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VeriSign Gains Control over IT Assets and Saves

VeriSign, Inc. (NASDAQ: VRSN) VeriSign delivers intelligent infrastructure services that make the Internet and telecommunications networks more reliable and secure. Every day VeriSign helps thousands of businesses and millions of consumers conduct commerce and communications with confidence. Managing the corporate operations and infrastructure in this environment can be a challenge, especially considering the diverse and geographically distributed hardware and software assets that are required. About two years ago an effort was initiated to look at the costs associated with the hardware asset lifecycle, especially with respect to maintenance.

Delisia Brown, an Asset Management Analyst in the Operations and Infrastructure organization, explains: "About two years ago, the idea of an Asset Manager as a professional at VeriSign was just being recognized. The creation of a department dedicated to Asset Management was presented to the CEO and got complete buy-in and funding. Opportunity for Asset Management continued to present itself through VeriSign's growth and acquisitions. This was due to lack of detailed information about our hardware assets and the fact that no one had the time to deal with reviewing services fees and performing invoice reconciliation. It can take a lot of time to review and understand a 25 page maintenance invoice. That was when staff was hired to begin the process of discovering and managing our computing inventory".

IAITAM's Training was Key Enabler

Ms. Brown and her manager attended one of IAITAM's Certified Software Asset Manager (CSAM) programs and obtained their certifications. After returning to work they immediately put some of the techniques they had learned into practice. The newly formed asset management team identified over \$3M in cost reductions to their IT spending in the first 12 months.

These cost savings were immediate. Brown explains: "It didn't take two years to begin uncovering savings. Capturing the inventory was the big gain. Once we had an accurate inventory of the equipment that existed, we could begin a more thorough process of inventory review and reconciliation of the maintenance contracts and invoices. One specific example was for hardware maintenance on equipment that had been decommissioned. Even though the equipment was no longer in use, VeriSign was still being invoiced for its maintenance. Once we notified the vendor, this finding alone saved \$2M". A new process for decommissioning equipment was eventually developed that incorporated review of software and support agreements for each asset.

Cultural Divide

There were cultural obstacles along the way. With a number of acquisitions, come different people, organizations and different processes. There is often also a lack of understanding of the need for proactive asset management. Brown originally came to VeriSign about three years ago. "Over time people eventually blend in and get on board". But according to Brown, a proactive approach to communications can help. She describes a current project at VeriSign to implement change management processes at a global level. In this example, communications and expectations are being established from the CEO level on down. Some techniques being used are "all-hands" communications with senior management and also by incorporating the message into regular team meetings with each employee's management.

Lessons learned

- **Accuracy of Vendor Invoices** "Don't rely on vendor invoices to be accurate. It's easy to be making blanket payments based upon assumptions without actual knowledge on asset by asset basis".
- **Identify the Low Hanging Fruit First** Another lesson was to look at huge maintenance contracts first. By prioritizing their efforts, the most dramatic savings could be made and then these can pave the way for implementing change in other areas.
- **Process First and Then Technology** The discovery tool was implemented first, however, in hindsight the processes should have been implemented first.

How did VeriSign's relationship with IAITAM begin? Ms. Brown says that she and her colleagues had more of finance background than IT. They began to look for outside sources of knowledge and training to help them plan their asset management efforts. In August of 2003 they came across the International Association of IT Asset Managers (IAITAM) and took their first IAITAM class in September 2003. Brown says that there were very specific benefits gained from the training. As they shifted focus from gaining control over hardware assets to software asset management, the compliance information obtained in the CITAM course was particularly helpful. Armed with details of software specific legislation and risks due to non-compliance, she was able to better educate her management and peers. Since then they have attended the CHAMP class, taken advantage of web casts and also attended IAITAM's last two annual conferences. Brown recommended the conference highly: "The IAITAM Annual Conference was just great; I was able to share information with my boss and my boss' boss who were unable to attend. I liked the fact that you didn't have to commit to hardware or a software only track. There were many sessions, so it was difficult to choose which ones to attend. Organizations should absolutely consider sending more than one person, so that they can cover all the sessions. "