is often overlooked, but it is growing in importance as more organizations turn to third parties to supplement their own resources. Best-in-class organizations also establish standards for the way they do business with suppliers, such as standard contract terms and conditions for hardware, software and services.

- **Service Management** IT's value is no longer measured solely by successful project delivery, but rather by successful and continuous service delivery to internal customers. Today's business climate requires IT organizations to adopt proactive service management to better support business objectives. Service management provides the best basis for integrating IT measurement into operational and strategic IT management, while quantifying and demonstrating IT's value to the enterprise.

  Characteristics of Service Management:
    - Labor intensive
    - Requires efficient data
    - Requires flexible yet effective processes
    - Requires effective response times
    - Cost is a challenge

  Complexities of Service Management:
    - End-user Expectations
    - Multiple Devices
    - Multiple Support Strategies
    - Distributed Support Locations
    - Internal Resources
    - External Service Providers
    - Life Cycle Strategies

Developing and implementing a process framework for service management helps to align IT and the business. Additionally, a consistent measurement program allows IT to weather funding problems and reduce business tension and miscommunication. The availability of IT asset data to IT support staff is a significant benefit of ITAM in assisting to support internal customers.

- **New Business Initiatives** New business initiatives or major strategic shifts, such as customer service or e-business initiatives, invariably alter a company's business model. During the evaluation process, a company should assess IT assets and estimate IT costs (hardware, software and services) under the new model. This analysis will facilitate a successful return on investment activity.

  A review of a company's existing IT assets might identify hardware that could be redeployed to accommodate new applications or a software license agreement in one corporate division that lends itself to favorable company-wide pricing, discounts and terms for future purchases.

- **Asset Disposal** Asset disposal involves the physical, financial and contractual processes and activities involved in removing IT assets from the organization. For example, it embraces the removal of software, data and other information from PCs before disposal, removing the asset from the organization's books, complying with environmental regulations and retaining any required documentation related to disposal.

  In terms of hardware, organizations frequently overlook the biggest asset disposal risk factors. Data security and environmental risks are the most significant factor in this category. If proprietary, company-confidential data is not totally sanitized, the organization places itself at considerable business intelligence, security and financial risk. Many hardware components can also be considered hazardous waste, and therefore require adherence to careful disposal methodologies, along with reliable and stable disposal sources in order to comply with regulatory restrictions.

CA Asset Management Tool Mapping

CA provides the most comprehensive, integrated and proven ITAM solution in the industry today to accelerate your time-to-value. We offer a complete solution, from mainframe to Web, integrated for easier deployment, administration and use. This solution can be integrated with other CA or third-party enterprise management applications. CA can help your organization leverage its asset inventory and financial information to reduce asset costs, improve IT service, reduce regulatory and compliance risks and maximize your return on technology investments.

CA ITAM Products

CA UNICENTER® ASSET PORTFOLIO MANAGEMENT IT asset ownership and contractual management

- Helps organizations manage the financial and ownership details of hardware, software and technology assets

CA UNICENTER® ASSET INTELLIGENCE Robust decision support mechanism

- Converts raw data from Unicenter Asset Management into actionable intelligence, enabling efficient, informed business decisions regarding IT assets

ASENTINEL Simplifies and streamlines the entire telecom expense management (TEM) process.

CA UNICENTER® PATCH MANAGEMENT Application patch maintenance service

- Subscription-based service available to Unicenter Asset Management customers

CA UNICENTER® DESKTOP MANAGEMENT SUITE Complete and centralized desktop management

- Bundled offering that includes Unicenter Asset Management, Unicenter Software Delivery and Unicenter Remote Control

CA UNICENTER® ASSET MANAGEMENT Comprehensive asset discovery and inventory

- Full-featured asset tracking, reporting and software usage monitoring

CA UNICENTER® SOFTWARE DELIVERY Automated software delivery for the enterprise

- Flexible solution to build, distribute, install and manage software across its life cycle on target systems throughout the enterprise

CA UNICENTER® REMOTE CONTROL Centralized management of remote desktops and servers

- Reliable, secure application enabling IT administrators to access, control, view, manage and modify remote Windows-based systems

CA UNICENTER® DESKTOP DNA System migration management solution

- Enables organizations to store and easily transfer end users' unique desktop settings, stored data and system preferences

CA Maturity Model Solution Mapping

The ITAM Maturity Analysis is designed to validate a business need and the IT processes associated with it. This analysis evaluates the current state of your IT asset management processes against industry benchmarks and identifies the steps needed to move to a higher, more efficient level of process maturity.

The ITAM Maturity model can establish the organization's current level of maturity and efficiency relative to standard ITAM processes and pinpoint areas of highest potential savings based on industry average ITAM investment returns.

This table identifies where and how CA asset management solutions relate to the ITAM Maturity Model.

ORGANIZATION MATURITY LEVEL	DESIRED IMPROVEMENT	CA SUGGESTED SOFTWARE	VALUE
0. Chaos	Basic asset inventory process, fundamental asset reporting	Unicenter Asset Management, Unicenter Software Delivery, Unicenter Asset Intelligence	Establishes asset discovery operation providing single repository to manage and report on asset inventories
1. Reactive	Improved understanding of asset deployment and ownership, Increased IMAC process manageability, Established lifecycle management, ITIL/Best Practice processes & compliance	Unicenter… Asset Intelligence, Asset Portfolio Management, Software Delivery, Remote Control, Patch Management, Desktop DNA	Provides the tools necessary to identify, understand and manage physical asset inventories. Allows you to establish, measure and maintain effective IMAC processes, standardize asset configurations and improved service levels by leveraging asset inventory and ownership management with service demands and operational practices
2. Proactive	Performance measurement-centric environment, identify and leverage savings opportunities, improved vendor management, effective IT lifecycle management – from budgeting and procurement through retirement and disposal, Measurable and deliverable IT services	Unicenter… Asset Intelligence, Asset Portfolio Management, Software Delivery, Remote Control, Patch Management, Desktop DNA	Delivers tangible means to achieve IT-to-business alignment; establishes a metric-centric platform from which organizations can begin to deliver packaged services, increase vendor contractual management, offer measurable SLAs, implement comprehensive IT asset lifecycle management and create a platform upon which to build true portfolio costing

ORGANIZATION MATURITY LEVEL	DESIRED IMPROVEMENT	CA SUGGESTED SOFTWARE	VALUE
3. Service	Comprehensive service delivery and costing of IT services specifically aligned to business processes, direct ITAM measurable costs & benefits to business	Unicenter... Asset Intelligence, Asset Portfolio Management, Software Delivery, Remote Control, Patch Management, Desktop DNA	End-to-end asset management aligned to business priorities, service management practices and accounting processes that collectively measure and reflect the value of the IT investment
4. Value Creation	SOA, perpetual IT-to-business agility, comprehensive IT costing models and processes. Maximized operational and IT fiscal efficiency.	Unicenter... Asset Intelligence, Asset Portfolio Management, Software Delivery, Remote Control, Patch Management, Desktop DNA	Total value-oriented IT asset management enabling organizations to meet compliance mandates while delivering services and IT costing processes that are aligned to business operations and strategic priorities

SECTION 5

Conclusion

After you have completed your analysis of your current IT asset management practices and made a preliminary determination of your highest priority needs, you may want to take the step to enhance your ITAM program. If so, then CA has the expertise to help you optimize your IT asset base and realize full value from your ITAM investment.

CA ITAM service professionals have field-proven implementation experience with ITAM solutions and processes. Having successfully deployed in hundreds of complex IT enterprises, the CA team delivers extensive domain expertise and thought leadership through best practices to help you:

- Lower your total cost of IT asset ownership with process and architecture designs that deliver the on the value of the CA ITAM solution
- Achieve rapid time-to-value through repeatable, certified delivery
- Methodologies that offer phased deployment options to support your long-term vision, respect your near-term execution resources and continually improve your solution maturity
- Maximize your ITAM program's performance by working directly with your team during all phases of CA ITAM solution planning and deployment
- Stabilize your solution at the end of deployment to capitalize on your current investment

To learn more about the CA ITAM solutions, visit ca.com/itam.

CA, one of the world's largest information technology (IT) management software companies, unifies and simplifies complex IT management across the enterprise for greater business results. With our Enterprise IT Management vision, solutions and expertise, we help customers effectively govern, manage and secure IT.

Learn more about how CA can help you transform your business at **ca.com**

Transforming
IT Management