20 reasons for implementing IT Asset Management

(And if you really think that you need 20 reasons to start such a project you are probably in even worse shape than you know…)

There are many many reasons why an organisation should take IT Asset Management seriously. The following list of twenty drivers for such a project is not intended to be an exhaustive listing of all of the potential benefits, as such a list would fill a chapter of a small book, but instead it is intended to give a feel for some of the ways in which proactive IT Asset Lifecycle Management can benefit an organisation. The list is not ranked or weighed as different factors will be more or less important depending upon the individual circumstances of the organisation concerned.

Proactive IT Asset Lifecycle Management can help an organisation to:

1. Reduce the level of asset theft / loss
2. Reduce Local stock piles / unofficial inventories
3. Eliminate maverick purchases
4. Take better advantage of corporate purchasing agreements
5. Avoid lease penalties for non-return of like for like equipment
6. Increase the frequency of reclamation and recycling / reuse high value components
7. Get a handle of the vast array of different configurations that are in production (e.g. Platforms, vendors, versions, standards etc)
8. Reduce the confusion regarding actual configurations in production
9. Understand the dependencies between the various components of the IT infrastructure
10. Ensure software license compliance
11. Restrict software deployment to those that actually need it
12. Begin to leverage under utilised warranties
13. Make better repair versus replace decisions
14. Improve the accuracy of asset / component failure predictions
15. Mitigate the commercial risk associated with data loss / security failures
16. Reduce the over specification of equipment
17. Improve the utilisation of high value assets and equipment
18. Improve asset reliability
19. Extend the useful life of their IT assets
20. Safely and responsibly dispose of assets

20 reasons for implementing IT Asset Management

A list on its own tells us nothing…

The following paragraphs expand upon the glib one liners of above and help explain with examples how IT Asset Management can significantly benefit an organisation financially, technically and commercially.

1. Reducing the level of asset theft / loss

The foundation of any IT Asset Management solution and associated system is about knowing what you have, what it is, where it is and what you are using it for… By answering these questions and periodically tracking the answers to ensure that your current understanding of the actual physical situation remains valid, an organisation is going some way to reducing the likelihood of theft or of having assets lost. It is wise never to ascribe to a knowing misdeed or crime, that which can be attributed to incompetence – more often than not 'lost' IT assets are found in cupboards, storerooms, in dusty piles in machine rooms etc where they had been placed 'temporarily' while the 'process' caught up etc. People's attention becomes diverted, they move on, priorities change and before you know it many thousands (maybe even hundreds of thousands) of dollars worth of equipment has 'vanished'…

2. Reducing local stock piles / unofficial inventories

Lack of faith in the responsiveness and accuracy of the support systems and processes intended to supply new and replacement equipment lead to managers hoarding equipment in cupboards and desks as people leave the organisation. More often than not, this equipment sits there gathering dust until such time that it either becomes obsolete and is disposed of by the manager locally (potentially incurring the risk of lease penalties (see later) and causing environmental destruction (see even later)) or on rare occasions it is foisted upon a hapless new starter. Centralised IT inventory management can enable valuable IT assets to be reused / repurposed and avoid the costs associated with unnecessary IT expenditure. How many new starters do you have per year? Do you purchase a new IT setup as a matter of course? How many leavers do you have per year? Do the math… The potential cost savings are enormous!

3. Eliminating maverick purchases

It is common for local IT expenditure below a certain threshold to be left to the discretion of the local IT resources. This is a good thing as it enables local IT resources to be more responsive to the needs of their local customers. Right? Well maybe, but if this is the case then all that is happening is that a process has been established to compensate for the fact that the formal IT procurement process is not suitable for such purchasing requirements. Abdicating responsibility for local sourcing will invariably introduce many more varieties of hardware and software into the environment, it will often mean that additional costs are incurred as bulk discounts cannot be leveraged and it will often mean that vital documentation such as proof of license entitlements and warranty certificates are lost.

4. Taking better advantage of corporate purchasing agreements

Every purchasing function wants to reduce the number of suppliers that it deals with. By reducing suppliers and negotiating bulk volume contracts, the procurement function can help to reduce the expenses incurred by the business. This assumes that people are aware of the bulk contracts, they know how to take advantage of them (as the terms and conditions agreed are often less than obvious) and they have the ability to leverage the terms. These three small assumptions may sound simple but it is surprising how often people buying the kit are unaware of the subtle nuances of such agreements. Minimum order quantities and minimum shipment volumes are the commonest causes for bulk discounts not being applied, however bulk contracts may also have required monthly spends or volumes etc which need to be tracked if they are the full benefits of the agreed contract terms are to be realised.

5. Avoiding lease penalties for non-return of like for like equipment

If an organisation is to avoid paying lease penalties it must not only return equipment at the appropriate time but it must also return it in a like for like condition. Some lease contracts are strict to the point of absurdity, penalising a lessee for returning equipment of a higher specification than that which was originally provided. In such cases it may be necessary to store any upgraded components for retrofitting prior to return in order to remain compliant with the terms of the lease agreement. It is also important to understand the lease company's policy regarding replacement components and accessories / peripherals and to ensure that the supplier will accept like for like replacements even if they are not supplied by the original manufacturer.

6. Increasing the frequency of reclamation and recycling / reuse high value components

It is not uncommon for expensive upgrade components (such as multi-screen video cards, SCSI interface cards etc) to be accidentally left inside obsolete workstation carcasses when they are scrapped. These components usually have a longer useful life than the machines housing them and could be used in the replacement machine.

7. Getting a handle on the vast array of different configurations that are in production (e.g. Platforms, vendors, versions, standards etc)

Complexity is perhaps one of the biggest issues facing IT managers today. Effectively tracking and recording physical and logical assets and their configurations is the first step towards making this complexity manageable. Such an exercise will, by definition, generate a considerable amount of data and this must be stored in a structured and accessible manner if it is to be useful. Data quality deteriorates over time and it is therefore important to define processes, mechanisms and tools to periodically check and validate this configuration data if the people using the system are to have confidence in its validity.

8. Reducing the confusion regarding actual configurations in production

Asset configurations can and do change frequently and it is important to ensure that the centralised repository is kept up to date with timely refreshes and updates. Many IT issues and service impacting incidents are the result of people making decisions based upon their assumptions or beliefs which in turn are often based upon historic data rather than the current situation. Having a central repository of asset and configuration data is not sufficient on its own to alleviate this problem, however it is an important prerequisite before the necessary cultural change can be applied.

9. Understanding the dependencies between the various components of the IT infrastructure

The average network traffic diagram now looks more like a bowl of spaghetti or spider's web than a structured, well ordered flow of information. Multi-purpose machines, hardware virtualisation, high availability set ups and the like all add to the confusion and make it difficult for IT personnel to readily understand the effects of taking one piece of the puzzle away on the overall picture. By mapping asset dependencies and relationships and IT organisation can start to see how different parts of their infrastructure interact with one another. It is however important not to restrict such a mapping exercise to physical connections etc. Logical dependencies are just as significant in the provision of an IT service and so any visualisation projects must ensure that both physical and logical assets and the physical and logical relationships between them are represented clearly.

10. Ensuring software license compliance

To be fair, many IT Asset Management functions often only report about the level of license compliance after the fact. Breaches are then subject to remedial action and investigation. This obviously is an important role but doesn't proactively manage the situation to minimise business risk exposure whilst keeping license and support costs as low as possible. In an ideal world, an organisation would sail as close to the wind of non-compliance as it felt comfortable in order to keep unused license stocks to a minimum. In order to proactively manage the issue, organisations must go beyond simply auditing and usage monitoring and begin treating high value software assets as distinct deployable resources, maintaining their utilisation levels in order to maximise the benefit received and lowering their overall cost of ownership.

11. Restricting software deployment to those that actually need it

Software is often handed out with little thought as to whether or not it will be used. Office automation suites are installed on reception workstations, Sales executives are given full copies when all they really use is email (and perhaps word processing tools), administrators rarely touch spreadsheets or presentation tools etc. More expensive niche solutions are no different. How many people actively prepare and work with project plans or flowcharts on a regular basis? Freeware viewers would be a far more economical first step with users having to demonstrate real business need (by regularly using hosted virtual copies initially perhaps) before they earn the right to a personal copy on their workstation. Enterprise agreements are also to blame for the widespread deployment of unnecessary software. Just

because an organisation has paid for the right to deploy a tool to every employee, it does not follow that such a policy is practical or wise.

12. Beginning to leverage under utilised warranties

It is not uncommon for equipment to be repaired or replaced when it is still under warranty. This may be for a variety of reasons. The people using the equipment may not be aware of the excellent warranty conditions negotiated by the purchasing function. The people investigating any related problems may not have access to warranty information. Warranty return processes may be chaotic, poorly defined or worse. The need for a prompt resolution may be seen as more important than the costs associated. This may of course be true for this instance, but what about the occurrence that will happen in a month's time? Wouldn't it be better to have a spare available? Whatever the reasons for not leveraging product warranties; ignoring them or incorrectly applying them etc. represent a significant element of waste that no IT organisation should be prepared to accept.

13. Making better repair versus replace decisions

Deciding when to dispose of an asset is a critical part of the overall lifecycle if reliability is to be maintained. The black box nature of modern IT equipment and the casual rip and replace mentality towards technology of most of us mean that many assets are disposed of before their time when they still had many thousands of useful hours left to give. It is common for network printers to be on third party maintenance contracts and when they fail a service engineer is summoned. The attending engineer will diagnose the fault and propose a series of options. Unfortunately, the engineer often delivers these options to the person sitting closest to the device or a remote IT operative sitting in an office potentially thousands of miles away. This person will then make a value judgement over the future of the device. This decision is often based upon incomplete information and personal preference meaning that equipment that could continue to be used is sometimes scrapped before it should be. Alternatively, aging hardware that has long since been written off in the financial sense is kept alive beyond its time through periodic part replacement.

14. Improving the accuracy of asset / component failure predictions

By tracking asset performance metrics and characteristics over time, an organisation is able to use statistical analysis to predict when a specific asset is likely to fail or be involved in a service impacting event. This enhanced confidence allows IT organisations to schedule preventive maintenance activities such as archiving, cache flushes, database re-indexing, proactive box bouncing etc in order to further reduce the likelihood of an unplanned failure or degradation in performance which could potentially impact the level of service delivered.

15. Mitigating the commercial risk associated with data loss / security failures

Effective decommissioning and disposal procedures are essential if an organisation is to be confident that it isn't throwing valuable and/or potentially damaging information onto the scrap pile along with its redundant hardware. Decommissioning processes should review

and evaluate the information held on the defunct hardware and should attempt to salvage useful data whilst destroying anything that could be commercially harmful. Recent well publicised cases of what can happen when commercial or secret information find its way into the public domain should act as a warning to all those that don't have a formal policy and process in place.

16. Reducing the over specification of equipment

It is natural for anyone placed in a position of purchasing new equipment with seemingly unlimited funds at their disposal to be seduced into thinking that they should go for the best that they can. Every whistle, bell and feature seem absolutely essential and it isn't long before that humble file server replacement turns into a massive super computer capable of calculating the movements of galaxies and their stars. The start of the asset management lifecycle begins with the identification of a business need. This need is translated into a series of quantifiable requirements and it is these requirements which should be the basis for the specification of a piece of hardware. Requirements analysis and capture should be performed dispassionately by technically competent personnel without bias towards vendor or technology in order to select the most cost effective solution which fulfils the requirements of the business.

17. Improving the level of utilisation of high value assets and equipment

High ticket items should be used frequently to ensure that the organisation gets as much return from their investment that the can. By proactively managing the deployment and allocation of valuable resources such as development platforms, LCD projectors, expensive software licenses etc, organisations can increase their level of utilisation and therefore their contribution. Such an approach can be helpful to reduce the overall number of high value assets an organisation holds within inventory and can significantly reduce overall IT spend. Careful asset scheduling and the definition of usage priorities enable such a system to operate efficiently and are the first step on the road towards just in time (JIT) IT provisioning.

18. Improving asset reliability

Asset reliability is a complex subject which may be affected by a wide variety of factors including usage profiles, load spikes, preventive maintenance activity, periodic upgrades / refurbishment etc. By holistically managing the asset portfolio for reliability and stability an organisation can significantly increase their levels of service availability and service quality. Combining real time monitoring data with predictive analysis to make intelligent automated decisions regarding dynamic maintenance activity means that each asset receives the level of attention and care that it requires in order to continue to operate efficiently and in a cost effective manner.

19. Extending the useful life of IT assets

Despite normal deterioration and wear and tear, the useful life of every asset can be extended if managed carefully. Application servers can be repurposed to become file

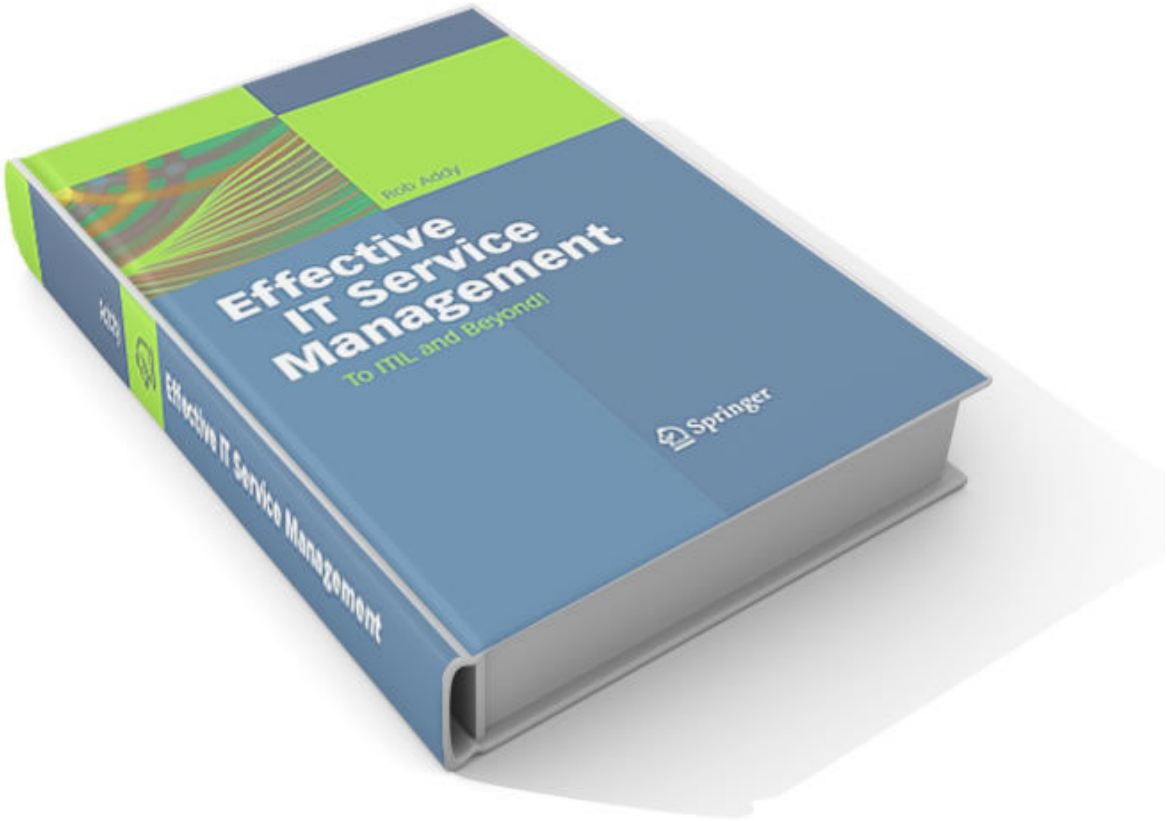
servers. File servers can be repurposed to become departmental hubs etc. High end laptops can be redistributed to less demanding users. Practically every piece of the IT infrastructure can be re-used in an alternative role if there is a will to do it. Yesterday's production server can become tomorrow's hot standby for example. All that is needed is the policy to be set and for every item of equipment that is to be disposed of to be evaluated to determine what useful role it is able to fulfil in tomorrows infrastructure. Extending asset life defers the need to replace, which in turn defers the need to procure, making the associated funds available for more pressing business requirements.

20. The safe and responsible disposal of assets

Increasingly, legislation such as the Waste Electrical and Electronic Equipment (WEEE) regulations are requiring businesses to accept their duty of care to the environment when they dispose of relatively small volumes of IT hardware. IT equipment traditionally contains some very nasty materials which can do great harm to the environment if not handled responsibly. For this reason, all consumers of IT equipment must ensure that their redundant hardware is disposed of in a safe and secure manner using the correct balance of recycling and specialist disposal carriers as appropriate if they are to avoid a fine and the associated negative publicity.

About the author

Rob Addy is the author of “Effective IT Service Management: To ITIL and beyond!”. As an ITSM professional with over a decade of hands on experience in the field with both enterprise and medium sized organisations Rob has been fortunate to work for many of the biggest names in the industry in a variety of roles in the UK and the US. From application development and support, to direct solution implementations, to product management and marketing, to consulting management and technical sales, Rob has gained a rare insight into the ITSM world from a wide variety of angles. This 360 degree view of the market enables Rob to balance real life scenarios, customer requirements, best practice processes and technical solution capabilities and limitations to give a unique pragmatic approach to improving IT services using a combination of current best practice and tried and tested experience. Prior to joining the IT industry, Rob worked as a Quality Manager within the risk management, service and manufacturing sectors where he oversaw and managed the process of gaining and maintaining certification to ISO 9000 on several occasions.



Hardcover:	382 pages
Publisher:	Springer-Verlag Berlin and Heidelberg GmbH & Co.
Language:	English
ISBN-10:	3540731970
ISBN-13:	978-3540731979
Product Dimensions:	23.4 x 16 x 2.6 cm