

# Lessons from the Field: *Turn Missed SAM Opportunities into 25% Savings*

- **Mike Tobin**

- Mike has over 20 years of experience in Product Marketing and Marketing Research in the technology industry. He has led product and marketing organizations for UUNET, Cable & Wireless, Penril, and Eyecast Technologies.

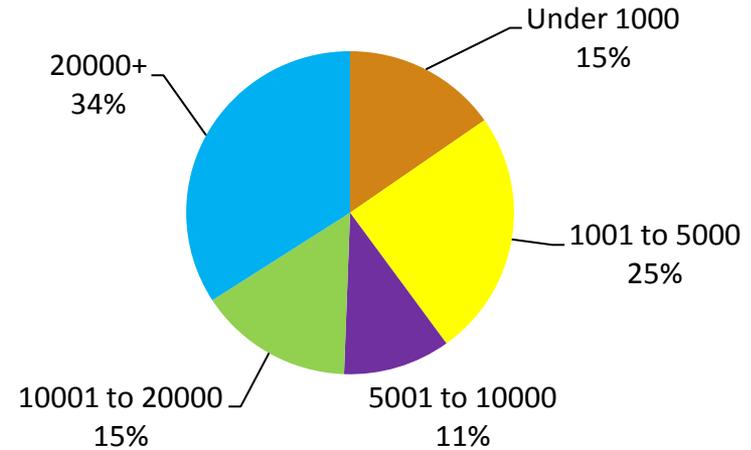
- **Barry Friedman**

- Barry has over 20 years of experience in SAM and was previously National Practice Director for ITAM at Siemens IT Services, Director of ITAM at CS Technologies, and VP of ITAM and ITIL at AIG.

- Study fielded in May & June 2010
- Combination of 18 quantitative & qualitative questions
- Goal was to measure the state of SAM within respondents' organizations including SAM maturity, importance, and focus
- Study also created to learn where organizations are finding success, where they feel threatened, and what they see as opportunities over the next 12 months

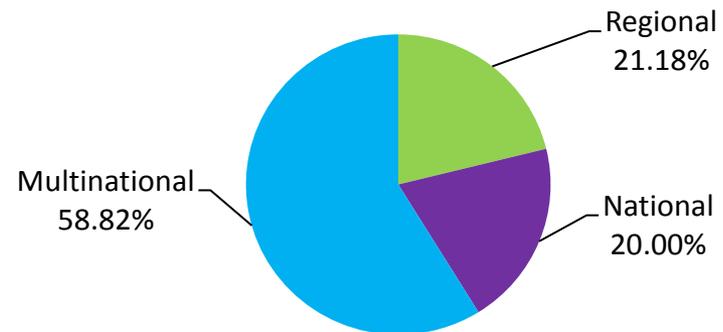
# Who Responded?

How many employees are in your organization?



**Diverse mix of employee sizes from responding companies**

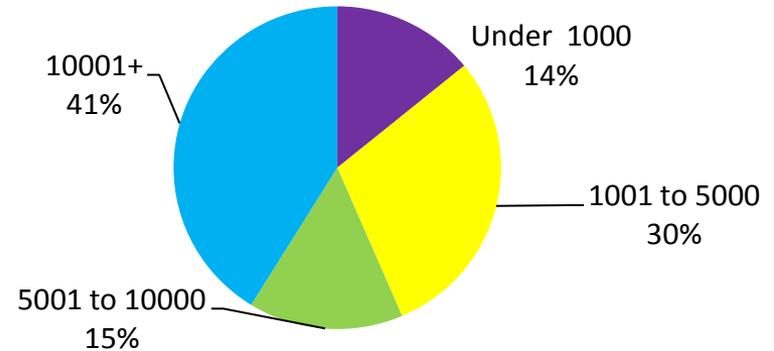
Describe the geographic footprint for your company's operations.



**Mix of multinational, national, and regionally focused organizations**

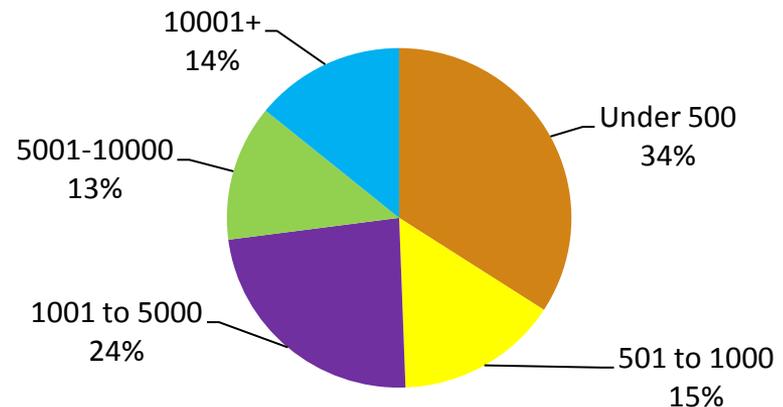
# Who Responded?

How many desktops are there in your enterprise?



Wide range of desktops deployed

How many physical servers are there in your enterprise?

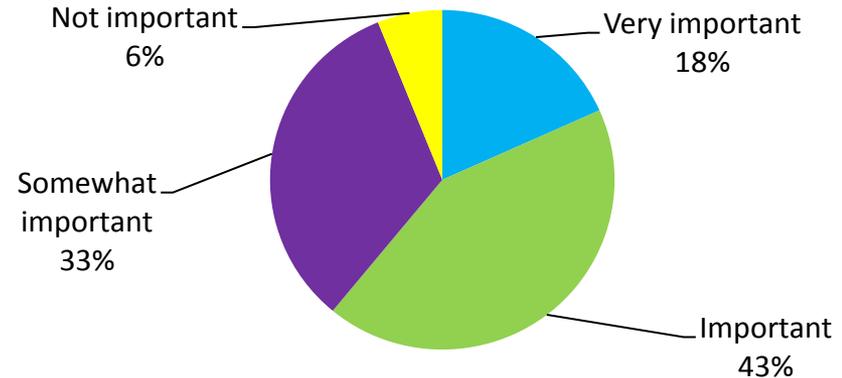


Varied number of servers deployed

# Who Responded?

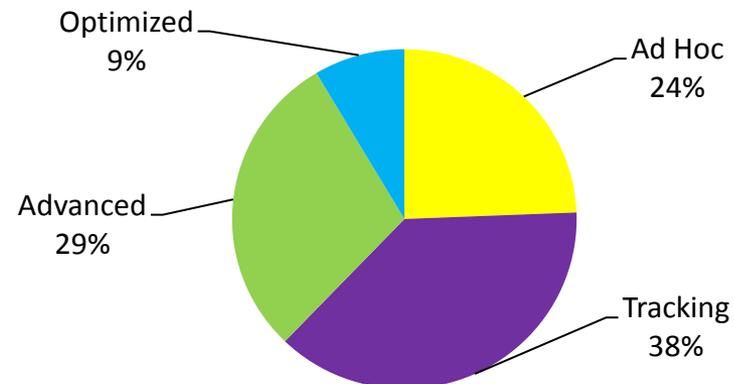
**A majority view SAM as important but not critical to the organization**

How important is SAM to your organization?

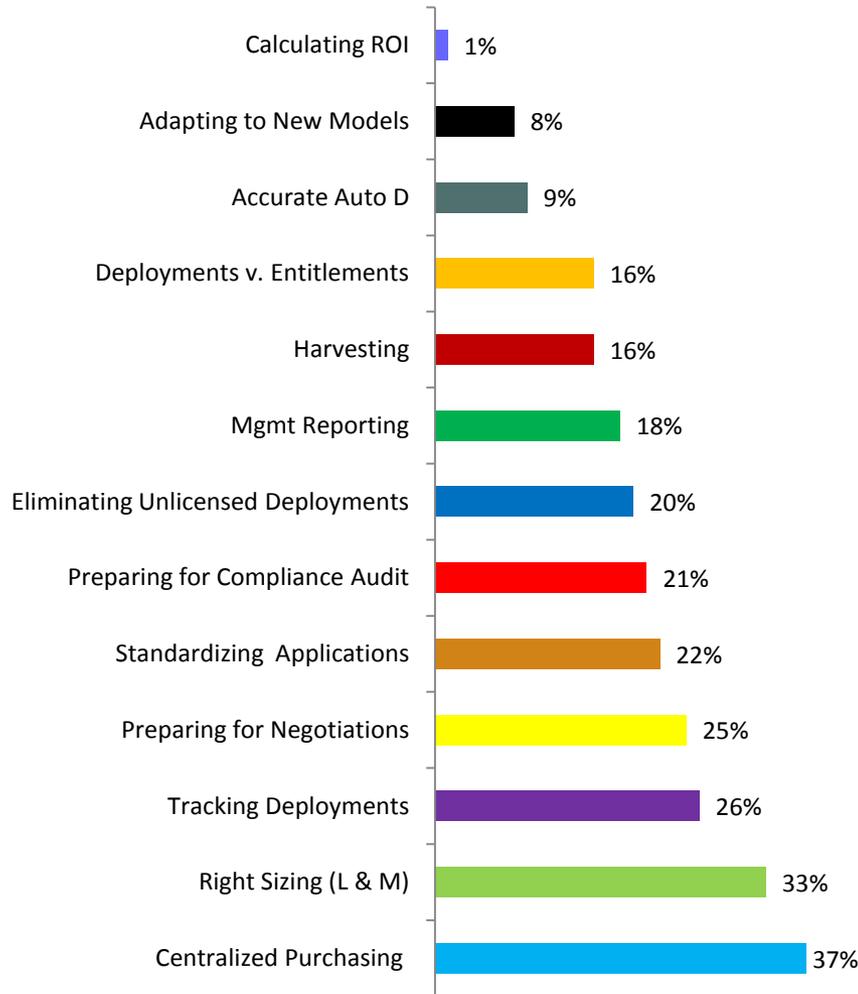


**Most programs fall into the middle range of SAM maturity**

Which best describes your SAM program?

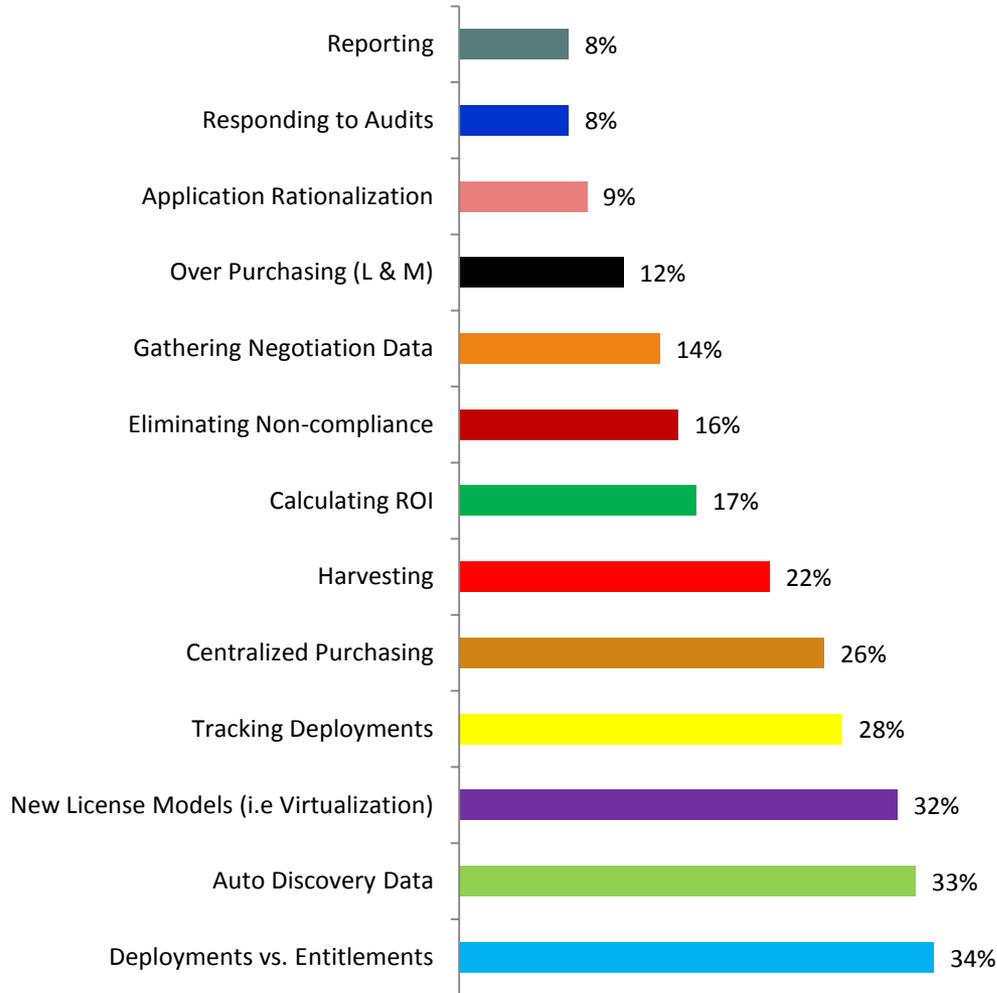


# Program Strengths



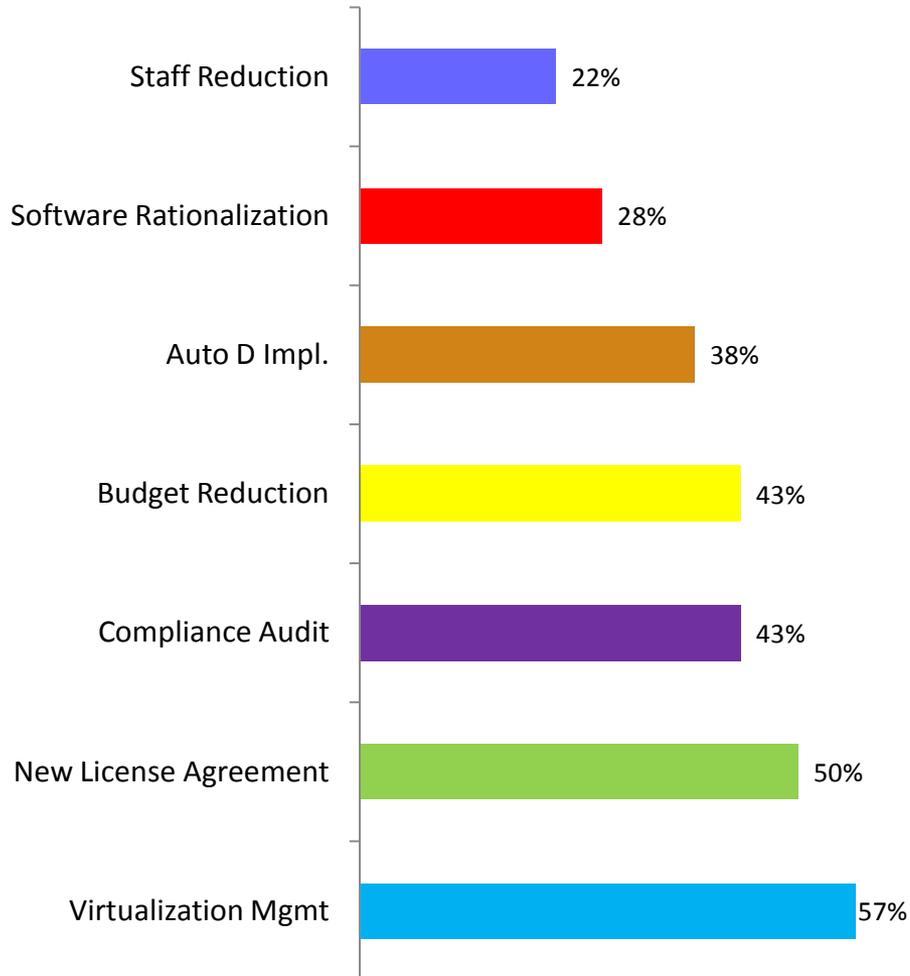
- Asset Managers seem to have a strong grasp on the basic SAM tasks
- Advanced tasks like harvesting, reconciling deployments vs. entitlements, and adapting to new models pose a greater challenge
- Reporting and ROI calculation are surprisingly low especially with the strong focus on budgets & staff

# Program Weaknesses



- More advanced tasks are vexing SAM programs
- Auto discovery data is problematic across the board
- Lots of weakness remains in basic tasks like tracking and centralized purchasing

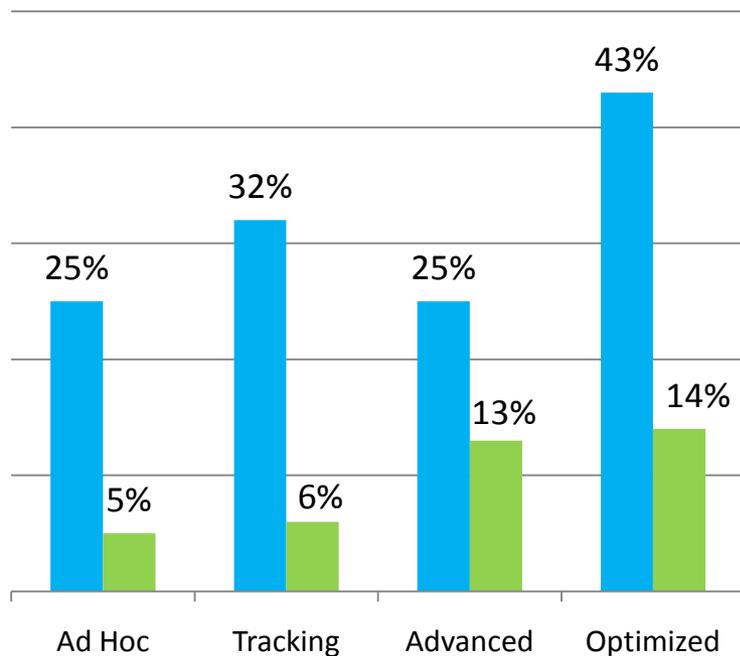
# Pressing Issues



- Compliance audits & management of virtualization licenses are the most pressing issues
- Budgets & staff continue to face pressures
- Negotiation of new license agreements are an ongoing responsibility

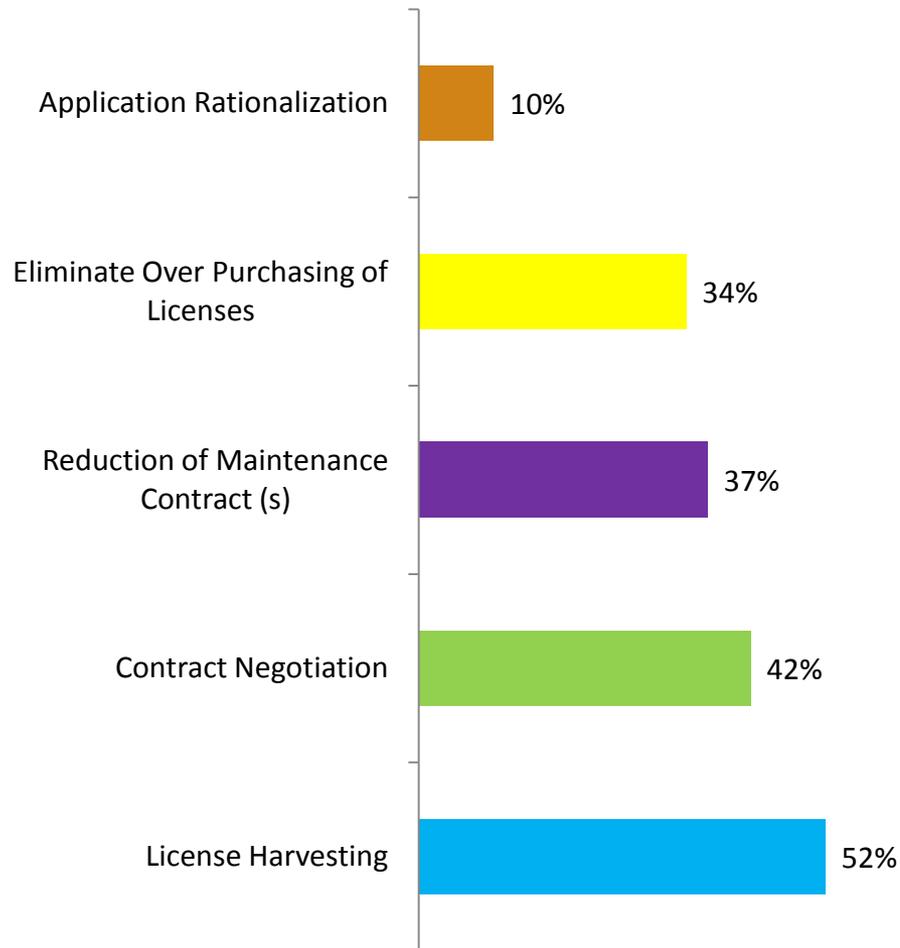
# Weakness: Auto Discovery

*Auto discovery is an issue for almost all firms with considerable weakness & problems for even the most advanced*



- Accuracy of auto discovery is difficult for all organizations regardless of size or program stage
- Fewer than 10% of respondents list auto discovery data accuracy as a strength
- 38% of respondents plan to implement auto discovery or a similar tool over the next 12 months

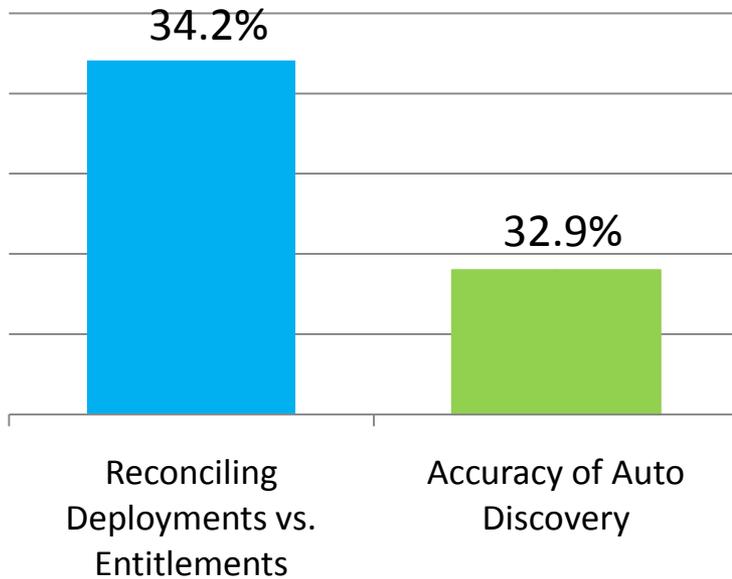
# Cost Savings Opportunities



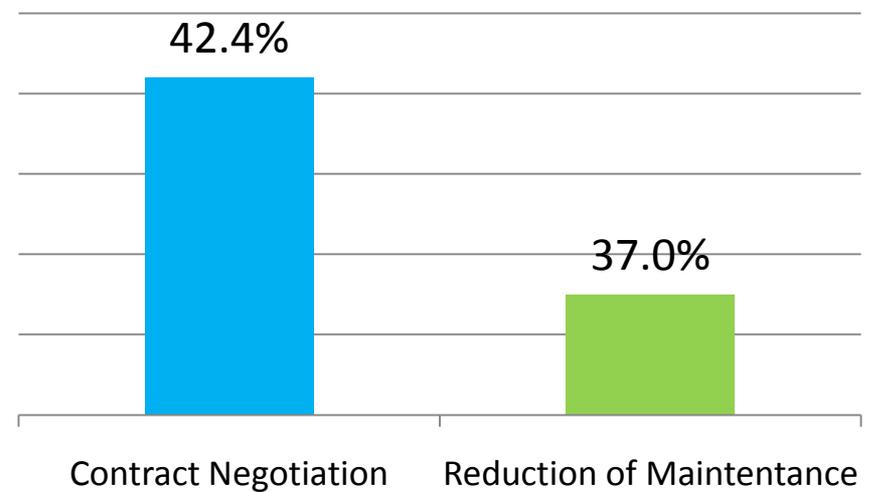
- All think harvesting is an opportunity but more advanced programs are 2x as likely to view this as an immediate priority
- Maintenance is also a candidate for cost reductions
- Contract negotiation is also on the radar

# Gaps & Expectations

Participants also provided information on where their programs struggle



Best opportunities for cost savings over the next 12 months were also gauged



**Insight:**

*Issues related to contracts are a major focus for cost reduction but the tools & tactics in place present challenges.*

# Lessons from the Field: Where SAM Is Falling Short

# Findings: Lessons From The Field

## ***Several lessons have emerged from the survey***

**1.** *Reconciling deployment vs. entitlements is critical to capitalize on the opportunities*

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**2.** *The focus is on the desktop but the data center offers an enormous opportunity*

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**3.** *Harvesting of licenses is a key cost reduction opportunity in the data center & on the desktop*

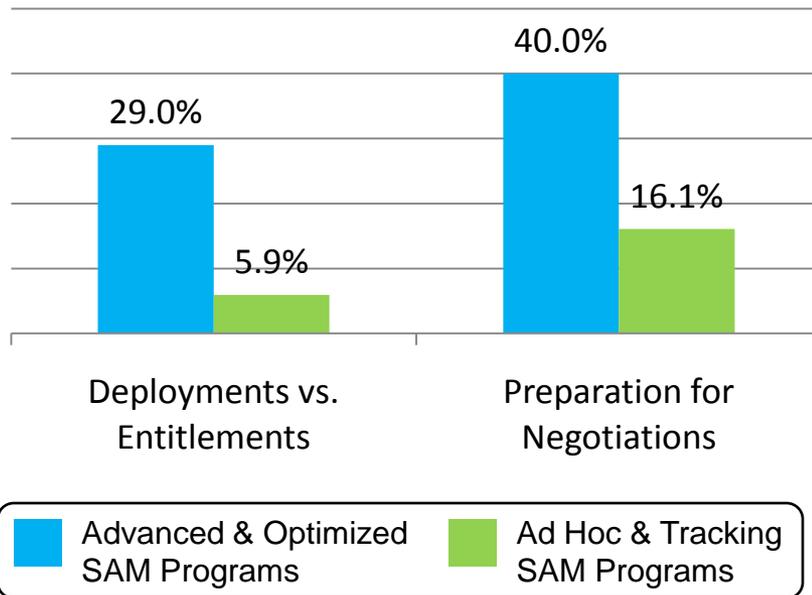
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**4.** *Virtualization and new license metrics are driving changes in Software Asset Management practices*

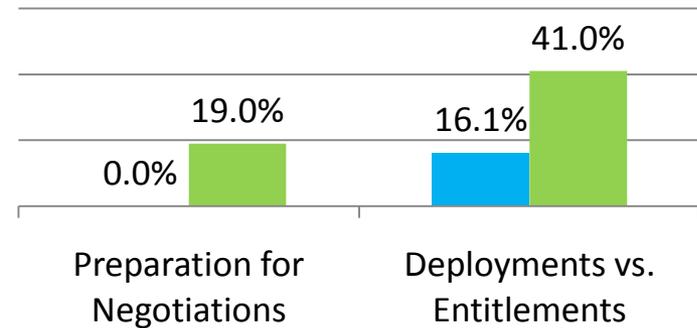
# Advance To Uncover Value

*More advanced SAM programs offer insights on future savings opportunities*

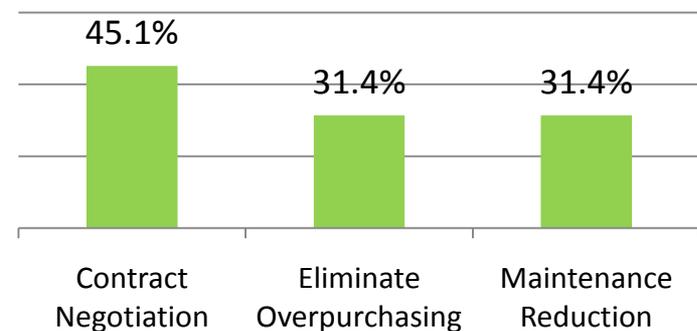
Mature programs are more confident in the tactics required to capitalize on contract opportunities



## Difficulties



## Opportunities



# Deployments vs. Entitlements

To capitalize on the opportunities, SAM programs must start reconciling deployments vs. entitlements

Track software deployment data, metrics, T's & C's, and entitlements in a centralized database

**Robust reporting will greatly advance your program**

For effective negotiations, context is the key to right sizing license purchases

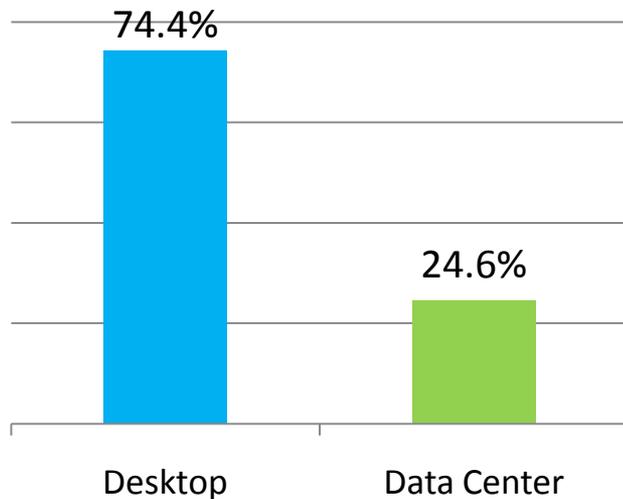
**Simplify preparation for contract negotiations**

Accurate maintenance contract decisions are also made based on this critical data

**Shelfware maintenance is waste**

# Expanding SAM To The Data Center

*SAM programs are focused on the desktop but the data center offers an enormous opportunity to save*



Three quarters of respondents are focusing SAM efforts on the desktop

- Complexity of data center software makes a strong case for robust SAM processes
- Audit and non-compliance risk is greater in the data center than on the desktop
- Desktop software average cost is thousands versus tens or hundreds of thousands for servers
- License harvesting and other highly rated tactics are well suited to the data center

# SAM In The Data Center

Look to the data center to significantly increase the return from your SAM investment

Broad range of tactics in play in the data center that can dramatically lower data center software expenses

**Cost savings justify new complexities**

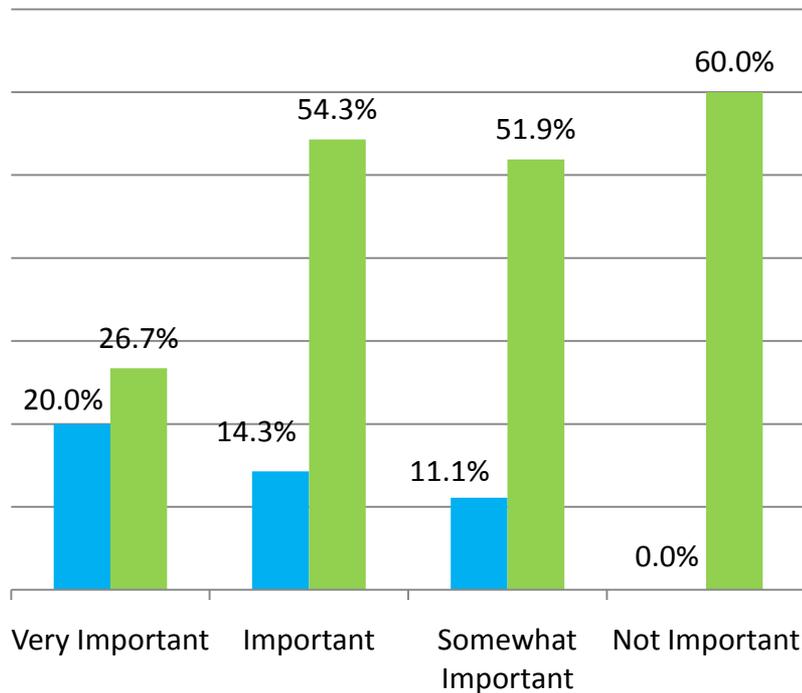
Centralize the SAM model with strong integration into upfront processes

**More robust model will enhance SAM effectiveness throughout the organization**

Data from the SAM program will also simplify data center management

**Data will lower costs other than just software**

# Harvesting



The % of respondents who rate harvesting as a strength (■) against those who rate harvesting as an important addition (■) to their SAM program

- Strong interest in harvesting as a cost savings opportunity
- As a program grows in importance (and presumably in sophistication) harvesting increases
- Programs focused around the data center are 33% more likely to focus on harvesting

# Harvesting In Practice

Harvesting is one of the best tactics to reduce expense but requires a process oriented SAM program

A central repository with transactional details gathered at the time of deployment & tied to machine name and serial number is critical

**Auto discovery tools won't provide this level of detail**

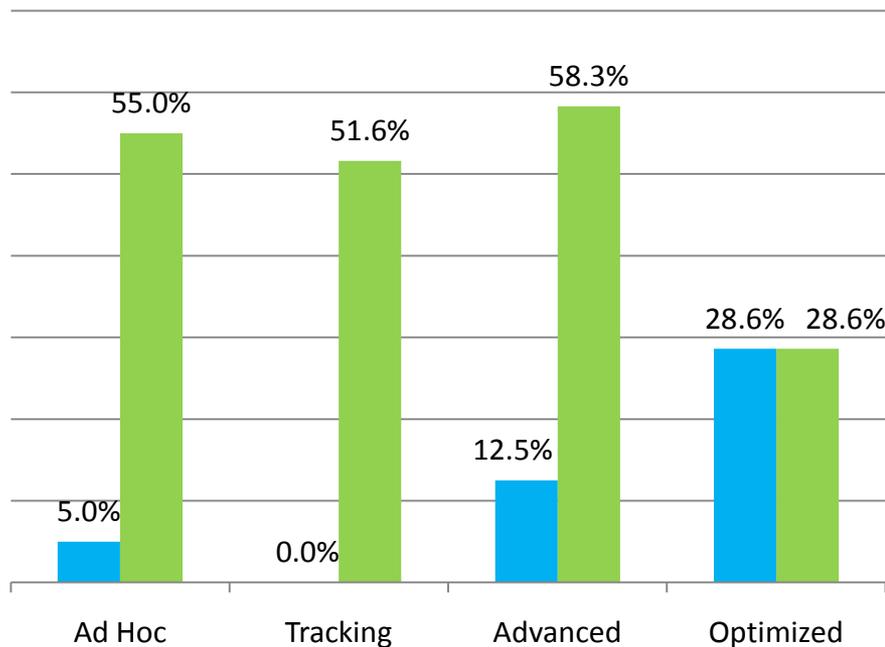
Change management reports, decommission reports, & license requests provide the necessary information

**Using existing information to populate the repository**

Harvest based on data analysis & remember to track harvest events

**Factor harvest information into license projections**

# Virtualization: Fear & Hype



A comparison of those who report managing virtualization licenses ( ■ ) as a strength against those who perceive management of virtualization license as a threat ( ■ )

- IDC Survey- Nov 2009
  - 50% of all server workloads deployed to VM
  - 42% default build to VM
  - By 2012, 8.2 VM's per server
- Virtualization licensing changes are coming by the month, not the year
  - Microsoft alone announced 8 changes from 7/08 to 4/10
- Metrics vary by vendor and even by application which makes SAM much more difficult

# One Plus One Equals Three

- Different hardware metrics are now relevant
- SAM programs must be structured for the new complexity

## New Metric

**Microsoft**

- **Edition:** Enterprise, Std., Data Center
- **License:** Server/CAL or Processor
- **Subscription:** HVD

**ORACLE**

- **CPLF:** Value assigned by Oracle based on hardware make, model, processor type & speed
- **Xen:** Forced adoption of proprietary virtualization platform

## Program Impact

*Program must now measure:*

- ✓ # of Processors
- ✓ # of Cores
- ✓ Core licensing factor
- ✓ Virtualization platform

# Putting It Into Practice:

## *Where to Focus & Apply The New Model*

# Basic Requirements

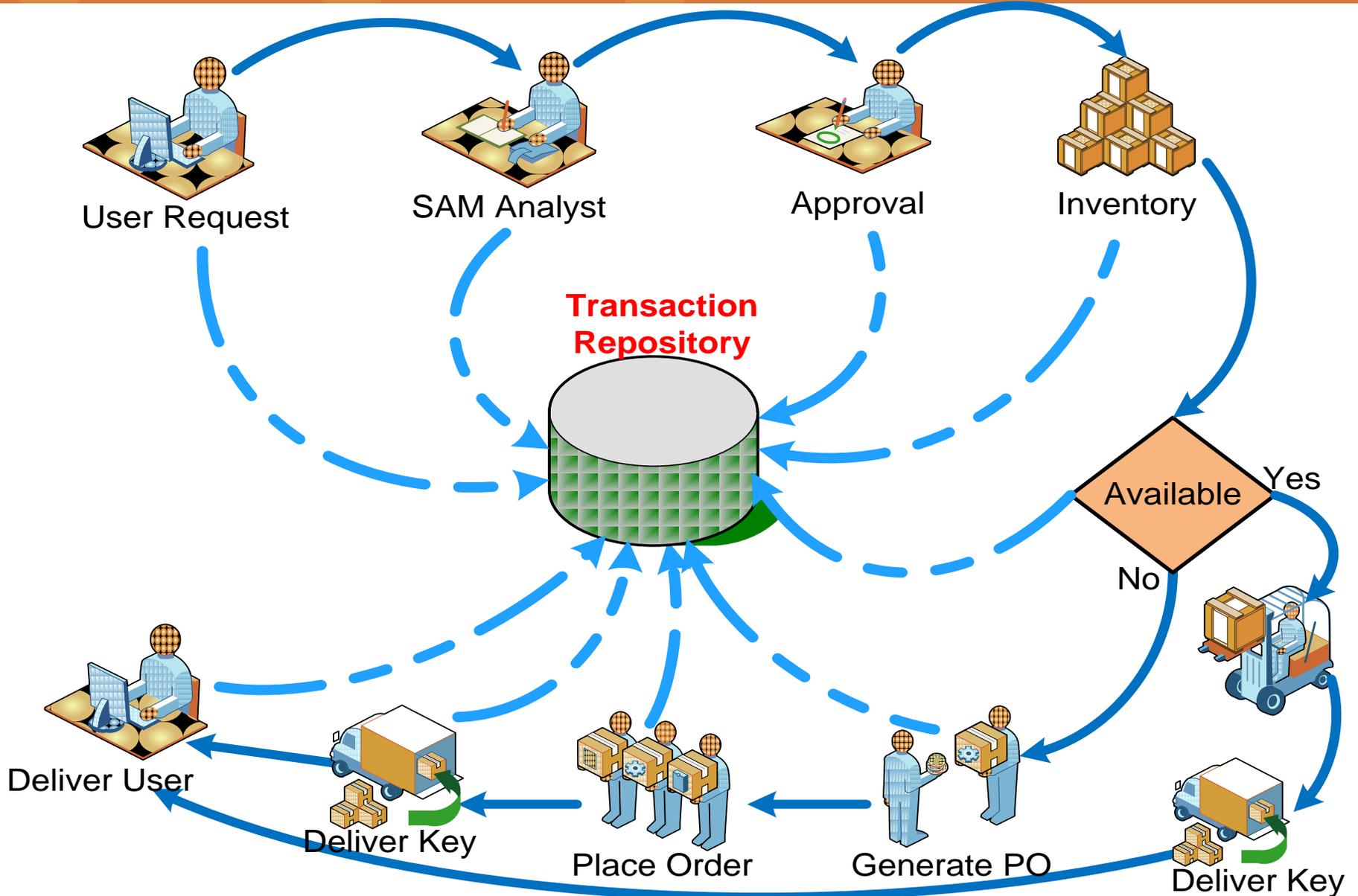
- “*REAL TIME*” insight to:
  - License metric deployed
  - Type of license deployed
  - Hardware configuration
  - Use rights
  - Host name & serial number of asset
- SPOC for software distribution & control is key to success

# SAM Program That Delivers Value

- **Centralized SAM Desk**
  - License management in REAL TIME
  - Sole source for distribution of authorized licenses
  - Captures & records deployment data - @ transaction
  - Ensures compliance with contractual T&C
  - Balances deployment with entitlements
  - Maximizes utilization of license type & value
  - Enforces policies & procedures
  - Continuously monitors changes to license T&C

***The Only Proven Method For  
Effective License Management***

# Centralized SAM Desk



- Ongoing tracking & management in real time
  - Ensure compliance
- Maximize license utilization
  - Harvest decommissioned licenses for re-use
  - Deploy optimal license type
    - ✓ DR, Test, Dev, Eval., Etc.
- Control & reduce maintenance costs
  - Align maintenance with actual requirements
- Accurate historical data to support contract negotiations & mitigate risks

# Q & A

If you have a question, please type it in the “chat box” on the right hand side of your computer screen. We will answer your question in the order it was received.

Thank you!

# Thank You!

If you have any questions or would like any further information, please feel free to contact us.

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