

Report

2015 Q2 BDNA State of the Enterprise

Managing Vendor Audits

B | D N A

Today's enterprises are balancing a dynamic IT portfolio, from cloud infrastructure and BYOD to a network of apps and even IoT devices. This complex array of assets makes it critical for enterprises to accurately track their IT portfolio, or face the real threat of a vendor audit. Without an accurate accounting of software licenses, danger is hidden in plain sight, ensnaring enterprises of all shapes and sizes that have failed to accurately track their IT assets.

Managing an IT portfolio from top to bottom is key for the economic livelihood of today's businesses and is quickly becoming a competitive advantage when managed accurately. The following report explains how to navigate the software license landscape:

Get real about asset management proficiency

An upcoming BDNA-commissioned survey by Enterprise Management Associates, which profiles how today's enterprises are gathering and managing information on IT assets to optimize IT, notes that the majority of IT leaders significantly overestimate how well they manage IT assets. In fact 22% of IT managers surveyed had no asset inventory systems in place. That means that more than one-fifth of today's enterprises do not keep track of software installed throughout their environments.

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- Dennis Drogseth, VP of Enterprise Management Associates

Equally problematic, the average enterprise has 11 different asset management tools deployed – and 45% of enterprises have more than 20 tools deployed. Together these statistics paint a picture of enterprise environments that either lack asset management, or are struggling to make sense of a jumble of conflicting and overlapping data.

"IT asset management is too often a fragmented hodgepodge of tools, stakeholders and processes —especially when it includes, as it should, the many cross-domain hardware and software investments required to optimize IT as a business," said Dennis Drogseth, vice president at Enterprise Management Associates. "On the other hand, our research shows that when effectively normalized, enriched and organized for multi-purpose stakeholder consumption, ITAM data can become an effective foundation for driving a wide range of critical IT initiatives, from software and security audits, to data center consolidation, to optimizing IT infrastructure for virtualization, just to name a few."

Understand how you've failed

It is important to acknowledge that IT asset management has traditionally been difficult; now, the task is further complicated by the modern enterprise environment – cloud infrastructure, BYOD, corporate mergers and siloed environments. The number of variables at play makes this a herculean task.

And yet, the upcoming EMA survey indicates that up to 66% of enterprises are still attempting to manage their IT assets manually. For most organizations, that means using spreadsheets to keep track of software installs for up to 20 different vendors, on average. For some companies, it's more than 100 vendors. No wonder so many IT managers become so overwhelmed by the process that they stop altogether, resigned to the eventual cost of a license true-up.

"IT managers look at this problem and think, 'Oh no, how can I actually fix this?' " said Walker White, president of BDNA. "Getting their arms around software asset management strikes them as such a massive undertaking that they just set aside money to pay the audit bill, rather than do something about it."

There are also those who do not even attempt to manage their assets, preferring to pay true-up costs over up-front management costs. These are vendors' favorite clients, helping to support the multi-billion-dollar audit industry. In addition to the costs associated with a vendor audit, these enterprises are exposing themselves to security risks, compliance risks and loss of productivity.

Lastly, some organizations devote so much time – on average between five and 15 hours per week – trying to resolve data accuracy issues that they have no bandwidth left to address the core issue of license compliance.

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The University of San Francisco is one such enterprise that had over the years created customized Configuration Items (CIs) to support their initial processes like Incident, Problem, Change and Project Management. They used LANDesk for asset discovery and IT was spending manual efforts integrating the Asset/CI data from the two systems. Due to the lack of standards in the way hardware and software products are published and reported, the university discovered data was inconsistent, incomplete and inaccurate. As a result, the IT department faced license and security related risks, among other challenges.

After years of lax control, the university used BDNA solutions through the certified ServiceNow integrations to tackle its asset management challenges and future-proof their data, enabling them to easily adopt advanced applications in the future. Further, by cleansing and enriching its data the University gained confidence that they know exactly where their assets are located and how many are deployed – eliminating the threat of audits and ensuring license compliance.

“There have been great strides in asset management tools in recent years, including stepped solutions that can confer significant benefits without the cost of a full enterprise architecture overhaul,”

- Jay Scroggins, CTO of BDNA

Take a deep breath and do something about it

The circumstances an enterprise finds itself in will determine how it can reverse course and find a way back to compliance, but the end goal for any organization should be to find a sustainable and effective way to keep an accurate accounting of their IT assets.

Successful enterprises are also the most likely to have a single IT organization where procurement, asset management and security are overseen together.

“There have been great strides in asset management tools in recent years, including stepped solutions that can confer significant benefits without the cost of a full enterprise architecture overhaul,” said Jay Scroggins, CTO of BDNA. “But the longer organizations delay adopting a strategy, the further behind they are – failing in their ability to manage assets.”

The upshot: In order to break the cycle of audit failures and costly true-ups, IT leaders must avoid the tendency to evaluate themselves based on where they would like to be, and be honest about where they really are. Once they have a clear, unclouded view of the condition of the enterprise, it is possible to begin taking concrete steps toward effectively managing assets.

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