

Embracing Change

The Mainstreaming of IT Asset Management in Corporate America

“Nothing is as constant as change”

First attributed to Heraclitus of Ephesus 535–475 BC

“First there is a mountain, then there is no mountain, then there is.”

Donovan

Change is widely embraced in technology circles.

Innovative products have changed the way business is done and how work is performed. Some technologies spur new industries, just to be eclipsed or absorbed into another. For example, dedicated word processors gave way to the PC, only after establishing the value of electronic data creation. In retrospect, it is easy to identify a wealth of technologies that were once innovations (and often regarded skeptically as effective business tools) which eventually became integrated into everyday business operations. Examples include, automated teller machines, client-server computing and even TC/IP networking. These were all novel at one time, and adoption required extensive study to justify the investment. (In my banking days, one Senior VP asked the ATM Committee “Why should I buy a ATM for \$25,000 when I can hire a live teller for \$5,000 a year?”) Today no bank would open a branch without installing an ATM and no company would consider operating without a distributed network connecting all of its operations and providing its employees with the ability to create, store and share electronically created documents and files.

ITAM practices and tools are currently at a transition point. IT asset management practices have proven to be successful as well as financially sound and have been adopted across almost all industries. Many of the major software tools used to support ITAM have been acquired by large mainstream IT providers, indicating that the technology is both mature and can service a broad range of customers. This article proposes that IT asset management, as we know it today, will eventually join the ranks of those technologies that are now standard parts of everyday corporate operations. The many specialized ITAM practices supported by so many off the shelf software products will be replaced by standard offerings integrated into system-level solutions found in every data center.

Consolidation, Acquisition and Integration

With the recent consolidation in the industry, most of the major vendors of IT asset management tools have been acquired and/or brought together by a small number of major firms. Consider the following:

- HP acquired Novadigm, Peregrine, Mercury Interactive and OpsWare (which previously purchased Tangram)
- IBM acquired Tivoli, Isogon and MRO
- Symantec acquired Altiris
- Dell acquired Everdream

Add to that Novell’s early acquisition of Tally, Avocent’s acquisition of LANDesk and BMC and CA’s constant growth through acquisition, and it becomes clear that a handful of companies own a majority of the once-dominant ITAM tool providers.



Why is this significant with regard to the mainstreaming of ITAM? The answer is simple. The previously stand-alone ITAM technologies will now become components of the standard software tool sets that are offered by the same companies that “own” the datacenters, either as managed-service providers or as trusted vendors and partners. As the acquired software makes its way through the product mix, it will be integrated into bundled offerings, right along with operating systems and network management software. ITAM tools will become part of a standard product suite, and ITAM practices will become routine.

The End of “Bolt On” ITAM Software?

In a Business Week story on IBM’s acquisition of Cognos Steve Hamm noted that “It’s very difficult for midsize companies to compete against the giants because large corporations prefer to buy their technology from a few strategic suppliers rather than a lot of smaller companies... [further] “Customers want better and deeper integration (of their software programs), higher performance, and more real-time analysis of data,” says [Steve Mills](#), senior vice-president and group executive of IBM Software Group.” (*IBM, Cognos, and the End of Best-of-Breed* http://www.businessweek.com/technology/content/nov2007/tc20071112_678294.htm?chan=search November 12, 2007).

Clearly, integration of services and software is a key factor for many CIOs, just as limiting the total number of vendors is critical for purchasing managers. It will also be easier for major companies to license integrated tools from a single trusted supplier than it will be to justify adding a new, specialty vendor. Indeed, with the major IT suppliers acquiring the major IT asset tool providers, integration of those tools into the company’s software product set will be inevitable.

Consequently the concept of an “ITAM tools market” will begin to fade. As IT asset management functionality is delivered as part of an integrated software solution, data center managers will begin to consider the ability to discover, track and manage their IT assets as a standard feature of a broader product set. As a consequence the standalone tools will likely begin to see their sales cycles increase, will spend time justifying themselves to prospects and eventually sales will erode. The “ITAM tools market” will be replaced by a market for fully integrated system management software, and the demise of the market will be symptomatic of the mainstreaming of ITAM.

ITAM Standards: Making Everyone Look The Same

At the same time that consolidation within the industry is taking place, outside forces are working to create a set of standard, and therefore non-differentiating, features. The ITIL publications describe a set of best practices for IT operations, much of which impacts IT asset management practices. In parallel with the ITIL publications, the International Standards Organization has begun work on a series of standards (ISO 19770 -1, -2 and -3) which will provide standard processes

and operations with regard to IT asset management practices. ISO 19770-1 has been published and describes a structure that focuses on policies, processes and procedures that are required to effectively software asset management operations. ISO 19770-2, due to be published in 2008 provides specific details on how software tags, used to identify specific software titles, are created, modified and used. ISO 19770-3 will streamline the procedures that IT managers use to reconcile licensing entitlements with installed software discovered during a software inventory exercise or a formal audit.

The ITIL publications and ISO standards will be major forces in the mainstreaming of IT asset management, particularly through their influence on the end-user purchasing requirements and the standardization of features and functions of the ITAM tools. As the ITIL publications and ISO standards become widely adopted, IT managers, as well as purchasing managers, will demand that suppliers adhere to or support the practices and operations described in the documents. In addition, the adoption of the standards and practices will create a “homogenized” set of required features, thus effectively commoditizing the offerings. With IT asset management practice supported by a set of internationally recognized standards, ITAM tools and practices will be viewed as a part of standard operating procedures for the data center, mainstreaming what is now in some cases viewed as optional.

What’s Ahead?

It would be hard to argue that significant forces are reshaping the world of IT asset management. Just as the technology was partly created in response to the Y2K crisis (anyone remember that one?), so it will likely evolve into a mainstreamed practice supported by large, integrated solutions, resulting from consolidation, integration and standardization. However, as one market fades (the market for stand-alone specialty ITAM tools) another will likely grow. As companies widely adopt ITAM practices, the need for trained ITAM specialists and managers will increase. Companies once licensing ITAM software tools may find a lucrative business in professional services, assisting companies to implement the practices and policies demanded by the standards they have adopted. Professional and industry organizations may play an ever-increasing role in supporting and educating their member companies. Personnel with formal ITAM-related credentials will also likely find themselves in demand.

What won’t happen is the demise of ITAM as a practice. Supported by a growing number of standards and with the tools integrated into system-level solutions supported by major vendors, IT asset management practices will become an entrenched part of day-to-day It operations. The absolute end result will be better run IT departments, decreased spending and an improved ROI on the overall IT investment.

*Ed Cartier
Partner with Sage Technology Resources*