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Mature Software Asset Management Will Reap CX And EX Benefits

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# Software Asset Management Needs Strong Partners In Order To Succeed

IT organizations are under pressure to deliver the modern tools and experiences that empowered customers and employees expect. Effective software asset management (SAM) is fundamental to meeting these expectations and ensuring that organizations can make informed decisions on software purchase and license allocation. Many organizations still struggle with SAM and look to third-party service providers for help.

USU commissioned Forrester Consulting to study how IT decision-makers feel about their ability to provide good experiences — to be able to improve — when it comes to their IT service management (ITSM) and SAM, the challenges they experience, and their expectations and needs.

Key Findings
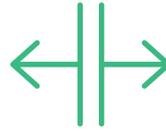
Organizations' current ITSM and SAM practices are missing the mark in customer experience (CX) and employee experience (EX). Respondents report mixed confidence in their current SAM strategies.
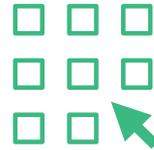
Organizations struggle to improve their practices and manage their vendor software portfolio: 63% of respondents report that this is due to manual processes that hinder insights into their software portfolio.

To effectively bolster software asset management, organizations recognize they need help from third-party service providers to achieve more visibility and reduce costs.
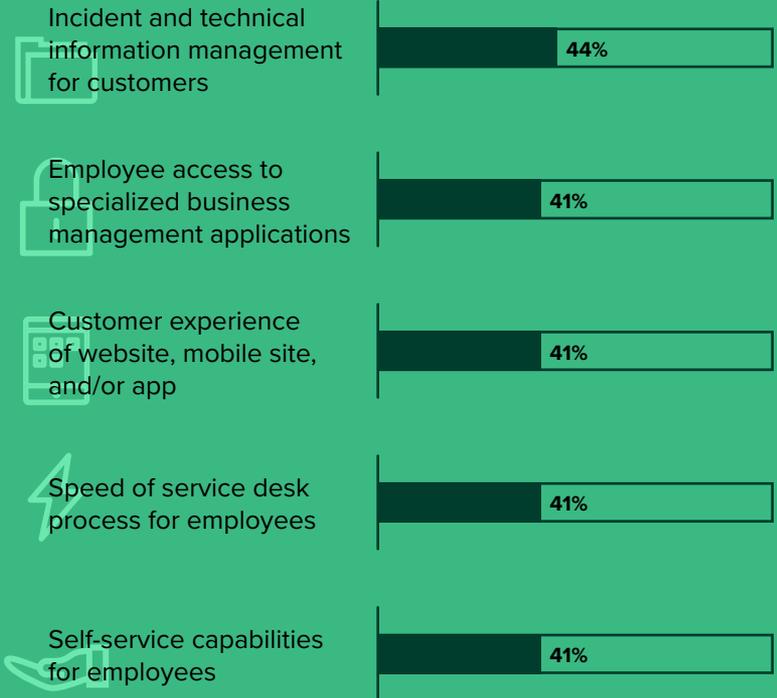
ITSM And Software Strategy Is Missing The Mark In CX And EX

In this new normal of remote work, organizations must provide their employees with an environment where they can be productive and get access to the resources and tools they need to provide great customer experiences.[1] However, ITSM and software strategy is currently missing the mark in the following areas:

- **Employee experience.** Around 40% of respondents rate their company's ability to equip them with required applications, self-service capabilities, and the speed of the service desk process as being average, fair, or poor.

- **Customer experience.** Additionally, 40% of respondents rate their company's digital CX as being average, fair, or poor; and 44% say the same about incident and technical information management for customers.

"How would you rate the following aspects of your organization's employee experience and customer experience?"
(Bottom five results for "Poor," "Fair," and "Average")

Incident and technical information management for customers **44%**

Employee access to specialized business management applications **41%**

Customer experience of website, mobile site, and/or app **41%**

Speed of service desk process for employees **41%**

Self-service capabilities for employees **41%**

Base: 160 heads/directors of IT, IT service management decision-makers across North America, DACH, and other European regions
Source: A commissioned study conducted by Forrester Consulting on behalf of USU, March 2022

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Mixed Confidence In Current Software Strategy Suggests Room For Improvement

Respondents report that their organizations show high confidence in being able to plan future technology investments and ensure better service value for employees and customers. Firms also find that their data is complete and trustworthy, which means they are well prepared for software audits.

However, one in five respondents said they are unable to establish the best licensing solutions for their software solutions and are not confident in the compliance and security of the software their organizations are investing in. Unsurprisingly, they also struggle with keeping licensing documentation up to date; they deem their software and service strategy to be suboptimized.

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"To what extent do you agree or disagree with the following statements related to IT, software, and software asset management?

(Top four results, including "Strongly agree" and "Agree" responses)

We are able to plan future technology investments

We can ensure a better service value for our employees and customers

We are well prepared for software audits

Our data is complete and trustworthy, allowing us to make informed business decisions

(Bottom four results, including "Strongly disagree" and "Disagree" responses)

We can establish the best licensing solutions for our software solutions

Our organization is confident in the compliance and security of the software we are investing in

Our software licensing documentation is up to date

Our software and service strategy is optimized

Base: 160 heads/directors of IT, IT service management decision-makers across North America, DACH, and other European regions
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Challenges With Visibility, Overspending, And Provisioning Impact Software And Service Strategy

In trying to realize their software and service strategy, organizations face hurdles around:

- **Poor visibility due to manual processes.** Respondents report how their organizations struggle with the highly manual process of tracking software assets (53%), impeding good visibility into existing software. This also leads to the second biggest challenge: unused software (52%).

- **Revenue loss.** The lack of asset visibility and deployment leads the way to overspending on software applications (43%). More than a third of respondents also encounter expensive and unexpected software license costs at renewal.

- **Provisioning.** It was also noted that organizations are challenged by provisioning employees with necessary software (38%), further impacting employees' experience and productivity.

"What challenges does your organization experience with regards to your software and service strategy?"

TOP FIVE CHALLENGES

53% Highly manual process of tracking software assets

52% Unused software

43% Overspending on software applications

38% Slowness in provisioning employees with necessary software

34% Expensive, unexpected software license costs at renewal

Manual Processes Are The Biggest Barrier To Improvement

Respondents struggle to improve their services and manage their vendor software portfolio, with three out of five reporting that software portfolio insights are hindered by manual processes. Other impacting factors include:

- **Lack of executive vision.** Companies look to their executive teams for guidance on the vision and strategy of ITSM and SAM, but 64% of respondents state that this is currently lacking and creating a major to critical impact.

- **Data issues.** Issues with data quality as well as data availability create a roadblock for improvement (62%).

- **Governance and vendor management.** Respondents also struggle with having immature vendor management (64%) and effective governance (62%).

"How are the following factors impacting your organization's ability to improve your services and manage your software application portfolio?" (Top five results)

● Critical impact   ● Major impact

33%   **30%**

Manual processes hinder our organization's insights into our software portfolio

31%   **33%**

Lack of vision and strategy from executive team with regard to IT service management and software asset management

29%   **33%**

Data availability/quality issues

33%   **29%**

Immature vendor management

31%   **30%**

Lack of effective governance

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Source: A commissioned study conducted by Forrester Consulting on behalf of USU, March 2022

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Organizations Need Specialist Capabilities To Bolster Their SAM

With highly manual software asset tracking processes hindering insights into organizations' software portfolio, decision-makers need some key capabilities in order to successfully manage their software, including: software product lifecycle (74%), discovery of installed software (69%), and software recycling (68%). Sixty-seven percent of respondents also view effective software deployment tooling and software inventory management as critical capabilities.

Forrester views software asset management as one of the hardest IT operational processes to get right. A complex combination of people, process, and technology is necessary for success. Data governance is an essential and too often neglected priority; without a commitment to ongoing measurement and improvement of data quality, the entire SAM project is at risk.

"How critical are the following capabilities for effective software management in your organization?"

(Top five results, showing "Critical" and "High priority" responses)

74%
Software product lifecycle

69%
Discovery of installed software

68%
Software recycling

67%
Software deployment tooling

67%
Software inventory management

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Base: 160 heads/directors of IT, IT service management decision-makers across North America, DACH, and other European regions
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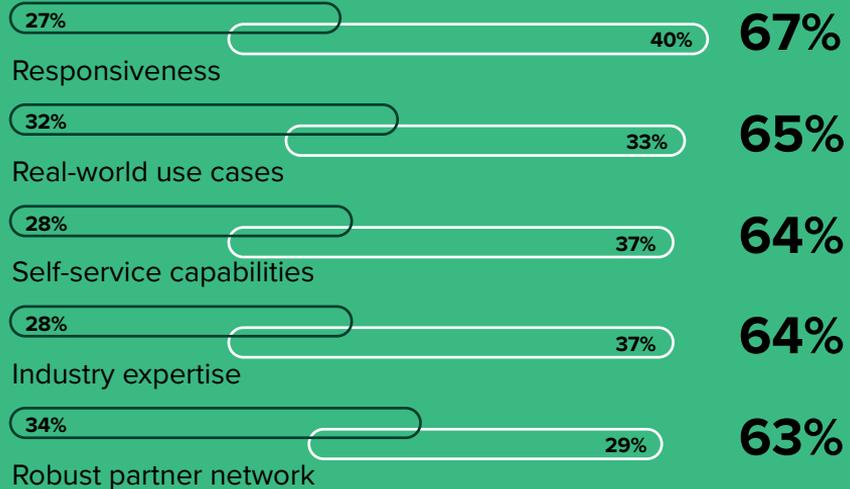## Organizations Look For Experienced Partners To Help With ITSM And SAM

In order to overcome manual processes, organizations look for third-party service providers to help them with their ITSM and SAM strategies. Respondents consider responsiveness (67%) and the ability to showcase real-world use cases (65%) as critical qualities. They also value self-service capabilities (64%), industry expertise (64%) and a robust partner network (63%).

Due to the complexity in getting the SAM process right, Forrester recommends seeking a professional service provider or expert tool provider to set up the basic operating model. This provider can also outsource the process to varying degrees, including completely managed services.

"How important are the following qualities for your organization in a third-party service provider for software asset management and IT service management?"

(Top five results, showing "Critical importance" and "Major importance" responses)

○ Critical importance   ○ High importance

27%	40%	**67%**
Responsiveness		
32%	33%	**65%**
Real-world use cases		
28%	37%	**64%**
Self-service capabilities		
28%	37%	**64%**
Industry expertise		
34%	29%	**63%**
Robust partner network		

Firms Also Seek Better Visibility With ITSM And SAM Alignment

Sixty percent of respondents say their firms are prioritizing closer alignment between ITSM and SAM practices, and they expect a wide range of resulting benefits:

- **Visibility.** Having a more transparent view of software licensing costs, software usage, and license rights is one of the top expected outcomes respondents expect from closer alignment.

- **Software management.** Over a third of respondents expect to manage their software better, including more efficient responses to software audits, improved negotiation with software vendors, the ability to ensure the most recent software deployment, and more accurate information about their software portfolio.

- **Reduced costs**. Respondents also expect to financially benefit from closer alignment through cost avoidance analysis for future contracts and minimizing both unexpected license audit penalties and license renewal costs.
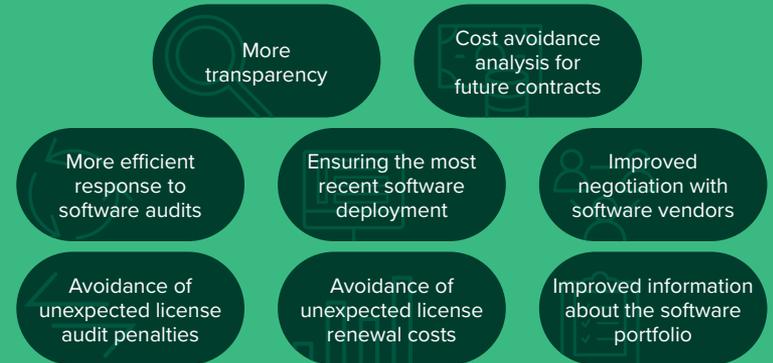
"How much of a priority is it for your organization to achieve closer alignment between IT service management and software asset management?"

- ● Critical importance
- ● High importance

16%

44%

"Which of the following benefits/outcomes does your organization achieve/expect to achieve from better alignment of IT service management and software asset management?"

TOP EIGHT CHALLENGES

More transparency

Cost avoidance analysis for future contracts

More efficient response to software audits

Ensuring the most recent software deployment

Improved negotiation with software vendors

Avoidance of unexpected license audit penalties

Avoidance of unexpected license renewal costs

Improved information about the software portfolio

Base: 160 heads/directors of IT, IT service management decision-makers across North America, DACH, and other European regions
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Conclusion

Current ITSM and SAM enterprise strategies do a poor job of equipping employees with tools, regardless of location, and with providing customers a seamless digital experience across channels. Enterprises struggle to improve their SAM strategies due to manual software asset tracking processes, unused software, overspending, and data challenges. To improve SAM, organizations need to:

- Use a best-in-class SAM solution that would provide better automation of manual processes and stronger compliance and security.

- Establish clear architecture, data governance, and operating models for the SAM capability.

- Better align ITSM and SAM to achieve better visibility into software and licensing, to reduce costs, and improve how software is being managed overall.

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Methodology

This Opportunity Snapshot was commissioned by USU. To create this profile, Forrester Consulting supplemented this research with custom survey questions asked of IT and IT service management decision-makers across North America, Deutschland, Austria, Switzerland (DACH), and other European regions within the following industries: the technology and/or technology services; energy, utilities, and/or waste management; telecommunications services; financial services; and pharmaceuticals. The custom survey began in February 2022 and was completed in March 2022.

ENDNOTES

[1] Source: "Service Desk 2020: It's All About Employee Experience," Forrester Research, Inc., October 6, 2020.

ABOUT FORRESTER CONSULTING

Forrester provides independent and objective research-based consulting to help leaders deliver key transformation outcomes. Fueled by our customer-obsessed research, Forrester's seasoned consultants partner with leaders to execute on their priorities using a unique engagement model that tailors to diverse needs and ensures lasting impact. For more information, visit forrester.com/consulting.

Demographics

COUNTRY	
United States	**33%**
DACH	**34%**
Other European regions	**33%**

SOFTWARE SPEND (USD)	
>$5B	**9%**
$1B to $5B	**34%**
$500M to $999M	**16%**
$400M to $499M	**10%**
$300M to $399M	**9%**
$200M to $299M	**10%**
$100M to $199M	**9%**
$1M to $99M	**2%**

ROLE	
C-level executive	**11%**
Manager	**13%**
Vice president	**33%**
Director	**44%**

INDUSTRY	
Technology and/or technology services	**22%**
Energy, utilities, and/or waste management	**21%**
Telecommunications services	**20%**
Financial services	**19%**
Pharmaceuticals	**18%**

(Percentages may not total 100 due to rounding.)