Metrics to measure SAM success

White Paper: Eight ways to prove your SAM program is
delivering business benefits

EXECUTIVE SUMMARY

What does "good SAM" look like? It's a simple question, but one many SAM professionals still struggle to answer. While there's no shortage of best practice advice and even an international standard, proving SAM effectiveness in the real world can be a challenge.

This white paper from Snow Software, the leaders in Software Asset Management solutions, highlights eight easy-to-understand metrics that should form the basis of your SAM analysis and reporting. Armed with these metrics you will be able to prove that the organization is practicing "good SAM" and highlight tangible benefits.

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INTRODUCTION

As a SAM professional, it would be appropriate to ask "What does good SAM look like?" and having dug around and found the mantra-like statements regarding having the right "people, systems and processes" in place to oversee the lifecycle of your software and software-related assets, you might now be looking for guidance that is a bit more practical and seeks to point you in the direction of specific metrics that can support good business-as-usual practices.

What follows is a series of metrics that lend themselves very well to effective Software Asset Management, regardless of what industry you are in, the size of your organization or even what SAM solution you are using (although beware that not all SAM solutions can provide the information or accuracy required!).

The order of the eight metrics described has been roughly prioritized according to what will be most important to most SAM managers. But feel free to re-prioritize them if you have specific goals or reporting requirements in your organization.

THE PERCENTAGE OF 'MANAGED' SOFTWARE TITLES WHICH CAN BE COVERED BY AN ACCURATE AND TIMELY EFFECTIVE LICENSING POSITING (ELP) REPORT

When it comes to managing the inventory and reconciliation of software titles on the network, there are three main considerations:

1. What software do I most care about (often the software with the highest cost or compliance risks)?
2. What software do I want to track, but am less concerned about (such as 'free' software like Adobe Reader)?
3. What software is out-of-scope for the current SAM program?

We've discussed previously the importance of accurate and realistic scoping of the SAM program, to ensure that the organization has the right priorities and is not biting off more than it can chew in terms of managing the software portfolio.

Once the scope of the SAM program has been defined, it should be easy to build an accurate list of the software titles that fall into each of the top two categories above (arguably we don't care about the third category, unless we are considering blacklisting specific titles). This can then be compared against the inventory reports to quickly provide a percentage of coverage. While 100% coverage is the obvious target, in the real world most organizations consider 'successful SAM' to be coverage in excess of 95%.

The lower the number of titles you have to oversee, then the tighter your SAM scope becomes; which in turn means that you have to spend less time negotiating with procurement/finance to obtain proof of entitlement, less time obtaining inventory data to balance against proof of entitlement and less time researching licence types and configuring SAM suites to accommodate esoteric licence metrics.

Equally, there are service desk benefits that can be driven by a rationalization of software titles: If a consolidation of software titles takes place, then the helpdesk is not required to maintain a skills/knowledgebase that tackles every flavor and iteration of numerous software titles, which detrimentally spreads finite resources to veneer-like depths of technical support and resolution.

Identifying which software titles are used to run the business will help to elevate SAM/IT nearer to the strategic level of attention rarely afforded to an aspect of IT (many companies view IT as a utility, rather than assets worthy of appropriate levels of management). Demonstrating to Management an ability to run a compliance report on a given number of software titles also supports the value in creating and maintaining a Supported Software Catalog (such as can be managed with Snow's Software Store Option). Whilst many non-IT stakeholders might shrug their shoulders at the value in being able to produce a licence position, they might take more notice if a favorite software title is removed because it has failed to retain its status as the company standard.

THE PERCENTAGE OF SOFTWARE VENDORS WHICH CAN BE COVERED BY AN ACCURATE AND TIMELY EFFECTIVE LICENSING POSITION REPORT

With upwards of 65% of organizations now subject to at least one software publisher audit each year, the importance of having a pre-prepared Effective Licensing Position report for key vendors has become more important than ever.

Ideally, your SAM solution should be able to quickly calculate the ELP on a vendor-by-vendor basis, giving you instant visibility of both risks and potential cost savings.

Tracking the metric itself is very simple. You take the software publishers of the titles included in your 'managed software report' (see Metric 1 above) and record how many ELPs are either pre-calculated (and refreshed on a regular basis) or can be triggered instantly.

The target should be to have 100% coverage for all vendors considered to be 'managed'.

While audit defence is an important consideration for any SAM Manager, a complementary benefit of being able to generate licence compliance positions for whole vendors at a time is that of strategic vendor management. Again, we are beginning to propel SAM from purely being a reporting function into an intelligence division for senior management. For mid- to long-term forecasting, Senior Management are going to be interested in:

A. What is the direction the business going in/do I want to take it?

B. Is the technology currently in place capable of supporting or current business demands?

C. Will that technology support our future growth plans?

D. Do we have evidence of good/bad/indifferent relationships with software vendor X over the past 3/5/7 years?

Software Asset Management (and Service Desk Management) are capable of supporting decisions made around the four points above, including the manner in which software vendors conducted themselves during the life of the previous contract.

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THE PERCENTAGE OF DEVICES COVERED BY THE SAM PLATFORM

Fundamentally, many of your software license calculations will be based upon reporting the correct number of "qualified devices" that are covered by a given contract. And so this is a suitable jumping point from SAM to HAM (Hardware Asset Management), to demonstrate that the impact of IMAC (Incidents, Moves, Additions and Changes) can have on compliance reports in respect of accuracy.

SAM needs to have faith in the inventory sources that underpin compliance reports, and so authenticating accuracy prior to formulating such reports for senior management should be a mandatory component of any reporting process. Best practice recommends that a comparison of inventory data is made through an equivalent data source to ensure that the data imported is fit for purpose.

If we merely view inventory data through a SAM suite, then we will automatically assume that 100% of the IT estate is being recorded. Many SAM platforms are very capable of retrieving data from Windows-based devices, but only in exceptional circumstances will your IT estate be comprised entirely of Windows-only systems. Be mindful too, that an over-simplification of this statistic doesn't lead you into a false sense of security: One Server does not equal one laptop.

Try not to forget that hardware devices, like software, have a lifecycle – and that lifecycle will require different levels of management for counting purposes depending upon the platform-type. Personal devices are more likely to require some kind of recovery activity at the end of an employee's time at a company; whereas the movement of a virtual server in a datacenter will require more attention during the IMAC phase of its lifecycle.

Missed devices not only reveals undermined licensing accuracy, but can also result in missed information security loopholes being discovered – The phrase "Shadow IT" abounds in many articles looking to describe IT assets that have been snuck onto the IT estate without going through official deployment channels. Such shortfalls of knowledge are a compliance black hole.

GOING MOBILE?

While most inventory solutions still focus on laptops, desktops and servers, the use of mobile phones and tablets continues to explode. Your SAM program needs to be clear on whether such devices are in or out of scope. Arguably with the implications of indirect usage and secondary use rights, leaving mobiles out-of-scope is becoming increasingly difficult to justify, so having an integrated SAM platform that can include these devices is becoming more and more important.

THE PERCENTAGE OF ENTITLEMENTS THAT ARE RECORDED IN THE SAM PLATFORM

Your Proof of Entitlement is a vital component in your compliance reporting efforts. Remaining vigilant in ensuring these are as up to date as possible will serve to prevent red-letter reports being fired off to management advocating the immediate removal of (allegedly) unlicensed software, or the reactive step of buying licences (even if you're not absolutely sure it's necessary).

There are several aspects to managing entitlements. To ensure that the right entitlements are being matched to the right installations, appropriate product and best practices training around the SAM suite being used should ensure that any staff charged with such a responsibility are doing this properly.

Second, there will be entitlements that are missing – these need chasing down prior to going down the route suggested in the previous paragraph.

Finally, there will be entitlements that are surplus to requirements. This is your licence pool, and whilst those purchases may not have installations to balance against, they could do in the future. Think of the varying projects about your business that might have advanced-ordered licences for an impending deployment of software – this needs ring-fencing within the licence pool to ensure that it is not granted to another part of the business as part of BAU licence allocation activities.

The number of licences permitted over deployment numbers will vary depending on the flux those software titles report, and also will be based on the cost of the software. Once a tipping point has been reached in regards to the number of reserve licences that are permitted, then Procurement/Finance need to be informed not to sanction additional purchases until further notice.

In terms of reporting, this metric can be divided into a number of sub-categories:

1. Volume/percentage of entitlements 'not yet recorded' (i.e. you are confident you possess the entitlements but they are not yet included in the SAM platform's repository – your goal might be to see this number reduce with each report)
2. Volume/percentage of entitlements 'missing' (i.e. your compliance risk – you can't prove legitimate right to use the software titles with missing entitlements)
3. Volume/percentage of entitlements in surplus (i.e. entitlements on record that cannot be reconciled with an installed application)

The target for 'Good SAM' is to keep all the numbers above as low as possible (and if they start high, develop a plan to show a reduction over time) to avoid both compliance risks and overspend.

SAM METRIC #5

THE PERCENTAGE OR VOLUME OF SOFTWARE TITLES THAT IS RECOGNISED BY THE SAM SOLUTION

The comparison of inventory data to proof of entitlement will count for little if your SAM platform is not able to associate an installation record with a software title within its software recognition database. Put simply, the less unrecognized software, the better.

Most SAM and inventory solutions will provide reports on unrecognized software, making it easy to at least see what hasn't been recognized, even if doing something about it is a lot more complicated. SAM solution developers like Snow put a lot of effort into minimizing unrecognized software and then doing something about files that cannot be automatically matched.

In Snow's case, this means providing nightly updates to customers' software recognition databases, together with a team of software recognition experts that work around the clock to quickly identify unrecognized applications. Typically, the team adds 7,000 or more new applications to the Snow software recognition database each month.

While most SAM programs would define End-User Developed Applications (EUDAs) as out-of-scope, giving these apps a 'plain English' title and vendor can help exclude them from the unrecognized files and also help categorize them as per Metric 1 above. A good SAM solution like Snow makes editing these recognition rules easy (and also keep the modifications on the local system, so that they are not overwritten by any global updates).

SAM METRIC #6

THE PERCENTAGE OF SOFTWARE REQUESTS THAT GO THROUGH UNAUTHORIZED CHANNELS

Although not necessarily an automated report that can be generated at the touch of a button, monitoring how software is purchased can give a good indication of the awareness and adoption of SAM principles across the organization.

With a user-centric SAM solution like Snow, which now includes the option to provide users with a self-service app portal (the Software Store Option), it's quick and easy to reconcile how many software requests and deployments have gone through the official channels versus how many applications have turned up on the network that were not requested and sanctioned through the app store.

The aim of this metric is to ensure that, regardless of who is requesting a software install, they understand that a preferred approach is adopted – economies of scale do not come into play if 'busy' execs think they are doing their company a favour and purchasing software through retail channels on their company credit card.

Aside from the financial aspect, this metric should also serve to highlight how much buy-in an Acceptable Use/ SAM Policy is gaining within your company. From the point that your ITAM Framework is initiated, you should be able to demonstrate adequate due-diligence around software installations, and that starts with a software request. Clearly, a "line in the sand" approach would be beneficial to any new SAM Manager starting out, as retrospectively trying to align long-forgotten software requests with legacy installs merely to find out whether an approved process was followed is most likely not going to be the best use of a SAM team's time. Moving forward, however, such rigor should be applied if for no other reason than to clamp down on shadow IT.

THE PERCENTAGE OF NAMED USER LICENCES WITH EX-MEMBERS OF STAFF

Named user licences are pricey entitlements in the world of SAM and so it makes sense to ensure that the licences bought are limited to staff who will actively use them. Too often, a new employee will be granted rights to use a particular database or system through the purchase of a new licence (or worse still, will be given the log on details of the departing employee).

Solutions like Snow Optimizer for SAP® Software can help organizations ensure that staff turnover or internal moves do not cause compliance failures or overspend by automatically checking on a scheduled basis that licenses are correctly assigned. One such project recently identified over 1,200 SAP licenses assigned to ex-employees, which saved the customer organization over $4 million in license renewal costs.

The correct transfer protocol should be documented and followed to ensure that vendor audits do not trip up a company in how they are using such valuable entities. A factor that may alter the percentage of transfers of licences that were held by former employees is the vendor's 'right of transfer' – some publishers do not permit the transfer of licences, or do so only under very specific time restrictions or circumstances.

As with the percentage of devices covered by a SAM Suite (Metric 3), there are also information security risks that can be addressed by keeping on top of the correct allocation of named user licences; remote working is increasingly becoming the norm, and so if former employees still have access to systems, valuable data and competitive advantage could be spirited away, or even worse, corrupted or deleted. Maintaining a close alignment between the SAM platform and external sources of employee information (such as Active Directory or HR files) can help mitigate both compliance and security risks.
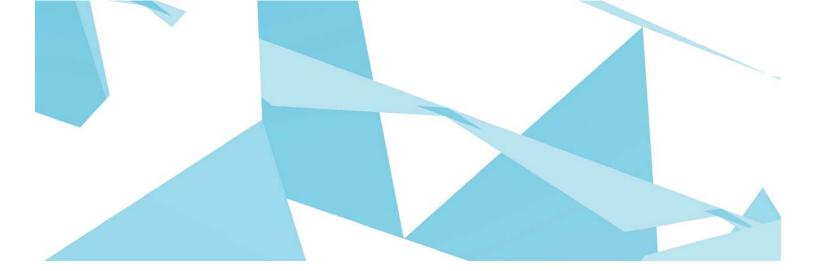
THE PERCENTAGE OF SERVERS NOT ALLOCATED A PERFORMANCE ROLE

Not unlike Named User Licences, understanding the role of physical devices can have substantial impact on licence calculations. Many vendors will discount the requirement to have full-blown production licences allocated to Development, test, non-production or stand-by devices. However, be careful: One vendor's definition of what is permitted on a development server could be entirely different from another vendor, so don't be tempted to paint all software vendors with the same broad-brush approach to server licence allocation.

Some SAM platforms make it easier than others to manage this situation. With the Snow solution, 'extended coverage' can be used to support the use of primary and secondary servers (as used in disaster recovery scenarios, for example). Additionally, flexible organizational structures can be set up that help distinguish servers from the main production environment. Finally, custom fields can also be used to create flags for specific software publishers or titles, further aiding the management of different server roles.

Another option might be to add a suffix to the server name, so that if several instances of a database installation appear from one scan to the next then alarm bells aren't automatically set off if the device name that is hosting those installations ends in the suffix "Dev" or "Test".

CONCLUSION

The metrics described above will achieve two primary goals. First they will help you identify where the current strengths and weaknesses of your SAM program lie. This can be more valuable than any amount of time spent studying a documents on SAM best practices. What you choose to do with this initial information is your choice – either you can use it to justify the need for further investment (in time and resources) to address identified issues, or the information can be used internally by the SAM team to pinpoint required improvements before sharing the information more widely.

Depending on your view on the first point, the second goal is to secure the buy-in and investment required to continually improve the SAM program. There's no such thing as 'done' when it comes to managing software; it is an ongoing cycle of constant monitoring and review. Only then can software and licensing by maintained in an optimized state. Being able to track and report on the metrics above – and then add financial values to them, as we will discuss in a later paper – is perhaps the best way to gain executive support.

NEXT STEPS

If you have a SAM platform in place, you should have the building blocks necessary to start building the reports outlined above. If you don't know how to do that, most vendors like Snow provide certified training courses that help SAM managers get the best from their chosen technologies.

If you are unable to create the reports prescribed, you need to look at a SAM platform that has the ability to support the way you use IT.

To learn more about Snow training, visit:
www.snowsoftware.com/int/services/snow-product-training

For more information on the Snow platform, contact your regional sales office:
www.snowsoftware.com/int/contact

SNOW PRODUCTS

SIm Snow license manager

With millions of licenses sold, Snow License Manager is the world's leading SAM solution.

Srs Software recognition service

Recognize commercially-licensable applications across the network.

Om Oracle managemant option

Cut the costs of managing complex Oracle licenses.

Vm Virtualization management

Identify and manage virtual assets across the network.

Inv Snow inventory

The true multi-platform audit solution designed to find devices, audit software installs and track usage.

Sic Snow integration connectors

Integrate Snow's SAM platform with existing Inventory, ITAM and Service Management solutions.

Sos Snow optimizer for SAP® software

Manage SAP licensing to optimize one of the enterprise's largest software costs.

Sso Software store option

User-centric software request portal with integrated dynamic and proactive Software Asset Management.

ABOUT SNOW SOFTWARE

Snow's Mission is to stop organizations paying too high a price for the software they consume.

To bring transparency and fairness to the licensing of software across the network, Snow provides on-premise and cloud-based Software Asset Management (SAM) solutions that safeguard the US $320 billion spent each year on enterprise software: ensuring organizations realize the full benefit of optimized licensing.

Snow is the largest dedicated developer of SAM solutions, headquartered in Sweden with more than 300 staff across 15 regional locations, three development centers and local support teams in seven territories.

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