



THE LOOKING GLASS

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Evolution of IT Asset Management

Part One of a Four Part Series

By Harry Carlson

Where are we?

When IT executives are asked about the size of their investment in hardware and software assets, they typically respond "It's significant" or "It's our largest IT expenditure." Industry statistics support this view indicating that hardware and software represent about 50% of total IT budgets in the average enterprise. These expenditures may have been more readily accepted in the past because the return on this investment was justified through metrics such as productivity gains, competitive advantage and the general acceptance of e-business technology.

When many of these executives are asked about the quality of information they have available to manage this investment, they respond "I'm not sure" or "I really don't know." Some admit they have data from several sources in their organization, but the data is not consistent and therefore not trustworthy.

How did we arrive at this state - to have such a large enterprise investment with so little useful

information to manage and maximize the return? In today's business environment of cost containment and compliance, a more important question is how will we address this problem before the consequences begin to catch up with us? In this article, we will explore some of the reasons why we are in this situation and how this is becoming less acceptable each day.

This is a pervasive industry-wide problem that **we** - IT professionals, hardware and software suppliers, and solution providers - must join forces to solve.

How did we get here?

We have always believed that it was good business practice to track and manage assets. We also believed that we would be more productive if we kept our desks clean and worked 40 hours per week. The fact is, we all have more on our plates (and our desks) than we can possibly complete and therefore have to manage workloads based on priority. That priority is usually determined by the level of pain felt by the

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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.

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organization. In many companies, the lack of accurate asset information is just beginning to reach the critical pain point.

There are additional reasons why IT asset management has been ineffective in the past:

- The business reasons for IT asset management were not clearly defined.
- The consequences of not having accurate asset information were not as critical as they are today.
- Tracking IT assets seemed futile due to the rapid changes in technology.
- The critical success factors and logical approach were not generally known.
- Tools were perceived as the solution rather than the mechanics of a solution.
- The complexity of managing software as an asset was not understood.
- There was no enterprise-wide acceptance or sponsorship.

To summarize, the importance of IT asset management has changed. We now understand the benefits and risks associated with asset management. We also have more mature processes and tools to address the issues.

Where do we go from here?

It's always good to know where we came from, but it's equally important to understand where we are headed. First, we need to accept the reality that the current state is not acceptable in today's business climate. The business reasons and economies have been identified, the technology is available and the consequences of non-compliance have been experienced.

Second, we need to develop a solution that will satisfy both the near-term pain and long-term business requirements of the enterprise. The solution need not be rocket science, but rather a common sense approach to problem solving and the disciplines associated with process, organization and technology. The approach must clearly set expectations, define critical success factors and create high-level ownership and accountability for this effort.

The following describes a logical approach to the implementation of IT asset management that will be explored in more detail in subsequent articles. The approach is focused on business requirements, sustainable data accuracy and the transformation of asset data into valuable business information.

Requirements Gathering and Design - This article will focus on understanding the business requirements and scope for accurate asset information. We will also explore the requirements for data, processes and tools that will be needed to capture and sustain data throughout the asset lifecycle.

Data Capture and Data Store - This article will discuss the various means of collecting asset data and establishing a single system of record.

Transforming Data into Business Information - This article will distinguish between asset data and valuable information needed by the business.

Now that we have described the evolving importance of IT asset management, we will address requirements gathering and design in next month's newsletter.



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Offices:

Dallas, Texas

Phone: 972-429-5337

Boston, Massachusetts

Phone: 508-490-7844

Colorado Springs, Colorado

Phone: 719-686-1369

E-mail: info@SWSPartners.com

Visit us on the Web

www.SWSPartners.com
