Six Stages to Building a Valuable SAM Practice

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This paper provides a modern and practical approach to building a valuable Software Asset Management (SAM) function within your business.

The six stages recommended allow a Software Asset Manager to focus their efforts to deliver the biggest impact and aim for a status of 'audit ready' with software publishers. Through accurate record keeping delivered by SAM, a valuable practice will deliver reduced software compliance risk, increased IT procurement efficiency and greater agility for the whole IT department.

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Stage 1 - Assessing SAM Maturity

IT professionals attempting to get started with SAM may feel slightly overwhelmed by the sheer complexity of the task. With so many software titles and devices in use across the organisation, constant change and vast quantities of data - where should you start?

As with most IT management disciplines - many organisations choose to benchmark their SAM maturity before starting their journey to help formulate their SAM strategy. This allows a Software Asset Manager to assess their current position, identify weak spots and determine their key priorities.

The ISO standard is a great independent resource and many organisations use it as a reference model for SAM. However, based on the average SAM maturity of organisations today, the ISO standard may be an overly comprehensive guideline to benchmark against. The Microsoft SOM, which is also based on the ISO Standard, in contrast is a more straightforward assessment provides a very quick and accessible valuation of what is required to get started. It is based on ten key competencies, which provide straightforward pointers on how to progress the business towards maturity and improvement of Software Asset Management. The ITAM Review 12 Box assessment model is an independent ITAM maturity model with a balance of people, process and technology.

It is sometimes useful for a third party to perform the assessment on your behalf; since they can assess SAM maturity at face value without the interference of internal company perspectives, history or politics. A third party can also draw upon the invaluable experience of having seen other organisations address the same challenges.

In the SAM world the most popular assessment models are:

1. ISO/IEC 19770-1 - The International SAM Standard (see www.iso19770.org)

2. Microsoft SAM Optimisation Model (SOM) - see www.microsoft.com/sam/en/us/optmodel.aspx

3. ITAM Review 12 Box Assessment Model – see www.itassetmanagement.net/12box/

Stage 2 - Developing a Powerful Business Case

SAM delivers compelling business value for any organisation; but to build a powerful business case that stakeholders will buy into for many years to come, we recommend that Software Asset Managers build a customised business plan tailored to the unique attributes of their organisation. Considering the current IT environment, major business transformation projects on the horizon and strategic software publishers the company utilises will help build a solid business case that the organisation can support.

SAM is proactive housekeeping, monitoring and control of software. For any company spending money on software and maintenance every year, it's a no brainer to put some simple steps in place to reduce risk and minimise waste. Just like when a company invests in company cars or a fleet of trucks, it is just common sense to put some management and controls in place to ensure those assets don't become liabilities.

The business benefits of SAM can be grouped into three major areas: compliance, efficiency and agility. These three elements should form the backbone of your SAM business plan.

1.   Compliance

This is the most basic principle of good governance. An organisation needs to ensure it's meeting its contractual and legal obligations for the software it is buying.

The impact of SAM on software compliance can be measured in terms of audit penalties and fines avoided. Organisations with a solid SAM practice in place can avoid software audit penalties from publisher. The distraction of audits should also not be underestimated. Without the appropriate processes and tools in place, key IT resources must be pulled away from the delivery of IT projects to address audit requirements.

A quick search of the IT press can show plenty of examples of companies facing fines and unwanted publicity from software audits, but in our experience the biggest driver for companies addressing compliance is unbudgeted spend. Software audits are a fact of life in modern IT and commonly result in unexpected bills to explain to the executives.

2.   Efficiency

An organization with improved management controls in place has good visibility of what assets the company owns, what is in use and how it is configured. After meeting the initial goal of compliance SAM will inevitably lead to more efficient IT spend.

SAM empowers smarter decision making such as:

- Removing unused software - reducing maintenance spend.

- Fulfilling new software requests from unused stockpiles - avoiding spend.

- Changing architecture, configurations or versions to save money whilst still meeting business requirements - optimisation of existing assets.

- Constructing more favourable deals with software publishers based on accurate usage.

- Taking the lead in contract negotiations based on trustworthy intelligence of usage and future requirements.

3.   Agility

The final major category of SAM business value is agility. The agility delivered by SAM has immense impact but is probably the most difficult to quantify. However it should definitely be factored into your SAM business plan - especially if you wish to win over the hearts and minds of your broader business stakeholders in the longer term and maintain the momentum of your SAM practice once compliance and efficiency savings have been delivered and realised.

How does SAM deliver agility? In essence, SAM delivers great business intelligence to support the decision making of the whole IT department as well as the business in general, which can be used in any transformational project. By keeping accurate records of devices, users, software and systems; IT can move more quickly, make sharper and more informed decisions and respond to the demands of the business faster.

Don't boil the ocean

A final consideration for your SAM business plan is deciding what NOT to do.

In our experience, too many organisations stumble with their SAM progress by taking on too much. In IT security it is impossible to address all possible known security threats, the goal of security is minimising risk rather than eliminating it. The same can be said about managing software. Your organisation might own software contracts with 50, 500 or 5,000 different software publishers - but in order to make real progress with SAM you must take advantage of the 80:20 rule or the Pareto principle. 80% of the risk, costs, audit threat and likely SAM headaches are likely to be found in less than 20% of your software publishers.

Focus your efforts on 5 or 10 high value or high-risk software publishers and you will deliver substantial leverage compared to trying to manage everything. You can always broaden your scope once momentum begins to build and savings accrue. Working with an experienced SAM practitioner or partner can help you identify what should be in your target vendor list, the low hanging fruit in terms of savings for your business plan, and where opportunities exist for optimisation.

Combine the priorities identified in a maturity assessment with a well-considered target list of software publishers - and you'll have a good focus for delivering reduced compliance issues, increased efficiency and all-round agility for the IT department.

Some tangible examples of the agility delivered by SAM:

- Improving the end user experience through faster, streamlined software approval processes.

- The ability to respond faster to Information Security emergencies through accurate asset data.

- Speeding up IT project delivery: cloud readiness assessments can be completed quicker through good asset intelligence, major IT upgrades such as Office, operating system or datacenter builds can be scoped and monitored faster using trustworthy data.

- Major IT decision making can be improved through reliable asset data - should we move certain workloads to the cloud? Should we virtualise?

- Supporting Enterprise Architects and Project Managers scope future requirements.

Stage 3 - Selecting Relevant Tooling

A valuable SAM practice is a combination of Process, People and Technology.

People: You can't do SAM alone, you need to win over the hearts and minds of end user customers or consumers or software, the IT department as well as the key stakeholders or cost centres making decisions about software.

Process: SAM is not a one-off exercise, it's an ongoing discipline. To maintain balance and visibility of assets organisations to put management processes in place: the checks and balances to ensure things are getting done, changes are being recorded, objectives are being met and users are getting what was promised.

Technology: SAM technology and services are an important element of delivering a valuable SAM practice. SAM technology should help you with some of the heavy lifting associated with maintaining good records: register of assets, users, devices and systems, automating processes where possible and helping Software Asset Managers identify and interpret their assets and entitlements.

There are three key areas to consider when choosing a SAM technology. Some of these might be addressed with your existing in-house systems, some may consider investment as part of your SAM business plan.

1. **Inventory Management** - Auditing and maintaining an inventory of hardware and software in your IT estate. Sometimes using an agent, sometimes without or a combination of both. Will you use existing tools for systems management technology such as Microsoft System Center Configuration Manager, Symantec Altiris or LANDESK or will you use a dedicated inventory tool specifically for SAM? This will be determined by the software publishers in scope.

2. **The main SAM tool or license management tool**: taking the feed of inventory of your assets, recording your entitlement, helping you to interpret and ultimately reconcile them.

3. **Network Discovery**: Proving that your inventory is exhaustive. During a software audit an auditor will run scripts to prove they have exhaustive visibility of the software and hardware assets on your network. You should do the same periodically to improve the credibility and reliability of your data.

Some additional tool considerations may include the following. Again these may overlap with your existing systems:

Asset Register: A detailed record of all IT Assets (above and beyond software this may also include hardware, telephony, networking equipment, or anything else of value to the business). This may be beyond the scope of your SAM tool but is very valuable for tracking the lifecycle of all Assets from cradle to grave.

Contracts Database: This may or may not be part of your existing SAM tool or your IT procurement team may already have something in place. It is however valuable for managing the lifecycle and major milestones for IT contracts.

Our recommended toolset requirements gathering process:

1. Where are we today? What are we looking to achieve? What are the gaps in achieving our goals and priorities around SAM?

2. What software publishers are we focused on, based on spend and risk profile?

3. For the software publishers identified in step 2 - what does compliance look like? Do we know how to measure consumption and manage the software publishers?

4. What data will we need to collect on an ongoing basis in order to satisfy our management objectives in step 3?

5. What mechanisms do we need to maintain the data identified in step 4 on an ongoing basis?

6. How will we verify that our data is accurate?

This requirements process, combined with reviewing your existing systems, should drive your SAM technology selection process.

Tool Selection

Revisiting our business benefits, we need SAM tools to help us with record keeping, automation and helping to build great business intelligence with the IT assets we own.

However Software Asset Managers should only assess the need for a SAM toolset once the first two steps in this guide have been completed - an assessment of current maturity and a short list of target software publishers with a brief risk assessment. SAM tool requirements should be driven from the outcome of these two exercises.

Stage 4 - Efficiency and Automation through Smarter Processes

Processes are the checks and balances required to maintain a good view of our IT assets. Implementing processes allows an organisation to mature from the state of running periodic 'true-ups' to maintaining an up to date record at all times.

A Software Asset Manager can harness the weaknesses identified in the maturity assessment to determine what processes are required to maintain a good view of assets and make progress with SAM.

For example, it is said that the majority of cost and risk of owning software is found in datacentre oriented software. It could also be said that the majority of modern IT organisations have some degree of change management process in place for changes in datacentre environments. So it follows that implementing a simple process to review planned changes to see if any have software licensing implications will prevent a lot of headaches down the line and allow us to maintain an accurate view of our compliance and efficiency goals in the datacentre.

Software Asset Managers also need to understand that SAM doesn't happen overnight. It is a gradual process of changing the habits and entrenched behaviour an organisation uses and procures software. So we recommend taking a Continual Service Improvement approach - review what is happening on a regular basis and make improvements based on priority.

Every IT department is in a constant state of transition. People are joining and leaving the company, new systems are being built, users are being supported, and new applications are being deployed. Processes allow us to stay on top of the changes occurring and be proactive. Otherwise Software Asset Managers will always be firefighting against a constant barrage of changes across their estate.

A key sign of SAM maturity is to progress from counting licenses and clearing up the clutter after the compelling event, to working with the business to proactively assist in making decisions as they are needed.

From our experience the top five processes organisations need to consider are:

- **Inventory Verification** - a process for verifying whether inventory records are exhaustive and accurate.

- **Licensing Records Verification** - a process for verifying if procurement history and licensing records are exhaustive and accurate.

- **Request Process** - streamlining and automating the way new software is requested, approved and license records are updated - from a request for a copy of Microsoft Project through to a copy of SQL Server on a virtual machine in the datacentre.

- **Reclaim Process** - a proactive process of identifying which software and hardware assets are in use and pooling them back into stock for fulfilling new requests.

- **Change Management Process** - monitoring the change management process for any changes that might involve licensing issues or infringements on contractual rights.

Stage 5 - Maintaining Audit Ready Status

As mentioned in earlier sections, software audits are a fact of life and also present a massive distraction from key projects and business as usual. However it may not be worthwhile or realistic to monitor compliance at all times. This is equivalent to providing 100% availability of a service that's only seldom required – it is overkill. Instead, we recommend that organisations strive to aim for the status of 'audit ready'. That is, if a Software Asset Manager receives a request for an audit - whether via internal audit or external software publisher request - the SAM team is prepared for it.

Key characteristics of being audit ready:

- Upon receiving an audit request, the required data, reconciliation process and checklists are in place to be able to satisfy the requirements of the auditors.
- The SAM team don't need to panic - they know the drill
- Whilst there may be small gaps in records at any one point, periodic internal audits, accurate record keeping and continual service improvement means that any risk or exposure will likely be zero or minimal
- Audits are not a distraction or major concern

This proactive approach removes the panic and headache of audit requests, allowing the SAM team to provide very accurate supporting data for contract negotiations and exploring new projects or strategic changes. An organisation with a status of 'audit ready' for key software publishers is also likely to face fewer audit requests, because they are able to demonstrate full control and visibility and the intention to manage compliance.

Stage 6 - Building a Virtual SAM Team

A final consideration when building a world class modern SAM practice is a balanced team. A fundamental part of your business case (which we explored in stage two) is building resource in your team to deliver against the plan and meet your objectives.

It is useful to revisit your prioritised list of software publishers when assessing the skillset required within the team. Can your team deliver against each of the competencies below or are there any gaps that need addressing?

- Do you have the resource to collect inventory for your prioritised software publishers?
- Do you have the expertise to perform a license reconciliation, interpret your license position and navigate licensing terms and conditions for each of your top software publishers?

Build a skills matrix of your internal resources and check off which areas you have covered.

Gaps in your competencies could be addressed by internal specialists in the IT team, further training for your SAM team, or working with partners. For more complex software license programs, where it may not be commercially viable to have the skills in house, the gap can be addressed through use of SAM partners for periodic checks and reconciliation.

In recent years we've seen significant growth in partners delivering SAM as a service; that is delivering SAM business outcomes on a retainer basis. This would be an efficient way of maintaining visibility and compliance across the major software vendors when in-house skills are not adequate.

It is important for a business to retain full visibility of software assets when making technology decisions that may have significant financial impact. Due to the complexities around licensing, outsourcing some of the day-to-day SAM data analysis and heavy lifting to an experienced solution provider is an attractive option for many organisations. Being relinquished of some of the day-to-day SAM work allows the team to focus on strategic business improvement projects and will really help push the SAM practice further.

Summary

This paper has provided a summary of the key stages in building a valuable SAM practice. These include maintaining audit ready status for key publishers, reducing software compliance risk, delivering efficiency in IT procurement and software requests and enabling the broader IT team to be more agile with their decision making. In summary, we've suggested that organisations should take a top-down, prioritised approach towards managing software publishers and proactively address the impact of business changes taking place in their organisation in order to improve SAM processes.

About Martin Thompson -
Martin is owner and founder of The ITAM Review, an online resource and community for worldwide ITAM professionals. Martin is an independent ITAM consultant for organizations seeking independent guidance on ITAM strategy or ITAM tool selection. Martin also reviews tools, technology and services in the ITAM market. On a voluntary basis Martin is the Chief Agitator at the Campaign for Clear Licensing, a contributor to ISO WG21 which develops the SAM International Standard ISO/IEC 19770 and board member of Free ICT Europe which supports the ICT secondary market.

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About The ITAM Review -
"Founded in 2008, The ITAM Review is an online community for worldwide ITAM professionals. Our mission is to provide independent industry news, reviews, resources and networking opportunities to Vendors, Partners, Consultants and End Users working in the areas of IT Asset Management, Software Asset Management or Software Licensing."

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