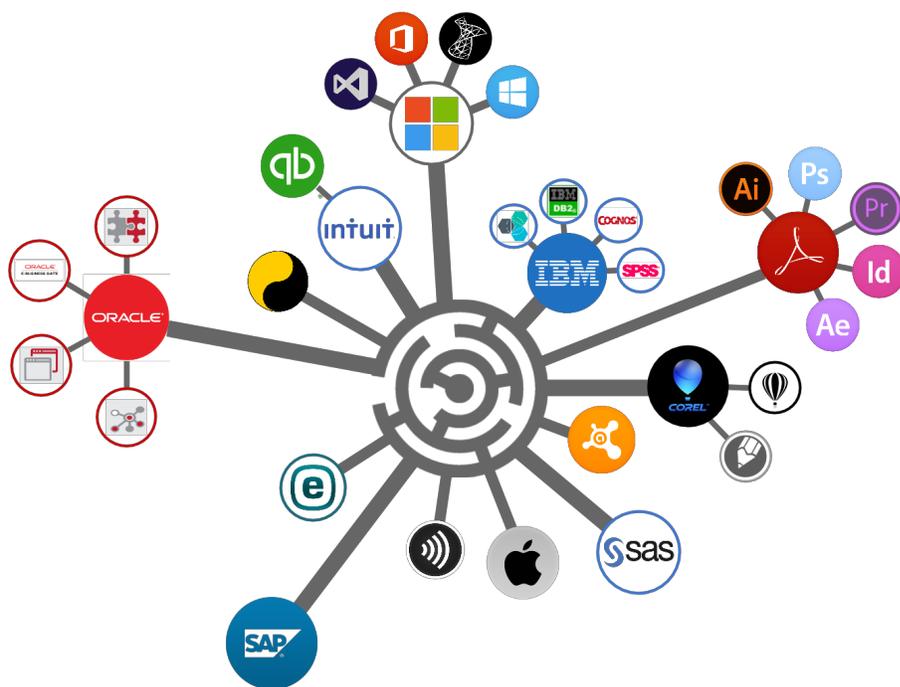Introduction to
**Software
Asset
Management**
with

**BI QED Asset
Analytics**

Just four years ago, 12-22% of companies were planning to increase their software budgets by more than 10%. At the same time, companies were also investing a significant part of their additional budget into new solutions. What was surprising was that those same companies were still planning to spend about 50% of their total software budget on software operations and maintenance. Even though it significantly dropped 5% from the year before, spending on new software licenses would increase the following year from 23% to 26%, with custom-development budgets rising from 23% to 24%.[1] To make matters worse, the chances of getting audited by a vendor rose from 35% (in 2007) to 65%.[2] That was 2011. Fast forward two years later. In 2013, Forrester reported that as IT organizations change, companies were coming to realize that,

> "*their software estates and procurement and provisioning processes are in a state of under-management, if not mismanagement. As a result, these organizations are wasting a significant amount of their IT funding each year on license procurement when they don't need to, maintenance agreement costs for more licenses than they actually use, and supporting and hosting software that should have been decommissioned.*"[3]

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[1] Source: http://blogs.forrester.com/holger_kisker/10-12-20-the_global_software_market_in_transformation_findings_from_the_forrsights_software_survey_q4_2010.

[2] Gartner, Inc. | G00230816 - Software Vendor Auditing Trends: What to Watch for and How to Respond Published: 23 May 2012

[3] Source: http://blogs.forrester.com/stephen_mann/13-04-03-software_asset_management_in_2013_state_of_sam_survey_results.

What is SAM?

Software asset management (SAM) is a part of a company's larger IT asset management (ITAM) program. SAM has grown into one of the most specialized areas of expertise in IT. It is a business practice that involves managing and optimizing the purchase, deployment, maintenance, utilization, and disposal of software applications within an organization. An increasing number of organizations are becoming aware of the need for SAM as they experience three realities: more strict obligations from vendors, more severe fees for over deployment, and the discovery that costs expended on both are actually unnecessary.

Traditionally, companies have opted to retain large sums of money in their software budget simply to pay vendors the fees and back maintenance owed at the time of a compliance audit.   Some enterprise organizations have felt that they have no other choice but to create a "bucket" in their budget to throw money at compliance costs, and don't even think twice about it! Recently, however, several solutions have arisen in the last five to ten years to help companies understand, implement, and manage their SAM program, thereby recapturing millions of dollars in unnecessary IT costs.

What are the basic problems facing businesses with SAM?

There are several problems businesses face when attempting to discover or implement a SAM program, two of which are especially daunting. **The first problem is simply surviving the vendor compliance audit**. The process can very much feel like lines are being drawn and sides taken.   In one corner the vendor stands expressing every intention of executing their audit with as minimal disruption as possible, they are fighting an uphill battle with their clients. However, in the locker room the vendor reveals some inside information: "*Sources inside some large software companies tell me that license audits generate 20% to 30% of their license revenue.*"[4]

In the other corner stands the business managers who have a inkling of the locker room truth, but also know from experience that there is an unquantified amount of labor costs expended in facilitating the auditor. Significant labor time spent with the IT department on discovering and handling machine problems is difficult given the backlog of issues already present. Knowing the problems ahead of time, many companies opt to put off the vendor and auditor as long as possible, which can result in a the relationship getting off to a not-so-cordial start.

Second, many businesses do not understand that SAM is an ongoing practice and discipline. It is not a one-time project. Rather, it is an ongoing challenge to keep up with vendor licensing metrics while still allowing the company to leverage existing assets with long-term strategic goals, some of which often include technological infrastructure reconfigurations and expansion.

As if the previous two challenges are not difficult enough, there is **the larger list of problems** usually associated with SAM and compliance audits. Among them are the ongoing and ever present need for⋯

- **Acquiring clean, accurate, understandable licensing & contract data.**

- **Maintaining up-to-date, full compliance with vendors, so as not to be surprised during annual audits.**

- **Possessing solid representation with accurate software asset data during compliance audits.**

- **Maintaining regular updates and revisions to product numbers, product descriptions, and licensing metrics, which often become difficult to track and understand.**

- **Properly interpreting and collating agent reports, along with bundled and free software to prevent vendor-mandated fees and back maintenance.**

- **Optimizing under deployed and over deployed licenses.**

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[4] http://blogs.forrester.com/duncan_jones/15-02-19-five_shades_of_grey_how_software_buyers_and_license_managers_should_be_compliant_without_being_submis. The other side of the equation is that the commercial value of pirated software in the United States alone is nearly $10 billion, a figure which motivates software companies to curb software piracy and license noncompliance. As a result, about 64% of enterprises have reported undergoing an audit or license in the last 18 to 24 months, with more than a third of those being audited at least twice in that same time period, and 10% being audited more than three times.

How can our tool help?

In short, BIQed can lift your software products out of the compliance maze. Crucial to all of the above problems are maze of mission critical endeavors to collect, compare, reconcile and verify asset data sets for accuracy and then compare them against vendor contracts for compliance and true-up. **BIQed Asset Analytics works as a combination of automatic and expert manual processes**, which combine the consultative and analytical relationships of stakeholders with the efficiency of an automatic SAM tool.

The result is **a "tool and team" approach** which helps a company maintain compliance with a vendor, be ready for an audit, and begin the pathway to converting unnecessary labor costs, fines, fees, and back maintenance to much more needed areas of the business. Our "tool and team" approach also attempts to anticipate trends in the market and steer the product development roadmap accordingly, for a consistent level of confidence in compliance and budget planning, enabling you to do take two leaps forward.

Quantify Compliance First, BIQed Asset Analytics will enable you to quantify your compliance with all vendors, license agreements, leases, warranties, and contracts no matter how complex. This will result, as just indicated, in reduced labor costs expended in the investigation and resolution of compliance conflicts; reduced vendor fees and back maintenance normally associated with over deployed instances of software; and optimization management of multiple types of contracts for hardware or software assets.

Qualify Usage Second, our tool will enable you to accurately discover and report real-time usage of software on local, remote, or mobile sources. As a result, a business will experience two yields: reducing contract costs expended on unused, underutilized, or under-deployed software; and increasing current contract value with recommended license upgrade, conversion, consolidation or elimination.

How does our tool work?

BIQed Asset Analytics was designed with data set verification in mind from the start. By working with customers to understand, and in some cases discover for the first time, each internal data source for their hardware and software assets, our tool compares these to external sources, such as vendor contracts and catalogs, for example. The result is **a multi-source comparison and verification process which produces an ever-increasing accuracy of asset data**. Over time this data is cleansed so that it matures toward greater accuracy.

BIQed Asset Analytics collates multiple management, monitoring, and/or metering sources, including, but not limited to the following:

Vendor paper and/or digital quotes & contracts	**Vendor monitoring/ metering tool**
Server / Hardware baseline review	**Vendor software baseline review**
Reconciliation with entitlement & maintenance records	**Product evolution**
Collate apps with contracts & vendor info	**Identify license owners in company**
Review software needs with license owners	**Generate reports via tool dashboard for cost & compliance reporting**

The result is that an organization may more confidently perform planning and budgeting for hardware and software upgrades or configuration changes, as well as more accurately predict costs associated with infrastructure changes or upgrades.

What's the competitive advantage over other SAM tools?

In CDW's *The Myths of Software Compliance* (2014), companies are encouraged to *"avail themselves of consulting services offered by tool providers, as these can go a long way toward addressing holes that exist in the data flow."* They further encourage companies that, *"Consultants can also address the complexity of licenses, providing vital vendor and application-specific insight that most organizations cannot afford to keep on staff"* (p. 4).

BIQed Asset Analytics understands that advanced tools, effective processes *and* proactive management are crucial in order to make SAM successful. Our "tool and team" approach combines two factors, both of which are crucial to doing software asset management with safety and security.

The Human Factor First, our tool is built on the team approach with the *huma*n factor. Business intelligence starts with intelligence people. This means that our solution integrates SAM expert-level vendor-specific contract interpretation and bundling knowledge services. While we aim high for reducing the labor and time expended in SAM, we also realize that human expertise is foundational. There will always be a degree of contract vendor interpretation and compliance that only a knowledgeable human can perform.

While there are a growing number of useful resources and tools for implementing an effective SAM program in your organization, the ultimate differentiation is in the two hands that help build, implement, and maintain the process: consultation and customization.

SAM is never and can never be a one-size-fits-all philosophy. Therefore any enterprise hoping to stand up a successful SAM program or tool should carefully consider the quality of the tool and the experience and expertise of the company designing and building it.

Customization is mission-critical, since SAM is never cookie-cutter. Consultation drives customization.

Without it, any SAM tool or program will drive the organization's vision failure while simultaneously costing the organization debilitating sums of money through poor requirements elicitation or development iteration.

The Automation Factor Second, our team has built the tool with the *automation* factor. Business intelligence is built with intelligent tools. This means that our solution offers the most powerful, up-to-date software asset data for managing costs and optimizing licenses. This in turn helps in reducing unnecessary software and hardware IT costs, increasing value of current vendor contracts, where applicable, and third-party compliance audit resource keeping both vendor and client honest.

Successful implementation of a SAM process in your organization requires expert knowledge of your database platform. While BIQed Asset Analytics is, in part, built to run on a powerful automated database platform, the power and speed at which the platform operates depends largely on the careful consultation and customization required to connect your platform with your hardware and software vendors and products.

Such an approach should be careful to model, gather, clean, and govern data set sources for near-seamless integration with your organization's database platform. This ensures that your organization is working with the most up-to-date asset information internally, from within your organization's infrastructure, as well as externally, from within the context of vendor-specific source environments.

BIQed: Your Company's SAM Partner

BIQed's team and technology understands the intricacies of your company's database platform *and* your vendor contracts and compliance demands and consequences. Call us today to schedule a free initial consultation to begin discovering the benefits of SAM without the unnecessary costs or challenges.