



Unlocking the Potential of IT Cost Management

Scalable Survey: Proof of Concept Framework and Deliverables



Executive Summary

Current State: For many mid and large sized corporations, there is a growing disconnect between IT engineers, financial stakeholders, procurement managers and IT business analysts who contribute to the everyday operations of the corporation. Each of these individuals also plays a role in the financial health of the corporation with respect to software compliance, cost containment and maximizing the investment for IT assets being managed. The disconnect often presents itself in the form of:

- Failed compliance audits
- Overbuying of software licenses
- Inflated maintenance and support renewals for existing applications
- Isolated spending among teams for specialty applications
- Inflated hardware refresh costs and printer maintenance
- Lack of intelligence across teams for the retirement of legacy software
- Lack of intelligence across teams when planning new software investments and platform migrations

Each of these operational teams would agree that the opportunity exists to optimize the software license portfolio and this effort would result in significant cost savings to the company while fortifying the license compliance position. Historically, financial and technical IT stakeholders have a limited ability to impact this due to a lack of the following:

- Self-service business intelligence reports which influence license compliance and cost reduction
- Complete inventory of all software products installed on each device including version summaries
- Tangible usage awareness for all software products including thin client and browser-based applications
- Tangible usage awareness of desktops, laptops and peripheral devices
- Total cost impact of the software portfolio based on end user demands and license position

This has been further complicated by the distributed nature of the environment, the process through which software has historically been purchased or assigned and limitations in current systems used to monitor inventory, asset usage and compliance.

Key Business Drivers: Cost optimization strategies must address business drivers which support productivity among IT associates and end users. The following business goals represent a framework of success factors surrounding the Scalable Survey solution:

- **Management & Associate Productivity:** Assure desktop users have **only** the software they need
- **Standardization of Software Portfolio:** Improve internal communication and minimize the complexity of helpdesk calls. Change IT buying patterns to support only the applications proven to be used by employees
- **Free Reader Replacement:** Deploy free reader versions of software to associates whose usage patterns are justified
- **Utilization Awareness:** Produce tangible usage patterns for all software applications running on desktops
- **Compliance Position:** Stay legal and eliminate exposure to a software audit
- **Cost Optimization:** Don't spend more than what is necessary on license and maintenance contracts
- **Shared Source of Knowledge:** IT, Finance and Procurement teams should all be able to collaborate efficiently through a common business-centric reporting platform

Enhance and Extend the Configuration Management Platform: Most corporations today have a fully deployed configuration management platform such as SCCM, LANDesk, Symantec Altiris, IBM Tivoli, CA Unicenter, etc. Although these solutions provide key operational functions for system availability, an easy to use business-centric reporting platform is typically unavailable out-of-the-box. These solutions are not designed to provide intelligence on IT asset utilization and cost reduction planning as noted by the above Key Business Drivers.

Scalable Survey provides analytical data to drive better financial decisions across teams. Self-service is made possible in that any technical or business analyst can access Survey to improve their own decision strategies and job functions. Unlike traditional configuration management systems, custom reports, scripting and deep technical administration is not needed for any user to access nearly 200 pre-built reports within Survey.



Scalable Proof of Concept

Scalable recommends a Proof of Concept (POC) with Survey to address the following critical objectives:

- Provide a reliable understanding of what is installed and used on each machine
- Deploy the application with no disruption to employee productivity and network resources
- Reveal the opportunity to optimize the software portfolio and eliminate wasteful spending
- Investigate historical spending patterns for licenses and maintenance, as a focal point for ROI and cost justification of the Scalable solution
- Demonstrate that Scalable Survey is a reliable shared reporting platform for IT Operations, Procurement and Finance teams to monitor asset utilization, compliance, inventory and cost containment

Targeted Systems and Timeline: Survey will be deployed for approximately 30 days targeting 15% of the corporate network. Windows workstations, servers, laptops, virtual devices and thin client servers can be targeted.

Survey agents will be deployed through the customers' existing configuration management system or can be auto-deployed from Survey.

Weekly milestones will be achieved to observe the inventory and usage data collected, showcase the Survey technology to relevant decisions makers and engineers, and train those involved with the project. About 1 hour will be spent each week to perform these tasks. The installation of Survey can often be managed over a remote access session and completed within 2 hours.

Common Targets and ROI Objectives

The Survey POC will discover all software products installed on the sampled workstations and servers. The cost reduction and usage study is typically limited to less than 15 applications, while further justification is evident from all other applications installed and used during the POC. Based on Scalable's customer success, Survey's detailed inventory and usage intelligence delivers cost reduction strategy for any Windows based software application, although some common publishers and titles are provided below as an example:

Productivity and Communications Applications:

- All Microsoft, Adobe and Symantec products
- Attachmate, MicroFocus, OpenText, Esker (Smarterterm), etc.
- Quest TOAD, MiniTab, Datawatch Monarch
- Citrix XenApp or XenDesktop published applications and users
- App-V streamed applications
- Web based applications, both intranet and cloud based
- Office plug-in modules

Business Intelligence Solutions:

- Oracle Financials, Hyperion, IBM Cronos, Kognos, etc.
- SAP, SAS, PeopleSoft

Engineering, Analytical and Specialty Applications:

- AutoDesk, Bentley, Dassault Systems, Matlab, etc.
- In-House developed applications and utilities

Revealing Cost Reduction Opportunities: Uncovering the opportunity to reduce future costs requires three key areas of information to be studied:

1. What are the historical spending patterns for the most costly desktop applications? How many copies have been purchased over the past 12 months and what is the average license cost?
 - a. Application suites, modules or plug-ins licensed by user, by machine, by server
 - b. Applications licensed through a combination of components (local, network, web, cloud)



2. What are the upcoming license and maintenance expenses for major desktop/thin client/web applications over the next 12-36 months?
3. What do the real usage patterns look like on these applications during the POC timeframe?

Once these cost reduction opportunities have been identified, the POC results are organized through a series of pre-built Survey reports to answer the following questions:

1. Who is using these major applications (by machine, by user and by concurrent use)?
2. How many subscription or concurrent licenses are actually needed for certain applications?
3. How many owned licenses can be recovered for future use as a means of cost avoidance?
4. Where can these installations be recovered and reallocated due to low end user demand?
5. Which legacy versions software applications can be uninstalled to audit-proof the compliance position?
6. For which applications should a spending freeze be applied due to frequent purchasing with low usage?
7. Are intranet, thin client and cloud application products being adequately used to justify operational and license expenses?

Results and Justification

The POC results will provide justification for the product in these areas:

1. Can Survey provide a reliable understanding of what is installed and used on each machine? The results of the work performed consistently result in an unequivocal – **Yes**
2. Can Survey be deployed with no disruption to end point machines and network resources? **Yes.** The system will be deployed with 100% success and no negative impact on end-user performance and network traffic
3. How significant is the opportunity to optimize the licensing strategy? This is typically extremely significant. On average **40% of the analyzed software installations are underutilized or never used**

For example, if during a POC we identify 4,059 software installations from a cost reduction sample targeting 8 applications, 1,874 installations would have been underutilized. Detailed reports of these findings are provided in presentation and hard copy format upon completion of the project

4. How significant is the opportunity to reduce ongoing software spending? **Also routinely and extremely significant.** Depending on the customer's software portfolio, the cost reduction potential ranges from \$200.00 – over \$600.00 per desktop within the following 36 months. Survey will demonstrate at least a 200% ROI opportunity. In many instances, the actual cost reduction outcomes result in a 8x -10x ROI ratio
5. The cost reduction opportunity revealed from the POC is only measured against the discovered applications and usage patterns. **Since the POC will target about 15% of the enterprise, ROI extrapolation is often not necessary to justify the financial benefits**
6. Can Survey be a shared information platform for the Procurement and IT Operations teams to report on IT Asset utilization, compliance and software inventory? **Yes**

Survey reports can be accessed by any domain user granted access to the product. Reports can be tailored to fit the user's specific interests, which can be saved for repeat use, exported to CSV or Excel, emailed between users, shared with the others or delivered on an automatic email schedule.



POC Requirements and Milestones

Survey POC projects are typically managed within a 3-4 week timeline. The initial deployment is accomplished remotely, although on-premise POC installations can be arranged if agreed upon by all parties involved. For a POC sample size of 1,500 machines the following customer server specifications are recommended:

- Physical or Virtual Windows 2008 server
- SQL Express 2008R2 or SQL Standard 2008R2
- SQL Management Studio
- Quad core processing and 8GB of RAM
- 60GB of free drive space
- IIS, ASP.Net, .Net Frameworks
- TCP Ports 80 and 3500 available on all machines
- WMI enabled on all machines

Installation: Requires approximately 2.5 hours to deploy Survey and prepare the settings for agent deployment

Agent deployment: This is either managed by the customers sw deployment process or automated from within Survey

Post-deployment Check-in: About 2 days after agent deployment, a configuration check is performed remotely on the server with Scalable engineers. Requires less than 1 hour

10-Day Report Review: Scalable will observe the inventory and usage data collected this far. A set of technical/administrative reports will be saved off for customer technicians. A series of high-level inventory reports will be saved off for further review with business analysts and project sponsors. Targeted applications will be grouped into report templates and additional applications will be noted for further review. Requires 1 hour

15-Day Report Review: Scalable will provide a data review with business analysts and project sponsors. Targeted applications will be focused on and cost reduction trends will be discussed. Additional noteworthy areas of usage intelligence will be showcased and discussed as potential focal-points for the project. Requires about 90-minutes

20-Day Technical Status Session: Scalable will work remotely with customer engineers to observe agent reporting data, address any technical Q & A about the administration of Survey, provide additional report training from the administrative side of Survey

20 or 30-Day Final Demo: Depending on the arrangements and timelines discussed prior to the install, Scalable will provide a remote or in-person demonstration of the customer POC data for decision makers and project sponsors. In many cases, Scalable will pull a copy of the customer database, prepare a product demo and present the resulting ROI, benefits, best-practices and technical justifications surrounding the proposed solution

Summary:

It has often been said that the only constant in IT is that nothing is constant. Much of what drives change in the environment is end user demands for IT resources and software applications. Corporations can no longer afford to make procurement decisions without analyzing tangible usage patterns of IT assets.

These critical questions are asked but can only be answered once active usage patterns are evident:

- What software costs can be avoided by reallocating underutilized licenses we already own?
- Which maintenance and software subscriptions can be re-negotiated based on real usage patterns?
- What is the highest number of distinct users accessing our IT resources and software subscriptions?
- What steps can we take to ensure compliance status and eliminate associated risks?

The quality of the answers will depend on the quality of the information available. Scalable Survey makes available a wealth of asset usage information that can prove invaluable in the months and years ahead. Without it, cost impact management and cost reduction initiatives are virtually impossible to achieve.

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