

ITAM + Change = Savings

ITAM Is Indispensable for Successful Change Management

Most IT professionals agree: IT Asset Management (ITAM) is critical to businesses and organizations seeking to grow while reducing costs, mitigating risks, and optimizing the performance of all assets. Many C-suite executives are ITAM believers too – elated by first-year software cost savings of up to 45 percent, and ongoing savings of 15 to 30 percent per year.

At a deeper level, many IT pros have demonstrated the positive impact that ITAM can have on productivity and efficiency across all functions and departments. Indeed, IT has become an essential pillar for organizational success, every bit as important as strong leadership, talented people, outstanding sales/service, and quality products/services. Because IT directly impacts all the other pillars, a good ITAM program can lift the performance of virtually every function within an organization – sales and service, e-discovery demands, alignment of IT with corporate and departmental goals, enterprise planning, and the entire process of change management.

Change is Fundamental

By *change management*, I do not mean the narrow ITSM discipline alone, but the broader enterprise definition: the structured, goal-oriented approach for transitioning people, processes, sites, functions, departments, IT and other capital assets to a more optimal condition.

Enterprise change is as constant, and necessary, as the next sunrise. New software, fresh markets, leap-frog technologies, unforeseen competitors, novel training/motivation techniques, economic downturns, reorganizations, mergers and acquisitions ... there is literally no end to change, regardless of where you are or what you do. If you can't manage change, you can't manage, period.

ITAM is proving to be invaluable, perhaps fundamental, as a tool for change management across all functions. Let's take a quick look at ITAM's impact in two of the larger change events – reorganizations and its close cousin, M&A.

ITAM Facilitates Reorganizations

Economic downturns like this one tend to inspire more reorganizations and consolidations in search of cost savings.



Difficult by nature, ITAM helps achieve faster, smoother reorganizations in many ways, including:

Providing accurate information. ITAM identifies existing software titles, duplication, and license status. This issue can be large, as The Wall Street Journal noted in a 2008 article: “Taming Technology Sprawl ...” HP was surprised by a software catalog of 6,000 titles with no application standardization. Similarly, Citigroup identified a catalog of 10,000 software titles versus the assumed 6,000.

Establishing optimal procedures for redeploying hardware/software. ITAM policies and procedures can build cooperation by redeploying essential equipment and software quickly and efficiently. This fosters faster buy-in to new standard configurations, and ideally helps reduce IT support and maintenance costs company-wide.

Creating financial incentives for accepting change. Introduction of a chargeback system for IT assets and/or services has proven to be a strong incentive for “spring cleaning” old equipment and software, and embracing new systems. Even the strongest resisters become enthusiastic converts once they see the budgetary improvements.



ITAM is Critical to Successful Mergers/ Acquisitions

Most readers of this article have, or soon will, experience M&A challenges. Merging two entities entails many of the consolidation/reorganization issues described above ... with many additional challenges, more resistance, and more potential downside. A strong ITAM process is increasingly critical to successful M&A's, before and after the merger.

Pre-Merger: Due diligence conducted prior to an acquisition is a massive exercise in e-discovery, requiring accurate financial, legal and enterprise data. The importance of ITAM here is obvious. Less obvious, perhaps, is the importance of an accurate inventory of combined IT assets within the consolidated company. Software vendors are very likely to conduct a post-merger audit, and even a company name change can affect the terms of software licenses!

Post-Merger: IT is inevitably at the center of post-merger integration, charged with creating a centralized system for everything from employee data and inventory to supply chain, finance, and key performance indicators (KPI). A full discussion of ITAM's role in successful integration could fill volumes, but experience has revealed some hard lessons:

- Adoption of a centralized ITAM system accelerates integration by unifying master data and automating important business processes, enabling all functions to

share information, resources and best practices. Ideally, the new entity will adopt the best ITAM system, not necessarily the purchasing company's existing program.

- Quick adoption of a centralized ITAM system helps overcome the most common integration pain points: consolidation of employee data, master data management (MDM) consistency, establishing and tracking KPIs, achieving IT asset synergies, and quickly resolving software redundancy and licensing issues.

The goal of most mergers is not simply cost synergies, but strategic growth and market leadership. ITAM is absolutely critical to helping mergers succeed by creating data consistency and a unified, coherent look and feel to company operations ranging from employee training and KPI to long range growth planning. It is difficult to imagine managing all this ongoing change without a solid ITAM system in place.

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