



# THE LOOKING GLASS

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## ITAM Business Requirements and Design

Part Two of a Four Part Series

By Harry Carlson

### ITAM for Business

IT Asset Management (ITAM) is exciting, challenging, rewarding and a sure way to fame and fortune! It is the hottest project in the corporation and everyone wants to be involved! ....Dream on!....When you awake you will probably only buy the 'challenging' part! Let's try another approach. Would you like to be involved with an initiative that will:

- Streamline processes from help desk to network/desktop management?
- Ensure compliance with vendor and government regulations?
- Reduce costs that have a direct impact on the bottom line?
- Help your corporate executives avoid legal risks and liability?

Now, does this sound exciting and rewarding, with potentially high visibility?

This can be a reality if your approach to ITAM is all about business. Today, more than ever be-

fore, your business relies on accurate information about corporate assets. IT assets account for a significant part of a corporation's overall assets and are the most difficult to identify, track and manage. The ITAM approach must focus on your company's business requirements first and the quality of information needed to satisfy those requirements. Only then should you begin to collect data and develop processes to track assets and manage that data through the life of the asset. Finally, you can apply technology and tools to streamline and automate these processes. This article will focus on the development of an ITAM program based on the asset information requirements of your business.

### Requirements Gathering

If you were to build an automobile without knowing how you planned to use it, it would most likely end up on blocks. If you invest in the development of an ITAM program without knowing the business objectives that it is meant to satisfy, it will most likely end up as shelfware.

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The IAITAM 2006 Annual Conference & Exhibition will be held on October 18-20th, 2006 at the Renaissance Hotel in Cleveland, Ohio and is open to members and non-members alike.

Join Steffani Lomax and Harry Carlson of Software Success Partners in the General ITAM Track as they present How to Transform Asset Data into Useful Information.

Learn more by visiting [http://www.iaitam.org/Annual\\_Conf.htm](http://www.iaitam.org/Annual_Conf.htm)



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Gathering and understanding business requirements must be the first step in the initiative, and given due diligence in order to succeed. Although every company will have some unique requirements, many of the common issues that require accurate asset information are summarized below:

**Government compliance** – SOXA and HIPAA are examples of recent regulations that hold corporate executives of public companies accountable for their financial controls and record-keeping. IT assets generally play a significant role in these areas.

**Vendor compliance** – It is the responsibility of every company to ensure that software license entitlements match the applications in use. More and more software vendors are requiring audits of customer environments because they suspect that their customers are out of compliance and view their current install base as a great opportunity to increase revenue.

**Operations** – The effectiveness of most help desk organizations, network operations and support groups depends on having accurate asset information about configurations, supported applications, locations, user ID's, etc. The quality and availability of information can often be the differentiator in achieving service level objectives.

**Financial** – Finance departments must deal with fixed asset reconciliation, depreciation, property tax, end-of-contract or end-of-life valuations. These issues must be addressed monthly, quarterly and annually to close accounting records. Asset information may have a direct impact on revenue, as many service providers must be able to demonstrate the deployment of assets in order to bill their customers for these services.

**Cost containment** – Paying for equipment, maintenance and software licenses not in use is common when there is a lack of accurate asset information. Trustworthy information allows companies to negotiate more favorable terms for support and maintenance of their assets. Assets with depreciation schedules that cannot be certified in possession are subject to write-downs that directly affect profitability.

These are just a sampling of the potential issues that require accurate asset information. A detailed analysis of each must be performed to understand the exact information and data requirements that must be collected and tracked to satisfy the need. IT organizations responsible for ITAM must work closely with the lines of business to better understand their pain and ensure that a common language is developed for communicating ITAM issues.

### **Governance Assessment**

As important as the technical details are in gathering information, it is equally essential to understand the corporate culture and motivations of your organization. The business vision, management style and use of technology that will support that vision, and the financial objectives of the company are governance issues that must be considered for a successful program. ITAM must have an owner and sponsor at the executive level; however it should not be isolated or delegated to one group. Asset information is required and altered by many disparate parts of the company. Each of these organizational entities must understand the importance, priority, and accountability of their role in the process of maintaining quality information if the ITAM program is to succeed. The ITAM owner must have the skills to deliver and socialize this message to the entire organization.

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## **Customized Process Design**

The next step is to develop processes to capture appropriate asset data based on the information requirements gleaned in the first phase. Data architecture should be developed to ensure that the required business information can be constructed and the data elements can be tracked and sustained through the life of the asset. A key element of this phase is building or refining an asset catalog that is the source of record for defining assets and components, providing consistent descriptions, and defining the management and disposition criteria. The level of granularity with which the asset will be managed must be established and appropriate for the business requirements as well as the capabilities of the ITAM processes and tools. As an example, a workstation could be defined as one asset that consists of a desktop computer and standard components vs. CPU, monitor, keyboard, KVM switch, hard drive, and memory, each as assets. Do you need this granularity for business reasons and can you capture this level with planned processes and technology?

Each stage of the asset life cycle must be analyzed to ensure that the processes of each organization are consistent with the ITAM design and will sustain the accuracy of data as the asset passes through each stage. In most organizations, the stages of an asset life cycle include: Procurement, Receiving/Warehousing, Deployment, MAC (moves, adds, changes), and Disposal. Each organization must participate in the process with a clear understanding of their role and its impact on the overall process, with accountability to the ITAM owner.

## **Success Factors**

The critical success factors for this phase of ITAM development are the following:

- An approach based on Business Requirements
- A focus on Information Quality
- Implementation based on Process, Organization and Tools

Executive Sponsorship, Organizational buy-in and Accountability

Stay tuned for next month's newsletter, where we will provide our feature article on data collection and data store.



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