Modern ITAM in the digitally transformed enterprise

November 2022 EMA eBook
By Valerie O'Connell

Sponsored by

ivanti

Table of Research Findings

Modern business demands modern ITAM

IT teams can't rely on ITAM approaches and tools that were designed for less complex times

IT asset data and information accuracy is foundational to excellence in the delivery of business-driven IT service. That fact is magnified in environments that are pervasively hybrid, increasingly complex, and in a constant state of change.

Digital transformation raises modern challenges and offers new possibilities for the management of IT assets in the data-driven digital enterprise.

Advances in AIOps, ML, analytics, and automation reshape cross-functional workflows and boundaries in enterprise-wide initiatives, efficiencies, and innovations.

Work-from-anywhere means assets are everywhere.

The very definition of "IT asset" is expanding across clouds, hybrid workplaces, IoT, edge, and new enterprise assets in addition to well-established disciplines.

A volatile environment of business innovation and technology enablement presents new challenges as well as new opportunities for asset management teams. This independent research asked 250 global IT leaders to take a detailed look at the asset management function today and how it is likely to evolve in the near future. This cross-IT view asks the question:

What constitutes effective modern IT asset management in the digitally transformed enterprise?

Top-level finding:
When ITAM information is complete, accurate, and current, good things happen to the business and to the ITAM teams serving that business. The level of IT quality rises and is rewarded by budget, along with a better ITAM seat at the corporate table.

The ITAM/IT connection

IT service quality and budget

The global panelists were asked to rate the overall quality of service that IT delivers to their organizations. Their ratings were:

28%	60%	12%
Outstanding	Good	Average

They were also asked how their IT annual budgets changed from last year to this year:

| 22%	58%	14%	6%
More than 20% increase	5-20% increase	No change	Decrease

Those respondents who rated the quality of IT service as outstanding also reported the highest level of budget increase. Fully one-third of those in the outstanding category received more than a 20% increase in budget compared to only one-tenth of those whose IT service is average.

The strong correlation between quality of IT service and budget increase makes business sense. When high value is delivered, it is rewarded with funding. That funding, in turn, enables investments that improve service quality in a productive cycle of reciprocity.

Increasingly, IT organizations are being held accountable for the business impact of their use of that budget. A convincing 76% of organizations that earned in excess of a 20% budget increase hold IT responsible for the business impact of its investments.

Budget follows IT service quality and business impact.

Which statement best describes IT's area of responsibility?


- 4.8%
- 30.8%
- 64.4%
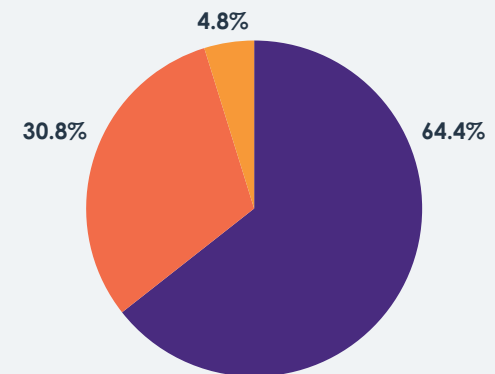
- IT is increasingly held responsible for the business impact of its investments
- IT is only responsible for the performance and availability of the service it delivers
- IT works within a budget, but how they use it is up to them

As it turns out, ITAM data accuracy has a rock-solid correlation with the quality of IT service delivered. Of the many reasons for this connection, the most basic is that asset visibility is foundational to the ability to serve, secure, control, and optimize the components of IT service. Performance, cost, and security depend on the completeness and accuracy of ITAM information.
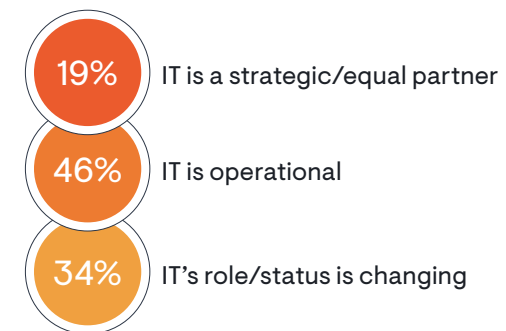
The digital transformation factor

IT and the business

As amazing as it might seem, IT equality with the business it serves is far from universal. The responses of this panel of IT leaders were very consistent with other EMA research initiatives across IT functions when asked, **"Which statement best describes the state of IT in your organization?"**
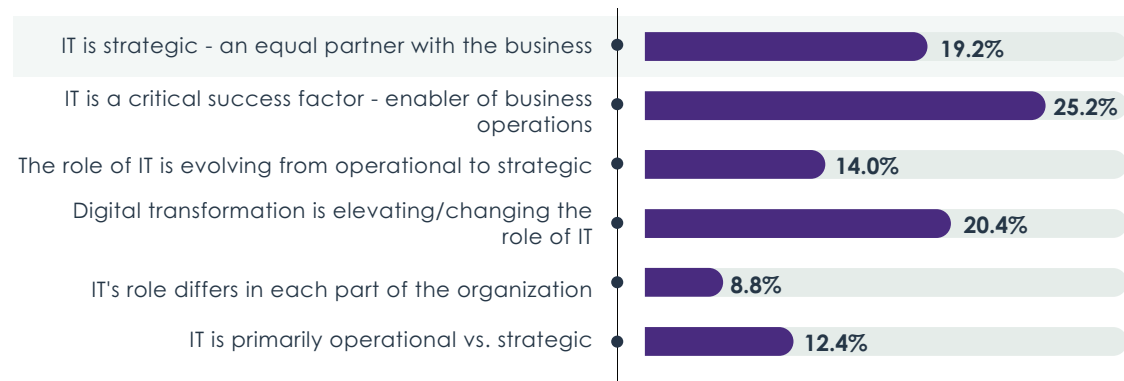
The surprisingly small 19% portion that see IT as a strategic, equal partner with the business today is somewhat offset by the combined 34% that see the role of IT as evolving from operational to strategic (14%) and digital transformation as elevating the role of IT (20%). As it stands today, the breakdown is:

IT is strategic - an equal partner with the business	19.2%
IT is a critical success factor - enabler of business operations	25.2%
The role of IT is evolving from operational to strategic	14.0%
Digital transformation is elevating/changing the role of IT	20.4%
IT's role differs in each part of the organization	8.8%
IT is primarily operational vs. strategic	12.4%

19%	IT is a strategic/equal partner
46%	IT is operational
34%	IT's role/status is changing

ITAM and IT

Digital transformation also directly impacts the organizational role of the ITAM team—for good or for bad. The difference is in the level of ITAM maturity. Asked, "Which statement best characterizes the effect of digital transformation initiatives on the role of ITAM in your organization?" there was almost an exact split between:

Increased reliance on IT has raised ITAM's role and influence

The scope and speed of innovation have increased the number and types of tools

One group finds digital transformation as a positive force for elevation, while the other experiences it as a negative source of added complexity.
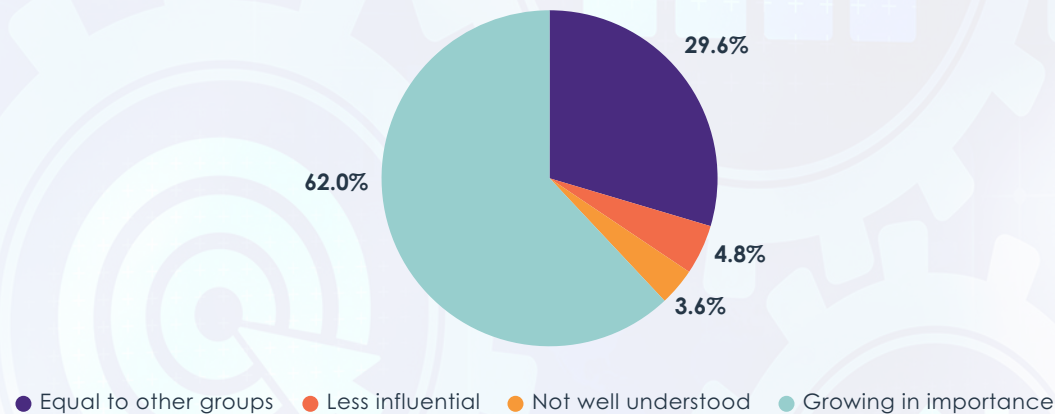
What makes the difference? The level of ITAM maturity was consistently the difference between the two groups. Those organizations with average ITAM maturity experienced digital transformation as yet another wave of changes and complications. In sharp contrast, those with high levels of ITAM maturity were able to meet changing business demands with agility and effectiveness.

An inflection point for ITAM

This period of change is a potential inflection point for ITAM teams. It is an opportunity to promote the function and extend its influence on the basis of business value. Historically, ITAM has not enjoyed influence or organizational status on par with its nominal peers across IT.

However, ITAM's fortunes may be on the rise as indicated in the answers to the question:

When it comes to influence in your organization, what statement best characterizes the asset management team compared to other IT groups like DevOps, IT service, NetOps, and FinOps?

29.6%

62.0%

4.8%

3.6%

● Equal to other groups   ● Less influential   ● Not well understood   ● Growing in importance

At first glance, ITAM professionals may be discouraged that a 70% majority see ITAM as not equal to its IT peers. The silver lining is that, while disparity definitely exists, change is well underway. For 62% of the respondents, the role of ITAM is growing in importance. The speed and level of that growth are directly determined by the value ITAM brings to the business—delivered in a way that the business values.

Reporting structure both reflects and impacts ITAM organizational status. The 31% of ITAM teams that report to the CIO or CISO performed significantly higher in all measures of effectiveness than did the 22% that report to an IT manager. There was no clear correlation in the other groups: 38% report to IT VP/Directors and 9% to the VP of Finance.

ITAM brings business value to the business

Business measures of ITAM effectiveness

ITAM effectiveness is increasingly measured by business metrics. This fact is good news for ITAM teams. It means that the function is perceived and valued as a critical success factor in business outcomes.

The top business metrics used to measure ITAM success reflect top-of-mind business concerns in general and C-level initiatives in particular:

- Security
- Cloud (migration and spend)
- Employee productivity/experience
- Cost avoidance and reduction

Which business metrics are used to measure the success of your ITAM programs?

Metric	Value
Minimized security risks	46.4%
Audit performance and accuracy	45.2%
Employee productivity	41.6%
Optimization of cloud spend	38.0%
Level of automated processes/efficiencies	36.4%
Reduction in overall IT spend	36.0%
Enhanced user experience	34.8%
Migrating workloads to the cloud	34.0%
Service to non-IT stakeholders, such as HR	25.6%

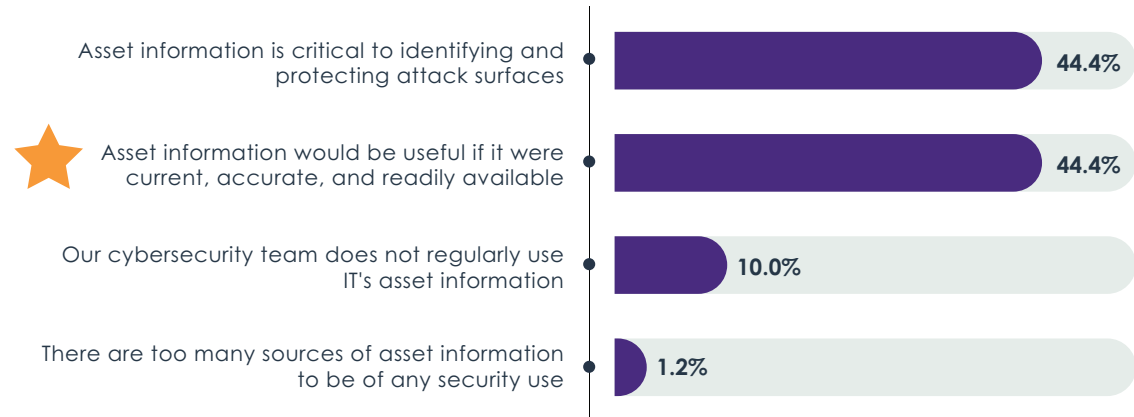# Effective security starts with effective ITAM

Cybersecurity team's view of ITAM

The topic of security and risk is the top concern, challenge, and priority of IT leaders across industries and functions. It is no surprise then that it is also top of the list for ITAM. Security was the number-one choice for both the top ITAM priority and ITAM use having the highest business impact.

The reason is clear. Step one in securing the IT estate is knowing what needs to be protected. What exists where? Asset visibility is the non-negotiable foundation of security and risk management. Logically, ITAM information is the bedrock of cyber-security efforts. However, the results from the field are less definitive.

More than half of the respondents stated that asset information is not as useful to their organization's cybersecurity teams as it could and should be. The difference is accuracy.
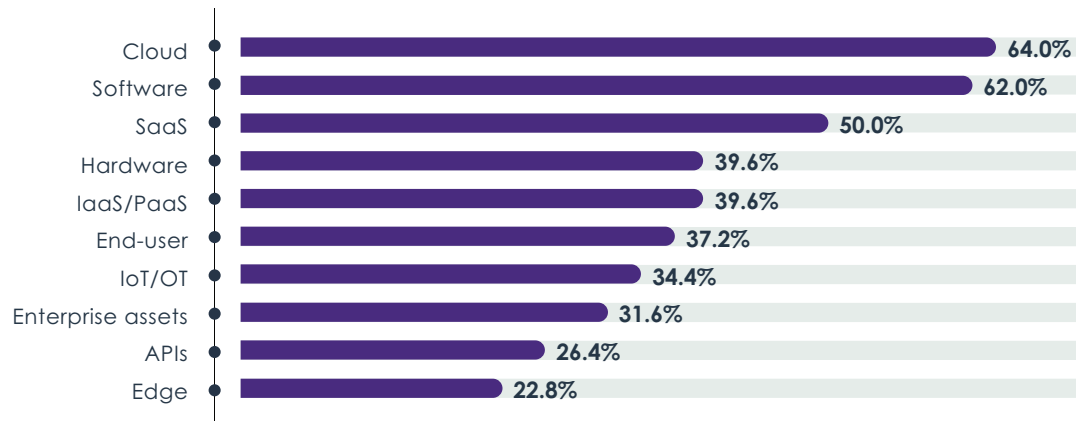
How does your organization's cybersecurity team view asset information?

Asset information is critical to identifying and protecting attack surfaces — **44.4%**

Asset information would be useful if it were current, accurate, and readily available — **44.4%**

Our cybersecurity team does not regularly use IT's asset information — **10.0%**

There are too many sources of asset information to be of any security use — **1.2%**

Asset information of most interest to security teams

Security teams that use asset information as a critical factor in identifying and protecting attack surfaces are found in organizations that have the highest level of ITAM maturity, automation, and data accuracy. Those organizations with less mature ITAM functions fall short of their potential as a source for security efforts.

Which areas of asset information are of most interest to your cybersecurity teams?

Area	Percentage
Cloud	64.0%
Software	62.0%
SaaS	50.0%
Hardware	39.6%
IaaS/PaaS	39.6%
End-user	37.2%
IoT/OT	34.4%
Enterprise assets	31.6%
APIs	26.4%
Edge	22.8%

The areas of asset information that most interest security teams are **cloud, software, and SaaS**. It doesn't stop there. The span of interest is broad and growing across the enterprise as asset types and uses multiply.

Cloud, ITAM, and FinOps

Cloud challenges and spend waste

Cloud opens a world of possibility for business innovation at speed and scale, but these gains are not without challenge. In fact, "cloud" is the number-one challenge both to delivering high-quality IT service and for ITAM team effectiveness. Note: silos are another shared impediment to excellence.*

What are the biggest challenges to delivering high-quality IT service?

1. Cloud – visibility and separate operations
2. Talent shortage or automation to fill the gap
3. Gaps in end-end visibility for a unified view
4. Legacy systems
5. Discovery and business context mapping
6. *Siloed systems and tools**

What are the top challenges for ITAM teams?

1. Cloud
2. Fast pace of change
3. Budget
4. Increased audit activity and risk
5. ITAM function not highly valued
6. *Siloed tools and functions**

Cloud challenges come from many directions, including resources that spin up and down in minutes or linger unattended for chargeable days. Visibility is an operational challenge and a financial one as well. Asked, **"Can you estimate how much is being wasted on the use of public and private cloud resources (applications, instances, infrastructure) across departments and users?"** the answers weighed heavily in the direction of significant waste. It should be noted that, once again, ITAM maturity highly correlated with cloud waste under 5%. For the majority of respondents, cloud waste was estimated between 5% and 25% of overall cloud spend. **Enter FinOps.**

2.4%
22.8%
32.4%
42.4%

● < 5%   ● Between 5% and 10%
● Between 10% and 25%   ● More than 25%
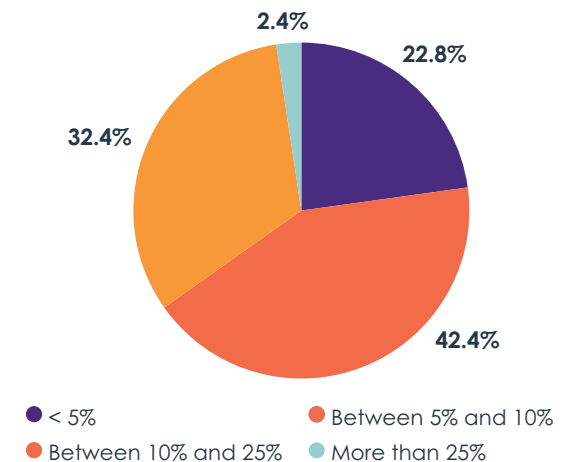
FinOps and ITAM

FinOps is mainstream, adding high value to most organizations. Only 11% of respondents considered their organizations to be early or just starting; for a bewildering 2%, it is not applicable. Although FinOps is delivering much-needed control and understanding to cloud spend, the group is typically separate from ITAM teams in almost all organizations.

In this research, 12% of the respondents noted that there is currently an active drive to integrate FinOps with other teams. Increased collaboration between FinOps and ITAM is the direction most organizations foresee. Asked, **"What will the long-term relationship of FinOps and ITAM most likely be?"** only 12% responded, "FinOps and ITAM are fundamentally different. They will remain separate." The 88% majority see the two functions coming together—whether in a merged or separate organization—on the basis of specialized tools normalized for use on an enterprise-wide platform.

In the meantime, FinOps teams bring specialized expertise that can directly benefit ITAM teams. Top answers to the question, **"What challenge(s) does FinOps address that complement ITAM?"** were:

1 Software used by cloud instances may or may not be licensed/included as part of cloud payments, making it difficult to track and manage software licensing compliance

2 Cloud services are not always composed of readily identifiable assets

3 The large number of virtual IT assets that are created in the cloud

4 Software licensing models can differ between cloud and on-premises environments

5 Use of multiple clouds makes it difficult to get a comprehensive view of what is in use

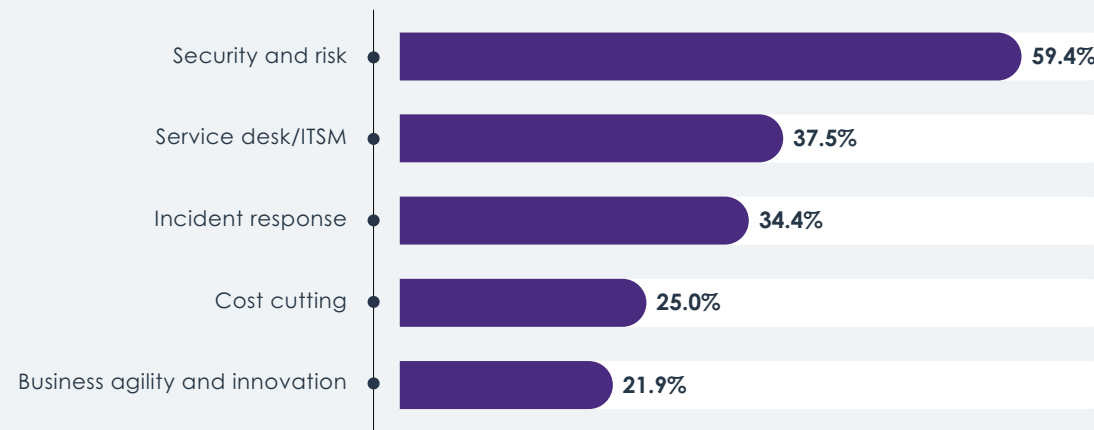**6** Virtual cloud assets can be created and destroyed rapidly

ITAM impacts employee experience

Work-from-anywhere means assets are everywhere, bringing ITAM challenges from all points of the globe. It also brings a heightened opportunity for the ITAM team to deliver business value. Employee productivity hinges on their experience with the systems they use. In the isolation of "anywhere" workplaces, the ITSM team is the productivity lifeline when tools and systems behave badly.

CxOs recognize ITAM's critical role in enabling the service team to serve employees. In fact, asked to name the highest impact use of IT asset information, the executive respondents named service desk/ITSM as second only to security and risk. Anyone who has ever sat helplessly waiting for a service desk agent to exercise his or her detective skills can appreciate the difference that fast, accurate, and complete asset information can make in identifying and remedying a problem.

ITAM brings more than visibility to the employee experience; it brings understanding. Knowledge of usage patterns, performance, licensing, and warranty all contribute to effective management of the end-user experience. **Employees "see" the service desk, but ITAM is a power source for that service.**

Which uses of IT asset information have the biggest impact on your organization?

Category	Percentage
Security and risk	59.4%
Service desk/ITSM	37.5%
Incident response	34.4%
Cost cutting	25.0%
Business agility and innovation	21.9%

Diversity of uses for asset information

When IT asset information is accurate, complete, and accessible, it gets widely used by many groups. When it lacks any of these factors, groups that have need of the information will simply establish their own asset management systems.

The question, **"Many different groups use IT asset information. Which groups have their own asset management tools and processes?"** produced the following categories:

Top choice by far
  » ITAM (hardware and software)

Most commonly cited
  » IT finance
  » ITSM (service management)
  » Cloud CoE/operations

Well represented
  » HR (human resources)
  » SAM (software)
  » Procurement
  » ITOps

Not surprisingly, the information in these various asset management systems may or, more likely, may not agree with each other. On a departmental or localized level, that disparity can be incidental. However, these differences have definite consequences when it comes to enterprise initiatives, such as automation and cross-functional workflows.

Incomplete, siloed, conflicting, or inadequate asset information has what effect in your organization? (Choose the top two.)

Effect	Percentage
Increases costs and decreases efficiency	21.4%
Puts security and compliance at risk	16.5%
Stands in the way of automation	15.1%
Disrupts cross-functional workflows	14.8%
Complicates cloud migration	13.7%
Stifles new business initiatives	9.5%
It is not an issue in my organization	9.0%
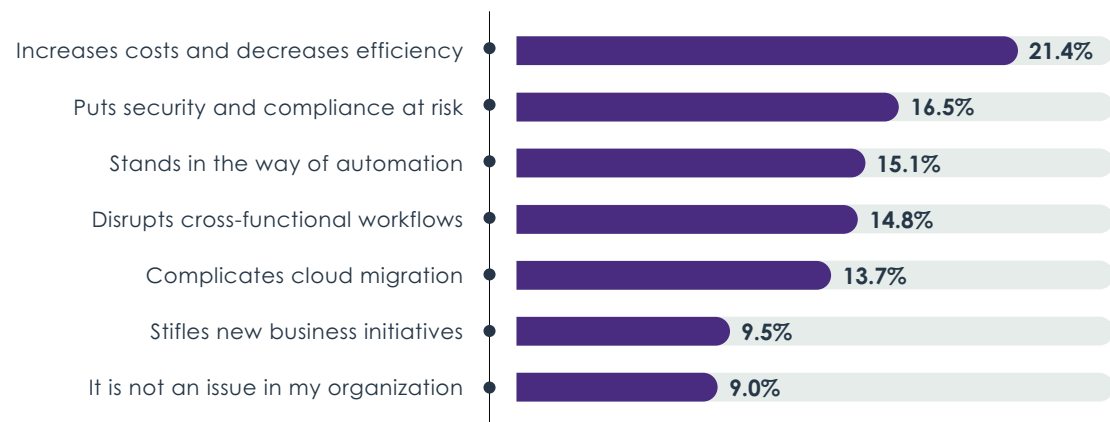
It is reasonable that specialized functions have specialized requirements for asset information. It is not reasonable for competing systems with conflicting data to inhibit business innovation.

In fact, only 32% of respondents view the needs of different groups to be so completely different that they require separate systems. The clear majority, while acknowledging the legitimacy of specialized needs, stated that collaboration using rationalized and enriched data in a shared ITAM system/platform is ideal. Fully 80% of the research panel cited ease of integration as one of the top factors in successful platform adoption.
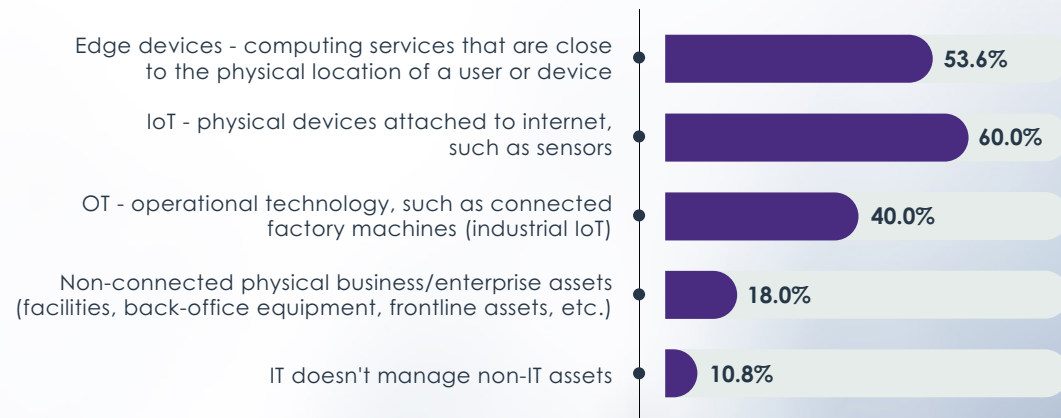
What's next?

Beyond audit – to the edge and back

A sign of the times is the fact that a research paper on modern ITAM can near its end before the first mention of audit. Of course, audit preparation and defense remain mainstays of the ITAM function. In fact, audits are increasing in frequency and ferocity. However, digital transformation and global events have combined to break ITAM out of the cost-cutting mold into the sphere of business partner with IT.

The reach of ITAM is extending as it focuses on business value—the business context of asset facts. For instance, when it comes to optimizing software use and spend, the top factor considered is now "value to the business" ahead of the more traditional "software cost" and "budget."

That reach is also broadened with new asset types to consider, including edge, IoT, APIs, containers, and non-IT assets managed by IT.

Which non-IT assets (owned by the business but managed by IT) does IT manage in your organization?
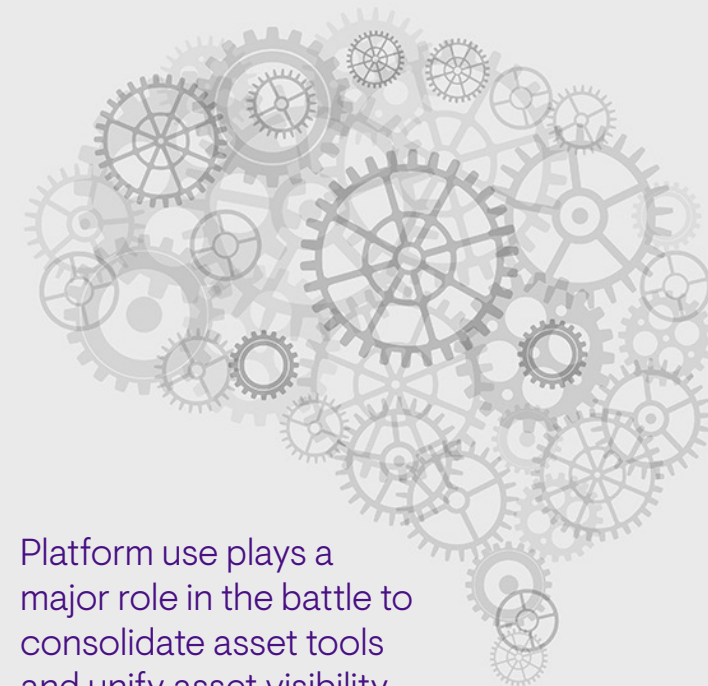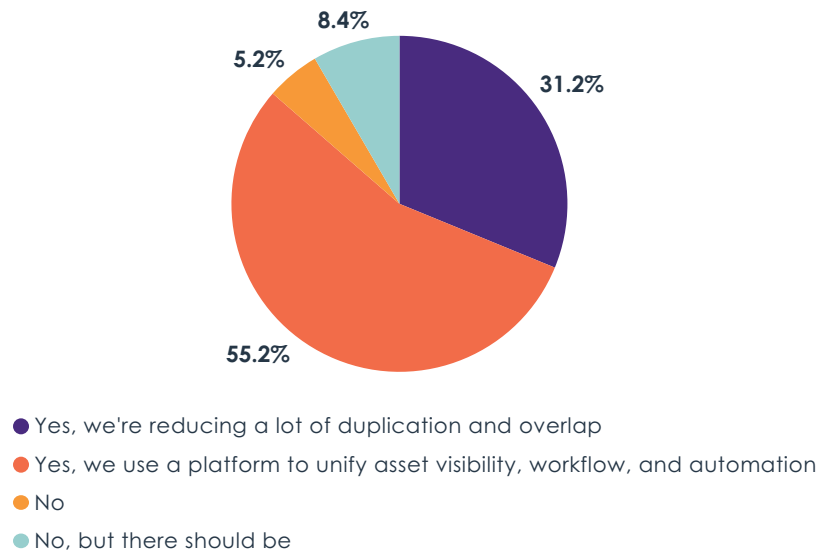
Asset type	Percentage
Edge devices - computing services that are close to the physical location of a user or device	53.6%
IoT - physical devices attached to internet, such as sensors	60.0%
OT - operational technology, such as connected factory machines (industrial IoT)	40.0%
Non-connected physical business/enterprise assets (facilities, back-office equipment, frontline assets, etc.)	18.0%
IT doesn't manage non-IT assets	10.8%

As business and technology innovations take hold, the very meaning of IT "asset" is being redefined.

Intelligent automation

Asset tool consolidation

The future of ITAM is well underway in the most progressive organizations. Digital transformation was slammed into overdrive by global events, which fast-tracked automation and AI/ML initiatives, as well as movement to the cloud. The increased reliance on IT as the fabric of business requires intelligent automation to comprehend the scope and pace of change. Silos that hamper that automation are a luxury organizations can no longer afford.

Step one is tool consolidation. In response to the question, **"Is there any effort to consolidate asset-related tools?"** a resounding 86% answered "yes" and 8% said, "no, but there should be." Only 5% of respondents were content to simply say, "no."

- ● Yes, we're reducing a lot of duplication and overlap
- ● Yes, we use a platform to unify asset visibility, workflow, and automation
- ● No
- ● No, but there should be

Platform use plays a major role in the battle to consolidate asset tools and unify asset visibility.

Platform use as best practice

Platforms that collect, normalize, and consolidate asset data minimize the impact of silos and lay down tracks for intelligent automation, including cross-domain workflows. In this research panel, platform use dominates the tool conversation, with 71% in some stage of platform adoption. A high-performing, forward-looking 18% of respondents plan to manage all asset types on one platform.

Which statement best describes the state of ITAM tools in your organization?

Statement	%
We use a platform to collect, normalize, and consolidate asset data, so silos are minimized	20.8%
We use multiple platforms	20.4%
We are actively planning to manage all asset types on one platform	18.4%
It varies by group	15.2%
Legacy and siloed tools hamper cross-functional workflows and automation	12.4%
We are moving to a platform approach	11.2%
Siloed tools are no problem for us	1.6%

There is an iron-clad correlation between platform use and quality of IT service, budget increase, asset accuracy, degree of automation, and organizational status of the ITAM team.

Automation in asset management

Automation in asset management is everywhere that assets are found. In response to the question, **"Which asset-related functions use AI/ML and/or automation in your organization?"** the top three were:
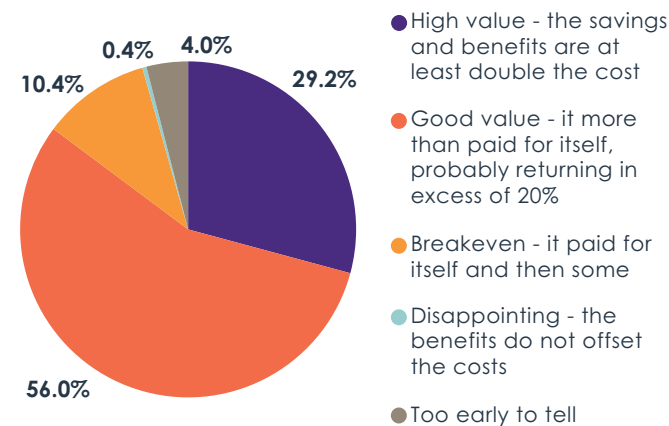
1. Cloud
2. Security
3. ITSM ticketing and service

Those responses were followed in order by:

- HR employee onboarding/offboarding
- Configuration management
- Audit readiness and defense
- Facilities
- Discovery
- Dependency mapping
- CMDB update

Asked, **"How would you characterize the use of automation in your asset management program?"** the breakdown leaned heavily toward automation:

- 43% We have a high level of process automation aided by AI/ML and a workflow platform
- 27% Automation is increasingly a part of our asset management effectiveness, but it is still new
- 30% Tools, teams, and policies limit cross-functional process automation

When it comes to value, investment in asset management automation is almost guaranteed to be a winner. The question, **"In terms of cost, what value has your investment in asset management AI and automation returned?"** found that 85% of the respondents rate automation and AI investments as profitable ventures, with another 10% seeing at least a breakeven proposition. A 0.4% sliver of the respondents was disappointed that the benefits didn't offset the costs, and 4% of the pool was too early to tell.

- 29.2% High value - the savings and benefits are at least double the cost
- 56.0% Good value - it more than paid for itself, probably returning in excess of 20%
- 10.4% Breakeven - it paid for itself and then some
- 0.4% Disappointing - the benefits do not offset the costs
- 4.0% Too early to tell

Regarding technology, four out of five respondents plan to change their current ITAM systems either by adding on to them or completely replacing them.

EMA perspective

This research was based on the premise that modern IT teams can't rely on ITAM approaches and tools that were designed for less complex times. As it turns out, they don't: four out of five organizations actively plan to change their ITAM systems in the next 12-18 months. Most have already upgraded their systems and made organizational changes as well.

Effective asset management today is a business-aligned function that executes intelligently automated processes on enterprise-wide platforms. A unified platform is the approach of choice for business agility, automation initiatives, and the ongoing ability to adapt to changing requirements.

Those changing requirements are both technology-based and organizational as the role of ITAM expands to include new asset types and new uses of asset information. Security is one of those new uses in the sense that accurate ITAM data plays a critical role in an organization's ability to identify and protect itself. That data is now fundamental to every aspect of security and IT operational health.

Asset visibility is table stakes for IT. The next step is complete understanding of the entire IT estate. Gaining full control of the IT environment means knowing everything about IT assets at all times, including location, usage, current status, performance, licensing, and warranty.

Understanding the business context of IT assets drives modern ITAM to deliver new value to more functions across the enterprise. More uses by more stakeholders translates into higher budgets for automation and headcount, as well as an elevated role for ITAM teams in the corporate pecking order.

The fortunes of ITAM teams will continue to rise with that of IT in the digitally transformed enterprise if—and only if—the ITAM policies, processes, and technologies deliver information that is accurate, complete, current, and accessible. This level of asset information gets used, valued, and funded. It also requires constant investment in people and technologies to automate and execute end-end lifecycle management of all assets.

There are many good options available for ITAM teams; standing still is not one of them.