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ITAM by Design

5 simple questions to proactively manage ITAM risks



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Change – whether to existing IT System or the introduction of new IT Services – is a key driver of IT Asset Management risk, including licensing non-compliance, increased operational costs and poor information security caused by aging and unmanaged software, hardware and mobile devices.

In order to ensure these risks are understood and managed properly, the agents of transformational change within an IT organisation – Programme and Project Management and Architecture and Solutions Design teams – need to be aware of what changes may trigger ITAM risks and who to engage for advice to pro-actively mitigate them to prevent them turning into serious issues at a later date.

I call this 'ITAM by Design', and below are 5 simple questions all change agents within an IT Organisation should ask themselves as they initiate a new project, or design a new IT solution or service.

1. Are we introducing new types of assets into our IT Environment?
2. Are we purchasing assets or subscriptions through non-standard purchasing processes or from non-standard suppliers?
3. Are we changing the way assets are used?
4. Are we extending use of the asset to a different legal entity or a 3rd party?
5. Are we decommissioning any assets or are we cancelling subscriptions or support & maintenance?

Below is a summary of why these questions are important, and what organisations should do to ensure that they build 'ITAM by Design'.

1. *Are we introducing new types of assets into our IT Environment?*

New types of IT Assets – particularly software, but also hardware and mobile devices – may need different management processes and may also trigger unforeseen risks and issues caused by the interaction of the new type of asset with existing IT systems.

Service transition is key – programmes and projects need to include work streams that develop management processes and transition them into BAU. Solutions architects must ensure they prepare for BAU ITAM in their solutions – for instance, identifying the best naming convention or assessing whether additional asset management tools may be required. Communication with BAU ITAM teams is vital in ensuring 'ITAM by Design' is fit for purpose in the real world beyond service design and implementation.

2. *Are we purchasing assets or subscriptions through non-standard purchasing processes or from non-standard suppliers?*

Transformation programmes frequently engage 3rd party system integrators to design and deploy complex ERP systems or carry out desktop or server migrations. These activities introduce new assets which must be transitioned into BAU ITAM services, but because they are being sourced through non-standard channels it is easy for them to slip through the net. This can cause long term headaches and confusion about who is responsible for managing them, and, in a worst case scenario, may involve the repurchasing assets or resource-intensive assignment of licenses to the correct party.

All contracts with 3rd party outsources and system integrators must be clear about what assets are to be provided as part of the contract, who owns them, who manages them, and, in the case of software, who is accountable for ensuring compliance. Additionally, programme and project managers need to ensure that an asset management transition work stream is included in any project of this nature.

3. ***Are we changing the way assets are used?***

   A true 'green field' project, where a new, completely standalone environment is built from scratch, is a rarity in IT. Far more common is that IT 'transformation' is actually evolution, with existing hardware assets rebuilt or existing software re-platformed. Additionally, increased employee mobility may require software provision to be extended to new hardware, such as mobile devices.

   Changes of this nature can have significant software licensing compliance implications. An example is the migration of Microsoft Server applications to high availability (HA) and distributed resource scheduler (DRS) enabled data centres or 3rd party public cloud. In a worst case scenario this could require the re-purchase of all the server application licences with Software Assurance – an expensive proposition.

   Where the answer to this question is 'yes', change agents should engage expert licensing assistance to review the proposed design and assess whether there is a licensing impact that may adversely impact the business case or benefits realisation of the project.

4. ***Are we extending use of the asset to a different legal entity or a 3rd party?***

   Licensable assets such as software generally restrict usage to majority owned subsidiaries, although exceptions may be made in the case of subsidiaries in countries where a local majority-shareholding partner is required by law.

   Companies and organisations should be very cautious about buying assets on behalf of joint ventures where they are not the majority shareholder, and also about extending access to that asset to customers. This is particularly the case where the customer intends to utilise that access for its own commercial gain or you are acting as an IT service provider for that customer. Licensing in these scenarios is extremely complex and expert licensing guidance should be sought prior to any softwarepurchase or implementation activity.

5. ***Are we decommissioning assets or cancelling subscriptions or support & maintenance?***

   Decommissioning assets is a key driver of benefits realisation for many projects, but, occurring at the tail end of any project as it does, is often a casualty of budget over runs and time delays with the result that critical resource required to carry out the decommissions moves on to other projects.

   Failure to carry out planned decommissioning not only impacts benefits realisation, but can also lead to licensing non-compliance if licenses are transferred to the replacement solution but the old solutions is still left to run on and on. Another frequent issue is the failure to notify vendors of the intention to terminate subscriptions or support & maintenance within the contractual cancellation period, resulting in planned savings for that year not materialising.

   Conversely, premature cancellation of subscriptions or support & maintenance where projects run over their planned duration can lead to operational risks if the legacy solution is still in production after the support & maintenance has been cancelled.

These questions are simple to ask, and can be a strong indication to change agents, including project and programme managers and solutions architects, that they need to dig deeper to identify IT Asset Management associated risks. Adding these 5 questions to the appropriate checklists and transition plans can go a long way in helping organisations identify and manage IT Asset Management risks during the design and implementation phase of changes and helping the organisation to implement pro-active 'ITAM by Design'.

Get in touch:

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