

Back to Basics



It has been said that Software Asset Management (SAM) is all about ensuring the provision of the right IT applications to the right people, at the right time and at the right cost.

A simple maxim might be: *“Know just what you have.”* But knowing what you have depends on having the most effective processes and tools that are used to manage software assets.

However, many companies are either ignorant of their SAM and compliance positions, or are in denial of them. Too often, organisations take inadequate licensing as a given, and fail to prioritise it as a necessary business process. In so doing, they fail to realise that such incomplete licensing can cost them money and harm their reputation.

Although every organisation has an objective to develop ‘world-class’ products and services, create more competitive offerings, improve time to market, drive down costs and increase margins and productivity, most organisations are failing to pursue a comprehensive SAM programme.

These SAM issues were discussed at the recent FASTtalk Roundtable whose participants included Steven Heal from KPMG, Michala Wardell from Microsoft, Julian Swan from the Business Software Alliance (BSA), John Lovelock from The Federation Against Software Theft, plus Federation Members LANDesk, FrontRange/Centennial and SAMpartners (part of the Trustmarque Group), an industry analyst and FAST corporate Members WSP Group and NEC Technologies.

Yet a SAM programme is vital for the legal and operational performance of an organisation. Good practice in SAM brings significant benefits in the areas of risk management, cost control, and competitive advantage. And a corporate culture that sees the benefits of SAM, where employees understand their role in keeping the company compliant, will save that organisation additional time and money.



BASICS



A question of definition

One of the initial questions that must be answered is defining what SAM actually is. Julian Swan from the BSA suggests it really depends on who you ask.

"IT people may have different ideas, but for some it's an audit - and that's all - while for others, it's a complete management process."

For many organisations, the most important reasons for SAM are maintaining compliance and cost reduction. According to the research firm Gartner, SAM can help organisations achieve a 30 per cent cost reduction in their IT budget in the first year. Governance too is a key factor, because good people want to work for well-managed companies.

Another important word is control. Typically, a lot of IT departments don't feel in control of what their responsibilities are, and are looking for global standards they can rely on. And, as David Norfolk, from Bloor Research says,

"They are doing it because of the business benefits."

Those business benefits, however, are reliant on the maturity of the tools available, says Andy Baldin, VP EMEA at LANDesk.

"The business benefit is only a benefit now, because for the past eight to 10 years, the tools weren't that sophisticated. Now they are, so you can get the business benefits."

Andy Burton, chief executive of FrontRange/Centennial says industry behaviour influences the attitude towards the adoption of SAM.

"Our attitude here is different to the French, who put tax breaks around SAM. Here, SAM is perceived to be driven by firstly compliance, then cost reduction, and finally security."

Buzz Albats, head of quality and compliance at FAST Corporate Member WSP Group, says users' perception of what SAM offers is a key factor in its take-up.

"Desktop software is not viewed as an asset, but as a necessity. We view software as a very valuable asset. A lot of industries, however, do not. We have pushed the whole SAM process through with assets that have to be managed and sweated."

Where SAM sits

A recent survey undertaken by FAST Corporate Services found that 42 per cent of respondents admitted they didn't have sufficient manpower to manage their IT assets while 49 per cent said the responsibility for software compliance rests with one individual.

Steven Heal, a senior manager with IT Audit at KPMG says understanding whose role SAM is comes down to the business understanding what a software asset actually is.

"SAM sits firmly within the province of IT, but not all aspects of it fit within IT. In fact, it may be difficult to isolate exactly where it sits. In the FTSE 350, it sits predominantly in IT. But in the FTSE 100, it sits within corporate governance."

Tony Fisher, managing director of SAMpartners, part of the Trustmarque Group, says organisations are at risk of missing an opportunity with SAM.

"If SAM is not implemented correctly, there is a risk of not getting the most out of it in terms of gluing all the bits of the organisation together - the business, IT and Finance, and integrating with Helpdesk and Workflow."

Andy Burton of FrontRange/Centennial says SAM must be a Boardroom issue.

"You need to have the Board involved. At the moment the accountability is either line management; a technology issue; an internal issue; or a vendor procurement issue. Which of these is it? What I struggle with is that I cannot understand why, when there is so much tangible value in SAM, that it isn't higher up the agenda."

The value proposition

Michala Wardell, head of anti-piracy at Microsoft says organisations have to be able to make a clear business case for SAM, and value is an important factor.

"Efficiency and value are key words, followed by risk. We are interested in our customers being happy, because if they are not happy, then they are not seeing value, and then they won't see a business case for our software. Software Asset Management is not a 'one off'; it's a change in behaviour."

But, asks David Norfolk from Bloor Research, how do you measure the value you get from software?

"I'd love to have a silver bullet that could answer that question," says Wardell. "Lots of customers have invested in software that they don't maximise the value from. For example, they've got 20 copies of software and they only need 10."

Andy Baldin from LANDesk says this is a key issue.

"From where I sit, it's a very simple idea of, 'Can we help our customers manage their assets so they don't overspend?' and at the same time implement a process so they invest in the software they actually need."

"We have a responsibility to give them value. If we've sold them 10,000 licences, but they're actually only using 8000 and we tell them, then as a result of that we'll keep the customer longer and they'll be happier."

However, FAST Corporate Services' Managing Director Gerard Tilley serves a word of warning that often, users don't help themselves.

"There is some evidence of an abdication of responsibility on users' behalf. Sometimes I don't see a lot of impetus to check their assets."





Configuration management

One of the key drivers for organisations in the SAM area is configuration management or version control.

"Our biggest problem is version control," says WSP Group's Buzz Albats. "It would be nice if we were designing buildings and all using the same version of the software. Compliance is important, yes. So is cost. But version control is top of the list."

Tony Fisher of SAMpartners agrees.

"How many organisations do you know who get their configuration management right so that SAM drops out of the bottom?" he asks. "It's about process, technology, and most importantly, people. You've got to have buy-in because you only need one person who doesn't take part and it will crash and burn."

"It comes from the top," says FAST Corporate Services' Gerard Tilley. "It's all about education. Your staff are the only people who can screw it up. You can't get what you want unless you adopt a complete lockdown and today that's impossible. Security, version control, and productivity are all keen issues. But often it seems the business benefit around SAM is 'We won't be spending any more money than we have to.' Sometimes I think people don't like infringement on their play time at work."

Reinforcing the message

Another key driver in developing SAM is to focus on driving effective processes, training people on their responsibilities in using software as soon as they join the organisation.

"Recently I was with two of our companies simply to reinforce the message that if you're not careful, your processes can stagnate," says WSP Group's Buzz Albats.

Fast Corporate Services' Phil Heap admits that sometimes the more an organisation spends on software, the less control it actually has.

"That's a good indication. Sometimes, where there is a poor management culture and process, organisations can lose track of things very quickly. We also see users pushing back on their vendor when it comes to the management of licences. When we ask them about some particular software in their estate, they'll say 'We were sold it - and we don't know what it's there for.'"

Bending the rules

Federation chief executive John Lovelock recognises that businesses' end goal is to make money. *"They'll start up with the lowest costs, then write their software off in the first 12 months, and there's no obligation to respect it in the final accounts. Most people in the UK are genuinely honest, though they'll cheat the company if they think its employment practices are unfair."*

Michala Wardell from Microsoft agrees.

"SAM is more advanced in the UK, and typically, people do try to be honest. Sometimes though, they'll bend the rules, just like when we slow down as we approach a speed camera, and then speed up afterwards."

Julian Swan from the BSA says if you are continually tracking your software assets, as part of a programme, you are never going to get caught out.

"There are issues where a company is involved with takeovers and mergers, in high growth periods or taking over a new site. SAM is an ongoing programme, and if people have effective processes in place, there shouldn't be any time where they get tripped up."

Wardell says Microsoft is currently seeing a lot of business applications being downloaded from Peer-to-Peer sites.

"There is a lot we can do to educate people. They tend to think they can download whatever they want to download. The software industry is soon going to go the same way as the film and music industry."

Stephane Rimbaud of NEC agrees that organisations must find a way to counteract that. *"You have to have some technical means to anticipate downloads, using technical tools to encourage people to resist the temptation."*

John Lovelock says the future will see the Federation working to preserve the relationship a vendor has with the user.

"We will act on behalf of vendors to ensure that the relationship between vendor and user can be retained. We need to be able to prosecute because if we can't, that's like taking the teeth out of the dog, and the IP industry is now pushing government for the award of statutory damages for flagrant breaches of licensing regulations. But we are not just an enforcement body and we are looking at the problems users have with licensing and we're playing that back to our Tier One vendors."

Top tips for SAM success

At the end of the roundtable, the participants came up with the following advice for users and vendors trying to get to grips with SAM:

- success with SAM is all about thinking about it on a daily basis and beyond - to three months, six months, three years and more
- SAM must be recognised at Board level. A standalone IT or Finance-led project will never work. It must be steering group or committee-led with the participation of business managers and directors
- SAM is not a one-off hit, but an ongoing change in behaviour. Continuous education within the organisation is vital.

Federation Members

Andy Burton
FrontRange Centennial
Tony Fisher *SAMpartners*
(part of the Trustmarque Group)
Andy Baldin *LANDesk*

Influencers

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