



Software asset management

The Cost of Ineffective Management

Enterprise software is forecasted to be the fastest growing segment of companies' IT budgets with an 8.4 percent increase in IT spend expected from 2018 to 2019. Despite increasing spend, companies often do not have a clear understanding of what software assets they already own nor the licensing terms of their existing contracts. This more often than not results in companies owning either too little or too many software licenses. This ineffective management of software assets can put organizations at risk of:

- Unplanned payments to software vendors as a result of software audits
 - According to Gartner, companies saw an average of more than 2.5 software audit requests per year. 80 percent of respondents stated that this represented

the same or an increase in the number of audits from the previous year.²

- Over subscription – by paying for licenses and support that are not in use, organizations are accumulating large, recurring expenses
 - Shelfware is one of the largest IT expenses, with an estimated 93 percent of organizations carrying licenses that are not in use
- Security threats from unauthorized or unlicensed software that is deployed in the environment
 - Unauthorized deployed software can create potential gateways for cyber network attacks

A software asset management (“SAM”) program will help optimize software assets and deployments by: limiting shelfware,

helping you understand what you are entitled to, and confirming license availability for your organization's deployments. More efficiently deployed software will help avoid unwanted budget surprises and mitigate operational, financial, and legal risk.

SAM Technology Alone is Not Sufficient

Many organizations attempt to tackle their SAM challenges through the purchase of a SAM tool. While these tools have many automation capabilities our clients often struggle to get a complete view of the software installed in the environment, particularly on the data center side. The main reason is there are many license metrics that cannot be discovered by a SAM tool. According to Gartner, through 2020 only 25 percent of enterprises will be satisfied that their SAM tool purchase aligns extremely well with pre-purchase expectations.⁴

Purchasing a tool is absolutely a step towards solving SAM challenges, but without organizational governance and process the value from a tool is greatly diminished. While many organizations have deployed or plan to deploy SAM programs, Gartner has found that 73 percent of clients state that their most common mistake is failure to establish SAM governance.⁵

Leveraging Software Asset Management Data to Strengthen Other Parts of the IT Organization

The normalized software data the SAM team owns is valuable to other parts of the organization:

Hardware Asset Management: The first step in inventorying software is to get an accurate count of all the hardware devices running on the network.

Cybersecurity: The SAM team can provide a complete scan of the software running in the environment that often times unearths software that is not patched and vulnerable to a cyberattack.

IT Service Management: SAM data can be a valuable input into the CMDB and ultimately speed up time to resolution.

Our Services

A well-functioning SAM program will help your organization address operational, legal, financial, and cyber risk. Deloitte offers a variety of services, ranging from point solutions to managed services (i.e. work along-side your SAM organization to help with tasks across the software lifecycle). Our practitioners can help you manage the multi-layered complexity of SAM programs across people, process, technology, and data.

Deloitte's services can help accelerate your SAM maturity and help you achieve your desired goals:

SAM point solutions

- Effective license positions
- Vendor rationalization
- SAM training

SAM program transformation

- SAM program assessment
- SAM program design
- SAM program implementation

SAM technology

- SAM tool vendor selection
- SAM technology installation and configuration
- Vendor onboarding
- SAM tool health check and upgrades

SAM managed services

- Managed service utilizing clients technology
- Managed service on Deloitte's platform (Deloitte brings software, datacenter, etc.)
- Software lifecycle management (software forecasting, procurement help, ticketing, decommissioning, etc.)

Don't Wait for an Audit

Organizations often do not start to consider the implications and complexities of their software licensing until they are struck with a costly audit. By implementing a SAM program, your organization can stay ahead and address audits head on while mitigating cyber security risk. Deloitte can help you gain control of your software assets, achieve cost savings, implement SAM technology, and gain confidence in your contracts and software estate.

Contact us

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1. "Forecast Analysis: IT Spending Worldwide, 1Q18 Update" May 23, 2018 , Gartner Inc.
2. "Gartner Toolkit: Optimize Your Software Audit Process and Results" April 8, 2018, Gartner Inc.
3. "Address Shelfware and Reduce Software Maintenance Costs by Up to 50% With These Often-Overlooked Best Practices" May 10, 2018 , Gartner Inc.
4. "Seven Common Mistakes That Organizations Make When Implementing SAM and How to Avoid Them" Dec 8, 2017 , Gartner, Inc.
5. Ibid



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