

Asset Management in the ITSM Industry



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Declaration

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Asset Management

Essentially, Asset Management is the process responsible for tracking and reporting the value and ownership of financial assets throughout their lifecycle. More broadly, Asset management involves some combination of purchasing, maintenance, inventory, metering, charge-back, software distribution, Service Desk management tools, integration, process and relationships.

Additionally, Asset Management is a process that leverages and improves the efficiency of IT assets. It reduces the cost and complexity of managing the lifecycle of desktops and servers by enabling administrators to install operating systems, inventory assets (across disparate platforms), deploy software and patches, manage power usage, and support end user desktop issues remotely all from a centralised location.

Executive Summary

This report provides an analysis and evaluation of the current state of Asset Management in the ITSM industry. The results of this survey were produced from the 103 respondents who completed the online survey which ran from October to December 2010. Our respondents were ITSM professionals from across the UK, who have provided open and candid answers to our questions. Through the answers they have provided we have managed to capture a clear and concise view of Asset Management in the Service Desk industry, a view that is sure to be of great interest to ITSM professionals and industry observers alike.

The results collected demonstrate that Asset Management is prevalent in the ITSM industry and has been widely adopted. There is a clear understanding of the technology and how it can be leveraged to produce the desired results. Asset Management is also influencing strategic decisions for the Service Desk, an indication of its importance in the industry. Unsurprisingly, the major barriers to adoption were defined as cost and lack of time; however in financial terms Asset Management comprised approximately ten percent of the total IT budget. There is also demonstrable evidence that Asset Management has realised a positive ROI which shows that it can be a cost effective and pragmatic solution.

Key Findings

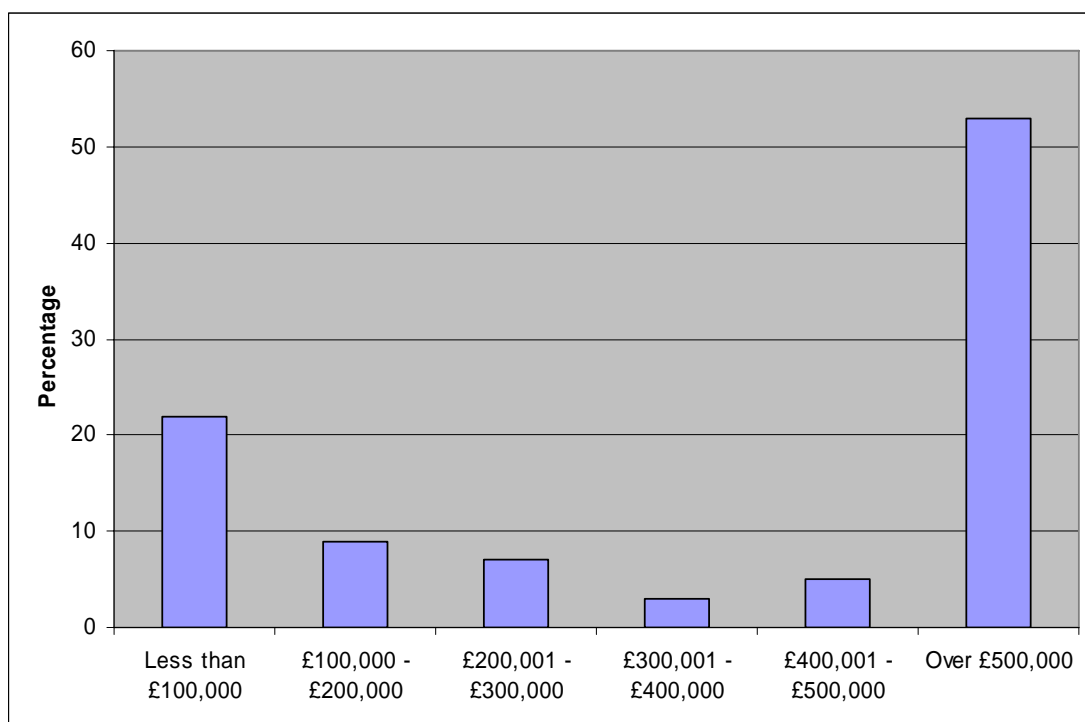
- **99 percent of respondents professed that they had an understanding of Asset Management**
- **62 percent of ITSM professionals use Asset Management on their Service Desk**
- **59 percent said that Asset Management affected their strategy for the Service Desk**
- **The average cost of running Asset Management was between £30,001 to £50,000**
- **32 percent of respondents stated that they had had their Asset Management tool in place for over 5 years**
- **72 percent asserted that their Asset Management tool had demonstrated a positive ROI**
- **82 percent said that Asset Management had improved service delivery**
- **The main benefits of Asset Management were identified as being keeping everything inventoried, keeping licenses up-to-date, and increasing productivity**
- **The vast majority use their Asset Management tool every day**
- **73 percent stated that their Asset Management tool integrates with their Service Desk**
- **The major barriers to Asset Management adoption were identified as cost/lack of budget and lack of time**
- **82 percent of respondents who do not have Asset Management in place at the moment anticipate adopting it in the future**

The Questions

1. What is the Size of Your Organisation?

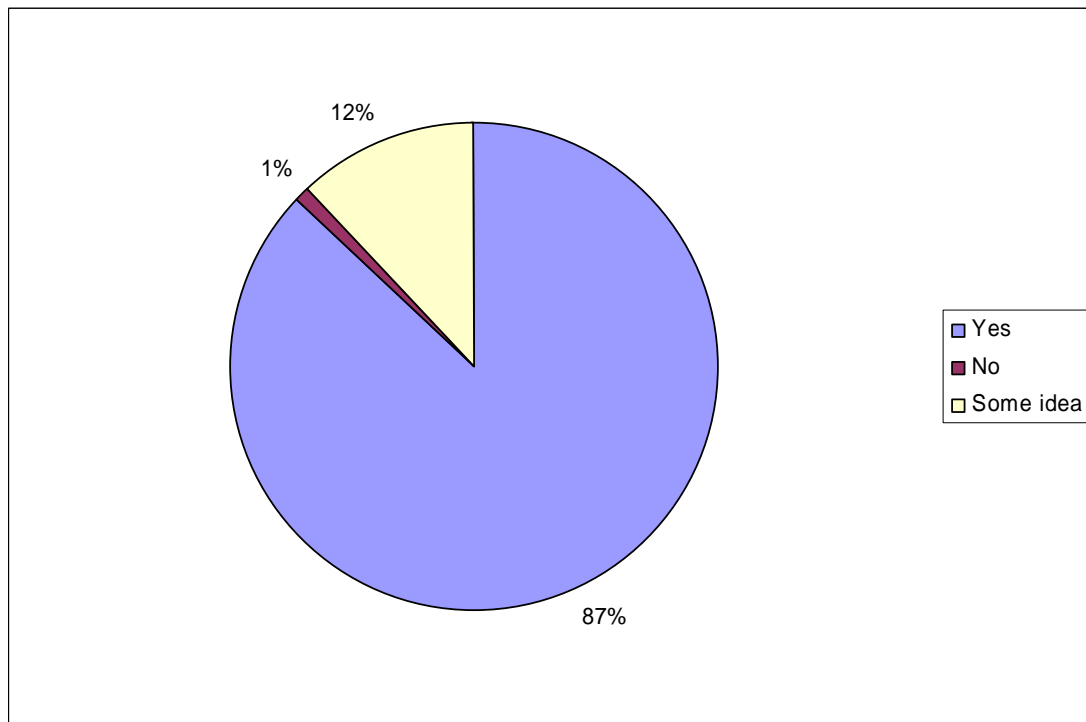
This was an important question because we wanted to identify whether our respondents were from large or small organisations. The results showed that the survey covered a wide diversity of organisational sizes, ranging from 10 employees to 110,000 with an average of 5595 employees, and therefore uses a representative survey sample.

2. What is the Size of Your IT Budget?



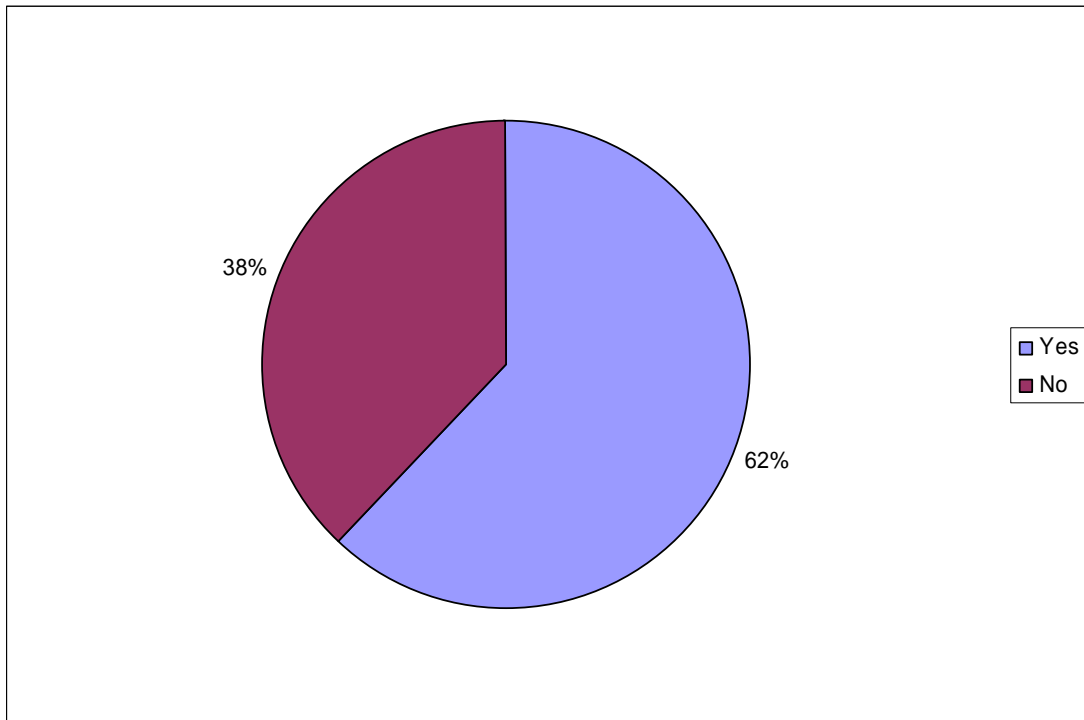
Knowing the size of IT budgets is vital in determining whether this has any impact on the adoption of Asset Management. The results show that the vast majority of respondents have an IT budget of over £500,000 - a substantial figure that correlates with the large organisation size found in question 1. The budget data shows that most organisations have a budget which is 10 times greater than the average cost of implementing an asset management solution (question 6).

3. Do you know what Asset Management is?



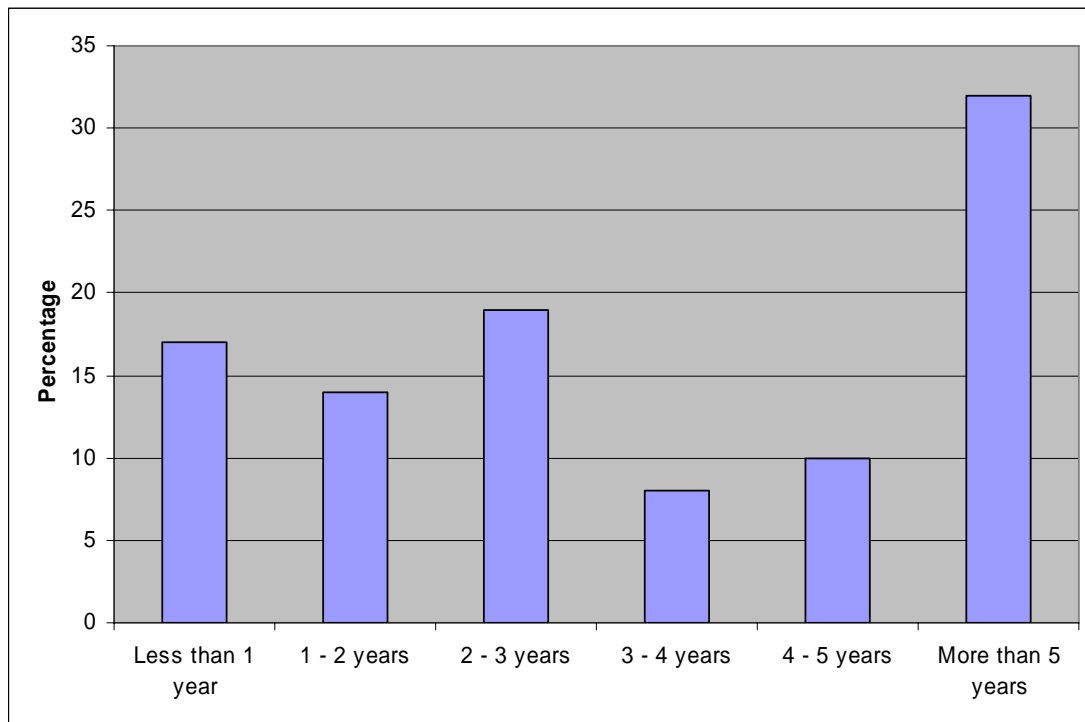
The graph shows that the vast majority (87%) know what Asset Management is and suggests that it is not a lack of awareness that is influencing the 38% of non adopters. This is a fascinating result as it shows that the overwhelming majority of ITSM professionals either have a clear understanding, or at least are familiar with, Asset Management. This result underlines the importance of Asset Management to the ITSM industry and the awareness of the need to keep all of your assets inventoried and licenses up-to-date. From an adoption point of view, awareness will necessarily precede adoption as without an understanding of what Asset Management can offer and how it can be useful, there will be no concerted effort to adopt an Asset Management solution.

4. Do You Use Asset Management on Your Service Desk?



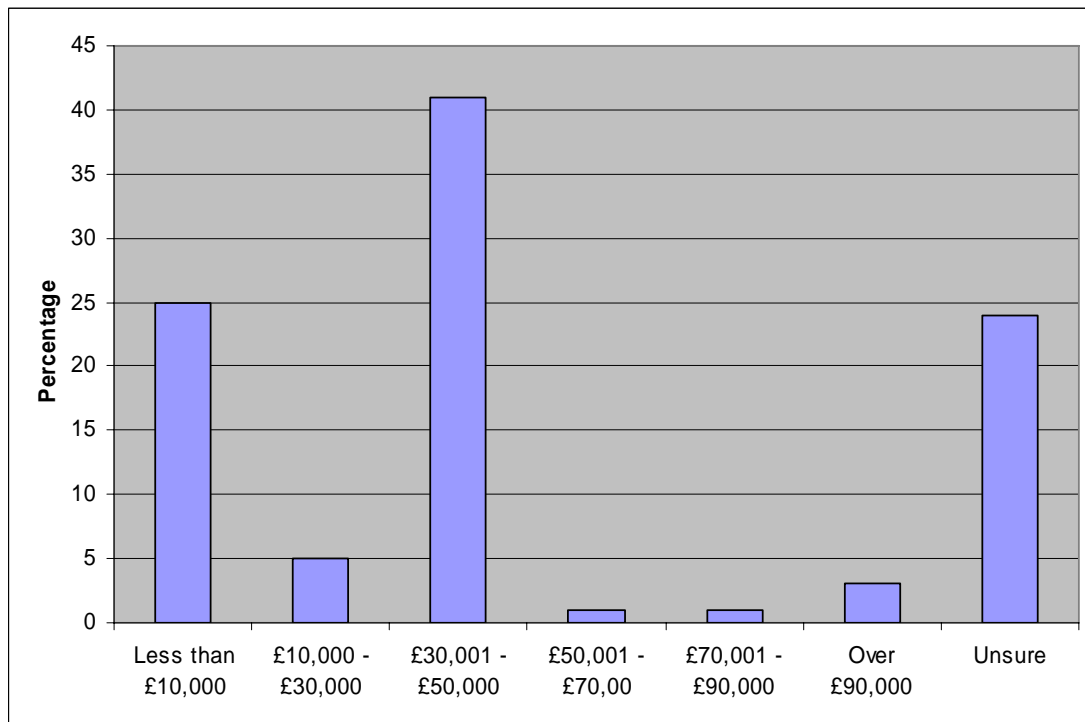
The graph above shows that a little over half of respondents are using Asset Management on their Service Desks. This suggests that convergence has started to become an established best practice, and not just the domain of early adopters.

5. How long have you had an Asset Management Tool in Place?



As shown there is a wide variation in the results. Interestingly, 17 percent have only adopted Asset Management within the last year, which demonstrates that there is still a significant influx of new adopters. This also demonstrates that the rate of adoption is high and accelerating. The largest percentage stated that their tool had been in place for over 5 years, which perhaps informs us of the high percentage who state later in the survey that they had seen a positive ROI from Asset Management. This is because the longer the tool has been in place, the easier it is to see and understand the benefits that have derived from it and to monitor it to ensure that it is still delivering value.

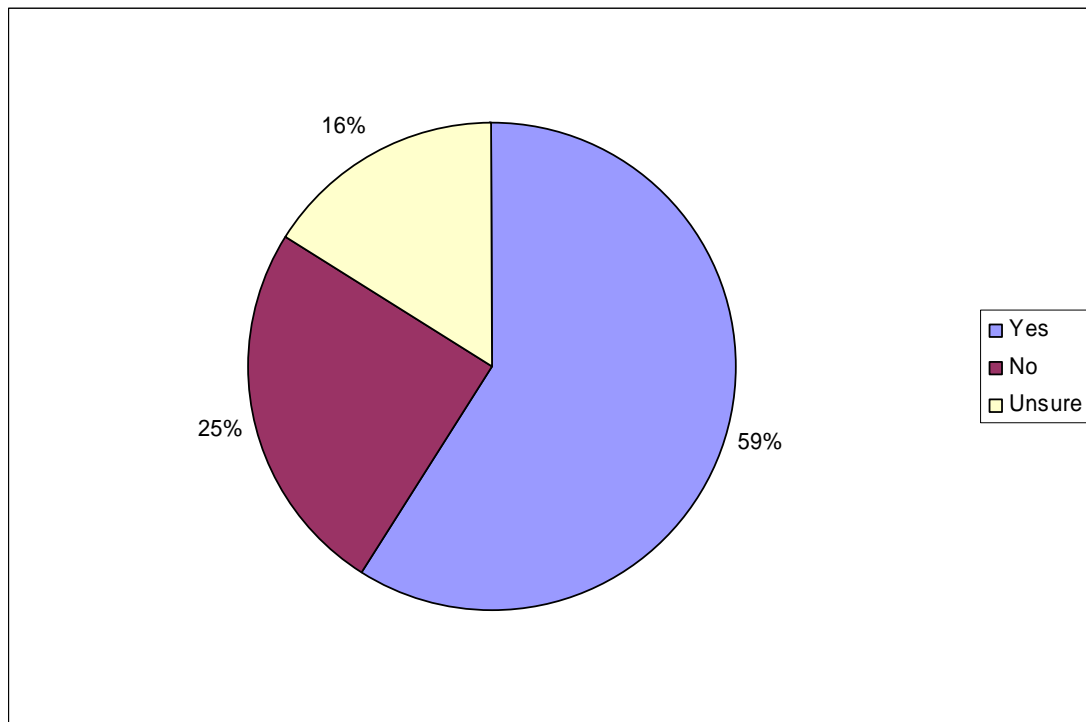
6. What is the Approximate Cost of Running Asset Management?



The graph shows that the known budget spend on Asset Management, is centred between the £30K-£50k mark for the majority of respondents, which represents not more than 10% of total IT spend, based on the IT budget data gathered and displayed later in the survey.

When we note the results for the size of the budget for IT, this becomes a very revealing result. The vast majority of respondents stated that their IT budgets were over £500,000, which means that for 41 percent of respondents Asset Management actually comprises of a relatively small percentage of their IT spend. Also of note is that 24 percent did not know how much their Asset Management tool costs, which will prove problematic when attempting to justify the cost of Asset Management or demonstrate an ROI. Not knowing how much the various aspects of Service Desk cost also means that you can't ascertain the cost of providing your support service – an issue that will be important if you are considering outsourcing.

7. Does Asset Management Affect your Strategy for the Service Desk?

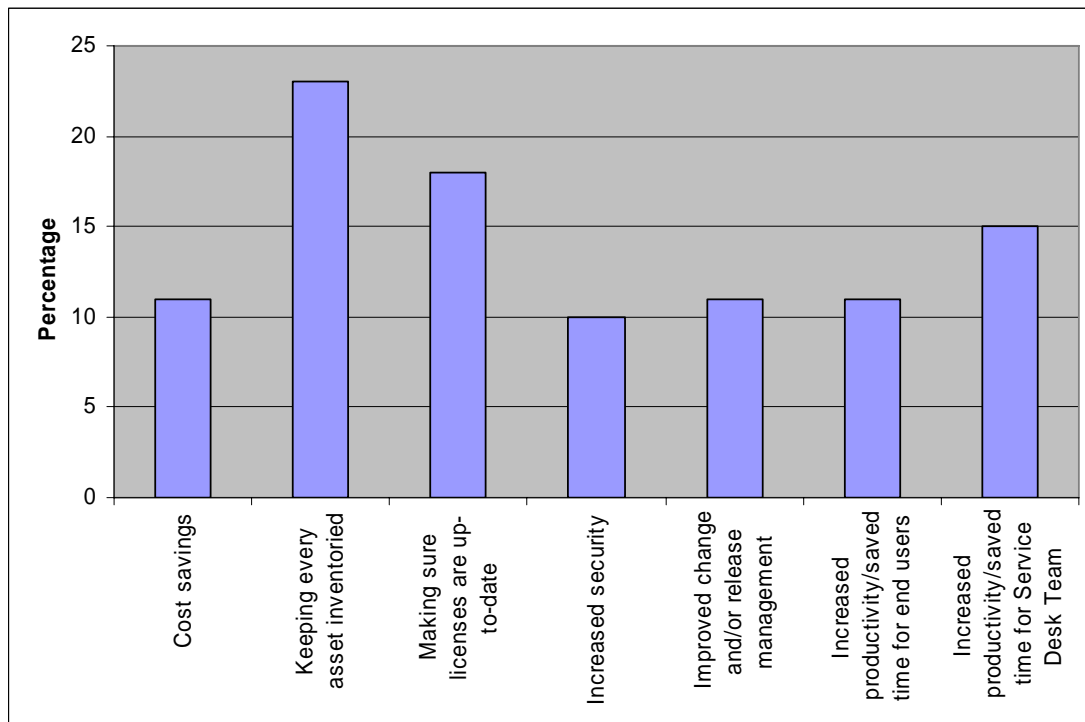


It is shown that when Asset Management is in place, the majority of respondents believe that it affects their strategy for the Service Desk. Strategy is open to varying interpretations, but what this answer reveals is that Service Desks are building their service delivery and strategy around their Asset Management tool – this is a significant finding. For 59 percent of respondents Asset Management plays a significant role in their service delivery and has not been marginalised.

For a quarter of respondents, it is stated that Asset Management has no affect on strategy. This result suggests that for these respondents Asset Management is either not being utilised effectively, or that there is no clear vision as to how Asset Management can inform and impact on the strategy for the desk. Additionally, 16 percent do not know if Asset Management affects their strategy which is concerning as it is shown that they have no clear idea whether Asset Management is informing their decisions and direction for the desk. For a tool such as Asset Management, which is shown to be capable of producing tangible results, it is important that the ‘unsures’ start to leverage the tool more effectively and make it an integral part of their strategy.

The number of ‘sures’ also correlates (but lags) the adoption rate of asset management and suggests that once implemented asset management emerges as a strategic force. The term strategy suggests a commitment to significant resource, and could suggest that these organisations are seeing a benefit here which is probably linked to the ability to have level 1 support engineers perform level 3 tasks.

8. What have been the Major Benefits of Asset Management?



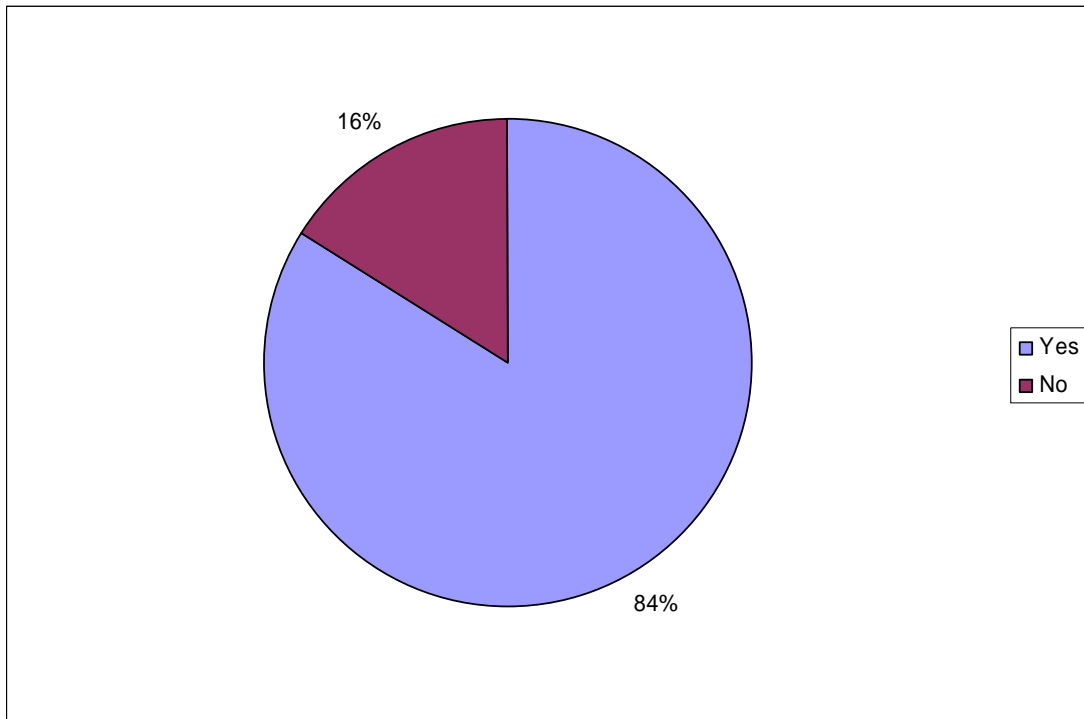
The results for this question were quite mixed, but the stand out choices were asset inventory and keeping licenses up-to-date. Also of note was that 15 percent of respondents stated that their Asset Management tool has increased their productivity, which identifies that the tool has freed up resources on the Service Desk and has permitted them to allocate them more effectively. Time is the commodity that the Service Desk never has enough of so to be able to gain more of it is a huge benefit for them. It is also shown that Asset Management has increased productivity for end users as well.

The final three choices were improvements to change and release management; increased security; and cost savings. Cost savings is perhaps reflected in the positive ROI that Asset Management has created for the majority of adopters, and is also indicative of time savings and productivity gains. Improvements to change management have been realised because Asset Management is able to correctly and efficiently recognise the various hardware components on the network and the current software versions and revisions. Thus it is simple to analyse how potential changes will affect systems and, ultimately, end users. Knowing where everything is and assessing what the potential impact will be, removes one of the great unknowns in the change management process and streamlines and improves the whole process. Security has also been recognised as a benefit because the Asset Management tool can keep track of where resources are located and notify the Service Desk if certain resources are removed from site or are not situated where they should be: this in turn helps improve security immeasurably. Also, the tool can

keep track of software changes and this improves security because it allows the Service Desk to note any changes and potential breaches of security.

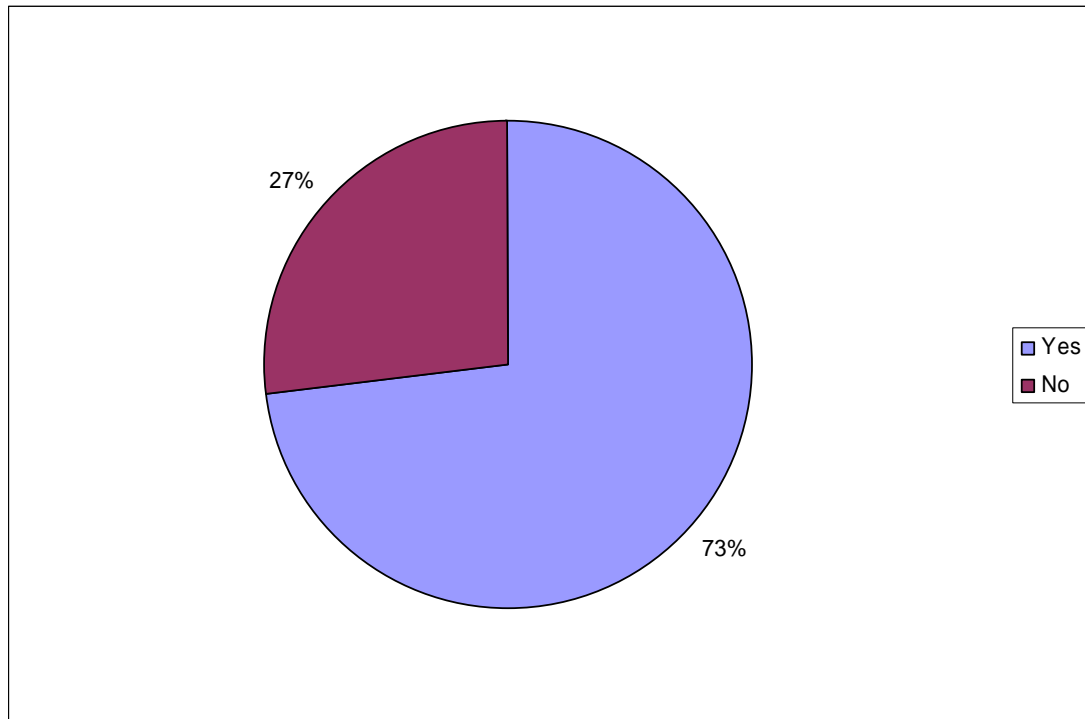
The graph also shows that the stand out benefits are associated with having supporting data for configuration type management functions - such as having an up-to-date inventory and managing software licences - and the impact this has on Service Desk productivity. The inference is that time to resolve incidents and first time closure rates are improving due to improved incident resolution; in the converged world Service Desk analysts now have instant access to information that is often difficult to obtain from end users - such as the hardware and software configuration of the device - meaning calls typically are shorter and diagnosed more effectively. In addition, the planned proactive activity focusing on change and release, for example rolling out a security patch, also realises benefits; presumably through an enhanced impact analysis capability particularly if configuration items can be related together. This is reflected in the increased security, which also typically reflects an overall improvement in governance and control.

9. Do you use your Asset Management Tool in Conjunction with your Service Desk?



The graph shows that there is a very high level of cross over (84%) between configuration and incident management functions, and suggests that many level I Service Desk analysts could also be carrying out traditional level II functions.

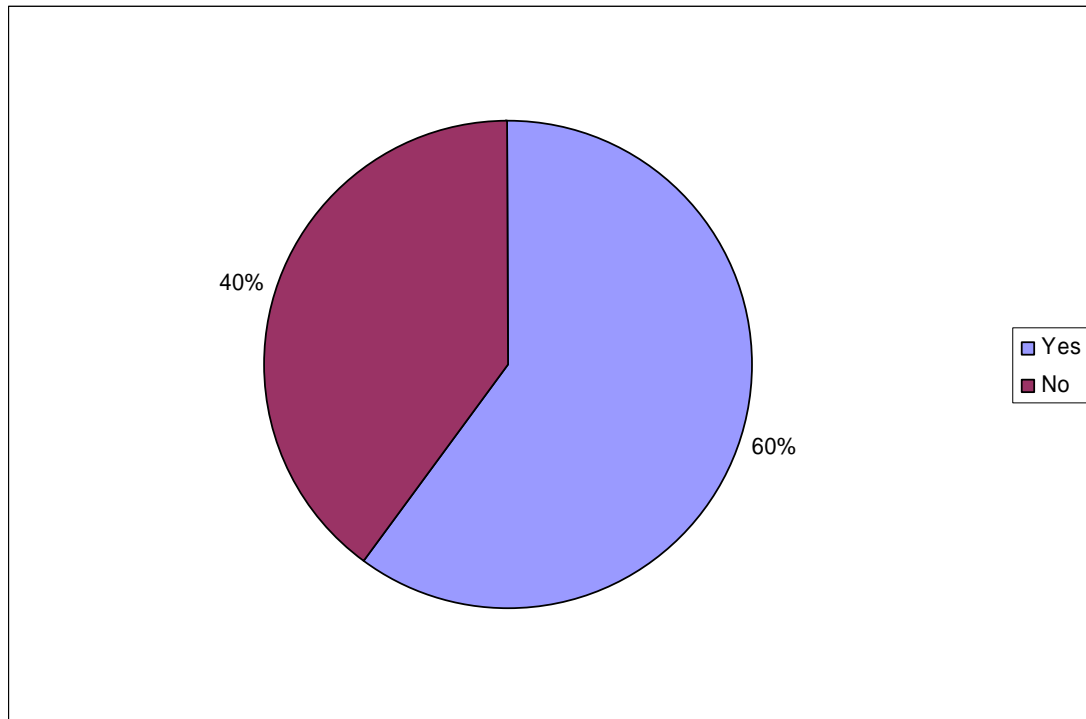
10. Does your Asset Management Tool Connect/Integrate with your Service Desk?



The graph shows a high level of connection and integration between the tools, and suggests that there is value in connecting the technologies. The chart above clearly indicates that there is a high degree of connectivity and integration between Asset Management tools and the Service Desk. This alignment means that most Service Desks are responsible for and are the main users of Asset Management. This is a real benefit for the Service Desk, as it allows them to see what hardware the user is operating and what software they are running. It also means that they can note any hardware or software changes and identify any conflicts. Such information is incredibly useful in problem management as it provides clues as to why incidents have occurred. It also means that users are not required to find out what software versions they are running on their own machine, thus removing a clear communication barrier, and improving incident resolution times.

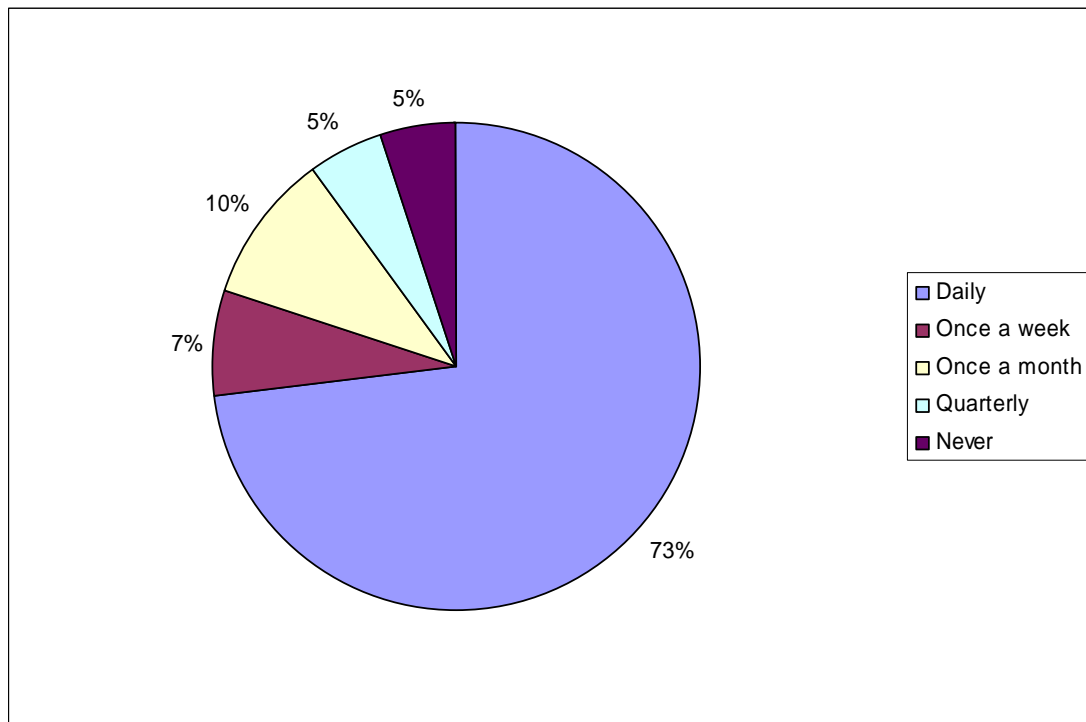
Understanding what has happened will also improve the change management process as it provides useful information for the change advisory board (CAB) when they are making decisions about what and how to change.

11. Are your Service Desk and Asset Management part of the Same Solution?



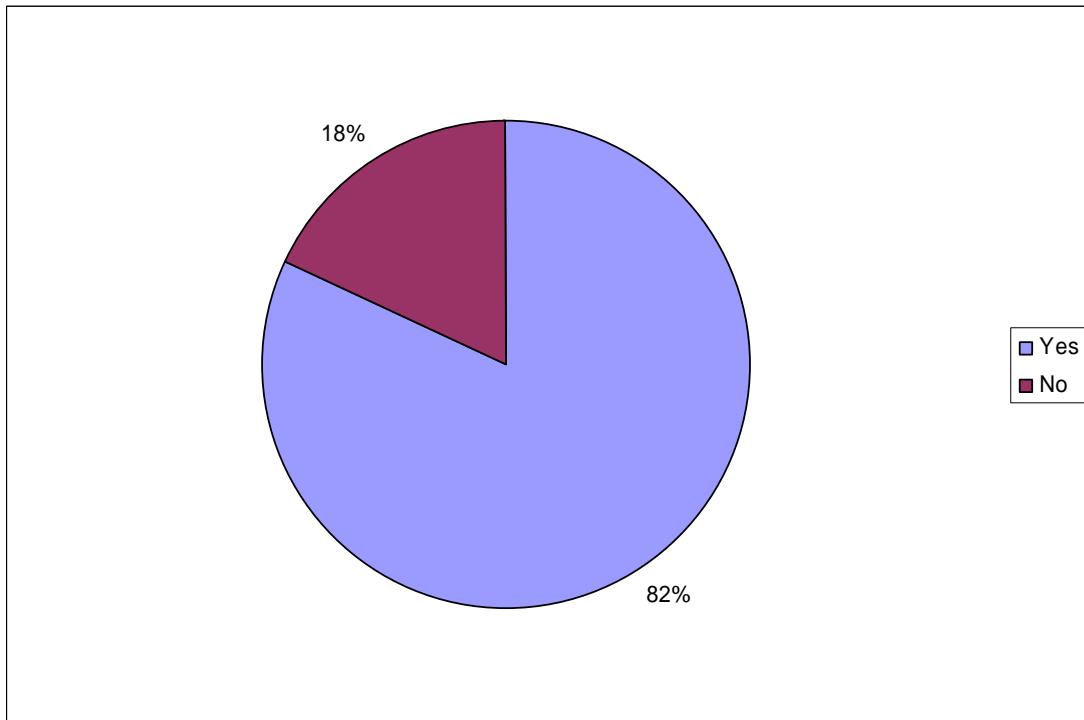
The graph shows that a little over half purchase a solution from a single vendor that have combined or integrated Asset Management and Service Management into a single solution. Interestingly, the figure also correlates with the number of organisations using Asset Management on their Service Desks, and could suggest a causal link between realising a benefit and buying a combined solution from a single vendor.

12. How often do you use your Asset Management Tool/Functionality?



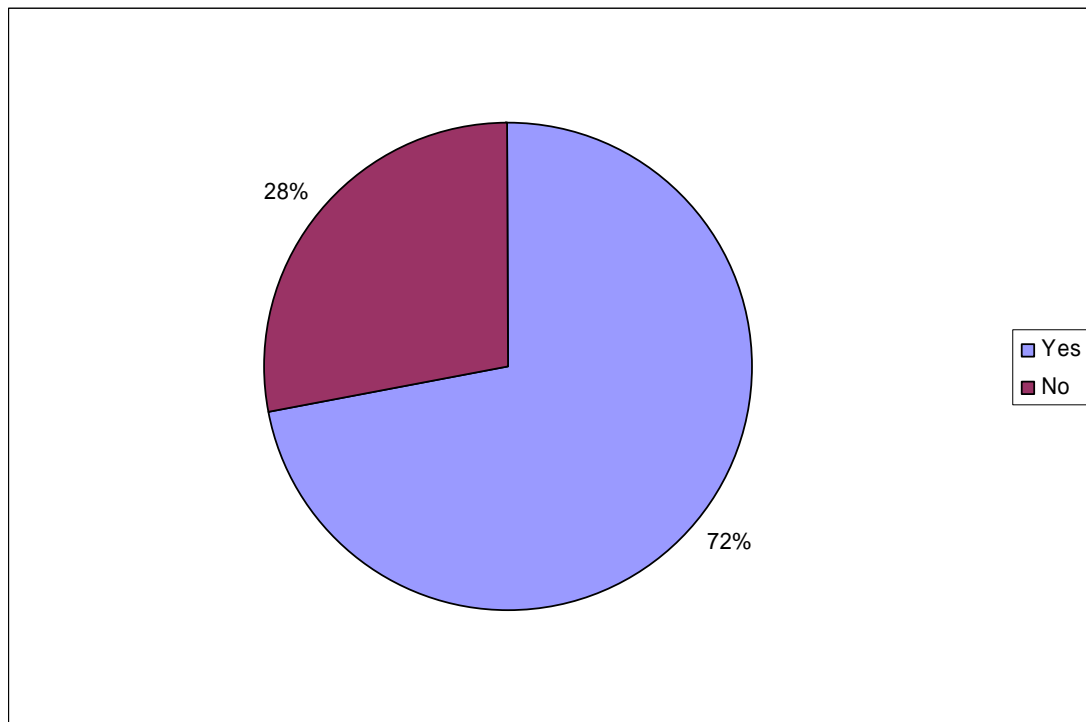
As shown above, the majority who have Asset Management use it regularly. The graph shows that a significant number (73%) use their Asset Management tool on a daily basis and suggests that it is embedded in daily operations and adding significant value. Also of interest are the 5 percent who never use their Asset Management tool. One can only speculate as to why this is the case, but this is a surprising result given the financial investment the tool and the benefits that it can offer.

13. Has Asset Management Improved Service Delivery?



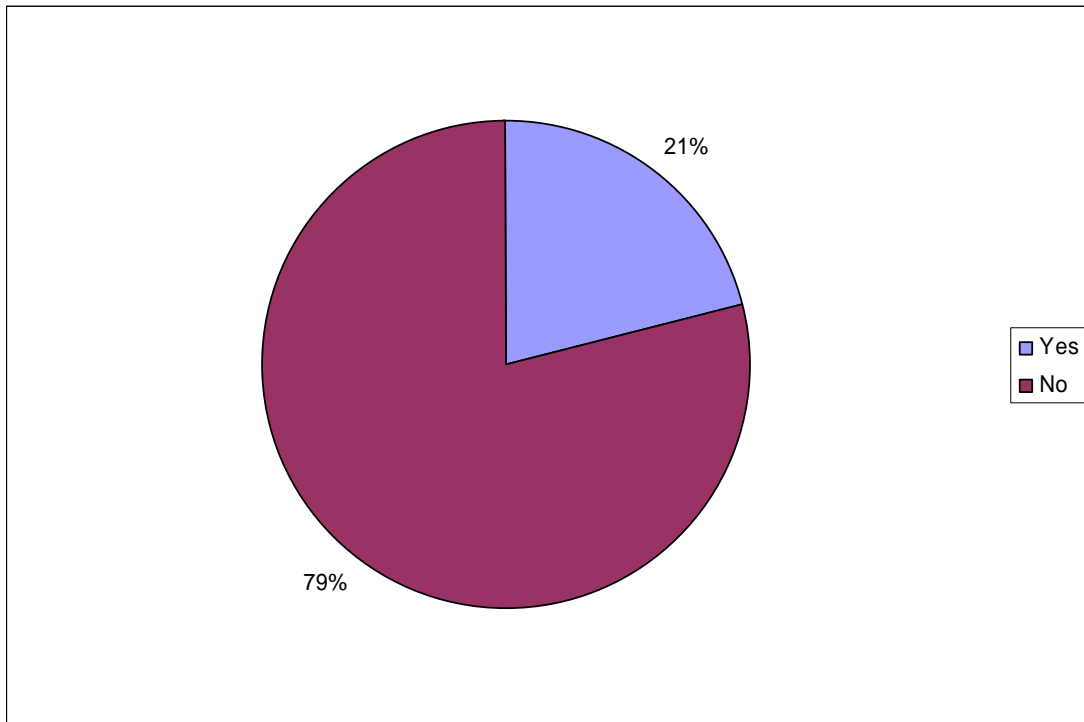
Again, these results show that where Asset Management has been implemented, it has improved service delivery. Some will have included service improvements as part of their ROI (perhaps considering things such as improvements in productivity, decrease in downtime, easier renewal of hardware and licenses) but for those who haven't, improvements in service delivery have clearly been a key success for Asset Management. The graph shows that implementing Asset Management clearly improves service delivery, and suggests improvements in productivity, less downtime and improved operations (such as renewing licences).

14. Has your Asset Management Tool shown a Positive ROI?



The graph shows that a significant majority consider their investment worthwhile, and suggests they have determined how to measure ROI, which has traditionally been difficult with Service Desk implementations as service delivery includes many unquantifiable measures. It is encouraging that nearly three quarters of respondents asserted that their tool had shown a positive ROI, which not only demonstrates that the tool has been a worthwhile investment, but that Service Desks have found ways to calculate the benefits that they have derived from it. Demonstrating an ROI is critical to any business case and will be one of the primary considerations behind any future investment in technology.

15. Do you Think Asset Management is only useful for Larger Desks?

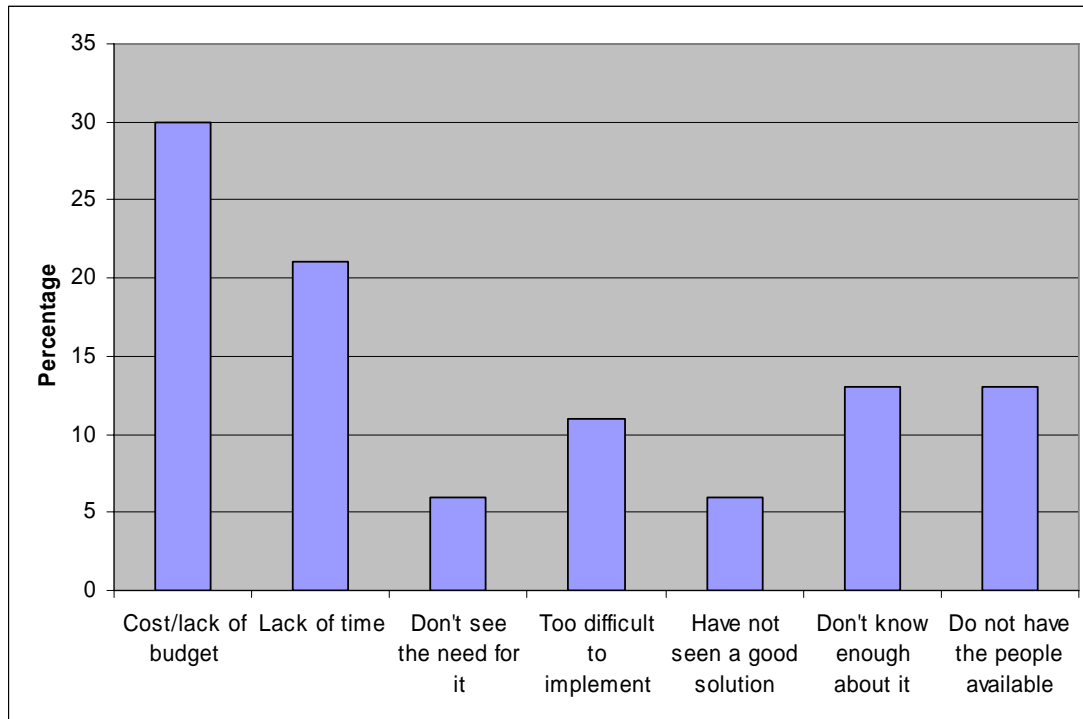


This question was asked to those who do not currently use Asset Management on their Service Desk. It was important to determine if one of the barriers to adoption was that Asset Management was only useful for larger Service Desks (and therefore, by inference, larger organisations). The graph shows that most respondents believe that Asset Management is applicable to all sizes of organisation and suggests that size of organisation is not a barrier to adoption. The results show that the majority of respondents believe that Asset Management is useful on smaller desks as well as large ones.

16. What is the Size of Your Service Desk?

The validity of the larger Service Desk versus smaller Service Desk debate and the applicability of an Asset Management tool, is validated by the broad survey results showing that the smallest Service Desk had just one helpdesk worker and the largest had 150. This is useful data because it demonstrates that there were a variety of Service Desks included in this report and that it not skewed towards either larger or smaller desks. This is reflected in the fact that the average Service Desk size was **11 employees**.

17. What are the Major Barriers that are preventing you from Adopting Asset Management?



Having gleaned a real understanding of the state of play of Asset Management in the ITSM industry, this question was posed to understand why 38 percent of respondents (question 2) did not have an Asset Management tool in place. The data highlights two tiers of results, firstly and rather typically, that time, budget and resources are the top 3 constraints to adoption, particularly given the economic climate. Secondly, detailed awareness of the technology, concerns about implementation and the availability of a good solution, follow quickly afterwards suggesting some awareness issues but also a concern about the solutions on offer and the realisable returns.

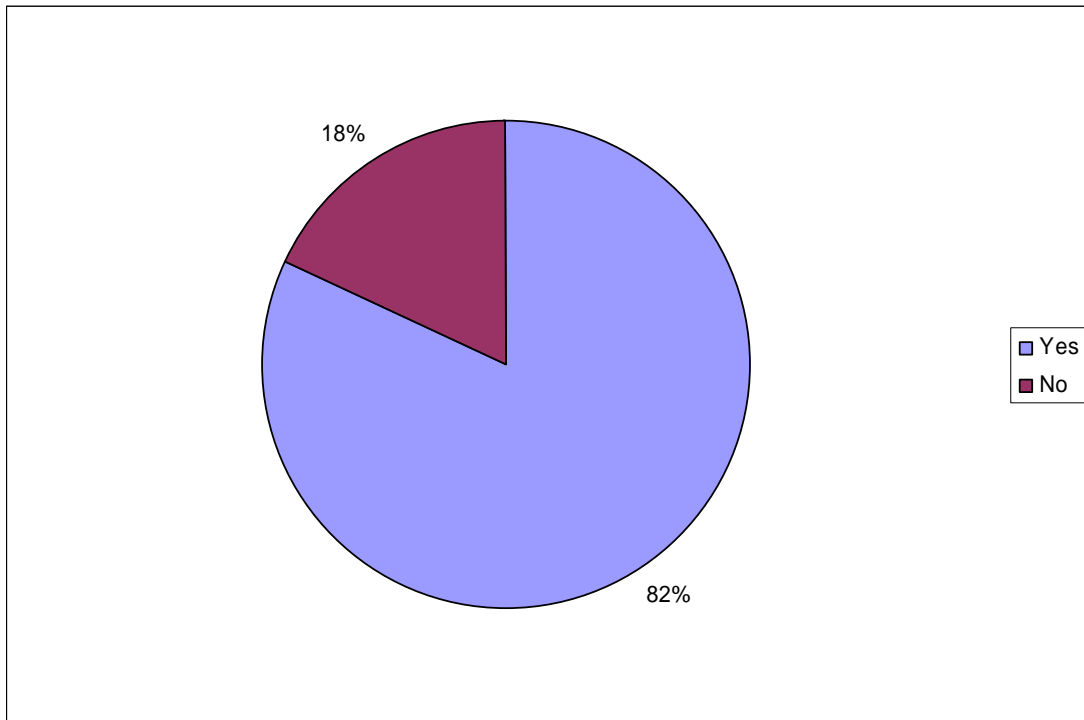
It is interesting to note that for those who have adopted Asset Management, 72 percent (question 12) have seen a positive ROI. Thus, it is shown that for the 72 percent of respondents, Asset Management has been a successful investment for their Service Desk financially, and in terms of the other benefits it has delivered, as shown in question 6.

The second most popular choice was lack of time, which given the 99 percent who possessed an understanding suggests that the respondents were aware of the implications of adopting Asset Management but decided that they did not have the human resources available to implement it. In joint third place was lack of knowledge and lack of people available. The lack of knowledge suggests that our

respondents have made a distinction between an understanding and knowledge of Asset Management – knowledge would be a more in-depth and considered understanding of Asset Management. Lack of people is easily explained by current and expected cuts in staffing levels, a trend identified in SDI’s 2010 salary survey, when 32 percent of respondents asserted that their staffing budgets would be reduced in the coming financial year.

Of the final three options, the ‘see no need for it’ is the most interesting given that the first half of this paper shows the benefits that can be realised by an Asset Management tool. It is important to note that these respondents may feel that Asset Management would not be useful in their particular organisation, not that it generally would not prove useful.

18. Do you Envisage using Asset Management in the Future?



Again, this question was posed to those who currently do not use Asset Management. This was a key result from the survey as it is shown that we can expect the adoption of Asset Management to increase in the future, with the overwhelming majority stating that it is on their future agenda. The graph shows that most respondents will consider using Asset Management in the future, and suggests that provided a fit for purpose tool is available that shows a demonstrable return, then the 38% of non adopters will adopt.

Analysis

The results show that Asset Management has made a real breakthrough into the ITSM industry. This is evidenced by a high level of understanding of Asset Management and a high rate of adoption and use. Even more importantly, we see that Asset Management is actively affecting strategies for the Service Desk which is indicative of the vital role that it plays. Furthermore, Service Desks who do not currently employ Asset Management are looking to implement it in the near future. All of these factors combined indicate that Asset Management plays, and will continue to play, a very significant role in the ITSM industry.

Asset Management has gained traction despite the current financial pressures that are exerted on the Service Desk industry, and this is a fact that is in need of further analysis. One school of thought is that Asset Management has increased in popularity because it provides a more automated solution. Knowing where every asset is and when licenses are about to expire removes a significant amount of manual effort, freeing up time for other tasks. Thus, for Service Desks keeping a close eye on costs whilst maintaining service levels, Asset Management is a pragmatic solution. This conclusion is supported by the fact that 82 percent of respondents stated that Asset Management had improved service delivery. Service delivery is the core function of any Service Desk, so they will naturally be attracted to solutions that enable them to improve performance.

Alternatively, Asset Management may have gained in popularity and acceptance because the solutions are much more affordable and useful than previous offerings. Nearly three-quarters of respondents stated that their Asset Management tool had demonstrated a positive ROI, a significant result for those who are looking for a clear return on their investment. This also demonstrates that not only is Asset Management proving useful to those who have adopted it, but that it is cost effective as well. The results do show that cost is still an issue as this was identified as the major barrier to adoption – those who have yet to adopt Asset Management will need to be sold on the fact that Asset Management can demonstrate a positive ROI and improve service at the same time. For Service Desks who are pressed for time and budget, the results of this survey may provide the evidence required to enable them to make informed and reasoned decisions about the value of Asset Management.

Finally, the drive towards Asset Management may be a result of increasing security restrictions and protocols. The security of data has never been more vital to organisations, and knowing where each and every asset is will form a significant part of any security process. Only 10 percent of respondents stated that Asset Management had increased security, but perhaps if we had asked if assets would be less secure if Asset Management was not in place then we would likely have received a different answer. Complementing and enhancing an organisation's security

procedures is one of Asset Management's core strengths, and one whose benefits are felt across the organisation.

Conclusion

The wide acceptance of Asset Management is a beneficial result for users and for Service Desks. For users, they can expect an improved service, and for Service Desks the maturity of Asset Management tools means that they can adopt excellent products, whilst competition in this sector should mean that prices are keen. We will likely see important advances in the future as the tools adapt and evolve to the fast-changing environment of today's Service Desks and their organisations. We may also see an increase in cloud based offerings as companies attempt to benefit from the potential of this technology and the ease and flexibility that it offers.

The drive for Asset Management is indicative of a broader trend in the ITSM industry, that of supporting the parts of IT that users actually see and use and moving away from the more technical and hardware side. Asset Management removes the manual location of assets and allows an instant snapshot for the Service Desk. Users can expect the Service Desk to have accurate and robust data on their hardware and systems which lends itself to a focus on customer support and less technical knowledge and jargon. The Service Desks of the future will be all about supporting customers and offering the level and quality of service that they have come to expect through their interactions with online retailers such as Ebay and Amazon. These seamless and user-friendly interactions – not to mention the automation of the experience – are changing the way that users think about service, and by extension, their interactions with the Service Desk. Asset Management can feed into and complement this evolution and make sure that the user is at the heart and centre of service improvements. The best service then becomes no service, with the Service Desk operating so efficiently behind the scenes that the customer does not even know they're there.

About The Service Desk Institute (SDI)

Founded in 1988 by Howard Kendall, the Service Desk Institute (SDI) is the leading authority on service desk and IT support related issues, providing specialist information and research about the technologies, tools and trends of the industry. It is Europe's only support network for IT service desk professionals, and its 800 organisation members span numerous industries.

Acting as an independent adviser, SDI captures and disseminates creative and innovative ideas for tomorrow's service desk and support operation. SDI sets the best practice standards for the IT support industry and is the conduit for delivering knowledge and career enhancing skills to the professional community, through membership, training, conferences, events and its publication SupportWorld magazine. It also offers the opportunity for international recognition of the support centre operation through its globally recognised Service Desk Certification audit programme.



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