



# THE LOOKING GLASS

A publication for IT professionals

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## Where is Your ITAM Business Value?

By Jeremy Gibson

Today Cynthia Rodriguez returned to her desk from a meeting with her CIO. She was asked to assist with the alignment of IT with their business goals of increasing value, containing costs, and reducing risks. Coincidentally, Ms. Rodriguez had been worried about the amount of hardware and software she is responsible for and the lack of reliable information available. She is uncertain if implementing an IT Asset Management (ITAM) program will contribute to the CIO challenge or simply be another cost, with no return, to IT.

This scenario may sound familiar if you are building a case for a new ITAM program or being challenged to demonstrate the value of an existing program. With very few exceptions, ITAM does not produce a check to the company, but can provide significant cost savings and impact the bottom line. However, there can be no doubt of the potential business value to be gained from an effective and integrated ITAM program.

An ITAM program will provide the value of efficiency and thus support “doing more with less.” With a relatively small investment of time and

process, you can collect information during the asset lifecycle to enable faster and easier retrieval. Having an accurate and reliable source of asset information makes decision making easier. It also reduces the time spent in reactive “fire drills” to collect and compile data to solve a pressing issue. Gartner estimates 55% of all organizations are in a chaotic or reactive stage of maturity when it comes to their ITAM program. In contrast, 2% have reached the highest measure of maturity by providing strategic value and business integration (Gartner IT and Software Asset Management Summit, 2007).

Efficiencies include a reduction in time to:

- respond to a software audit request
- reconcile capital assets for financial reporting
- identify computers in need of a new patch or upgrade
- close initial call to the internal help desk

Risks associated with poor or non-existent management of your IT assets present a very

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Software Success Partners is a Provider Member of the International Association of Information Technology Asset Managers (IAITAM). By becoming a member of this organization, SSP is demonstrating a continued commitment to the profession of asset management and industry best practices.

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large opportunity for value if properly mitigated by your ITAM program. This is most evident in the potential fines for software noncompliance. For example, Federal copyright law penalties can reach \$250,000 per work and Title 17 statutory damages up to \$30,000 per work. In addition, regulations such as Sarbanes-Oxley that require executives to attest to financial report accuracy carry possible penalties including personal liability and jail.

Not all risks sound like an episode of *Law and Order*. There is always a risk one of your competitors will adopt ITAM first and reduce their costs, giving them a competitive advantage.

Where ITAM gets really interesting is in discovering the opportunities for savings. Nearly every touch point of an asset represents an area where costs can be reduced. New requests for assets can be compared to a standard catalog which will reduce the number of disparate systems. With more reliable asset information, contracts can be negotiated from a position of power. Trends with troublesome assets can be weeded out of your environment and reduce repairs. Even tasks not considered being part of IT, such as paying property tax, can be helped by the ITAM program by providing physical location information.

In one such case a company used their ITAM data to compare the install base of one application to a long-term maintenance agreement and realized they could renegotiate that contract to save over \$6 million annually.

To realize the full potential of business value you must look at ITAM first from the business drivers. Providing a solution that does not address the business is much less likely to be viewed positively. Instead, let the business drive ITAM so that ITAM can support the business.

As a final point, create or improve your ITAM solution as an ongoing program instead of simply a one-time project. When a combination of processes, tools, and outstanding people are in place, you can concentrate on new challenges while the business value of ITAM continues to grow.

#### Upcoming Events

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*Fund ITAM with EPAM  
The New Frontier in Asset Management!*  
Webinar  
October 18, 2007

SSP Presents:  
*Is ITAM Worth It?  
Exploring the value of IT Asset Management*



IAITAM 2007 Annual Conference and Exposition  
November 7-9, 2007  
Rancho Mirage, CA

SSP Presents:  
*ITAM Projects and Business Value*



## Making IT Asset Management A Success

Software Success Partners offers a broad array of services designed to guide you through the IT Asset Management (ITAM) implementation maze. We have developed a practical approach focused on business requirements, information quality and process simplification. The approach creates a solid foundation for the application of technology to automate and optimize the ITAM function. Our approach is consistent with ITIL best practices and industry standards.

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