

# 8 ways to drive cost savings using software asset management





## Introduction

Organizations are spending more and more money on software, creating a messy universe of new and legacy assets and highlighting the need for software asset management. Global enterprise software spending in 2022 will be \$670 billion, according to Gartner\*. Yet companies are still using outdated systems to track an expense that can be managed much more efficiently. How? Through a dynamic and comprehensive platform that delivers real-time data to IT and budget managers.

In any economy, every company should streamline software asset management on a single platform, because it plots a direct path to cross-department efficiencies and bottom-line savings. In the new normal, created by unprecedented business and cultural disruption, software asset management is more critical than ever to sustain your company's resilience through a smarter workflow.

By reducing license utilization waste and redistributing software budgets to support strategic business initiatives, your IT organization can accelerate a company's digitalization agenda, contributing directly to revenues and growth.

**As your business grapples with disruption and uncertainty, get visibility and control of your investments, projects, and workforce so teams can focus on operating business-critical services, maintain business continuity, and mitigate risk enterprise-wide.**

[\\* Gartner Forecasts Worldwide IT Spending to Exceed \\$4 Trillion in 2022](#)

# Here's how companies can adopt a comprehensive software asset management approach to save money and manage their assets to their full potential.

## 1 Align software with company goals.

Full life cycle software asset management platforms give companies transparency to visualize in one place how their software spending aligns with their goals, from the initial purchase request to the final retirement. What do you own? Are you buying what you need and using what you have? What software is hitting budget goals? Can you detect shadow software purchases and redundancies across the organization?

## 2 Embrace the power of one.

Instead of paying for many legacy tools, IT managers can now do more on one comprehensive platform than they could using a basket of others. Only when software asset management is on the same platform where IT is managed can you take action on license cost and compliance risk, renewal management, underused software, and idle clouds.

## 3 Save money with more efficient usage.

One of the key benefits of software asset management is that it offers real-time visibility into license usage and costs. If your company has software licenses for 2,000 users while, in practice, only 1,000 employees use the software, you can cut those costs and allocate those funds to other parts of the enterprise. On an enterprise-wide platform, department managers can easily identify and streamline software needs—then recover and redistribute licenses for higher and better use.

## 4 Track spending trends for ROI.

One of the most powerful functions of software asset management on a comprehensive platform is the ability to track software spending trends. Unlike tools branded as “platforms” that are actually limited to software asset management functions, a single platform for IT enables organizations to quickly identify cost and spending trends, giving IT management the real-time data needed to spot increases and negotiate lower prices with vendors. The organization can automatically track software demand from an employee self-service request catalog and avoid unnecessary purchases by first leveraging the extra software licenses sitting on the shelf. And they can bring it all together on one data model on one architecture.

**5 Identify overlapping software use.**

The best software asset management capabilities can identify distributed usage and overlapping software opportunities. For example, if multiple departments are using different project management software and paying higher costs per user, there is an opportunity to consolidate contracts at a higher discount. Software asset management can also identify high uses of software with very similar capabilities. Do you really need four types of video conferencing software with a collective annual spend of \$1.7M?

**6 Detect software vulnerabilities for the enterprise.**

One lapse in software security patches and updates can put the entire company at risk. Given the growing trend to work from home, especially in the new normal, the need for security compliance is even more acute. Software asset management, on a platform with native security, makes it possible for software asset management teams to route critical software information by device to security operations. With software asset management, security teams can immediately identify where software vulnerabilities are without waiting for the next scan. This allows them to rectify exposures immediately and reduce the potential for hackers.

**7 Match the right roles with the right software.**

In larger organizations, there is a tendency to shower entire departments with the latest software, regardless of the cost. For example, a firm may automatically give licenses to everyone in a design department because designers all need the same tools. The reality may be that only half of the department uses that software while others have functions tangential to design. Smart software asset management teams can allocate standard images to help simplify and automate the HR onboarding process for increased efficiency. Give the engineers or sales teams the software and SaaS access they need.

**8 Automatically assign and distribute licenses.**

Downtime is costly. Today's top software asset management tools automatically assign licenses and distribute software throughout the entire enterprise or on a departmental basis. When a data center is undergoing an architecture change, software asset management – if it's on the same platform where the IT change is managed – will surface the software cost of the change. Dropping an Oracle database into a new virtual cluster? When software asset management works in conjunction with ITSM, coordination and savings begin to add up. After software is provisioned to desktops, software asset management can identify what software people in their specific roles are using or not using, allowing them to redistribute the underused software and make more informed purchase decisions going forward.

**47%**

of IT departments using strategic automation believe it can increase the efficiency of their operations.<sup>1</sup>

... and 38% believe it can increase the innovation in their organization.<sup>1</sup>

1. Future Workforce Insights, Why Strategic Automation Empowers Employees in IT, September 2022, An IDC ebook, sponsored by ServiceNow

## Creating your own software asset management strategy

Although new software asset management tools are helpful on their own, the biggest gains will still be realized through planning and automating workflows that facilitate interdepartmental communication.

### 1 Bring your software management and IT strategy together.

If you don't have a single IT platform, find one that has: (1) comprehensive discovery capabilities; (2) a robust catalog for normalizing software inventory; (3) automated reclamation, renewal and redistribution of licenses; and (4) flexible reporting on software usage, costs, compliance trends and technology standards. If you already have a single system of action in your IT department, add a powerful software asset management capability to it to unify all processes.

### 2 Invite more ideas for a more comprehensive plan.

IT plays a role in all departments. All departments will use different software and the same software differently. Avoid making inferior plans by including all stakeholders early on. Give executives visibility into health and lifecycle of software assets.

### 3 Set goals and measure success.

Nothing will grow unless goals are set and measured for success. Get a higher ROI from your software asset management by setting realistic goals, measured in short-term increments, and hitting them. Start with one or two software publishers with the highest compliance risk and the software with the most spend to get started.

### 4 Review, revise and celebrate.

Set appropriate timelines for adequate data collection for periodic review. Revise your strategy in connection with your goals. Track records of what you define as success. Celebrate and highlight team and individual accomplishments.

**Learn more:**

[3 steps to reducing software, hardware and cloud costs](#)  
[Best Practices in Cloud Spend Management](#)



## Conclusion

As companies continue to heed the demand for more specialized technology to remain competitive and resilient, especially during times of disruption, this portfolio of software creates a bundle of potential inefficiencies and unnecessary cost across an organization when left unmanaged. Today's smart software asset management teams help IT managers organize and visualize the company's entire software ecosystem to make better decisions and boost the return on each software license purchased while helping create a smarter way to workflow.

Remember that the best plans begin with a single platform such as the one you already have from ServiceNow. By adding ServiceNow software asset management to that, your company can bring together its IT functions natively with software asset management. The more key stakeholders contribute to the overall planning, the better the process down the road. Don't forget business 101: Set goals, measure your progress, and review and optimize sharpen your strategy.

### About ServiceNow

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