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Assessing software asset management effectiveness

Are your governance, cost, compliance, efficiency, and security measures enough?

Introduction

Effective software asset management (SAM) includes the practices, people, processes, and technologies required to manage all aspects of an organization's software assets across their lifecycles. SAM is critical to modern organizations, particularly large ones that feature complex software portfolios with multiple integrated or virtualized applications. For such companies, software is often a large portion of their IT expenditures , leading many to explore SAM as a way to reign in risk while taking advantage of opportunities for cost and efficiency improvement. ⊘

Companies with a broad software profile face a range of SAM challenges. Each asset licence has specific, often complex terms and conditions that can lead to nightmares in tracking and version control. Additionally, hardware environments can further complicate matters. For example, hardware virtualization—in which multiple assets may each have software deployed on a single physical host (or multiple hosts)—can lead to new licensing charges as well as conditions that companies, to their detriment, frequently overlook.

Beyond meeting the demands and challenges of compliance, companies with lax SAM processes are less able to make use of a number of advantages related to optimization, cost reduction, and increased efficiency. Some companies, for example, continue to throw money at their challenges, buying more software simply because they can't effectively manage what they have. Or they don't track what's being used by whom, missing the opportunity to save dollars by moving licences from dormant users to new ones.

To help organizations assess how strong their SAM program is, we've prepared the following questionnaire. By looking at your capabilities in the areas of governance, cost, compliance, efficiency, and security, you can gain a better understanding of what you need to do to build the kind of SAM program today's complex publisher environment demands.

"Many companies have paid unexpected penalties for failing to properly manage their software. A proper SAM program can go a long way to avoiding such issues—for example, by clarifying and interpreting licensing terms, monitoring contract duration, or demonstrating to publishers that you're proactively addressing licence management issues, thereby reducing the probability of a software audit."

Nathan Spitse
Canadian Extended Enterprise
Risk Management Leader

Assess your software asset management maturity level

This FAQ guide and questionnaire was designed to help organizations assess the strength of their software asset management programs. Answering the nine questions can help you identify where your organization's practices can be improved and how you can ensure your software assets really are assets, not liabilities.

First, let's look at how we characterize the SAM maturity scale:

High maturity
Managed and optimized

- Processes are clearly defined, documented, and consistently applied in most cases across all the business units

- Processes are reviewed periodically and improved consistently

- Capabilities are developed and improved on an on-going basis

- Responsibility and accountability for the performance of the functional area is defined and enforced

- Other supporting stakeholders are consistently consulted and/or informed about any process changes

Moderate maturity
Repeatable

- Processes are structured and repeatable in most cases

- Processes may be defined and documented

- Processes and activities are not standardized or consistently applied across business units

- Supporting tools and templates may be used

- Responsibility and accountability for the performance of the functional area is defined
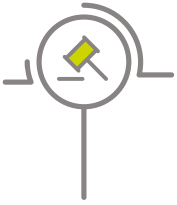
Low maturity
Either non-existent or initial

- Processes are not performed within the centralized SAM team or business units

- Processes are undefined, undocumented, and mostly manual

- Capabilities do not exist in the centralized SAM team or in the business units

- Dependence on individual capabilities and verbal communication

- Responsibility and accountability for the performance of the functional area may be loosely defined

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SAM questionnaire

The following questionnaire will help you
assess where your organization is on that scale:

Governance

Question 1

Is SAM a distinct organizational entity with clear accountability,
defined roles, and established responsibilities?

High-moderate maturity
A: Yes, SAM is a specific, well-defined function within
the organization.

Low maturity
B: No, SAM is part of another function.

Cost

Question 2

Do you have the capability to measure and manage costs across
a software asset's complete lifecycle (forecast, procurement,
deployment, maintenance, and decommission)?

High maturity
A: Yes, we maintain a mature SAM capability (in people, processes,
and technologies) to ensure contract compliance—and avoid
licensing penalties—throughout the software lifecycle, and to save
money through software optimization.

Moderate maturity
B: We have ad hoc SAM controls that mainly address compliance,
with only limited focus on cost optimization.

Low maturity
C: We do not have a proactive focus on SAM.

Cost

Question 3

When procuring software, do you evaluate existing and available software licences within your organization? Do you validate the business need prior to initiating procurement?

○ **High-moderate maturity**
A: Yes, we maintain an active software inventory and establish the business case prior to making any purchase.

○ **Low maturity**
B: No. While we have a procurement process for purchasing software, it is not integrated into our SAM program.

Question 4

In the last three years, has your organization experienced a compliance review from a software publisher?

○ **High maturity**
A: Yes, we experienced a software compliance review, and there were no findings of financial liability.

○ **Moderate maturity**
B: Yes, we experienced an audit, and we had a financial liability as a result of the audit.

○ **Low maturity**
C: No, we have not had any software audits.

Compliance

Question 5

How do you actively limit the business and legal risks related to non-compliance with software licences?

High maturity
A: We have a mature SAM program that actively manages compliance.

High-moderate maturity
B: We have regularly scheduled and standardized point-in-time assessments to validate what we own and what we're using.

Moderate maturity
C: We perform ad hoc and/or informal point-in-time assessments, conducted either in-house or through outsourcing.

Low maturity
D: We don't proactively manage software licence compliance.

Question 6

How does your organization integrate hardware configuration management into your software compliance environments?

High maturity
A: All hardware configuration projects include a component for software management within the project lifecycle.

Moderate maturity
B: We assess software implementation after a hardware project has gone live and then make recommendations and changes as needed.

Low maturity
C: We're reactive with respect to software compliance, taking action only when a specific licensing requirement is detected.

Efficiency

Question 7

How is SAM executed across the enterprise—for example, throughout IT groups and operations?

High maturity
A: All existing SAM capabilities—including procurement, maintenance, and disposal—are centrally executed and managed.

Moderate maturity
B: SAM is centrally supported; however, local groups are empowered to make their own decisions.

Low maturity
C: Responsibilities, decisions, and capabilities related to SAM are distributed throughout the enterprise.

"Licence complexity is not going away, and hybrid licence models that encompass usage and device-based licensing models are becoming more widespread."

Gartner

Security

Question 8

Does your SAM program actively look for unpatched or obsolete software across the enterprise?

High maturity
A: Yes, we proactively scan for non-supported or out-of-date software versions within our operational infrastructure, and we ensure appropriate follow-up and remediation.

Low maturity
B: No, we are reactive in identifying non-supported or out-of-date software versions within our operational infrastructure.

Question 9

Are your existing SAM capabilities integrated with your IT security capabilities in order to better identify security vulnerabilities in your software inventory?

High maturity
A: Yes, formal reporting happens between the two lines of business to ensure any detected software security issues are shared and subject to joint remediation and ongoing monitoring.

Low maturity
B: No, these lines of communication do not currently exist.

Implementing a strong SAM program is a worthwhile challenge

As organizations face increasingly complex software licensing terms, deployment challenges, and more frequent publisher audits, those with a strong risk focus seek to evolve their SAM maturity. However, many find the process more difficult than expected for a number of reasons, including:

- The inability of key leaders to fully understand the business case

- A lack of ownership among stakeholders

- Diversity and continual change in the software portfolio

- A lag between IT activities and associated licensing requirements

- Variable technology solutions and complex IT environments

- Limited governance

- Lack of internal SAM resources

You can improve your SAM maturity either through an internal initiative—with the help of SAM assessment and program design specialists—or by fully outsourcing the function to a team of experts. No matter who does it, improving your SAM posture is vital to navigating today's software landscape.

Potential savings usually remain hidden without strong SAM processes and controls. Gartner estimates that an effective SAM program can save up to 30 percent of the lifecycle cost of software assets.

Contact

For more information on how an effective SAM program can help your organization reduce costs, increase efficiencies, and enhance compliance, contact:

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