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The Software Asset Management (SAM) Spotlight

For the Software Vendor, Software Licensing, and SAM/IT Asset Management Communities



Cost Optimization in a Down Economy: The IT Asset Management Perspective

November 2009
Soft-Aid, www.aid.com

In This Issue

Deployment Planning Matters

Cost Optimization in a Down Economy

IT Asset Management Conference Recap

Quick Links

- [Soft-Aid Website](#)
- [Past Newsletters](#)
- [Archive of Past Slide Presentations](#)

Wit & Wisdom

"Almost all our faults are more pardonable than the methods we resort to to hide them."

**-Francois de La Rochefoucauld
Writer (1613-1680)**

Industry Studies and Stats **NEW!**

"IT Asset Management Market Penetration Is Accelerating ... based on polling data and recent client inquiries, the

Reading the IT Asset Management Tea Leaves. What's Next.



In our latest e-newsletter, Paul 'Doc' Burnham explores how to use IT Asset Management principles to save money in a down economy.

In [a prior newsletter](#), we focused on how software application usage information helps lower costs; this issue highlights how wider IT Asset Management principles can be used to do so.

My colleagues and I recently returned from an [IT Asset Manager conference held in Las Vegas](#). Below is a synopsis of what we observed and learned.

Congratulations are in order to my colleague Paul 'Doc' Burnham for recently being named a [Fellow of the IAITAM organization](#). Over the next year Paul will provide strategic direction and help define best practice standards for the IT Asset Management industry.

My apologies in advance for the length of the newsletter but I think you will find it insightful and helpful!

Thank you for reading.

All the best!
David Yashar, Managing Consultant
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For a complete archive of past e-newsletters including our last issue on "How to Design a Better SAM Program," click [here](#).

Deployment Planning Matters!

installed base for ITAM discipline and processes has increased to more than 40% from 25% five years ago," 8/5/09, Patricia Adams, Gartner Study G00166190, [More](#)

Microsoft Product Roadmap Update, [More](#)

FWIW "The ROI of Software-As-A-Service [SaaS]. A Total Economic Impact Analysis Uncovers Long-Term Value In SaaS," 2009, Forrester Research, [More](#)

Industry News

[See more Industry News](#)

"Defogging the Cloud [Computing Model]," 10/23/09, *CXO Today*, [More](#)

"Interview with Michael Beare [of Microsoft]," IAITAM, Sept. 2009 *ITAK Magazine*, [More](#)

"SEC Update: SEC Delays Section 404 Compliance for Smaller Public Companies," MJ Fisher, Oct 2009, [More](#)

Four (4) IDC Studies on Software Asset Management, Fall 2009, *IDC*, [More](#)

"Does Microsoft Complicate Its Licensing on Purpose?" Oct 8, 2009, *NY Times*, [More](#)

"Forecast for Microsoft: Partly Cloudy": Microsoft's Future, Beyond Windows 7 and the PC, 10/18/09, *NY Times*, [More](#)

"Product Launch Tidal Wave: Microsoft's ambitious product-launch schedule requires a delicate juggling act." 8/1/09, *Redmond Magazine*, [More](#)

"Art of the Software Deal can get Messy: [An Update from the 2009 Gartner IT Symposium],"

Greater Dependencies Exist Between Software and Hardware. Are you seeing this too?

It seems one cannot run a server application nowadays without running into all sorts of dependencies between software and hardware.

Here are a few examples of the array of software dependencies for Microsoft Exchange Server:

- [Exchange Server 2003](#) does not work in a Windows Server 2008 environment
- Its successor, [Exchange Server 2007](#), will not yet work on Windows Server 2008 R2
- And [Exchange Server 2010](#) only works with Windows Server 2008

Pay Attention to the Prerequisites

[Microsoft's Exchange Server 2010 deployment guidance](#) warns as follows: "Before you install Microsoft Exchange Server 2010, we recommend that you ... ensure that your *network, hardware, software, clients, and other elements meet the requirements for Exchange 2010* [italics added]." For those who are technically inclined, these words ring true. Deployment and architectural planning is a must for most products nowadays. Knowing which machines are application ready and the pervasiveness of a particular application in your environment is essential to ensuring a smooth migration.

Other Dependencies

Dependencies between software and hardware abound. In order to use Windows XP *Mode*, a much-heralded feature in Windows 7 that allows older applications to run, computer processors must support it. The same is true for Hyper-V, an element in Microsoft's server virtualization technology: in order to use Hyper-V, the server's processors must support either Intel VT or AMD-V technologies. Do you know which of your servers do because many older ones don't.

Hurdles Aside

Hurdles aside, in order to take full advantage of functionality in Windows 7, one must use Microsoft's newest server operating system in tandem with it.

Windows 7 is supposed to overcome many of the application compatibility issues that plagued Windows Vista, but these issues should also be considered even if desktop virtualization or Windows XP Mode are options; a good webinar on this topic is [here](#).

The importance of ensuring that the dependencies between applications and the operating system are considered before deploying them is self-evident. If you still remain unconvinced, this came directly from the latest issue of Microsoft's *TechNet Magazine* (11/09): "The first action you can take to prepare your environment [for a SharePoint 2010 deployment] is to *audit the existing software and hardware configuration* to see if it is adequate for SharePoint 2010."

Deployment Planning Matters!

10/20/09, *Computerworld Magazine*, [More](#)

[See more Industry News](#)

Favorite Web Links

Boy do I need this for an upcoming billiards party. [Link](#)

Oracle Software's Founder Ellison Rants About Cloud Computing [Article](#) / [Video](#)

Car chase with a surprise ending!: [Link](#)

Wedding vows ... solemn, elegant ... until the "Waffle Wedded Wife": [Link](#)

Fascinating Letters of Note: [Link](#)

Mona Lisa Arby's: This guy uses the grease in hamburgers to paint the ... [Link](#)

Orangutan and Dog Become Friends [Link](#)

Our point is that application standardization, processor compatibility, hardware/software dependencies need to be considered now more than ever before initiating a server virtualization project and/or upgrading to Microsoft's latest desktop and server operating systems. Furthermore, keeping a close watch on which applications and operating systems are interlinked is essential. Software/hardware inventory tools provide the foundation for this risk assessment.

Cost Optimization in a Down Economy (Part 2 of 2)

How IT Asset Management Principles Help



Author:

Paul 'Doc' Burnham, Senior SAM Consultant, pburnham@aid.com

As IT professionals, we need to be good stewards of resources. This is particularly true in today's complicated and ever-changing environment. Below are some quick wins that can assist with efforts to optimize and control software costs.

Support Costs

- Examine support costs versus actual needs.
- Ask questions like ... how often does the organization use vendor support?
- Would paying for individual support incidents be more economical?
- Do we need 7x24 or 5x8 coverage?
- Can we supplement support needs for non-critical issues through 'development' support incidents?
- Be sure to validate your needs well in advance and before simply renewing support contracts

Maintenance Costs (Upgrades)

Examine what is actually included with maintenance. Is it just upgrades or does it include other 'benefits' and/or essential security patches?

- Ask questions about the frequency of software upgrades?
- Know the break-even point between buying new licenses vs keeping maintenance. Then compare that to your upgrade schedule(s)
- Examine the option and costs to re-instate maintenance at a later point
- Always validate maintenance needs before simply renewing license contracts

Licensing

- Know what software licenses you own and do a thorough review

of entitlements for 'hidden gems'? Some are more transparent like the entitlement for Microsoft Windows Server that provides additional coverage in virtual environments

- Understand the various licensing metrics of software in-house and consider selecting new ones or renegotiate them as needed. Consider 'pool' or concurrent licenses
- Consider utilizing software licenses across the enterprise vs within a defined area
- Are you reclaiming licenses from retired assets and redistributing software as the license allows?

Software Media Delivery

- Some states in the U.S. do not charge sales tax on electronically delivered software. Is this option available to your organization?

Verification of Invoices

- Do invoices reflect agreed upon price/quantity/licenses?
- Do they reflect contract requirements?
- Many contracts have prior agreed upon pricing (cost-plus basis)
- Do you systematically check for duplicate invoices?

These are a few areas where SAM practices drive organization improvement and savings. In my experience, organizations that have an effective program of SAM practices realize a greater share of benefits and better ability to weather any downturns.

Paul ('Doc') is a Senior SAM Consultant at Soft-Aid and has a wealth of experience in helping Fortune 1000 companies build and institute Software Asset Management programs. He is frequent speaker at IT Asset Management conferences in addition to recently being named an IAITAM fellow. The above article is adapted from a presentation given at IAITAM's recent IT Asset Management conference.

Greetings from Las Vegas: Reflections from IAITAM's IT Asset Management Conference



David E. Yashar CSM/ASM/MCP, dyashar@aid.com (Managing Consultant):

This year's conference was focused on Green IT. In that vein, many sessions emphasized the move to server and application virtualization, subscription based pricing models, outsourced/cloud computing models, and proper hardware reclamation. In a presentation I gave with one of my colleagues, we covered [Strategic Vendor Management best practices](#) which play an important role in the move to a Greener IT environment.

The conference could have been more aptly named a "holistic view of IT Asset Management," as many viewpoints were represented (both internal and external to organizations) and one could really start to see the integration between disciplines. What was encouraging to me is that the Service Management folks in IT are finally starting to

understand and appreciate what the IT Asset Management folks are doing. We can expect more of this in the coming years.

Finally, there was much buzz at the conference about the pending launch of the 19770-2 ISO standard for software asset tagging. Doc more fully describes this below. And we were all excited to see greater recognition of the ISO 19770-1 SAM Process standard. Two years ago, at the same conference, I asked for a show of hands at a presentation I gave comparing [ITIL, ISO, and IAITAM's Best Practice Library](#) as to who was familiar with the ISO SAM Process Standard, only two hands were raised.

Paul 'Doc' Burnham CSM/ASM/MCP, pburnham@aid.com (Senior SAM Consultant):

While there were a number of outstanding sessions, two stood out to me.

The first was given by Scott Lemm of Ciber. Scott did an outstanding job presenting what many practitioners fear the most - taking on an ITAM project where no policies, no tools, and no funding exists. And management wants you to solve their issues soon. Scott explained it is a step by step process that starts with knowing what information you have and its accuracy. Leveraging the tools and resources you have versus spending money on what Scott called an 'uber' tool. While technology is great and some tools have many 'bells and whistles', there are alternative tools with less features (the features you will actually use) that will get you where you need to go. Then once you have your program under control, you can explore the next step.

The other session was on using ISO/IEC 19770-2 software ID Tags in the real world. Steve Klos from Tag Vault did an outstanding presentation on how companies can utilize and benefit from using software that is tagged for version, edition, etc. This of course sparked a lot of questions as one might imagine. The ability to accurately identify deployed software is one of the most challenging areas in managing software. While the -2 tags are not a 'silver bullet', the consensus in the room was that utilizing them will provide a lot of benefit without much effort.

David Mansfield CSM/MCP, dmansfield@aid.com (Senior SAM Consultant):

Navigating SAM - Betting on the "River of Knowledge"

The 2009 IAITAM conference was a coming together of SAM practitioners asking how SAM fits in today's economic times. It was apparent to me at the start that there were many "points of light" coming from experts with various solutions and philosophies.

Many knowledgeable and veteran SAM practitioners were on hand to present their experiences and visions. When speaking with attendees, I was heartened to learn that every session had valuable nuggets of information. Many of the IT Asset Managers in attendance were and are struggling with conforming best practices to their particular organization ... with different levels of SAM maturity and unique set of challenges when implementing SAM.

Whether due to lack of management support, resources, political resistance or other factors, the struggle to reach maturity will be a fact of SAM life for some time to come. Best practices are structured in a way that allows enterprises to small mid-market companies to meet SAM challenges. However, the fact remains that each company will still need to implement SAM in its own way. The fact that the majority of companies are still at the basic level of maturity and have not realized the real rewards of a mature SAM program is both a blessing and a curse.

The bottom line as I see it is that SAM messaging and innovation will continue to be driven by organizations like Soft-Aid and IAITAM. IAITAM provides real-world guidance and helps users with the following proverbial question: "How does SAM fit into my company?" The SAM market is on a steep path towards great levels of maturity and stability.

In my opinion your best course of action is to:

- Continue attending events like the IAITAM conference and learn as much as you can from the expert's experience and best practice advice.
- Take advantage of tools, like the SAM Optimization Model and others, to help you map out and gauge your progress.
- Adapt your SAM program as appropriate while always striving for the next level of maturity.
- If needed; you may want to enlist the aid of an experienced SAM expert who can help speed your implementation.

If you stick with it, the benefits of having a SAM program will be realized and internal resistance will fade away. We have seen great advances over the past few years (launch and adoption of the ISO SAM standards, recognition of IT Asset Management as a unique discipline, etc.) but remember that SAM is a continuous journey. Much of "the best" is yet to come.

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