IAITAM ACE
May 7–9, 2024 The M Resort Las Vegas, NV

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Transform ITAM from a Cost Center to a Value Center

Finding your IAITAM Oasis

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- 10+ years of professional services (e.g., EY, Deloitte, ClearEdge) focused on cybersecurity, software auditing, cloud optimization and ITAM
- Held various leadership roles for F500 companies in ITAM, procurement, and software compliance
- Currently helping companies protect the environment, secure their data and realize value from unused/surplus assets through ITAD and E-Waste Recycling solutions

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Session Agenda

- The ITAM Revolution – Why ITAM Matters More Than Ever
- Common Perils of ITAM
- Fundamentals of ITAM
- Evolving ITAM – Where To Begin
- Techniques for ITAM Value Creation
- 24-month target, 12-month plan, and 90-day Hurdles with Checkpoints
- Aligning ITAM with ESG or Sustainability Goals
- Summary with Key Takeaways

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The ITAM Revolution

- ITAM is no longer a "nice to have" for businesses – ITAM is a "must have" for enterprises
  - AI and Digital transformations drive new technology, hardware and software
  - Public cloud (XaaS) footprints continue to shrink and grow rapidly
  - Asset liquidations, site cleanouts and building consolidations rising via M&A
  - Software Audits have evolved into Advisory, but they lead to similar outcomes
  - Emerging technologies (ML, AI and RPA) further complicate vendor licensing
  - Synergy continues to increase between ITAM and FinOPs
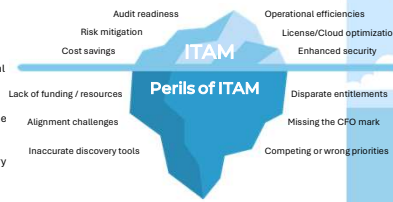
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Common Perils of ITAM

- Lack of executive support/funding
- Mis-alignment between cross-functional teams (e.g., CMDB, Procurement, etc.)
- Bad or incomplete data
- ITAM functions don't always consider the CFO lens, apart from cost savings or avoidance
- ITAM focuses on very urgent, but not very proactive or strategic tasks 90% of the time

Audit readiness
Risk mitigation
Cost savings
ITAM
Operational efficiencies
License/Cloud optimization
Enhanced security

Perils of ITAM
Lack of funding / resources
Alignment challenges
Inaccurate discovery tools
Disparate entitlements
Missing the CFO mark
Competing or wrong priorities

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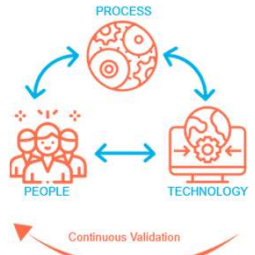
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Fundamentals of ITAM

- People
- Process
- Technology
- Continuous/Ongoing Validation

In harmony with the IT Asset Lifecycle (Plan to Retirement)

PROCESS
PEOPLE
TECHNOLOGY
Continuous Validation

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Evolving ITAM – Where To Begin

- Evolving ITAM for the Technological Revolution
  - Evaluate mission and core services offered to internal customers and stakeholders
  - Establish or re-shape your ITAM Governance Board with a formal charter (and evangelize it)
  - Identify sourced and new or emerging technologies that will impact ITAM (e.g., AI, ML, etc.)
  - Determine the GL spend with each of your top hardware and software suppliers
  - Identify vendor paint points with cross-functional stakeholders (e.g., Sourcing, IT Ops, etc.)
  - Cross reference your IT spend analysis with paint points to identify optimization opportunities
  - Establish a regular cadence with your FinOps or Cloud Ops. team + IT Finance to setup triggers
  - Determine ESG or sustainability program owner(s) who can leverage ITAM data to achieve goals

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Techniques for ITAM Value Creation

- IT Finance
  - Identify any unused or retired IT assets still on the books; while only 1% or less is paid for property tax, it can be significant year over year savings in aggregate
  - Identify cost overruns due to data archiving, retrieval, and end-of-life status of IT assets
  - Review partner investment promises made at the time of purchase or contract execution; ensure suppliers held up their end of the bargain (e.g., training or service credits)
  - Rationalize the projects currently being capitalized to see if more internal resources are/can be used on them to get additional P&L relief for associated Salary/Benefit expense via SOP 98-1
  - Select 3-5 of the top XaaS providers and review Cloud TCO for future cost projections and compare against actual costs; check invoices portal for "free" services converted to paid

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Techniques for ITAM Value Creation

- Data Center/Network
  - Identify and eliminate cost overlap between legacy and cloud solutions/environment: support, maintenance, etc.
  - Evaluate high-cost stacks such as EDW, Mainframe, Storage and partner with IT/business stakeholders to consider preemptive supplier deals to optimize TCO (time with QE and YE dates)
  - Work with IT Operations to review deployments and utilization of assets (on-prem and cloud) to identity targets for increased virtualization, consolidation, and possibly, outright decommissioning of IT hardware and/or software
  - Consider an MPLS to Broadband migration, complete utilization review & request supplier refunds for unused capacity/lines, and renegotiate spike usage pricing

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Techniques for ITAM Value Creation

- IT Vendors and Assets
  - Develop a focused campaign to reduce maintenance renewal fees, partnering with Sourcing. Negotiate maintenance and support renewals, using available levers including your current cost situation, threat of non-renewal or going to 3rd party for maintenance, lower SLAs, etc.
  - Proactively evaluate licensing and entitlements via mock audits for selected high risk and spend vendors. Re-calibrate fees based on actual deployment or utilization, prior to renewals or where agreements allow for it. Request product or service credits for unused software (shelfware).
  - Review asset listings for in service date accuracy. Projects may start depreciating before delivering business value. Evaluate placing assets in service at later dates.
  - Evaluate and consider 3rd party support (e.g., Origina, Rimini Street, etc.) for major OEM vendors such as Oracle or IBM. Identify vendor application workloads or targets running in a steady state.

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24-Month Target

2-Year ITAM Target (Sample)

Future Date: 12/31/202x
Team Size and Savings Target: 4 FT employees saving $2M annually
Measurables: SaaS spend managed > 60M, license audit recovery < 50k per vendor, processes documented > 12, mock audits > 16 annually, vendors managed > 100

How will I get there:
- Defined ITAM charter, governance board, and cross-functional stakeholders
- Implemented tools, semi-automated to collect data and drive actionable insights
- Established ITAM roles and responsibilities with accountability
- Established ITAD program, aligning to sustainability and data security objectives
- Cost savings of $250K per quarter in Y1; cost savings of $500K per quarter in Y2
- 2 mock audits per quarter in Y1; 4 mock audits per quarter in Y2
- 2 FT employees in Y1, 4 FT employees in Y2
- 10 contract renewals supported in Y1, 25+ contract renewals supported in Y2

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12-Month Plan

12-Month ITAM Target (Sample)

Future Date: 12/31/202x
Team Size and Savings Target: 2 FT employees saving $1M annually
Measurables: SaaS spend managed > 20M, license audit recovery < 100k per vendor, processes documented > 6, mock audits > 8 annually, vendors managed > 25

Annual Goals & Objectives:
- Instate ITAM charter and establish governance board with cross-functional leaders
- Evaluate and enhance/select SAM tooling with KPI reporting capabilities
- Create ITAM org. chart and communicate via governance board meetings
- Document/Polish ITAM policy and key lifecycle processes inclusive of ITAD
- Partner with IT Finance, Cloud FinOps and IT leadership to measure ITAM savings
- Risk assess IT vendors and conduct mock audits of Top 8 (using defined criteria)
- 2 FT employees by the end of Y1
- Provide usage and optimization data for 12 vendor renewals (on-prem or XaaS)

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90-Day Hurdles

90-Day Hurdles (Sample)

Future Date: 3/31/202x
Team Size and Savings Target: 1 FT employee with potential savings of $250K
Measurables: Stakeholder meetings > 5, savings opportunities identified > 3

Hurdles for the quarter:
1. Meet and align with cross-functional stakeholders on ITAM objectives
2. Collect and evaluate any existing IT asset reports (HW and SW)
3. Partner with sourcing to support upcoming vendor renewals, audits and/or true-ups
4. Obtain trailing GL spend reports for IT vendors by category (HW, SW, etc.), if possible
5. Understand IT spend forecast for top vendors for prior fiscal year and current one
6. Identify "low hanging fruit" for cost savings realization and preliminary action points

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Aligning ITAM with ESG or Sustainability Goals

- Assess your IT Asset Disposition (ITAD) strategy and existing processes
- Evaluate the IT vendors/contracts in place for e-waste recycling and asset disposition
- Ensure there is a shared revenue model in place for resellable/reusable equipment
- Partner with a supplier who can provide sustainability reports (e.g., carbon footprint)
- Determine if a single device policy would provide cost and operational efficiencies
- Identify if there is an opportunity to consolidate printers and report "green" statistics
- Collaborate with Information Security to host e-waste recycling days for employees
- Partner with Procurement to ensure sustainable suppliers are included in RFXs

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Summary with Key Takeaways

- Be proactive and be ready for the technology revolution – ITAM is imperative
- Cost optimization is often an art, not always a science – consider the CFO lens
- Devote time to very important, but not so urgent matters (more strategic ones)
- Start with the target or end in mind, creating a systematic and realistic plan
- Take a sustainable approach, leading with ITAD (e.g., e-waste recycling)
- ITAM is a journey, regular self-reflection and continuous improvement are key

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