



IT Asset
Management (ITAM)
Global Survey 2021

Changing expectations in a post-pandemic paradigm
June 2021



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I am pleased to share with you the results of our global survey on IT asset management (ITAM).

Over the past few years, organizations have aspired to reposition their ITAM and software asset management (SAM) teams to align them better to strategic opportunities that help maximize value from IT investments. The recent COVID-19 pandemic, which has accelerated the evolution of the technology-enabled digital enterprise, has also strengthened this ambition.

In this context, this survey looks at the current state of ITAM in organizations and showcases how they need to change their focus and investment priorities in governing IT assets to reflect the changing technology landscape, and more specifically, newer ways of licensing hardware and software.

For instance, the pandemic has driven organizations to quickly embrace remote working models, requiring the adoption of renewed IT strategies, enabled by a new breed of technologies such as cloud-based or software as a service (SaaS), and other technology solutions facilitating remote access. This survey recognizes the ripple effect of these changes on expectations from ITAM teams. For instance, the growing challenges of baselining IT assets in a remote-working environment has increased the complexity of tracking the usage and consumption of organizational IT assets. These changes have also led to newer contract or licensing models that the ITAM team must now track and measure, including IT asset usage on laptops, mobile devices and cloud access tools. ITAM teams also need to proactively update their knowledge and awareness, ideally before the related IT assets have been deployed.

We invited 2500 individuals across over 18 countries to participate in this survey, covering all the major industry sectors. These individuals either led or played a key role in relation to ITAM initiatives in smaller and larger organizations. Nearly one in three respondents was either a member of the Board (6%), C-suite (10%) or senior management (18%) (Figure 1).

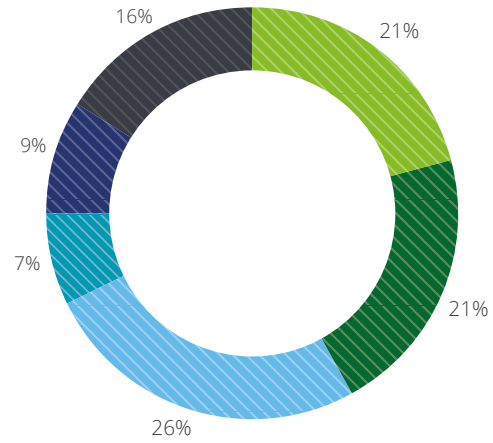


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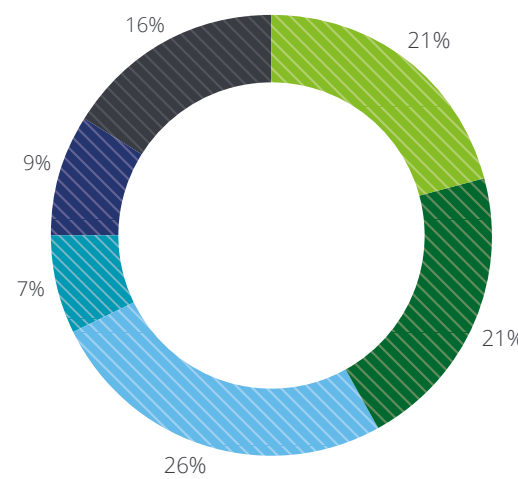
Figure 1: Demographic profile of respondents

Primary industry



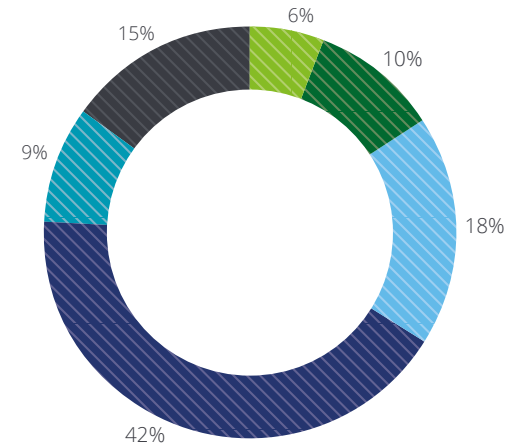
- Consumer
- ER&I
- FS
- GPS
- LSHC
- TMT

Primary industry



- Consumer
- ER&I
- FS
- GPS
- LSHC

Job title



- Board member
- C-suite
- Senior management
- Head of specific functional area
- Middle management
- Operational level employee

Our key findings are grouped into four categories:



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1. **Current state of ITAM and associated risks**

Survey respondents recognize the increasing complexities of ITAM amid pressure to reduce costs. We believe these twin forces will drive an increased focus and investment in ITAM over the next two years and accelerate the organizational journey to increase maturity in this area.

2. **Leadership and organization**

ITAM teams acknowledge the critical need to leverage board support and drive proactive engagement in alignment with key organizational stakeholders, including IT, procurement, finance, risk management and other key functional teams, to maximize value to their organization.

3. **The future of ITAM (organizational positioning, people and technology)**

The survey reveals that organizations need to maintain an ongoing focus on automation supported by appropriate ITAM staff and leverage external assistance smartly to upgrade them to decision-making roles in the near future.

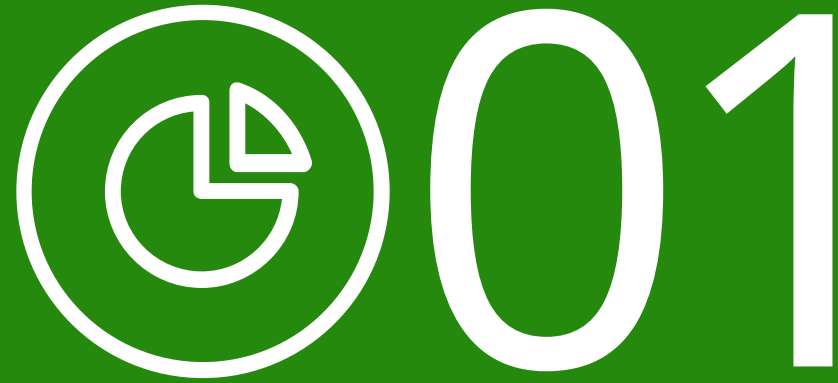
4. **Vendor management and collaboration**

This is an emerging area as respondent organizations increasingly aspire to elevate their vendor relationships and collaboration levels in the spirit of a win-win relationship that goes beyond merely being able to negotiate contractual terms better.

I hope you enjoy reading this report as you explore the various opportunities in ITAM that lie ahead. As always, I would welcome your feedback on what trends you're seeing in the marketplace—or if you would like us to benchmark anything different in future reports.

Our ITAM and SAM professionals across the globe can help you understand how this survey's findings reveal distinctive opportunities for your organization. To learn more, please contact your local expert [here](#).

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Current state of ITAM and associated risks

Increasing complexities and pressure to optimize costs are expected to drive an increased focus and investment in ITAM in the two years ahead, accelerating the maturity journey to optimization.

The evolving intricacy of the technology landscape is challenging ITAM.

There is little doubt that the rapidly evolving technology landscape amid shifting paradigms in the macroeconomic and business environment is swiftly making the more traditional approaches to SAM as well as ITAM out of date. The recent COVID-19 pandemic, which has accelerated the evolution of the technology-enabled digital enterprise, has also played a key role in challenging ITAM mechanisms, even in the more established organizations.

Data from our current ITAM survey bears testimony to this.

- A vast majority (84%) of respondents believe that they lack a truly effective ITAM initiative in place in their organizations.
- Another indicator of lack of organizational progress in ITAM is that six out of ten (61%) respondents are yet to make IT asset management a self-funding program. Nearly half (45%) of those who are yet to do so acknowledge that they are also unlikely to achieve this objective in the next two years. This implies recognition of the significant journey that they believe lies ahead to achieve this objective in the absence of significant ITAM transformation in their organizations, spanning two to three years.

- Nearly 90% of respondents believe that the rapidly changing business, regulatory and technology environment is making it more challenging to enhance ITAM maturity in their organizations.

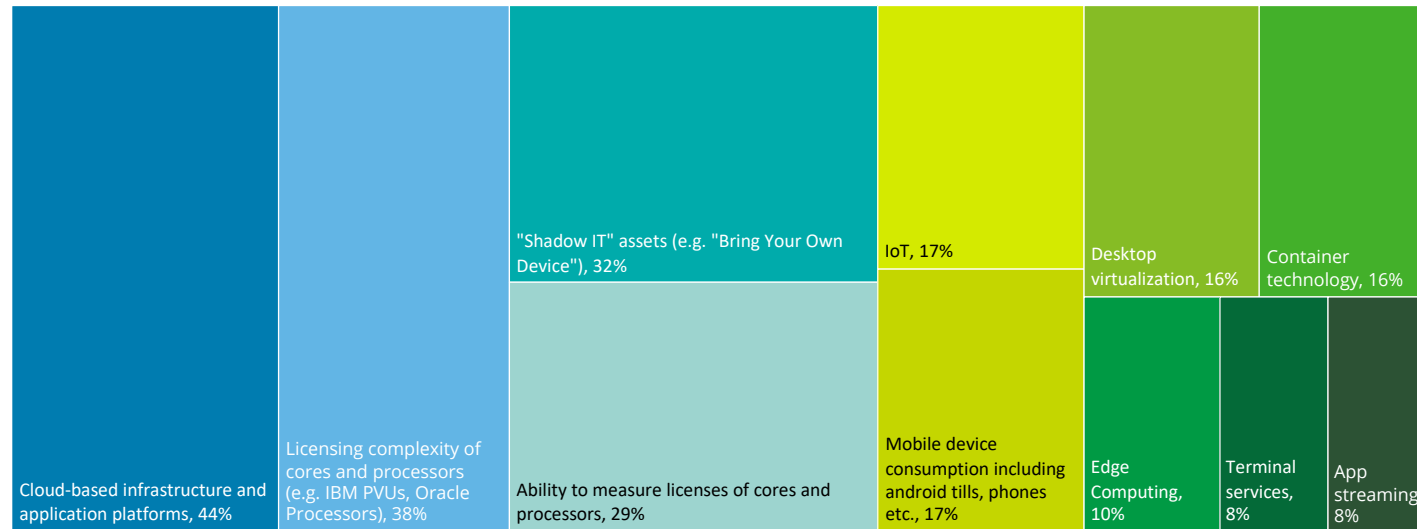
Many of the responding organizations had earlier believed that adoption of cloud-based infrastructure and application platforms would simplify their systems and processes. However, this is unlikely to be the case, particularly with increasing security concerns and regulatory attention. The latest guidance from the European Securities and Markets Authority (ESMA) due this year (2021) outlines the need to identify, address, and monitor the risks and challenges associated with the cloud. This is not just because they are critical third-party vendors to many organizations, but also

because they do not directly oversee the physical data centers, systems, security, and operations in which their data and functions reside, particularly for systemically significant organizations.

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Our survey data echoes this concern (Figure 2 below), highlighting respondent concerns about increasing complexities and challenges to IT asset management arising from cloud-based infrastructure and application platforms (44%), followed by cores and processors (e.g., IBM PVUs, Oracle Processors) (38%) and “Shadow IT” assets (e.g., “Bring Your Own Device”) (32%).

Figure 2: Complexities in technology that create the greatest challenges for ITAM going forward



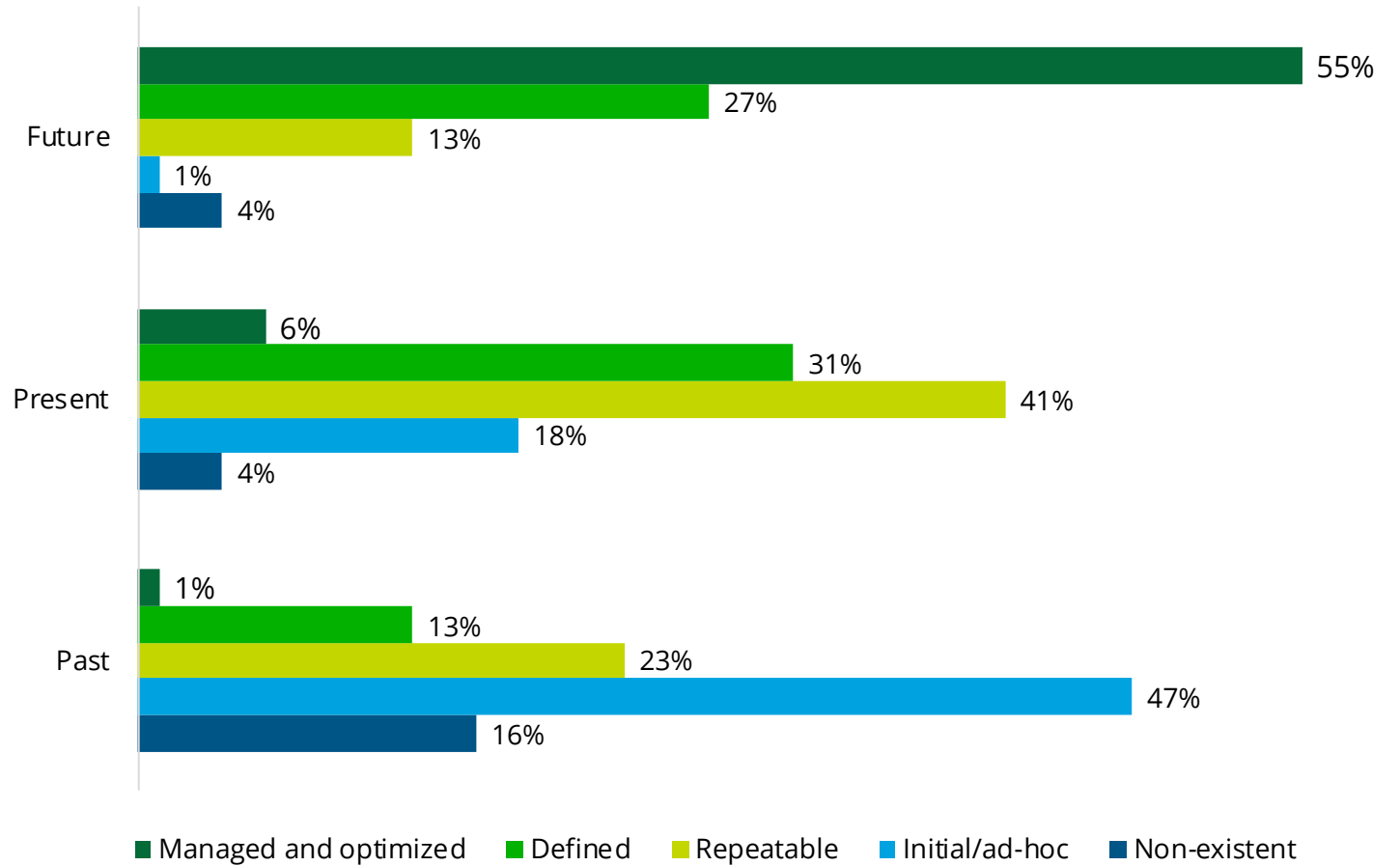
To address these complexities efficiently and effectively, more than seven out of ten respondents acknowledge the need for better alignment with domain specialists in these technologies/platforms. We believe such alignment both internally within the organization as well as externally will enable respondents to embrace the ‘new normal’ that includes tracking the use of software in the public cloud (“Bring Your Own License”), utilization of software as a services (SaaS) platforms, measuring software usage in containers, and tracking or and optimizing IaaS/PaaS use.

The journey to ITAM maturity appears to be slower than expected

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Our survey revealed a slower-than-expected journey to ITAM maturity in most organizations. As shown in Figure 3 on the right, 37% of respondents are currently in the defined, managed or optimized levels while 82% aspire to make significant progress over the next two years to reach these stages. On the other hand, 22% are in the initial two stages in our five-point ITAM maturity scale, which is expected to reduce to 5% if most of these respondents can make progress towards achieving their ambition. We believe that this desired evolution of ITAM maturity in organizations is logical and expected; however, this requires an increase in organizational focus and investment in this area to make it a reality.

Figure 3: Levels of organizational maturity in ITAM



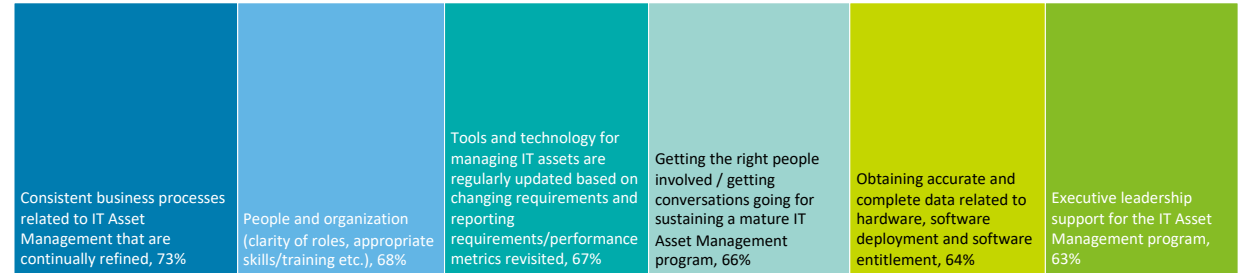
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As indicated in Figure 4 on the right, the absence of consistent and continually refined business processes (related to ITAM) presents the greatest barrier to organizational maturity (73%), followed by people and organization issues (clarity of roles, appropriate skills/training, etc.) (68%). In particular, organizations realize that getting the right people involved and looking for appropriate talent in this area will be getting increasingly more and more important. Seventy-six percent of respondents acknowledge the need to focus on continuous capability development.

Respondents also recognize the need to upgrade their ITAM tools and technology to address changing requirements including those related to reporting or performance metrics (67%). In addition to these technical facets of ITAM, we are also starting to see financial concerns being raised by participants. For instance, issues such as chargeback are becoming more and more relevant to respondents.

Emerging regulatory requirements (such as greater privacy over IT asset disposal and recycling) and organizational ability to track and address them are starting to worry respondents with one-third believing they lack the organizational ability to do so.

Figure 4: Pain points in organizational ITAM programs



Cost-optimization is the top driver for ITAM but challenged by performance measurement.

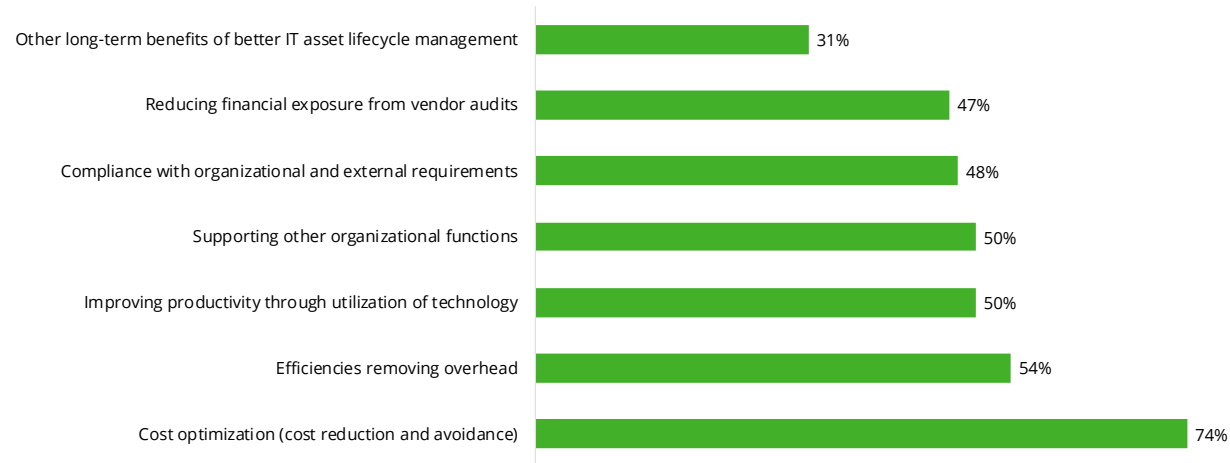
We expected cost optimization to be the most important driver for organizational investment in ITAM and our current survey confirms our expectation with a significant majority of 74% of survey respondents stating this as their key goal (Figure 5 below). There is no doubt that cost pressures will continue to increase further as the organizational impact of the pandemic is fully understood. As organizations boost their efforts to minimize cost structures and ensure efficiency across the entire organization, ITAM initiatives will also have a dual focus:

- Cost reduction (for instance through smarter utilization of existing IT asset licenses)
- Avoidance (for instance by avoiding significant payments as financial settlement)

The devil however is often in the details. A focus on obtaining the lowest unit cost may appear to be a good short-term strategy, but in the longer term, organizations should focus on the overall return on their investment (ROI) and only cost optimizing when it reduces value loss.

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Figure 5: Drivers for organizational investment in IT Asset Management



More than half the respondents believe that cost-efficiencies can be achieved by reducing overheads from IT asset inventory management, software deployment, issue tracking, patch management, etc. Fifty percent of respondents also believe that timely and reliable utilization of technology by personnel is a realistic expectation from a focus and investment in ITAM.

As indicated by the bar chart above, cost optimization currently is and will continue to be the biggest incentive

ahead. However, we believe that going forward, the current focus on risk reduction and regulatory compliance will also increase.

More than three-quarters of respondents use key performance indicators (KPIs) for ITAM in their organizations to be able to measure and monitor progress. However, the majority of respondents focus mainly on coverage of IT assets (e.g., percentage of known hardware and software assets available and in use under the control of ITAM teams).

Our experience indicates that metrics related to discovery and inventory will remain the most significant areas for KPIs. In addition, progress in the organizational journey to becoming self-funding from an ITAM perspective could potentially feature as a KPI in the more progressive organizations. Our survey therefore reveals a significant opportunity to broad-base existing KPIs in organizations, in the absence of which it would not be possible to appropriately measure both performance as well as progress of organizational ITAM programs in a comprehensive way. Organizations should consider including the following additional measures currently only being used by a minority of respondents (proportion indicated in parenthesis below):

- Cost savings achieved by the organizational IT asset management program year-on-year (33%)
- Results of license compliance audits year-on-year (33%)
- Timeliness and accuracy of IT asset management reporting (30%)
- Non-active IT assets repurposed (e.g., inactive IT assets/owner or location unassigned) (18%)

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We predict that the more progressive and astute organizations will increasingly recognize ITAM as a longer-term strategic investment that creates ongoing value across the entire organization going far beyond just their IT team. These organizations will accordingly continue to position ITAM initiatives at the highest organizational levels to be able to unlock this value across business units, procurement, finance, risk management, and other functional teams. We believe this would be in sharp contrast to the more traditional (and increasingly fading) mindset that perceives this as a tactical one-off short-term fix, primarily aimed at minimizing costs related to IT assets.

There is no doubt that the adoption of new technologies including the cloud and IOT, as part of significant business transformations, will reinforce the emphasis of IT departments on cost optimization as the primary driver for such organizational investments.

Yet, at the same time, it is important to keep in mind that the associated risks (e.g., cyber risk or resilience concerns) will also continue to increase in proportion to the rewards that organizations reap from these new technologies. This makes it critically important for these organizations to focus more broadly beyond merely saving costs to also leveraging ITAM investment for continuous risk reduction. We also predict that the role of the ITAM manager will be significantly enhanced with these compelling shifts in the technology landscape going forward, at least in the more forward-thinking organizations, as a critical competitive differentiator with those that are not.

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Leadership and organization

ITAM teams acknowledge the critical need to leverage board support and drive proactive engagement in alignment with key organizational stakeholders, including IT, procurement, finance, risk management and other key functional teams, to maximize value to their organization.

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Overall responsibility for ITAM typically vests in IT teams, but value for the business can be unlocked only through better alignment with other key functional teams.

The primary objective of ITAM teams is to enable their organization to maximize the value of their technology investments, whether deployed on-premise or on the cloud. This puts ITAM teams whose primary alignment is to IT teams (given the increasing technical complexity that is creeping into this discipline over the years), in an interesting position. This is because opportunities for creating value to the business can be maximized only by managing the “business side” of IT by working more closely with key functional teams such as finance, procurement, risk management, etc. as well as the business units themselves which utilize the various organizational IT elements.

Unsurprisingly, our survey results (Figure 6 below) echo this dominance of CIOs in driving operational responsibility for implementing ITAM initiatives. More than three-quarters of respondent organizations have this ultimate accountability vested in their CIOs and/or CTOs (either individually or jointly). The figure below shows the distribution of ITAM ownership in respondents, which include joint ownership in an increasing number of instances. We believe such joint accountability is an interesting emerging trend that would help to align the IT-specific and wider business impact of ITAM, thereby helping to unlock organizational value as discussed above. In a best-

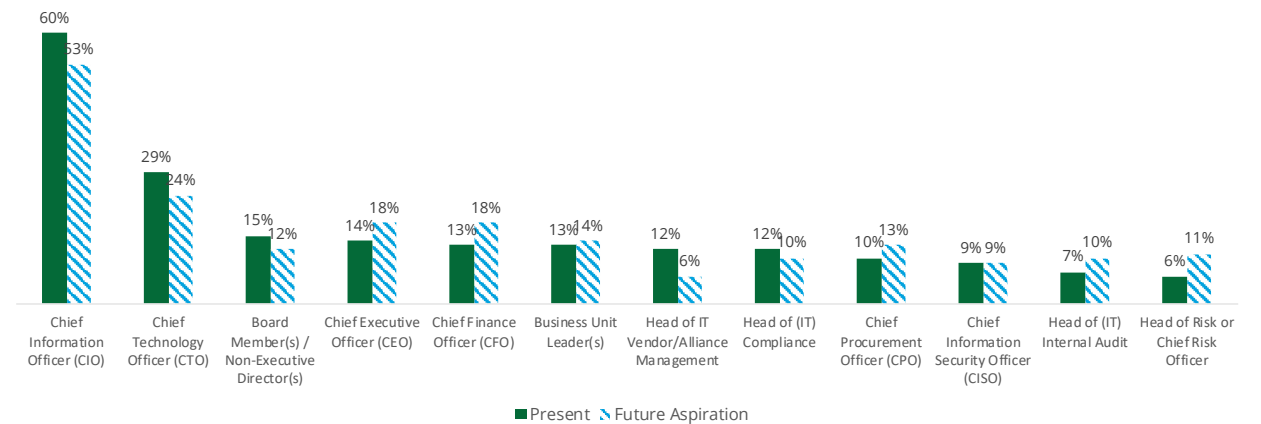
case scenario, ITAM would then serve as the critical link between the business on the one hand, and IT/ procurement teams/other functional teams on the other.

Although a member of the board or CEO holds the ultimate accountability for ITAM in some organizations, our survey data indicates that the CEO appears to have a more dominant role in smaller organizations. The dominance of the CIO as well as the CTO (in response to the increasing complexity of hardware and other emerging components in ITAM) is seen to re-emerge as organization sizes increase.

In the words of one of our survey respondents:

“The biggest initial barrier to value creation is to consider ITAM as a practice that lies solely within the realm of IT and having no role in adding tangible value to the rest of the organization.”

Figure 6: Ultimate accountability for ITAM - present and future aspiration



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For the largest respondents, the increasing responsibilities across board members and CFOs is noticeable from the survey results, indicating a welcome move to the highest levels of the organization with regard to ultimate ITAM ownership. Across all the industry segments of participating organizations, however, the joint accountability discussed earlier is increasingly becoming noticeable in place of scenarios of sole responsibility vesting in CIOs, heads of procurement or CEOs.

Figure 7 on the right compares the proportion of organizational teams that hold the primary operational responsibility for ITAM with those that derive the highest added value from these ITAM initiatives. Once again, this reiterates our fundamental premise that IT is the natural home for ITAM, yet opportunities for the highest levels of value creation lie in the business side of IT and manifests itself across other organizational teams.

As can be seen:

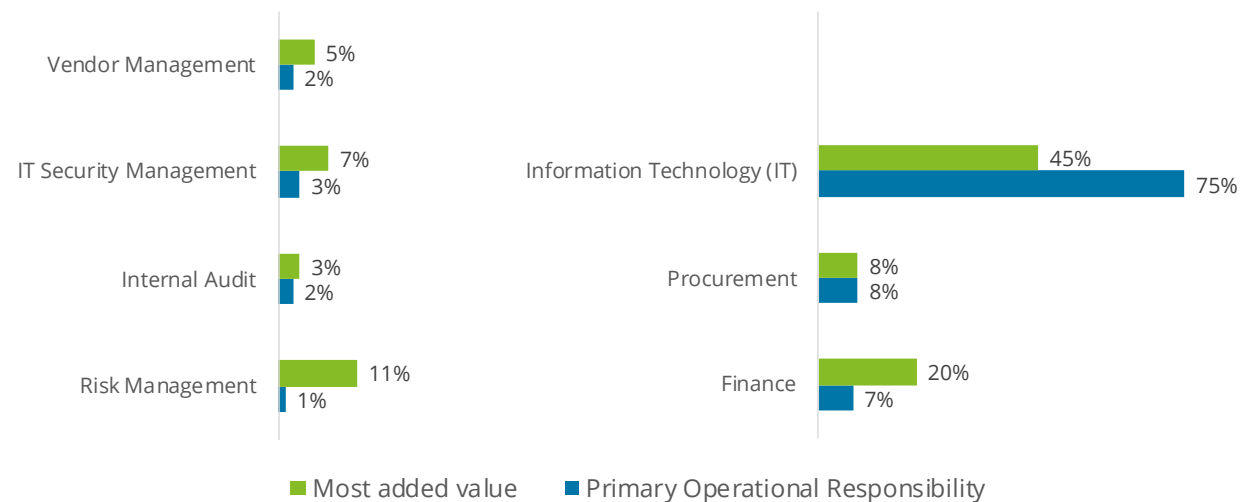
- 45% of respondents believe that IT departments derive the most added value from ITAM, although as many as 75% of such teams hold the primary operational responsibility.

- 20% of respondents believe that the most added value out of ITAM efforts are (and should be) derived by finance teams, although only 7% of such teams operationally own ITAM.
- 18% of respondents attribute highest value to the risk management team and 7% to the IT security team, although only 4% of these two teams operationally drive ITAM.
- 8% of respondents believe that procurement teams derive the highest value from ITAM, while

5% believe that vendor management teams do so. This is in a setting where while 8% of procurement teams and 2% of vendor management teams overall are operationally responsible for ITAM.

Although seven out of ten respondents claim to have achieved this aspiration of achieving appropriate alignment between ITAM and other key functional teams, we believe this will remain an ongoing area of focus. Our survey data indicates that the remaining 30% have not achieved this alignment at all.

Figure 7: Primary operational responsibility compared to highest value creation for ITAM



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Board-level support for ITAM is increasingly becoming a reality but needs to be leveraged further to ensure proactive engagement.

Increasing support from the executive suite and members of the board is evident from our survey responses, which is no doubt an encouraging development. This position can be summarized by citing one of our respondents who indicated:

“We have ample board and executive support. Our resistance comes from other leaders within and outside of IT that are not aligned with priorities being set by management and are not being held accountable.”

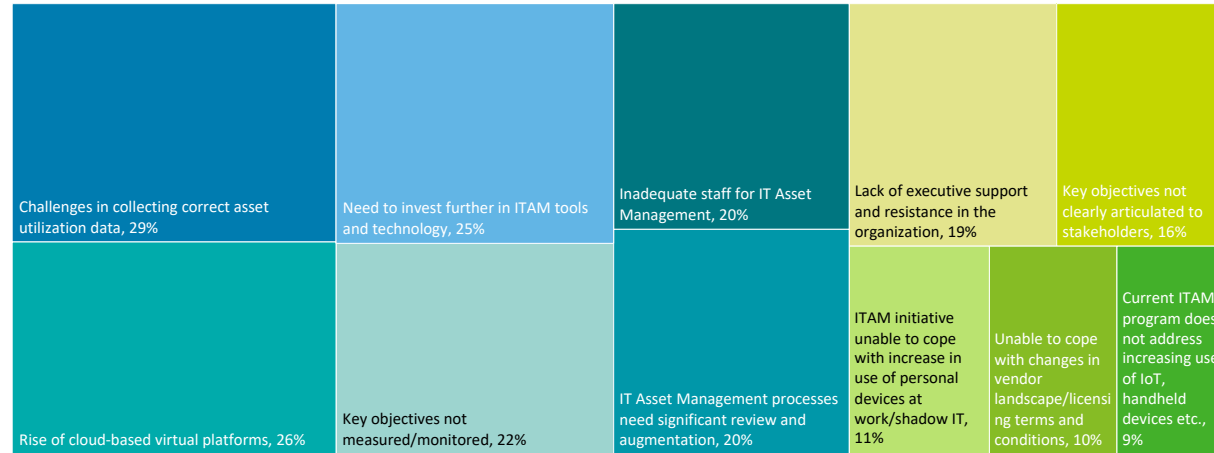
We believe that the statement on the left reflects the position that many of our respondent organizations are in. It should however be kept in mind that boards are often extremely busy addressing other critical organizational matters. As a result of this, members of the board are increasingly engaging in ITAM issues through various committees of the board (such as IT committees, audit committees or risk committees) and participation in organizational forums or focus groups on this subject. As a result of such emerging forms of engagement to resolve organizational ITAM issues, ITAM as a subject may not feature consistently as an agenda item formally in board meetings. However, increasing participation in some of these other ways discussed can go a long way in evidencing board and executive support to ITAM. Fifty-seven percent of board members have higher to moderate levels of engagement, with the remaining 43% with lower or no significant engagement. We believe that ITAM teams will now need to leverage this increasing board and executive support to drive proactive engagement, alignment, and support from key organizational stakeholders.

Such proactive decision-making appears to be consistently low across respondents. Less than one-third of respondents believe they leverage this board and executive-level support to proactively address ITAM issues, while this drops further to one-fifth of respondents in leveraging support from other stakeholders to proactively address ITAM issues. Respondents believe that such reactive approaches to ITAM existing at present in a vast majority of respondent organizations can significantly hinder organizational ability to be cost effective as well as being coordinated and aligned across various functional departments to maximize value from these initiatives.

Most respondents aspire to increase the value added by ITAM. However, in addition to the need for a more proactive approach to ITAM, other specific factors (shown in Figure 8 below) come in the way of deriving the maximum value out of ITAM initiatives, as shown in the heatmap below.

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Figure 8: The most significant challenges to getting higher value from ITAM



These include:

Governance challenges:

- Challenges in collecting correct asset utilization data within the organization (29%)
- Key ITAM objectives not measured or monitored through appropriate KPIs (22%)
- ITAM processes need significant review and augmentation (20%)

Technology challenges:

- Need to increase focus on cloud-based virtual platforms including PaaS, SaaS, etc. (26%)
- Need to invest further in ITAM tools and technology (25%)

Focus on talent:

- Inadequate staff for ITAM (20%)

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It is important to keep in mind that while ITAM tools and technologies can certainly facilitate value creation, ITAM is primarily about people leveraging processes through technology, in that order. We believe that the smarter organizations will keep up their focus and attention on recruiting the best available talent at various levels (supported by inputs from internal and external technology specialists, as appropriate).

While we are seeing more involvement from CFOs and vendor managers, we are also seeing a shift in vendor behavior: vendors are performing sales/audits by themselves or through third parties. However, alternatives to audits to drive more business value from the software publisher and client relationships are on the verge of a breakthrough. We foresee an emphasized focus on the role of the vendor manager as relationship builder with vendors/vendor partners.

ITAM value is seen as primarily being an IT process that brings value to IT. To bring ITAM to the future, companies need to look beyond the supporting structures to the core business and bring forward value to the core business.

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The future of ITAM (organizational positioning, people and technology)

Organizations need to maintain an ongoing focus on automation supported by appropriate ITAM staff and leverage external assistance smartly to upgrade themselves to decision-making roles.

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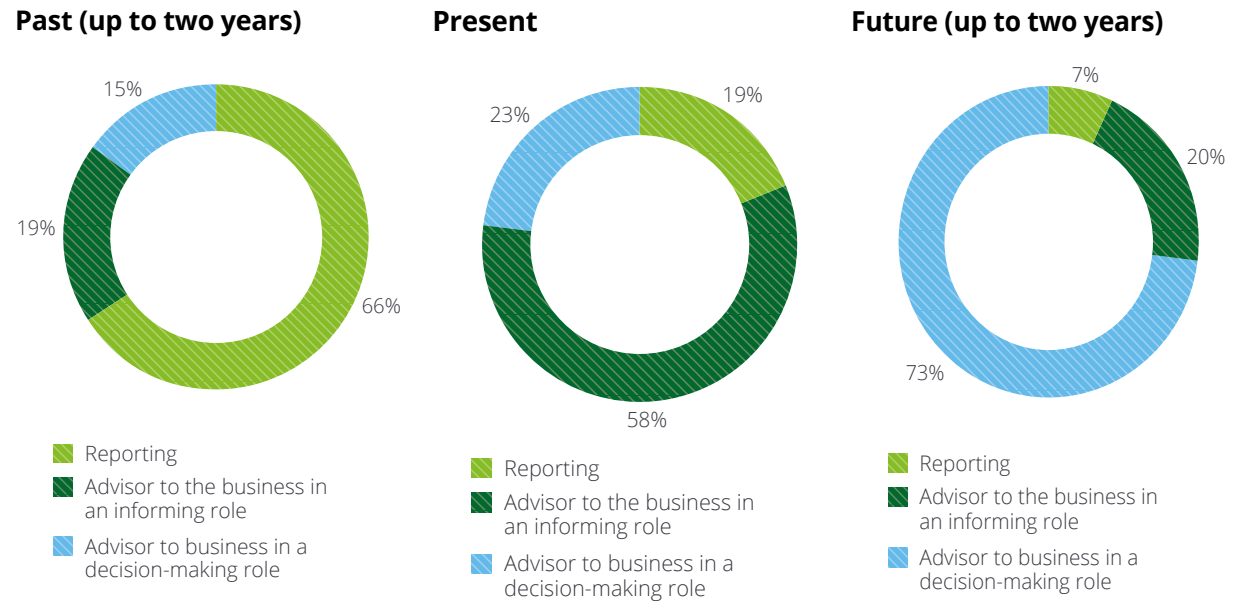
Most respondents aspire to reposition and transform ITAM to enhance value.

The survey data reinforces our understanding that ITAM teams have traditionally performed a largely reporting-based role which involved analyzing organizational data related to the procurement, deployment and usage of IT assets (Figure 9 on the right). Nearly two-thirds (66%) of our respondents were in that position up to two years ago. The concept of advising the business in an informing role was starting to emerge in 19% of respondents at that time. Only 15% of respondents from more progressive organizations reported that they had been able to elevate this role to that of a decision-maker on ITAM, for instance around more actively controlling or even automating the procurement, usage and deployment of IT assets in their organizations.

With increasing realization that an elevated positioning of ITAM can add higher value to organizations, the proportion of ITAM teams focused on reporting has come down to 19% at present, with respondents expecting this to further reduce to 7% in the two years ahead. This, in turn, has increased the proportion of respondents who play an informing role as an adviser to the business to 58%. The remaining 23% of respondents currently play the role of a decision-maker with regard to ITAM.

Having said that, nearly three-quarters of respondents (73%) aspire to transform the primary role of ITAM in their organizations to a broader decision-making role with regard to controlling and automating procurement, usage, and deployment of IT assets. The plan is to be able to comprehensively cover all types of IT assets from on-premise to cloud deployments in all phases of the IT asset lifecycle.

Figure 9: Primary role of IT Asset Management around controlling/automating procurement, usage, and deployment of IT Assets

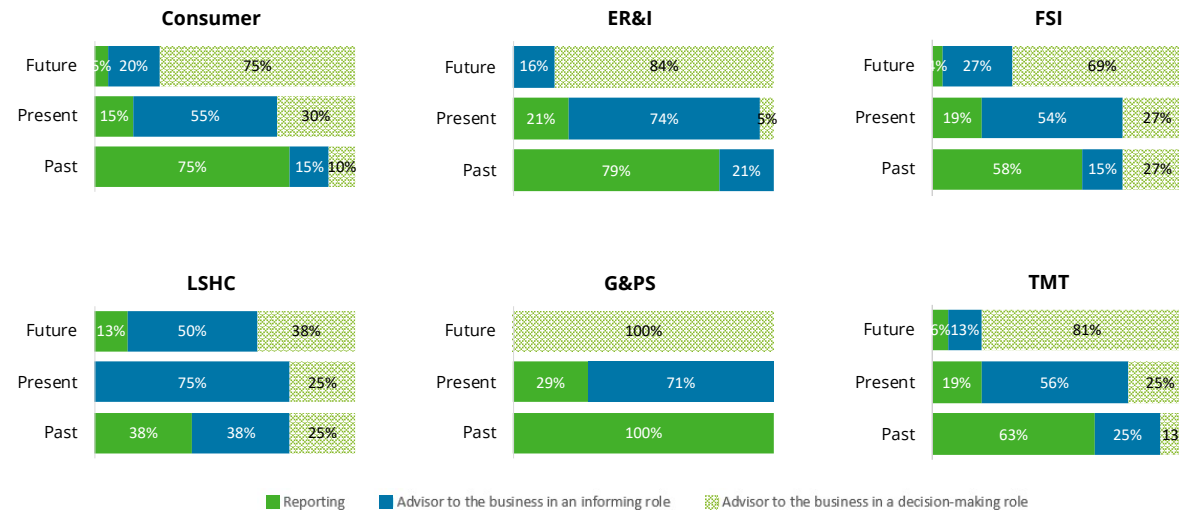


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Current positioning and roles of ITAM teams also vary by industry (Figure 10 below). Yet, the progressive shift to a decision-making role with regard to controlling and automating procurement, deployment, and usage of IT assets is a consistent feature across all. However, transformation is expected to take place more drastically in ER&I and G&PS, which currently appear to be most behind in this evolutionary process. This is in comparison to their counterparts in Consumer or FS

that are ahead of the curve. Closely following are LSHC and TMT, as shown in the figure below. In other words, all industries see this ITAM repositioning as a significant value-enhancer, with the incremental opportunity from such transformation highest in ER&I and G&PS, which have presumably been driven by the pandemic to operate in a more considered and risk-averse “wait and watch” mode.

Figure 10: Primary role of IT Asset Management around controlling/automating procurement, usage, and deployment of IT Assets (by primary industry of respondents)



The ability to cover all phases of the IT asset lifecycle indicated above is another significant consideration here.

Currently ITAM teams have been focused primarily on:

- Procurement, deployment and appropriate usage of IT assets; and
- Ongoing IT asset discovery and license compliance monitoring.

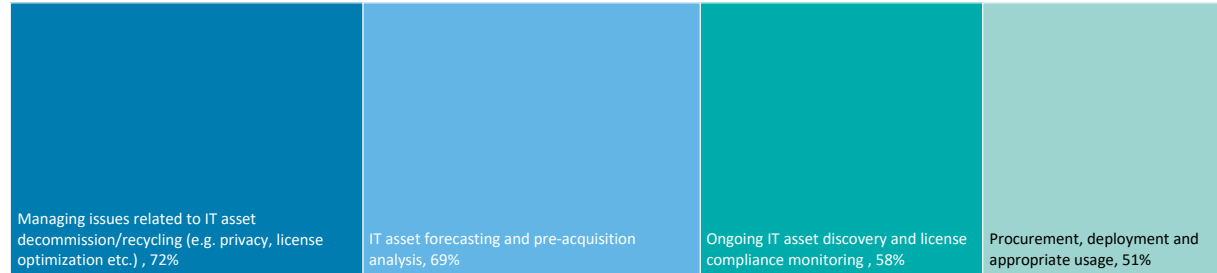
However, in the repositioning and transformational journey ahead (Figure 11):

- The highest proportion of respondents (72%) believe that managing issues related to IT asset decommissioning/recycling (e.g., privacy, license optimization, etc.) is the top area that needs improvement.
- This is followed by processes related to IT asset forecasting and pre-acquisition analysis (69%).

Consumer
 ER&I = Energy, Resources & Industrials
 G&PS = Government & Public Services
 FS = Financial Services
 LSHC = Life Sciences & Health Care
 TMT = Technology, Media and Telecommunications

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Figure 11: End-to-end ITAM processes aligned to the IT asset lifecycle that need improvement



A smaller proportion of respondents recognize the need for ongoing improvement in their existing areas of prime focus:

- Ongoing IT asset discovery and license compliance monitoring (58%)
- Procurement, deployment and appropriate usage (51%)

In other words, the beginning and the end of the IT asset lifecycle appear to present the most difficult challenges to respondents.

An ongoing focus on ITAM talent and technology can significantly accelerate progress.

We have already seen that the unavailability of adequate talent for ITAM is a significant barrier to enhancing the value of ITAM initiatives in organizations. Survey data further reveals that 34% of respondents did not have any dedicated staff supporting ITAM initiatives. However, with a significant proportion of respondents planning to make a start to more formalized ITAM this year, this is expected to come down to 10% in the next two years. On the other end of the scale, 7% of respondents have more than 10 FTEs and this is expected to increase to 17% in the same

timeframe as organizations ramp up staffing levels to enhance and reinforce their approach to ITAM. This progressive increase in staffing levels is also reflected in ITAM teams in the middle of this range.

Respondents recognize that increasing FTEs without automation is not the most efficient and effective way forward to address the increasing complexities and nuances of the post-pandemic world. Accordingly, 83% of respondents leverage one or more technology tools for this purpose.

The most commonly used ITAM (top 5) tools that respondents to this survey reported using include:

- Microsoft System Center Configuration Manager (SCCM) (48%)
- ServiceNow (23%)
- In-house developed bespoke ITAM solutions (17%)
- Snow software (16%)
- Flexera (15%)

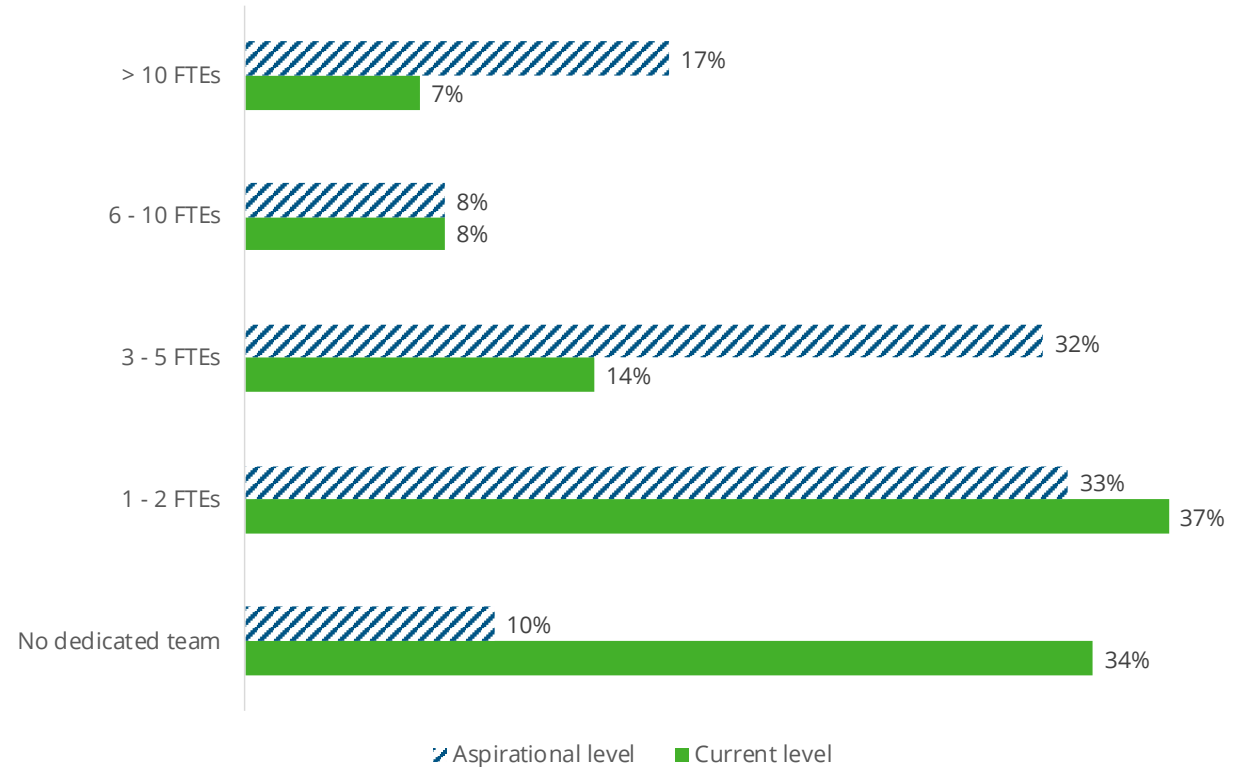
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In general, survey respondents reported that in-house developed ITAM solutions used by them tend to address their organization-specific nuances in a tailored way with regard to compliance reporting and usage metering/tracking. Most of the other packaged solutions (indicated above) score higher in areas such as software discovery, providing a hardware repository while progressively catching up with bespoke solutions on usage/metering and compliance. We did not note any significant trends in utilization of technology solutions across industry segments with the exception of SCCM that appeared to have a larger footprint in FS, ER&I and TMT organizations and well as in the very large organizations with an annual turnover of US\$5 billion and above that participated in this survey.

Three-quarters of respondents aspire to embrace emerging technology solutions to boost ITAM technology capabilities, the most popular solution being cloud technologies to enhance flexibility in a cost-effective way (49% of respondents). Nearly one-third of respondents are adopting robotics automation for routine administrative tasks while a quarter are enhancing capability using cognitive analytics or artificial intelligence (AI) for interpretive tasks. A similar proportion (25%) are investing in visualization technologies for meaningful interpretation of data.

Given the absence of the most optimal technology solution for ITAM in most organizations today, less than half the respondents (46%) believe that their current ITAM program allows them to appropriately focus on and manage licensing risk, software spend optimization, and security risk. Respondents recognize the critical role of technology in helping them address this concern.

Figure 12: Full-Time Equivalent staff (FTEs) currently involved in ITAM activities compared to aspirational levels



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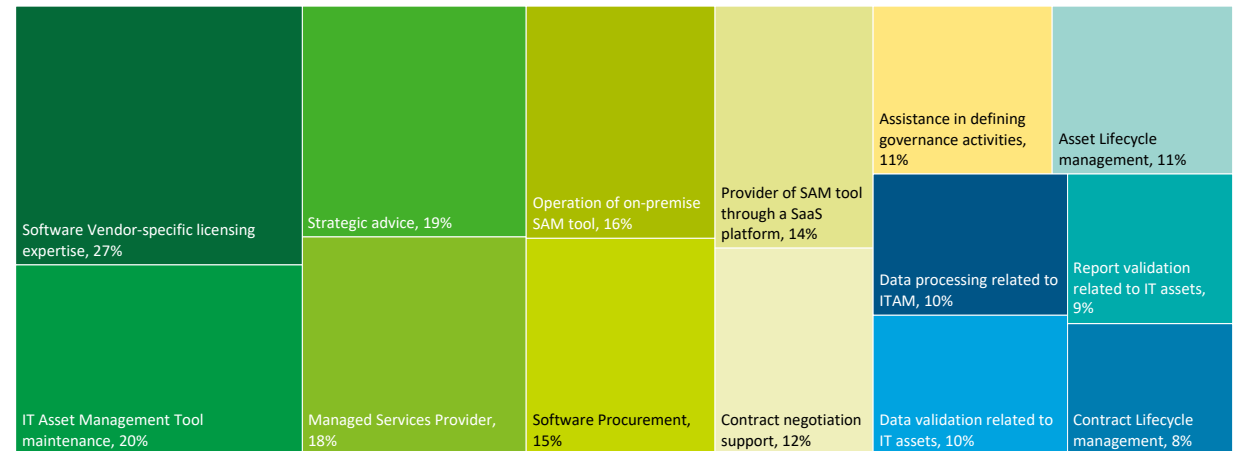
Organizations are seeking external assistance to supplement internal capability in addressing their biggest pain points.

Given the challenges associated with the ability to readily hire senior ITAM talent from the marketplace, around two-thirds of respondents are taking the assistance of third-party business advisers, consultants, or managed services providers. The latter solution is an emerging area of interest for respondents with around one in five working with a managed services provider that could cover all or specific aspects of ITAM.

In general, a high level of correlation exists between the biggest organizational pain points and the engagement of external advisers, consultants or managed service providers. Organizations where the biggest pain point is around the lack of consistent business processes related to IT asset management, or around ITAM organization and talent (the top two overall pain points revealed by the survey), seek external assistance in around two-thirds of cases.

On a related note, respondents indicate that they engage specialist third parties to operate an on-premise ITAM tool (16%) or provide such as tool through a software-as-a-service (SaaS) platform (14%). The other key areas where external assistance is being sought includes software vendor-specific licensing expertise that is not often readily available in-house (27%), followed by ITAM tool maintenance (20%) or strategic advice to transform ITAM teams (20%) (Figure 13).

Figure 13: Involvement of third-party business advisers, consultants or managed services provider for ITAM



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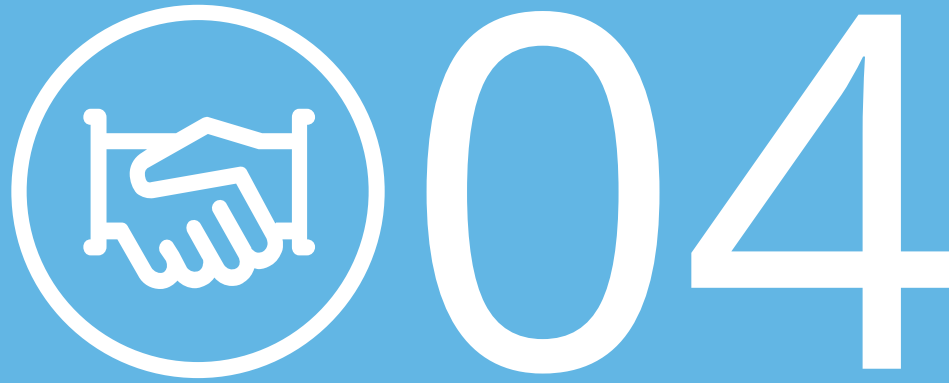
We predict that automation as well as the ability to utilize external support from ITAM specialists will not only be the two top value drivers in this area, but will also emerge as the two strongest competitive differentiators for organizations.

We believe that these two organizational levers will finally enable organizations to sharpen their focus in enhancing value around their core business by garnering a higher level of business involvement and support.

We recognize that this has indeed been the aspiration of many ITAM teams for a while. But what we believe will be different this time is that ITAM will drive the conversation at the decision-making table thus going far beyond their more traditional role of data crunching and compliance tracking.

In addition, technology investments and focused use of external specialists have been proven to drive productivity. We now expect this to happen on a much larger scale, even more so in the bigger organizations and international players as the war for talent is here to stay.

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Vendor management and collaboration

Organizations are aspiring for higher levels of vendor collaboration enabled by improving relationships in the spirit of a win-win relationship that goes beyond merely being able to negotiate contractual terms better.

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Good vendor relationships facilitate higher collaboration and more effective ITAM programs.

A high level of vendor collaboration enabled by a good relationship is increasingly being recognized as a critical success factor for effective and strategic ITAM. Deloitte ITAM specialists believe that this can work both ways, i.e., good ITAM practices can also help establish or reinforce such a mutually beneficial relationship with the vendor.

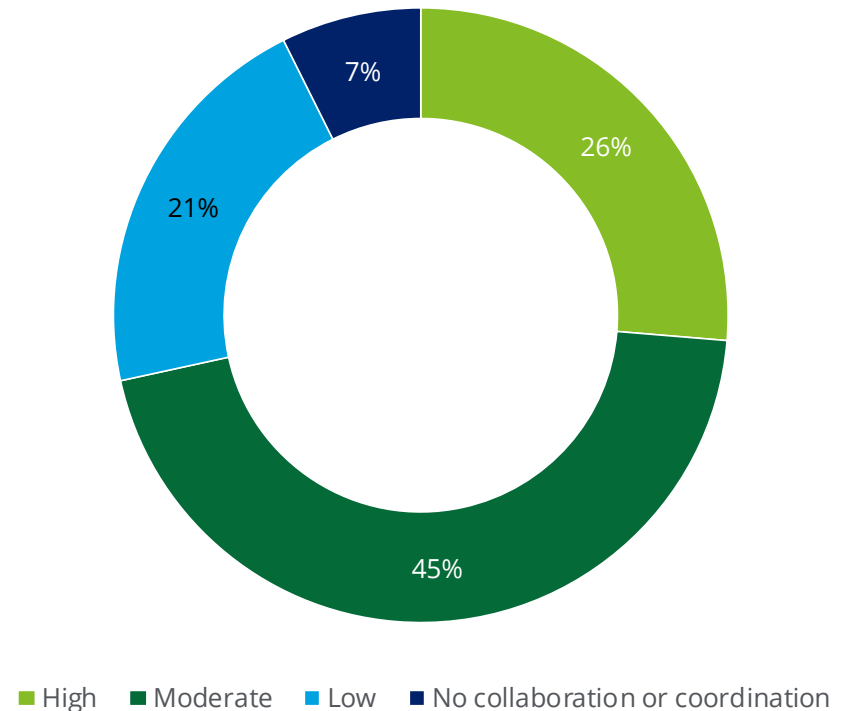
Against this emerging backdrop, only 26% of respondents rated the level of collaboration and cooperation as high, with the highest proportion (45%) recognizing an opportunity for improvement, rating this as moderate. The remaining 29% have significant work to do in this area, with low or non-existent collaboration and cooperation with their vendors.

It is therefore no surprise that only half of respondents believe that the quality of their vendor relationships position them favorably to negotiate contractual terms with key IT vendors.

Nearly seven out of ten respondents to our survey believe that they have IT assets where the licensing terms are more complex to interpret and therefore less transparent. Similarly, 56% of respondents believe that the usage of certain IT assets is more difficult to

measure in practice and therefore presents a higher risk to compliance. Both of these risks can be managed through ongoing coordination and collaboration with the vendor in the spirit of a win-win relationship where both parties feel fairly treated.

Figure 14: Level of organizational collaboration/coordination with key IT asset vendors

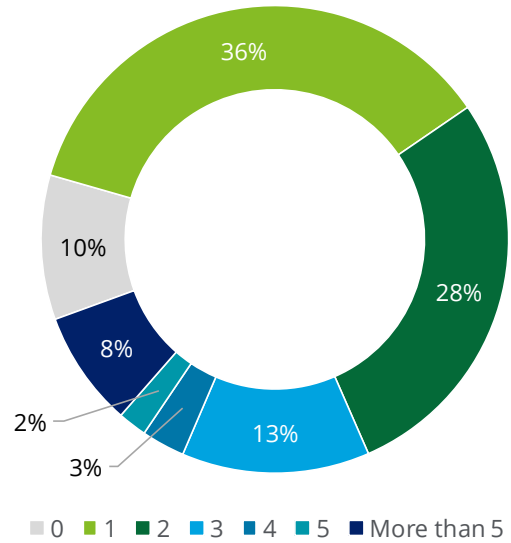


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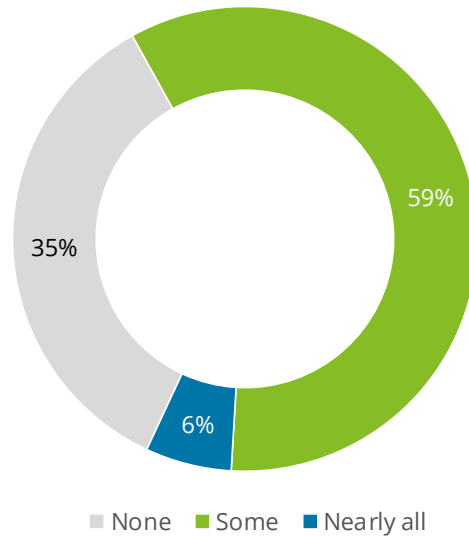
As indicated in Figure 15 below, around two-thirds of respondents (64%) go through one or two software audits every year while 26% face more than two software audits. The remaining 10% reported not facing any software audit. Sixty-five percent reported that they need to make financial settlements every year, of which 51% believe that the monetary amounts involved have a moderate impact and a further 18% believe the impact is significant.

Figure 15:

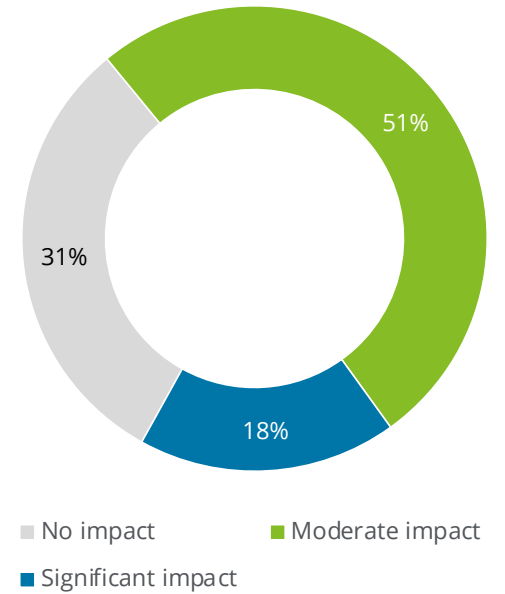
Number of software license audits typically faced every year?



Proportion of such audits that result in financial settlements



Overall impact of such financial settlements



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Our global experience reconfirms that the strategic positioning of ITAM in organizations as well as their operational effectiveness can be enhanced by improving vendor relationships. As a result, we believe that smarter organizations will increasingly benefit from this **virtuous cycle** where improved vendor relationship and collaboration augment and refine ITAM practices, and better ITAM processes in turn further strengthen such mutually beneficial relationships.

Those organizations that do not believe or invest in making this a reality, on the other hand, will continue to face disruptions to their business and increasingly higher levels of negative financial impact.

But vendor management will not be the exclusive responsibility of procurement or vendor management teams going forward in astute organizations. We predict the increasing involvement of ITAM teams. Their multi-dimensional focus, including risk management on the one hand as well as license optimization on the other, will supplement the traditional procurement focus driving these relationships from the user organization perspective, thus underpinning a more valued and trusted relationship going forward.



The virtuous cycle of vendor relationship management

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1 Current state of ITAM and associated risks
Survey respondents recognize the increasing complexities of ITAM amid pressure to reduce costs. We believe these twin forces will drive an increased focus and investment in ITAM over the next two years and accelerate the organizational journey to increase maturity in this area.

3 The future of ITAM (organizational positioning, people and technology)
The survey reveals that organizations need to maintain an ongoing focus on automation supported by appropriate ITAM staff and leverage external assistance smartly to upgrade them to decision-making roles in the near future.

2 Leadership and organization
ITAM teams acknowledge the critical need to leverage board support and drive proactive engagement in alignment with key organizational stakeholders, including IT, procurement, finance, risk management and other key functional teams, to maximize value to their organization.

4 Vendor management and collaboration
This is an emerging area as respondent organizations increasingly aspire to elevate their vendor relationships and collaboration levels in the spirit of a win-win relationship that goes beyond merely being able to negotiate contractual terms better.

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Diederik is a leader for IT & Software Management in Extended Enterprise at Deloitte. Based in Belgium, Diederik works with his clients to build robust ITAM programs that provide value to their business. He looks at both process and technology solutions, assists in managing clients' contractual obligations to generate efficiencies and savings and helps out in reinforcing relationships with software publishers and IT vendors. Diederik also has significant experience leading compliance programs for large national and multinational organizations, assessing license compliance against contractual obligations.

Throughout his career he assisted in the revision of several SAM standards and best practices and contributes to the ITAM community by presenting at forums and hosting roundtables on this subject. He has experience in a variety of industry sectors including financial services, energy and resources, government and public services, technology, media and consumer.



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Hans has a great deal of experience in software license auditing and advisory services related to various industry and business contractual relationships. As technology oriented manager, he has successfully performed more than hundreds of Software License projects and led global teams in the execution of these projects. Hans has extensive experience in the development and execution of global license and royalty compliance programs for clients in the technology industry. He has assisted clients in identifying and recovering lost revenue as a result of contract misinterpretations, misunderstanding of product use rights, ... Hans is a Certified Software Asset Manager.



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Robbert is a Senior Consultant working for the Extended Enterprise Risk Management (EERM) team of Deloitte Belgium, based in Brussels. His main focus is delivering ITAM solutions to our clients across the EMEA region. Robbert has a varied licensing skillset which helps our customers get the best value from every service. He has an extensive experience in managing various licensing product from a wide variety of vendors and is currently leading several Managed Services engagements in EMEA. In addition to this, Robbert possesses Oracle and ServiceNow certifications which he leverages to further assist our customers.

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Sanjoy has extensive experience advising boards, senior leadership, heads of risk, and internal audit on strategic governance and risk management of the extended enterprise, outsourcing, and shared services. He has worked across the UK, Gibraltar, India, and various countries in the Middle East.

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ITAM Program Delivery

- ITAM Health Check**
Based on ISO 19770 & Deloitte Framework
- ITAM Strategy**
Design, communication and implementation
- ITAM Governance**
ITAM program vision and objectives and outline activities and initiatives
- ITAM Organisation**
Develop policy, process, data, roles and KPIs
- Vendor Management**
Manage key software vendors
- Technology Provider Risk Management**
Create vendor-risk matrix

ITAM Managed Services

- ITAM Sourcing**
In-house/ hybrid/outsourcing assessment
- ITAM As A Service**
Deloitte managed ITAM services
- IBM IASP**
IBM Authorized SAM Provider
- License Hotline**
Deloitte ITAM as a Service SME Hotline
- ITAM Dashboard & Reporting**
Tailored for key stakeholders
- ITAM Security**
An opportunity to improve cybersecurity
- Microsoft SPLA**
Service Provider License Agreement
- FinOps**
Continuous cloud cost management & optimization

Tools

- SAM/HAM Tool Fit-Gap**
Of existing ITAM tooling capabilities
- ITAM Tool Selection**
Tool requirements and selection assessment
- ITAM Tool Implementation and configuration**
Roll out of ITAM technology
- Mobile Device Management**
Effective monitoring of mobile devices
- ITAM Tool Hosting**
within a Deloitte Datacenter

ITAM Ad-hoc Services

- Audit Support**
With publisher led software compliance audits
- License Optimisation**
Technical & commercial compliance report. Establish savings from your existing investments
- Application Change**
Understand the software cost of IT transformation
- Used Software**
Correct handling of used software licenses
- Software Rationalisation**
Rationalisation assessments
- Contract Optimisation**
Commercial contract review
- SPLA One Time Assessments**
Service Provider License Agreement
- Cloud Scan**
Cloud usage assessment, product rationalization and financial optimization
- Software Sourcing**
Software sourcing and renewal support

Training & Certification

- SAM Certification**
Deloitte certified Software Asset Manager
- ITAM Academy**
Extensive & independent ITAM training program

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