

Modernize and automate ITAM across hardware, software, and cloud

How a single system of action can
help you drive down costs, reduce
compliance risk, and extend workflow
intelligence across IT

Table of Contents

Introduction	3	How do you get started?	14
Why don't existing SAM approaches work?	4	Let's recap	15
Why don't existing HAM approaches work?	6	About ServiceNow ITAM	16
What are the benefits of a single system of action?.....	7		
How do you create a SAM strategy?	10		
How do you create a HAM strategy?	12		



Introduction

Organizations spend a huge amount of money on enterprise technology. [According to Gartner](#), global IT spending was \$3.7 trillion in 2018, and that number is expected to climb 3.7% in 2020. That's the equivalent to the GDP of Germany or the combined GDP of France and Mexico.

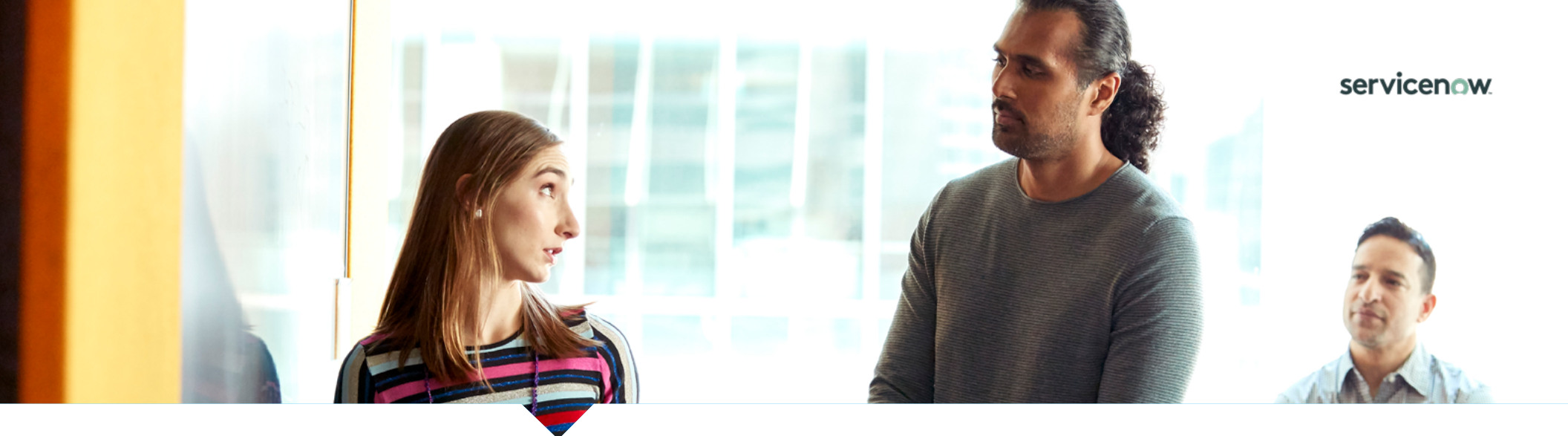
Twenty to thirty percent of IT dollars are being spent on hardware and ten to twenty percent on software, which presents a huge opportunity for savings by optimizing software and hardware assets. And what about cloud? [Gartner](#) predicts that cloud-based offerings will have faster growth than traditional IT offerings through 2022. And even after the shift due to the pandemic, [IDC](#) still stands by its prediction that cloud investment will increase by 5.3% in 2020. By eliminating redundant software licenses, reducing cloud infrastructure or hardware costs, and redistributing IT

budgets to support strategic business initiatives, companies can accelerate digital transformation and align technology to contribute directly to bottom-line revenue and growth. For example, between idle and overprovisioned resources alone, there's \$17.6 billion in cloud spend that will be completely [wasted this year](#).

However, most organizations struggle to manage their IT assets. Organizational silos make it difficult to track hardware, including obsolete systems. Enterprise software licenses expire and unlicensed applications proliferate. IT managers become bogged down in spreadsheets and legacy asset management tools that are inefficient and out of date. Taking control of hardware and software systems, reconciling trouble tickets, and planning for future needs becomes a nightmare. It's hard to

think strategically about IT allocations when you can't manage what you have.

Fortunately, next-generation IT asset management (ITAM) solutions are making it easy to track hardware and software. The latest ITAM platforms provide a consolidated snapshot of IT assets to increase visibility, reduce risk, and make it easier to efficiently and strategically utilize IT spending. How do they do it? By leveraging a single system of action—running software asset management (SAM) and hardware asset management (HAM) on the same platform where the rest of IT is managed.



"Before, we were dealing with multiple systems and trying to hold them together with spreadsheets. It wasn't just the asset management system itself. Information was spread across our financial systems, SharePoint, and other places.

With ServiceNow SAM, we now have a consistent, up-to-date view of our software assets. We save time, limit our exposure to vendor audits, and optimize our license usage.

ServiceNow discovery and reclamation processes are game changers."

– Next-generation SAM in action
at a financial services company

Why don't existing SAM approaches work?

If you have ever tried to manage software assets using Excel, you know the unspeakable pain. Manually collecting software asset data from multiple sources and keeping it up to date and accurate is next to impossible, no matter how much time you spend. And, spreadsheets don't scale—having different people update the same spreadsheet is a recipe for disaster.

What about legacy SAM tools? The situation isn't much better. These point tools work in silos, rather than being seamlessly connected to the rest of IT. Without access to data and capabilities from other ITIL systems, these legacy tools fall far short of the mark. For instance:

- **They don't leverage existing asset information in the configuration management database (CMDB).** Instead, they come with their own standalone discovery tools to track licensing and software usage. This leads to massive duplication of effort, significantly increased costs, incomplete data, and disconnects between software asset management and the rest of IT.

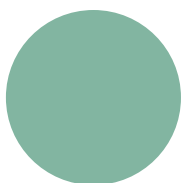
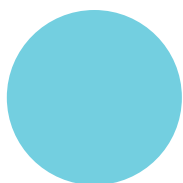




- **There is no easy way to connect licensing contracts, financial records, and the general ledger.** How do you allocate software costs when licensing assignments and usage are in one system, and budgets and actuals are in another? And, without this connection, how do you align your software spend with business priorities?
- **Software information isn't integrated into other IT infrastructure library (ITIL) processes.** For example, whenever there is an IT change, associated software costs aren't

readily available. Instead of seeing potential costs automatically in the change request, users have to go to a separate SAM tool and manually simulate the same change to understand the costs—assuming that the SAM tool even has accurate information about the configuration items (CIs) being changed. The old approach also assumes the IT operator is thinking about licensing costs as the IT change is being made.

Integrating legacy SAM tools with current ITIL systems doesn't make things better. These integrations are typically costly and brittle, requiring constant maintenance and upkeep. And, let's face it, these tools weren't designed to work together. Instead of unlocking the synergies between SAM and other ITIL processes, integrating siloed tools only provides a way to frequently import and export data, but not a way to automate processes to connected teams and kick off business workflows.





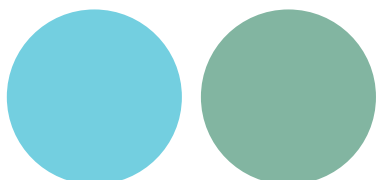
Why don't existing HAM approaches work?

Managing hardware assets can be one of the IT managers' most frustrating tasks. Even the most basic questions about computing hardware can be challenging. Do you know what assets you have? Do you know where they are? Can you prove it?

Legacy hardware asset management tools provide limited visibility into what hardware is currently in use and who has it. Operational silos make it impossible to get a comprehensive picture of corporate assets for budgeting, planning, and overall management—and it's easy to lose track of new hardware and decommissioned equipment. There are so many limitations with current asset management solutions:

- **They don't provide a single point of action across the entire enterprise, leading to multiple spreadsheets and data systems being used.** There isn't a single source of reliable data with a list of all the company's assets, including part numbers, service contracts, and other identifiers.
- **They can't efficiently manage equipment lifecycles making asset planning and budgeting more difficult.** Without a centralized hardware tracking system, you have no way to handle lifecycle management—you can't see which assets are reaching end-of-life or need to be upgraded.
- **They slow down IT service delivery because task updates to assets are manual.** There's no way to centralize asset receiving, validate requests and fulfillment, or track waste removal when legacy tools are limited.

Tracking company equipment, managing service agreements, and replacing obsolete hardware is near impossible with siloed systems and spreadsheets. Having to reenter hardware tracking data into multiple systems is error-prone and severely limits the ability to track hardware assets. Legacy systems don't integrate well with other asset management systems so you are never sure what is in inventory, on order, or out of service.





"... it took five to 10 people several months to pull together a company-wide view. That's easily more than \$100,000 of effort for each audit. And our argument was still weak because we didn't have up-to-date data."

"Before, we didn't have the information we needed to take control. For example, we didn't understand all our software purchasing paths, and we couldn't relate these back to our deployed licenses. With ServiceNow, we have the visibility we need to put policies and processes in place."

What are the benefits of a single system of action?

Let's start with the most obvious one. Instead of having multiple ITAM and ITIL tools, there is now a single platform for everything. With IT looking to consolidate tools, putting SAM, cloud, and HAM on the same system that supports all your other ITIL processes just makes sense. It maximizes the value of your existing platform investment and drives down maintenance costs.

However, the benefits extend far beyond cost reduction. Here are some examples:

- **Leverage software and hardware asset data from the CMDB.** There's no need for costly parallel discovery solutions, or to constantly battle inaccurate, obsolete, and

incomplete information. Instead, a mature CMDB is fueled by existing discovery tools and operational processes that deliver comprehensive, high-quality data—including service contracts, licensing, and software usage information.

- **Get real-time visibility into deployment, licensing, and compliance positions.** Instead of constantly importing and exporting data between systems, all of the data needed for real-time visibility is in one place, putting accurate, up-to-date information at your fingertips. For instance, because both SAM and HAM now run on the same platform



"We are seeing millions in hard-dollar savings. For example, we can see when we're double-counting licenses. So far, we've found 19,000 machines with this type of license overlap."

– Healthcare organization

where you manage IT, you can now quickly reconcile deployed licenses and equipment orders with your financial records, aligning licenses and purchases with actual usage.

- **Reduce hardware, cloud, and software costs and risks by coupling ITAM and IT change management.** When you tap into existing change processes, you stop the bleeding at the source. By ensuring that software license costs and hardware purchase orders are evaluated and approved as part of the change process, you proactively avoid unnecessary hardware, unlicensed usage, and cloud cost surprises.
- **Optimize IT spend based on usage and strategic priorities.** With a single system of action, you can automatically reallocate unused equipment and reclaim and redistribute software licenses that are not

being used or that fall outside of established policies. And, because equipment purchases, software licenses, and cost information are now available to other functions such as Application Portfolio Management (APM), you can ensure that hardware and software costs are included in strategic service optimization and re-architecting initiatives.

- **Give IT asset management business and service context.** For instance, if you have new hires, do you have enough equipment in inventory or is there hardware that can be reallocated? If a desktop software user currently has a license, is that appropriate given their organizational role? Could the license be reclaimed? Similarly, if the software is running on a virtual server, it may be used—but does it support an important application or business service? This type of business and service information, which is available from the single system of action, is critical for optimizing IT spend.



Unleash the value of actionable hardware, cloud, and software information across IT.

APM is just one example of how a single system of action leverages ITAM to create cross-functional value. Purchasing, deployment, vulnerability management, onboarding/offboarding, and other IT functions all benefit from equipment information and SAM capabilities. For instance, new equipment orders can be linked to IT financials, HR, and security workflows. Or if a user orders software from the service catalog, SAM can automatically assign licenses and distribute software—accelerating service delivery and ensuring compliance.

Modernize IT asset management processes.

A single system of action allows you to create intuitive workflows that automate your ITAM processes, accelerating, and simplifying how asset management gets done. And, because these workflows extend beyond ITAM, you can seamlessly link hardware, cloud, and software assets with other IT processes, creating end-to-end visibility and control.



How do you create a SAM strategy?

The benefits of next-generation SAM are clear. So, how do you build a SAM strategy that lets you unlock these benefits? Here are some guideposts to SAM success:

Manage software where you manage the rest of IT

If you already have a single system of action in IT, then your choice of a SAM vendor is obvious—add SAM to your existing platform. If you don't have a single system of action, choose a SAM vendor that offers one. Look for a solution that offers deep discovery capabilities, a robust catalog for normalizing software inventory, automated reclamation and redistribution of licenses, and flexible reporting on software usage, costs, and compliance trends.

Identify your stakeholders and work with them to identify business needs

Your SAM strategy should start by identifying what you want to accomplish. You have your own internal objectives, such as reducing the effort needed for vendor audits, but to create

broader value, you need to work with other stakeholders to establish clear business goals. For example, these might include statements such as, "We don't want to be surprised by shadow IT expenses or applications that are flying under the radar", or, "We have to optimize our software spend so we invest in applications we actually use and need to support the right business apps."

Establish clear outcomes that align with these business needs

Translate each of your goals into one or more measurable outcomes. This focuses your efforts on specific activities and allows you to measure and communicate your success. If you set a goal to pinpoint applications that are no longer business-critical, then the corresponding objective could be to reduce software spend by 15% through the elimination of applications that are redundant or infrequently used.



Don't try to accomplish everything at once

Adopt an incremental approach that allows you to create a firm foundation and then build on your success. Use the following phases as a template:

- **Crawl:** Start small with one specific initiative, such as tracking a single software vendor. Show your success—for example, when you pass the vendor audit with minimal compliance issues, share the dashboard data and leverage native reporting to communicate this.
- **Walk:** Focus on the fundamentals that will allow you to broaden your next-generation SAM program. This includes centralizing data into your CMDB, ensuring that your data is trustworthy, and implementing repeatable, best-practice SAM processes.
- **Run:** Continue to mature your SAM practices, increase process automation to improve efficiency, and feed software information into other IT areas to create additional business value.

Revisit your SAM strategy regularly

Your business doesn't stand still, and neither should your SAM strategy. To maintain business alignment, revisit your goals regularly by meeting with stakeholders. Also, continuously compare your performance with your target outcomes, making course corrections where necessary to get you back on track.



How do you create a HAM strategy?

There are several benefits to consolidating hardware asset management. Understanding the value of HAM will help you create a strategy that maximizes your hardware investments. Here are some guideposts to HAM success:

Start by setting your HAM process objectives

For a HAM process to work, you need to:

- Ensure that all assets are recorded and maintained in a central asset repository
- Verify that assets are accurately entered, refreshed, and retired
- Maintain all purchase records and lease agreements in one place and link them to each asset

Normalize asset tracking

Start by standardizing asset data by manufacturer, model name, and model number for entry into a central Content Library. The Content Library automatically populates the inventory with asset metadata, simplifying discovery, and providing a clean and reliable asset database.

Automate hardware asset management as part of an ITAM initiative

IT assets proliferate as organizations grow, creating challenges in operations, cost, and risk. And management of hardware can be scattered across departments and teams. You want to centralize asset governance so you can maximize return on investment. That requires end-to-end visibility using a native CMDB so you can access everything from one platform using one architecture and one data model. Then you control all your assets—avoid penalties for misuse and extend value by staying current on maintenance and lease contracts.

Use HAM to provide end-to-end asset lifecycle automation

HAM automates each stage of the asset lifecycle, including tracking financial, contractual, and inventory details. When workflows are used to handle asset requests, you can automatically manage approvals, issue chargebacks, and provision equipment. Workflows can be customized to assign asset tasks to incidents, changes, and work orders for faster ticket resolution, or employee onboarding and offboarding. HAM also automates manual processes such as asset orders, bulk stock orders, deployment, equipment swaps, and asset retirement and disposal.

Use HAM for asset planning

Mobile auditing apps allow you to maintain detailed records of assets in use across the enterprise. Having an enterprise-wide ITAM system lets you see the hardware that is approaching the end of life by month, quarter, or year. It also shows pending purchase orders and pending equipment deliveries, as well as requests that can be fulfilled from stock versus those that have to be ordered. Up-to-date HAM systems also let you validate asset disposal.

Eat your HAM one bite at a time

To create a well-structured asset management workflow, try implementing a HAM strategy one step at a time. Use the following phases as a template:

- **Crawl:** Start with a specific department, vendor, or project and start tracking assets as you acquire and deploy them. Once you have developed a successful hardware intake and workflow you can expand the process to track additional assets.
- **Walk:** Focus on the fundamentals that will allow you to expand your HAM strategy to encompass more assets. Start managing all your hardware assets using a central CMDB so you can be sure you have a single, accurate data source.
- **Run:** As your HAM implementation matures, you can build process automation to improve efficiency and streamline asset planning and procurement. You can also start extracting data for analytics to demonstrate the value of a consolidated HAM infrastructure. You also can develop best practices for your HAM processes.

Refine your HAM workflows

As your equipment needs continue to evolve, so will your HAM strategy. By using a centralized asset management system that integrates with the rest of the enterprise, you can control existing assets and plan for future needs, revisiting requirements for specific departments, mapping assets to business objectives, and reviewing and revising ITAM goals along the way.



How do you get started?

Pick an upcoming event that you can use as a catalyst for your next-generation ITAM program. Ideally, look for a planned event that has an impact on your enterprise. Examples of these include:

- Enabling a remote employee workforce
- Setting up a new office or department
- Developing a resource allocation strategy for the coming fiscal year
- IT cost-cutting initiatives
- Upcoming enterprise license agreements (ELAs) or maintenance renewals
- Data center expansions or consolidations
- Moving on-premises software to the cloud

- Point tool consolidation or application rationalization projects
- Cybersecurity initiatives

In some cases, however, you may need to kickstart your next-generation ITAM program to respond to an unplanned event such as a systems audit, merger or acquisition, workforce restructuring, or the need to comply with new government regulations. In order to comply with the privacy of data on your corporate assets, those assets need to be managed accordingly.



Let's recap

When assets become overwhelming, ITAM practitioners fill a mission-critical role for maximizing the value of assets, managing compliance with asset agreements, and ensuring return on investment. However, in order to do their jobs, they need to overcome hurdles such as:

- Manual processes and spreadsheets
- Swivel chair management with point solutions
- Disconnected reporting systems to help management see the bigger asset picture
- Doing busy work tracking down hardware... chasing...duplicating work between multiple systems
- Checking data from brittle integrations and maintaining those integrations
- Feeling burdened by repetitive tasks

Next-generation ITAM tackles these and other issues head-on by incorporating hardware, cloud infrastructure, SaaS apps, and software asset management into a single system of action—running ITAM on the same platform that is used to manage the rest of IT. The results are clear and compelling—seamless data sharing, increased data reliability, lower costs, improved efficiency, compliance with vendor agreements, and unleashed business value. By connecting ITAM with the rest of IT, these solutions help asset management practitioners to reduce risk, increase visibility, work faster and smarter, and deliver the IT spend optimizations that businesses demand.



About ServiceNow ITAM

ServiceNow ITAM enable you to maximize your enterprise investment with the only single-architecture solution to feed critical software and hardware data to the business using digital workflows. Leverage machine learning to modernize and simplify how ITAM gets done. Drive software, cloud, and hardware visibility, improve compliance health, optimize complex licensing from top publishers, centralize tracking of equipment assets, and control leases and service contracts.

Clean data, greater visibility

Running SAM, cloud, and HAM assets natively on your existing ITIL platform consolidates lifecycle management, reduces maintenance, and enforces governance. Preserve perpetually

clean data in your central source of truth, the CMDB. Help your organization get to value faster, understand the cost implication of an IT change, and automatically control key software, cloud, and hardware assets throughout the enterprise.

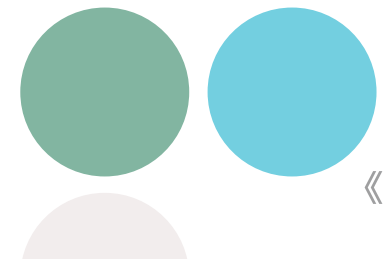
Reduce exposure to risk and expense

When ITAM runs locally with business applications like Application Portfolio Management, Vulnerability Response, and HR, it eliminates the need for the constant importing and exporting of data between systems. Mitigate risk with a single, real-time view across unlicensed software deployments, re-harvesting options, and automate steps to remediate a compliance issue. Adding HAM as

part of the same CMDB normalizes hardware data to simplify asset tracking, tells you where equipment is at all times, simplifies maintenance, and tracks important events such as warranties, service contracts, leasing agreements, and end of life.

Tie your assets to your business workflows

With ServiceNow, you can gain insights into all your enterprise environments. Reduce unused SaaS. Digitize workflows to accelerate productivity. Put your teams in a position to succeed, let them work from the same system. Imagine what's possible when you manage SAM, cloud, and HAM where you run IT.



It's time for a single system of action

Learn how ServiceNow can help you deliver on the promise of next-generation ITAM.

[Learn More](#)

About ServiceNow

ServiceNow is making the world of work, work better for people. Our cloud-based platform and solutions deliver digital workflows that create great experiences and unlock productivity to approximately 5,400 enterprise customers worldwide, including almost 75% of the Fortune 500. Visit us at [ServiceNow.com](https://www.servicenow.com).

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