LANDesk® Asset Management

Building a Foundation for Pragmatic Service Management

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Contents

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Overview

Does this scenario sound familiar?

The IT department orders a new server for the data center. It's installed and functions perfectly—for a month or two—until an I/O controller stops working. An IT administrator temporarily moves the service over to another server, disconnects the broken box, and sends an email saying that it needs to be sent back for warranty repair.

But the email is addressed to the wrong person, who simply ignores it. Over the weekend, a janitor notices the disconnected server sitting on a filing cabinet, and moves it to a storage closet. Because the service is running properly, the broken server is soon forgotten. Over the next two years, the company pays $15,000 in lease and licensing fees for a server that has provided no value—a server that no one even remembers, gathering dust in the back of the closet.

Even if your company never makes such an egregious mistake, mismanaged assets can rob the bottom line in subtler, more pervasive ways as well. For example, even when IT assets are installed and functioning properly, few IT departments have an objective and comprehensive understanding of what those assets are, where they are in their lifecycle, and what value they're providing to whom. And that lack of solid data can be much more costly than a single misplaced server.

In a typical company, dozens of IT assets may be underutilized or wrongly assigned, unneeded assets may be purchased and maintained to fill in the gaps, and IT may be chronically undercompensated for their actual expense in providing services. Or worse. An unmanaged asset, such as a disk drive full of customer-private information, may fall into the wrong hands with no record of its chain of custody—potentially even destroying the business.

The Hidden Costs of Mismanaged Assets

Businesses already have well-established processes for managing their assets, from purchase requisitions to license management, configuration control, refresh cycles and even disposal policies. But these processes tend to happen in isolated silos, with little or no communication between the owners of each process. As a result, assets are often unassigned, incorrectly assigned, underutilized, non-functional or even completely unneeded. And when it comes time to purchase new assets, there's no objective data indicating which vendor has demonstrated the lowest TCO over the device lifecycle.

What's more, IT departments typically have no way to accurately price their services based on the cost of assets used to deliver the services. Unlike a successful third-party vendor, IT rarely has the cost data it needs to seek appropriate compensation in the form of budget allocations and/or departmental chargebacks. Likewise, internal customers rarely have the information they need to objectively decide whether the value received from an IT service is worth the cost.

With the rise of mobile computing, distributed campuses, utility servers and rapid personnel turnover, the typical organization today cannot physically account for a substantial number of desktops, laptops and servers. Analysts suggest that IT departments spent more than $450 billion on hardware in 2007. If only 10 percent of that hardware goes unaccounted for, there's no way to vouch for the return on close to $50 billion in investments. But 10 percent is a conservative estimate at best. Many organizations are out of touch with upwards of 30 percent of their hardware at any given moment. No one knows for sure who has these off-the-radar assets, whether they're being used, or what value they're providing. The potentially lost value adds up to a staggering figure. What part of it is your company's share?

Asset Management: Getting a Handle on What You Have

Of course, no company wants that kind of money falling through the cracks, and virtually every company of any size has some form of asset tracking in place. Most departments charged with tracking assets—including Purchasing, IT, Facilities Management and others—use Excel or some other simple, flat-list tool to track what they have and who it's assigned to. But the because that information is non-dynamic, difficult to maintain, and unsynchronized between departments, it tends to be not very accurate or useful.

The time has come for organizations to adopt a true Asset Management model—an approach that provides dynamic insight into the cost, value, assignment and lifecycle status of IT assets, rather than just a passive list of equipment owned. LANDesk defines true Asset Management as an expandable and progressively integrated architecture built on the foundation of an asset repository containing form-based, relational information about each tracked asset. The actual content of the repository depends on your strategic goals.

Organizations should typically begin by tracking basic information such as the vendor and brand for a computer, when it was purchased, which department owns it, who it's assigned to, when the lease and warranty expire, and so on. Beyond these basic facts, an effective asset repository must provide the ability to modify and expand the scope of information as the organization learns to manage its assets more effectively over time. IT can then progressively build out the solution to encompass more information as additional uses for the system are identified.

KOALA: Capturing the Multiple Dimensions of Asset Value

IT assets aren't just boxes of wires. To derive maximum value from each asset, an effective solution supports data collection and analysis across the entire spectrum of business value. A simple mnemonic captures the major facets of Asset Management: KOALA, or key costs, ownership, accountability, lifecycle status and assignment.

Let's take a closer look at each type of asset data and how it can contribute to more efficient, dynamic and accountable business processes.

Key costs

The total cost of owning an asset goes far beyond its purchase price. It also comprises licensing, warranty, maintenance, downtime and other factors. In most organizations, relevant information is collected and stored in several places, from the budgeting to purchasing, shipping, the help desk, IT and beyond. This disconnect makes it difficult to use the information for intelligent decision-making—for example, to decide which vendor to choose for future purchases of similar assets.

A unified asset repository gives you a complete picture of ownership costs, allowing you to apply objectivity to decisions that are too often driven by politics and personality. For example, users may lobby for a purchasing a particular vendor's notebook because it's lighter and easier to carry while on the road. But another vendor's heavier notebook may have a much better track record for reliability, yielding a lower TCO and less downtime due to fewer repairs over the lifespan of the notebook.

Asset Management allows you to discover this TCO difference, and bring it to the table to balance the subjective preference of your notebook users. You might even be able to convince users that it's worth carrying a heavier notebook in exchange for the peace of mind knowing that it won't break in the middle of a business trip.

Ownership

Once an asset has been ordered, received and paid for, who owns it? The answers aren't always as clear-cut as they might seem. Who owns a financial application server that resides in the data center, is used by employees in accounting and payroll, but ultimately benefits the entire company and its stockholders? If it breaks, should IT be stuck with the bill for repairs?

Asset Management allows you to track who carries (or shares) the cost of each asset, so that business units and departments can do accurate budget planning, the IT department can assign appropriate chargebacks, and IT services can be priced appropriately. Just as important, Asset Management instills the discipline necessary to make these ownership decisions, helping make company operations more efficient and cost-effective.

Accountability

The owner or the user of an asset is not necessarily the same as the person or group responsible for the way it's used and the value it provides. In the case of a server, the data center may own the box and the entire company may use the service running on it—but there should be someone specifically accountable for how it works and whether it's providing the intended value.

In the case of infrastructure devices, several people may be accountable for different aspects of the device. For example, one person may maintain the physical and operational environment, including power, cooling, accessibility and physical security; another person may be responsible for ensuring that the core operating system is installed and managed according to IT standards; and a third person may maintain the specific applications or databases running on top of the hardware and OS. The solution should have the flexibility to track all of these responsibilities.

Accountability is important for many reasons, not the least of which is that the service desk needs to know who to call to resolve any problems. By tracking accountability, you ensure that assets are assigned, functional and properly maintained. In the scenario of the broken server forgotten in a closet, a lack accountability ultimately cost the company thousands of dollars in lease and licensing fees with no value in return.

Lifecycle

Knowing the lifecycle status of your assets allows you to derive full value at each point in that lifecycle. For example, if you have ordered a new server, you know that several predictable events must occur: you'll have to receive it, pay for it, tag it, provision it and assign it. By tracking each of these events, you ensure that you're not paying for an asset that hasn't yet been received, that the asset is tagged and provisioned as soon as it arrives, that the warranty is activated, and so on.

Beyond these initial events, knowing an asset's status can help simplify management, enforce accountability and maximize ROI throughout its lifecycle. For example, when a PC is being repaired it's still being depreciated even though it's not currently returning value. Tracking lifecycle status can help you ensure the repairs are made as quickly as possible. And when an asset reaches the end of its lifecycle, a lifecycle tracking application can provide the evidence you need that it was disposed of properly in accordance with environmental regulations.

Lifecycle status tracking can also reinforce other regulatory compliance efforts. As one example, think of the all-too-common reports of notebooks and hard drives that go missing, containing personal information for thousands of customers. While lifecycle tracking can't prevent this, it can provide the information you need to satisfy a Sarbanes-Oxley or HIPAA auditor. That is, if you can document the chain of ownership—even to the point where a hard drive is taken out of service and sent to a particular vendor for disk wipe and disposal—you can prove compliance and point the way to a potentially more fruitful investigation.

Assignment

Assignment refers to the person or group who physically possesses the asset and is responsible for ensuring that it's providing the intended value. This aspect of asset tracking should not be confused with accountability, which (for IT assets) is most likely to refer to someone in the IT department. By contrast, assignment typically describes a user—and helps identify whether the asset is being used appropriately.

Tracking assignment can help you evaluate current utilization, as well as plan future budgets and purchases. As a simple example, if you know you have unassigned assets, you may be able to deploy them rather than purchasing new assets. If you have assets that are assigned but unused—such as a spreadsheet program that's on everyone's computer even though no one in the Documentation department uses it—you can decide not to renew those licenses in the next budget cycle. And you can make sure that company-owned assets such as laptops and PDAs aren't simply "walking away" from the building.

Above all, you can gain an accurate picture of the assets—and costs—that go into provisioning users with the hardware, software and services they need. This allows you to price IT infrastructure, end-user systems and support as commodity items, so you can assign costs appropriately.

Asset Management as a Foundation for CMDB

Over time, the asset repository can become a central component of a full-fledged configuration management database (CMDB) as defined in the Information Technology Infrastructure Library (ITIL). To understand how, it's important to regard CMDB correctly as an evolutionary process, not as a product in itself.

As described by the ITIL, a true CMDB is a foundational element for providing effective service-level management of infrastructure elements, such as servers, network equipment and applications. It's not a solution for configuring and managing individual devices, but rather a structured approach to holistic service management of the entire IT infrastructure. Thus, it's not a product you can buy off the shelf—either today or tomorrow. Rather, CMDB is a set of best practices, aided by technology, that IT arrives at over time through disciplined initiatives to establish process control, configuration control, data acquisition and normalization.

Asset Management, by its very nature, includes all the hardware and software that make up the IT infrastructure, as well as all other asset types such as end-user devices, applications, licenses and so on. In other words, it encompasses all the assets associated with a CMDB, and a lot more as well.

In order to gain functional knowledge and control over the elements of a CMDB, you have to be able to identify, track and manage the associated infrastructure assets as assets. That means Asset Management, as a discipline, is both a prerequisite to building a fully functional CMDB and major contributor to its operation once the CMDB is built. If you want to acquire the technology and processes needed to achieve a CMDB, the best place to start is with an Asset Management solution based on a comprehensive asset repository.

Getting There: Asset Management and Beyond

So how do you get to effective Asset Management—and eventually to CMDB and effective service management, as defined by ITIL?

The first step is to put a strong configuration management solution in place, if you don't already have one. This gives you the ability to control and secure endpoints for optimal function and performance—without the concern that end users will make potentially destructive changes. You can then build step by step from this solution to create a complete asset repository that tracks every aspect of KOALA.

In building the asset repository, it's best to begin with the data that you know you can easily collect, and that you know you can use to improve control over specific business processes. You can then structure this data within a set of controls defined by the business processes that rely on tracked assets. This allows you to better understand what pieces make up a particular service and learn how to deliver services more effectively.

Ultimately, you can package services as a branded and priced product. In this model, IT can essentially serve the company as if it were an "internal outsourcer," dealing with needs proactively, pricing services appropriately and guaranteeing service levels and response times based on hard data. And when requested to provide additional or enhanced services, IT can use the data they've been tracking to provide an accurate pricing quote.

Over time, managing assets according to the data you do know will give you greater insight into what you don't know that could be useful. You can then expand the asset repository to meet new needs, while confidently excluding data that's irrelevant to your business to keep the repository manageable. In this way, you can progress through a series of maturity steps—first tracking simple, knowable data such as receipts and licenses, and incrementally adding the ability to analyze maintenance costs, build company policies governing the use of assets and services, document processes for audit purposes and more. Any new data items should be related to specific company goals, so that you're not just collecting data for the sake of data.

Once you have an asset repository in place, added a control layer, built discipline to gather and analyze data, continuously refined processes and recast IT as a service provider—rather than a firefighting team—you're well on the way. At this point, the effort you've made is paying off for everyone: Line-of-business departments understand exactly what they're getting in return for what they're paying, IT can price its services and plan its budget accurately, and the business as a whole gets the exact IT services it needs without wasting money

Moreover, as you put the pieces into place, one day you'll look around and realize that you've essentially built a CMDB. And since a CMDB is a foundational element of ITIL service management as a whole, you'll find that you're on the road to achieving service management as well. And you will have done that simply in the course of doing IT in a progressively more structured way, day by day.

Toward Service Management: Look to LANDesk for Leadership

You'll never achieve IT service-level management by remaining in the reactive break-fix mode that has predominated in IT departments for so long. By relating assets to assets in the context of the total services they provide, you can gain greater control over purchasing, change management, chain of custody, audit, license compliance, regulatory compliance and many other essential business processes.

Building on the knowledge you acquire over time, you can create a service catalog based on the assets required to deliver each service, define service quality metrics, and ultimately create the service-centric IT processes defined by the ITIL. At that point, OT will have completed the transition from a reactionary, technology-centric cost center to a proactive, service-centric profit center.

It's a long-term project, and LANDesk is committed to helping you complete it successfully. In 2008, look for LANDesk to build on its proven management solutions with new innovations designed help organizations plan and travel a smooth, predictable route to full-fledged ITIL service management.

Visit www.landesk.com for more information.