

# ITPMG



## Save Money in Software Management:

## Applying Asset Management (AM) Techniques to Software Assets

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- ITPMG Confidential -

# The Business Need

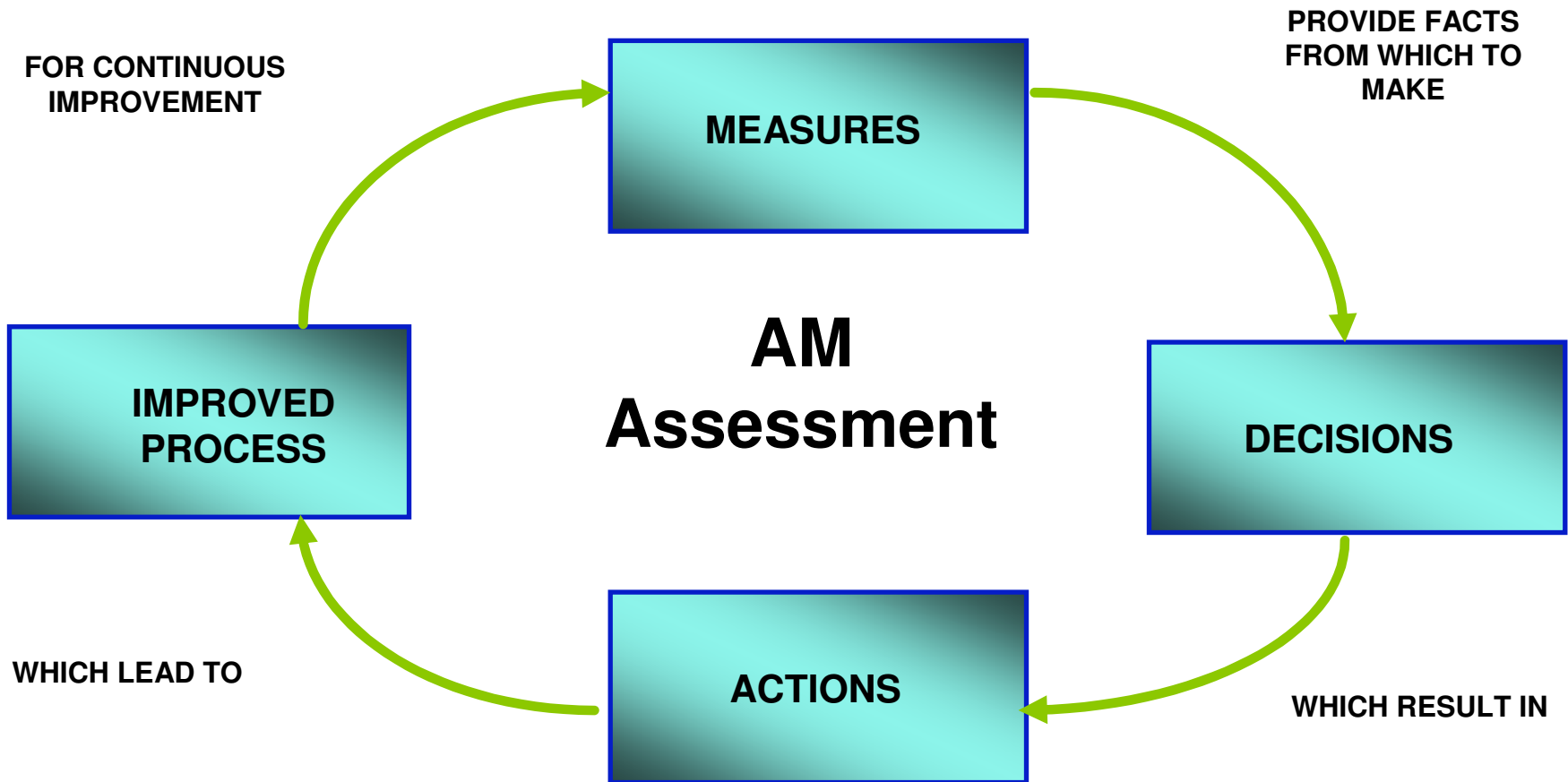
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- **Increase Return on Assets (ROA)**
- **Optimize vendor contracts and relationships**
- **Contain IT expense**
- **Improve process efficiencies**
- **Relieve downward pressure on budgeting and resources**
- **Support Acquisitions, Divestitures and Consolidations**

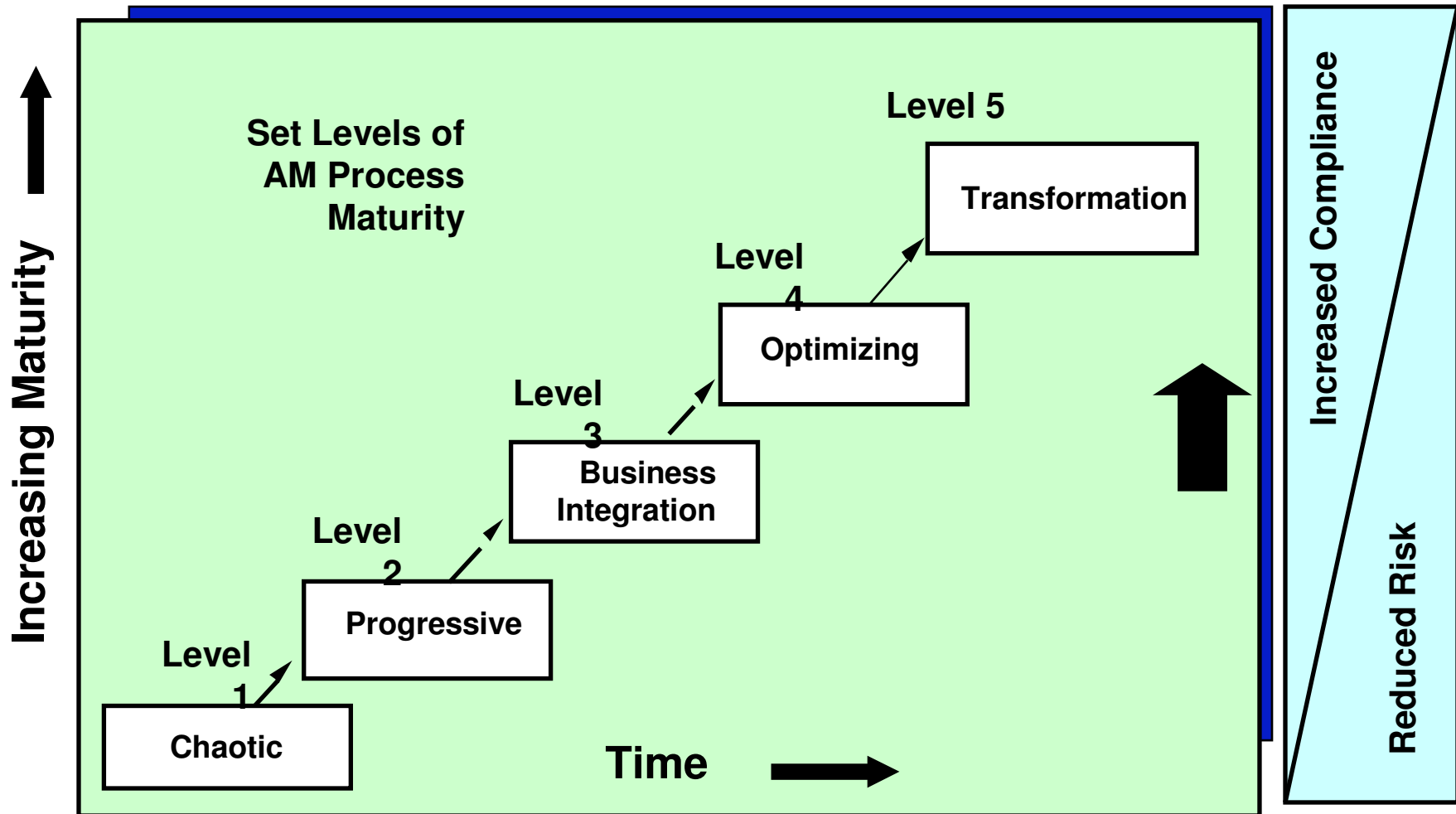


# The Value of an Asset Management Assessment

YOU CANNOT CONTROL WHAT YOU CANNOT MEASURE



# Continuous Process Improvement: A Key Element of an Advanced Asset Management Capability



# Process Maturity Level: Impact on Software Costs

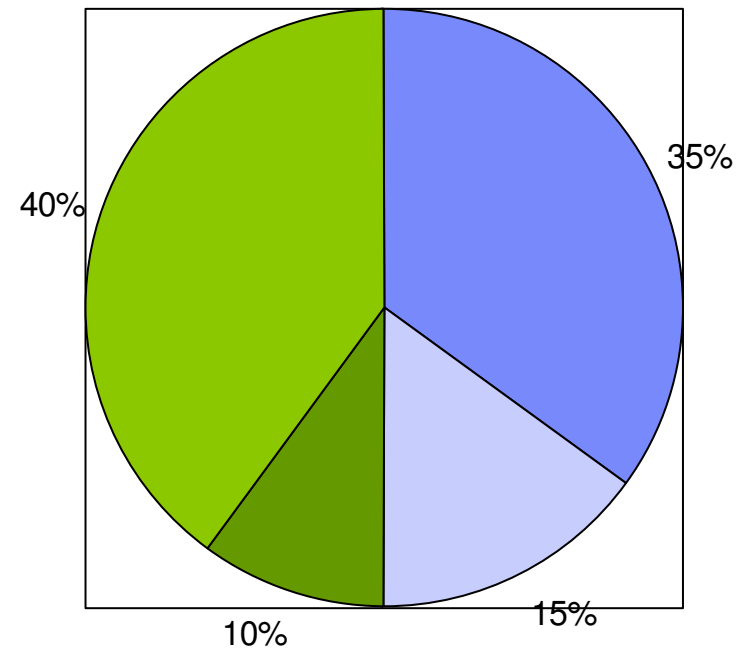
AM Process Maturity	Pct* Companies	Increased Effectiveness	Budget Example	Savings For each \$1MM
I	30%	0	\$1,000,000	- 0 -
II	45%	+15%	\$850,000	\$ 150,000
III	20%	+25%	\$800,000	\$ 250,000
IV	5%	+45%	\$550,000	\$ 450,000
V	-	+55%	\$450,000	\$ 550,000

**Companies with a Higher Level of Process Maturity are More Effective**

# Where Do the Process Gains Come From?

## Process Improvements

- Reducing Billing Errors
- Usage Corrections
- Favorable Contract Clauses
- Improved Negotiations



- Billing Errors
- Usage Corrections
- Contract Clauses
- Negotiations

# Where Do the Asset Gains Come From?

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## Asset Utilization & Management

- Usage analysis
- Eliminate unused or infrequently used assets
- Find duplicative versions of software
- Unnecessary Payment analysis

**There's some  
hard work to  
do.**

**You know the  
drill...**

# AM Assessment Approach

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- 1) Through interviews and work sessions we determine your organization's rating on each of the 8 key success factors in the AM assessment model by platform.
  - Executive and staff
- 2) Identify and collect barriers (at all levels) that increase the risk to achieving higher ratings.
- 3) Current AM Assessment data is scored, correlated (internal views and trends, prior assessment years, relevant external data), analyzed and documented.
  - Strengths and Improvement Opportunities by applicable platform
  - AM Process Maturity Level is determined.
- 4) Identify gap-closing ideas for addressing the current status and opportunities to ensure long-term success.



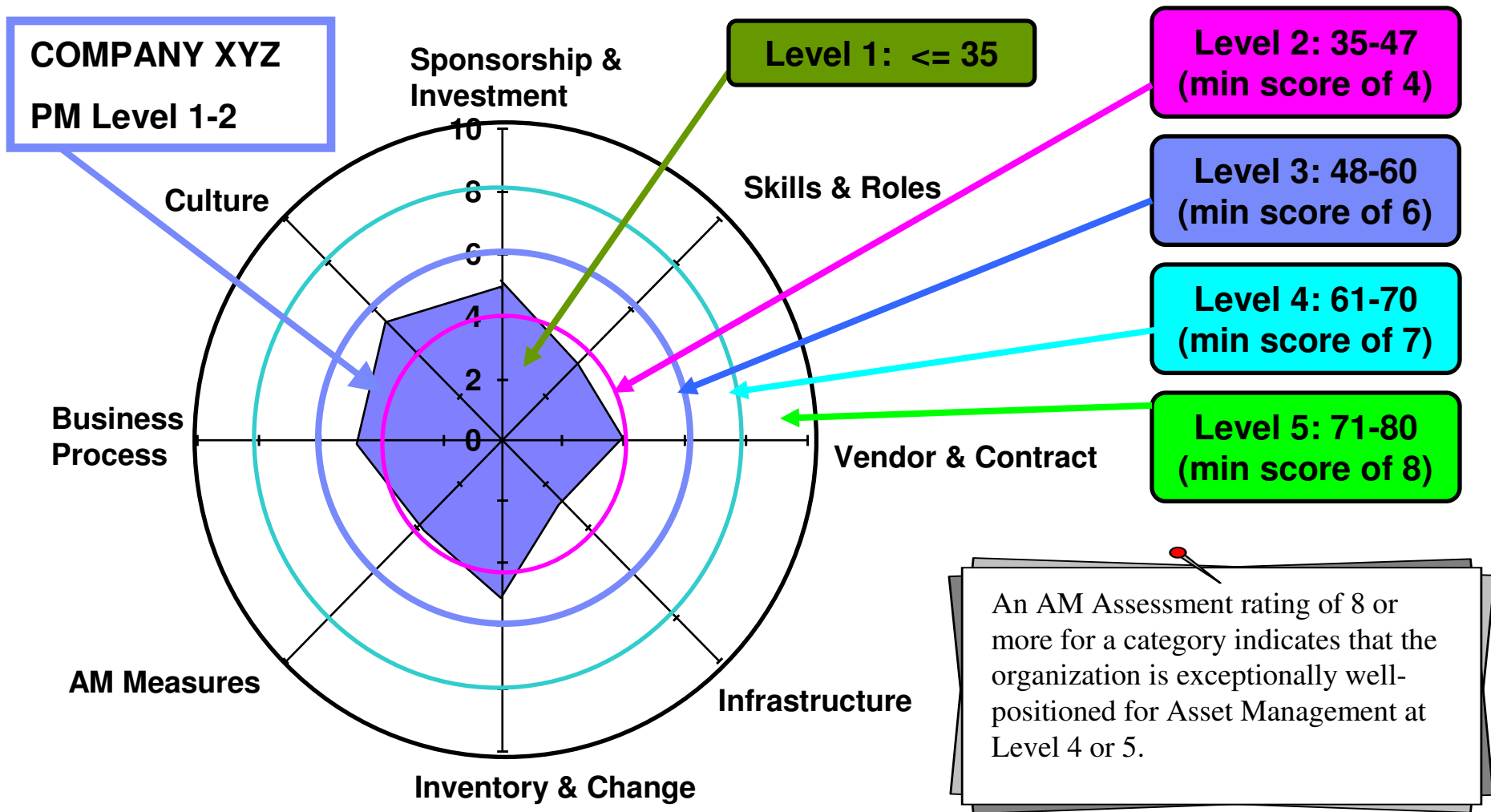


# Elements of The Asset Management Assessment

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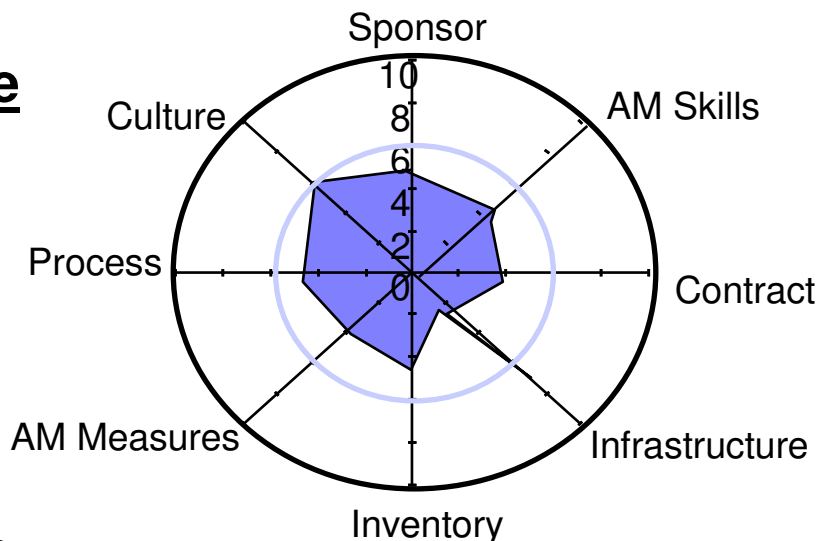
- Culture
- Business Process
- AM Value Measurement
- Sponsorship and Investment
- Inventory and Usage
- AM Team Skills and Roles
- Contract Management
- Infrastructure

# AM Maturity Level

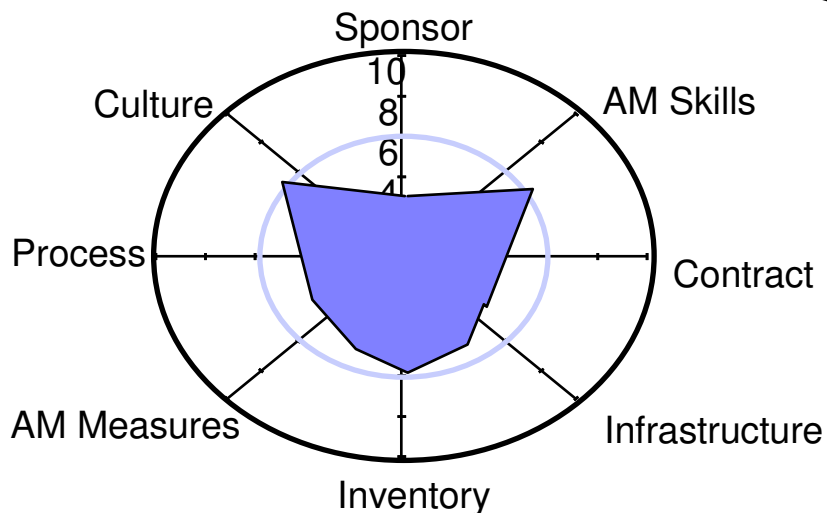


# AM Assessment Detail By Platform

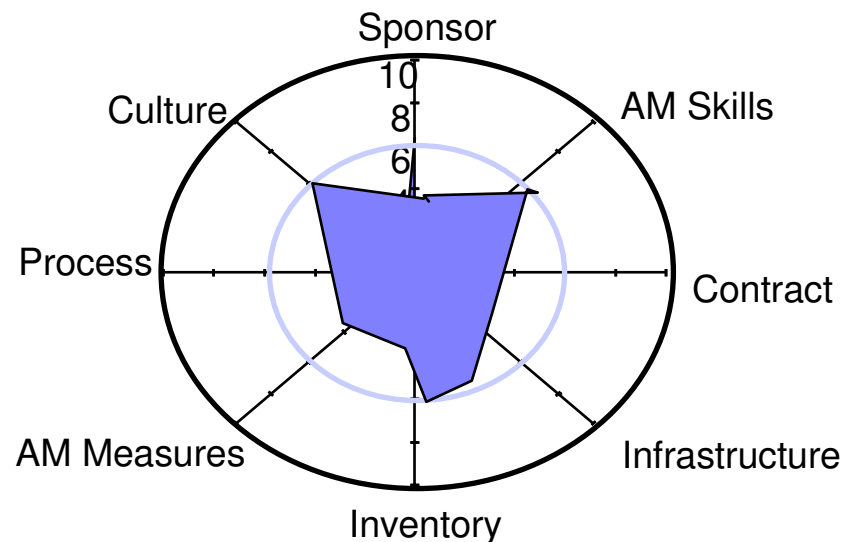
## Mainframe



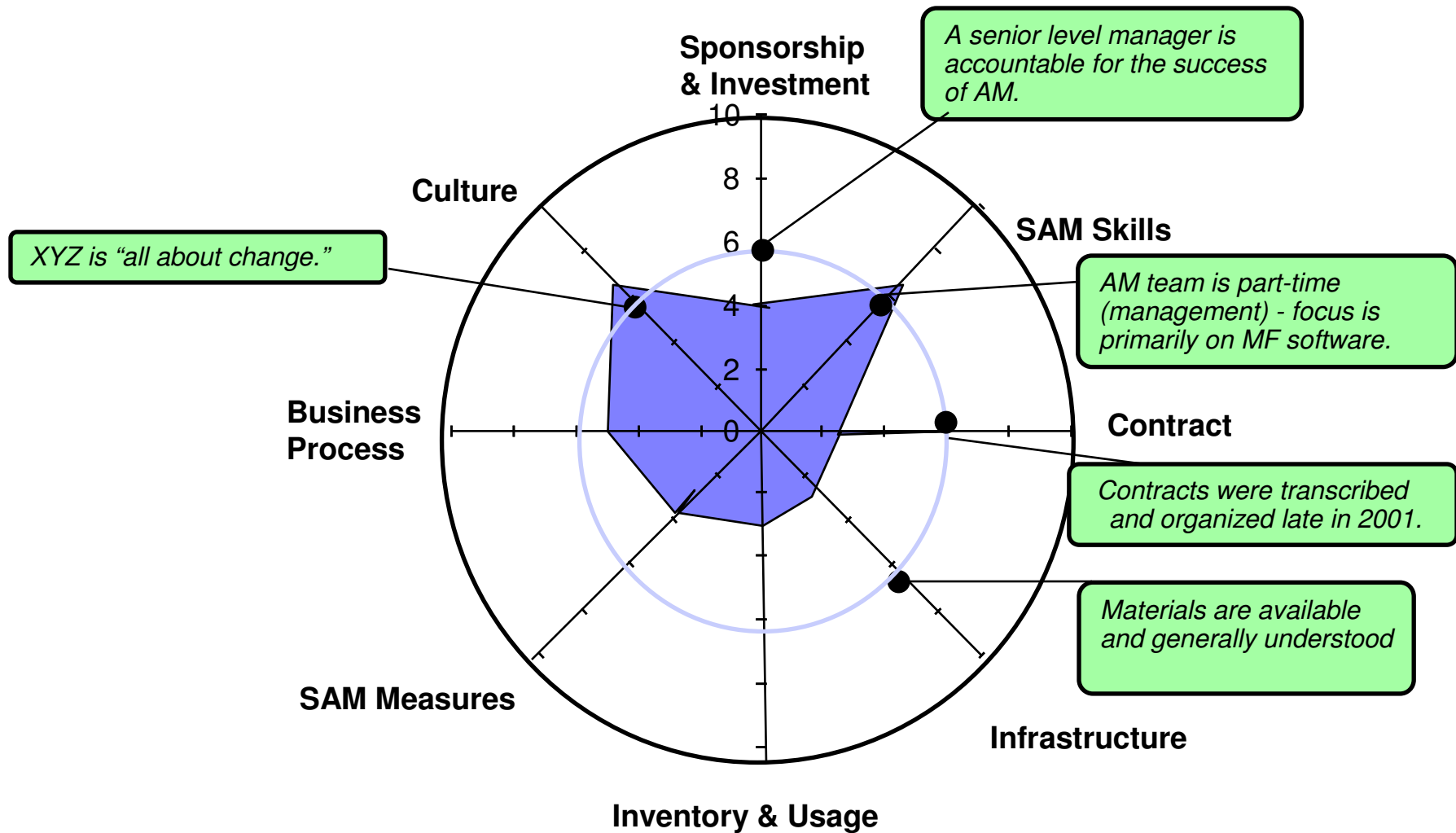
## Servers



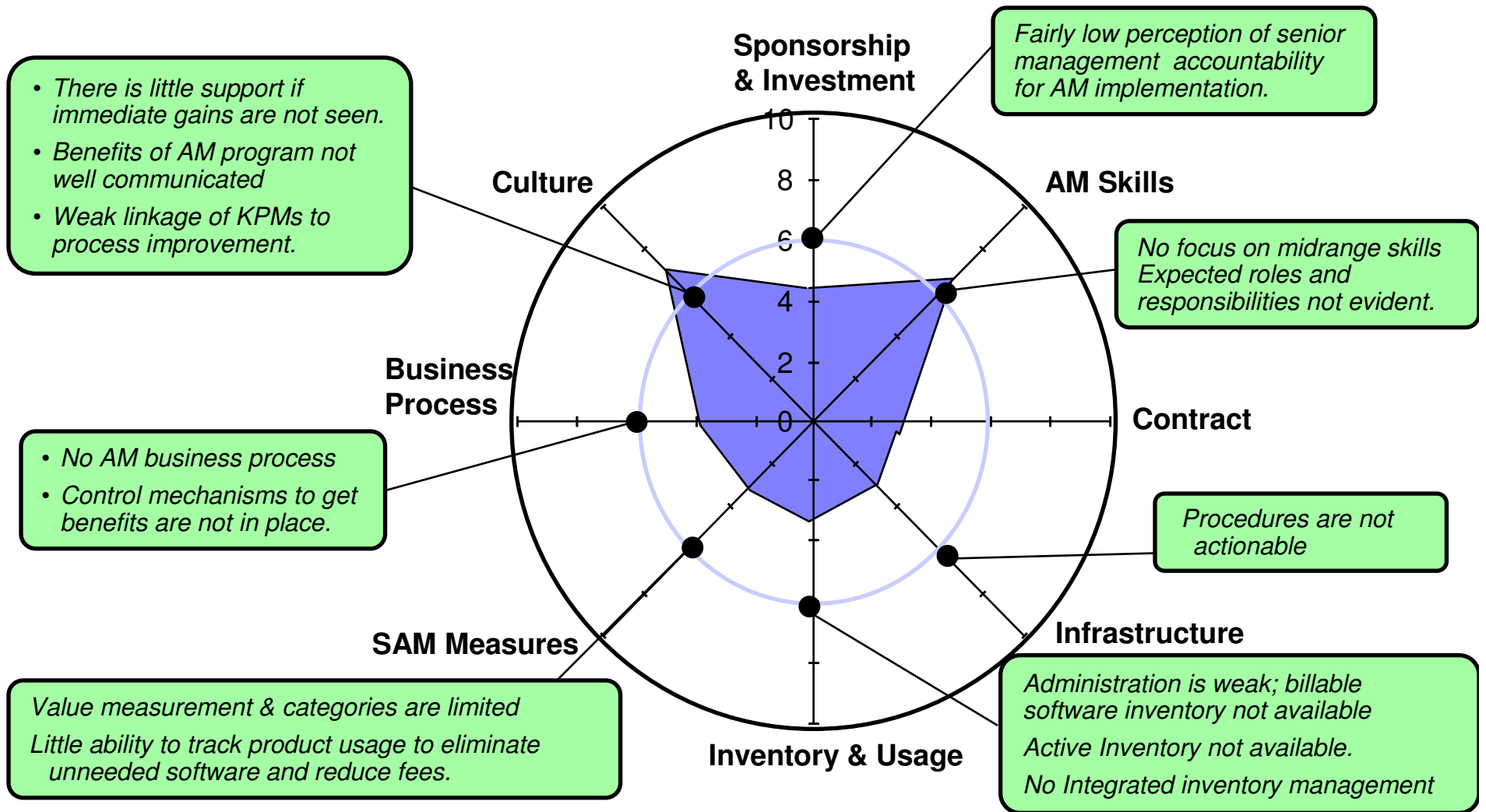
## PC



# By Platform: Summary of Strengths-Examples

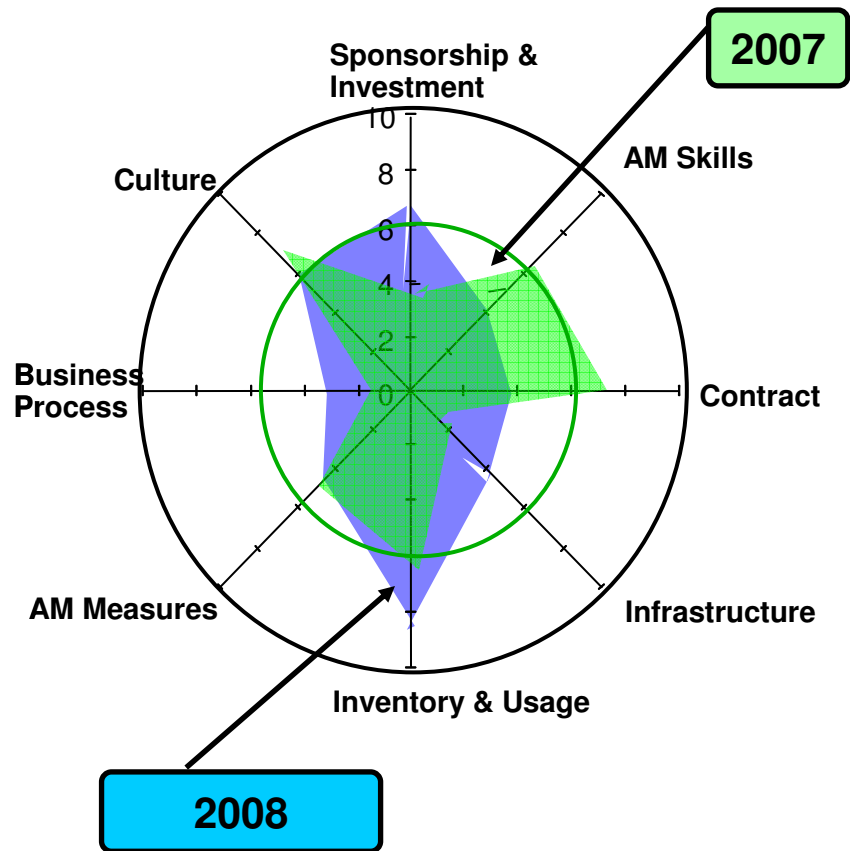


# By Platform: Improvement Opportunities-Examples

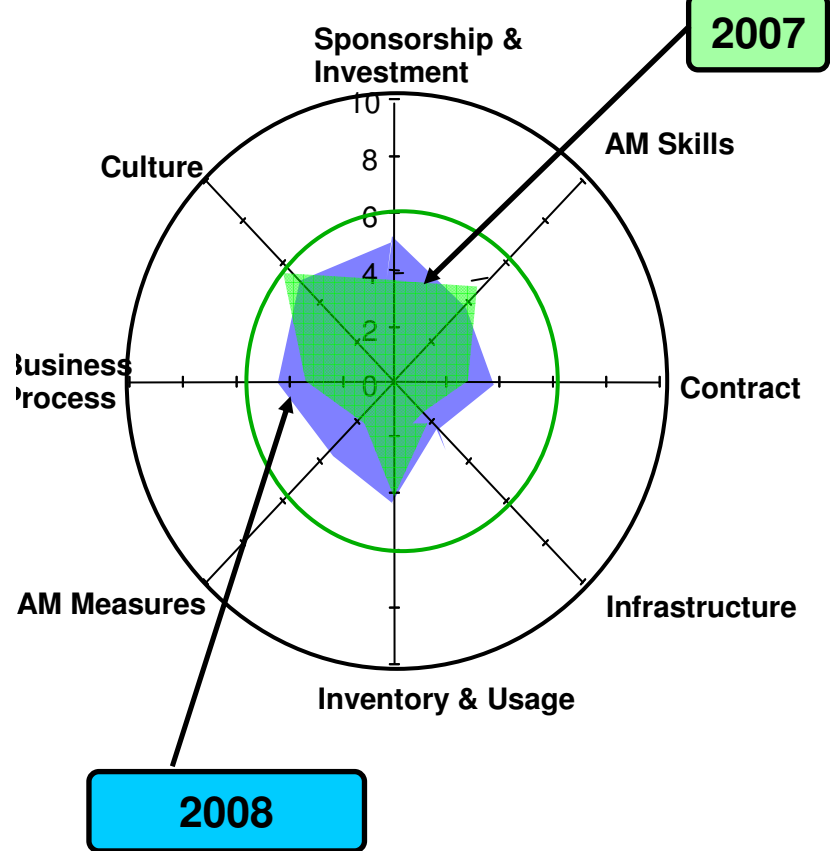


# Trend Results-Example

## MANAGEMENT



## STAFF



# Analysis and Observation: Interviews & Scoring Results-Examples

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- Contracts are “pretty well” managed but
  - “Results” have not been validated; the data is not maintained
  - Initial repository efforts have not been sustained
  - Inventory & Usage results are not available to drive contract negotiations
- AM Team Skills appear to be adequate
  - Although “Skills” rate lower than Roles and Responsibilities
- Staff performs AM related activities on an “ad-hoc” basis, responses indicate limited “awareness” of other AM areas
  - Focus is solely on their assigned “segment” of AM
  - There appears to be little overlap or cross-training
  - Mainframe responses “DK” = 53%; Midrange “DK” = 42%
- AM Business Process and Reporting are Weak
  - Data is not integrated
  - A lack of processes (which includes standards and controls), and the ability to implement the processes.
- AM Value Measures are generally not in place
- There Is a Lack of Automated Resources
  - No automated way to discover software which is not being used
  - No automated way to integrate software license and software usage
- There is no clear vision or plan for building an integrated Asset Management organization.

## Example Recommendations:

Dimension	Example Recommendation(s)
Sponsorship	Develop a 3 year plan for building integrated AM organization with documented processes & procedures
AM Team	Clarify and document team responsibilities
	Attend “robust” training session with extensive “take away” materials
	Develop/acquire a starter set of customizable AM staff documentation
Contract Management	Strongly consider automated repository
	Integrate contract data with inventory and usage

**Goal: Continue to improve processes & reduce spending**



## Example Recommendations: (Continued)

Dimension	Example Recommendation(s)
Infrastructure	Establish team based repository
	Populate repository with team processes, procedures and reports
Inventory & Usage	Develop processes for chargeback, upgrades, placement, replacement based on usage data
AM Value Measures	Define and implement (scheduled) management report of savings & key metrics
Business Process	Define & document AM processes consistent with team responsibilities
	Populate repository

**Goal: Continue to improve processes & reduce spending**



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**To receive additional materials on  
Software Asset Management Assessments  
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