



Lifecycle asset tracking

Building a foundation for IT asset management

White paper



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Asset management—no clear sailing for IT

A well known business axiom states you can't manage what you can't measure. If that's true, it probably goes without saying that you can't manage what you can't locate. Unfortunately, that's the situation many IT organizations find themselves in when it comes to the management of IT assets.

IT assets are the hardware, software, and virtual components IT acquires and uses to deliver IT services. Everyone keeps track of acquisition costs—that's when we write the checks. But assets are like icebergs—only a fraction of their lifecycle cost is visible on the surface. Industry data suggest only a small part of total asset cost is incurred at acquisition; the greatest part of the cost is incurred as hardware and software assets are deployed, used, changed, redeployed, and, finally, retired. Managing these costs requires tracking assets across the entire asset lifecycle until they are no longer of capital or regulatory value to the organization. This paper shows why lifecycle asset tracking is critical for IT organizations and how it extends beyond other systems like fixed asset and project-portfolio management. Then it presents HP's approach to lifecycle asset tracking as the foundation of a comprehensive IT asset management (ITAM) system.

IT asset tracking challenges

Failing to manage IT assets across their entire lifecycle—from acquisition to disposition—costs businesses real dollars. Why?

- Because new hardware and software are often purchased even though existing assets may be available for redeployment.
- Because untracked assets are subject to theft as terminated employees walk out the door.
- Because organizations often continue to lease or pay for support contracts for assets that are no longer in service.
- Because failing to track assets may result in greater tax liability.
- Because without proper disposal procedures and documentation, businesses may incur regulatory fines and penalties.

Few IT executives would argue with the need for effective asset tracking and control. But there are challenges.

The pace of change Many IT organizations rely on spreadsheets or homegrown databases to keep track of assets. But manual tracking usually fails to capture when assets are changed, reassigned, or redeployed. Since the pace of change has never been greater, manual tracking systems quickly become out of date and contain inaccurate data.

Virtualization Virtualization brings a new kind of IT responsibility—the virtual asset. Applications now reside on virtual machines and may be moved from one physical server to another with no notice, making them even more difficult to track. Further, entitlement and access to virtual servers pose the same security risks—and introduce many of the same costs—as to physical servers.

Integration The financial managers of a company also need to manage assets, and they may have fixed asset management systems in place. But for IT, asset management is not a stand-alone function; it must integrate into both IT financial management (ITFM) and IT service management (ITSM) programs. Current, accurate asset information must be available to ITSM processes like incident, change, and problem management to make these processes more effective and more efficient.

IT efficiency Finally, attempting to track assets manually in the face of infrastructure change simply takes too much time and labor. And since it is so error prone, it increases rework. IT asset managers must maintain detailed configuration information and a history of changes so the true lifecycle cost of the asset can be tracked. The cost to do this manually is great, and the results usually fall short.

What's needed is a system that automatically discovers assets and tracks them throughout their lifecycle.

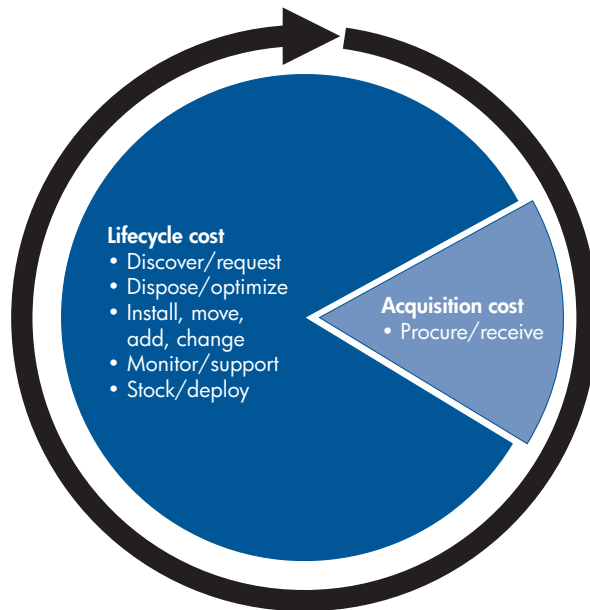
The asset lifecycle—looking beneath the surface

To meet the challenges above and achieve visibility into the portion of asset cost that is below the surface, IT must track and manage assets across the entire asset lifecycle. Figure 1 shows the asset lifecycle. Let's look at it in greater detail and explore what asset tracking can do at each phase.

Discover or request Assets may enter the lifecycle in different ways. Ideally, users would select assets from a standard set of catalog items and request them through a request and procurement process. By tracking requests, procurement can often consolidate purchases to gain better terms. But request processes may not be linked to tracking systems, or assets may already be in the environment. In that case, an asset may be added to inventory when it is discovered by automatic discovery software.

Procure and receive Purchased or leased items are received and the configurations checked against what was requested. Then the asset and any associated assets like software, warranties, and service contracts are entered into the asset database for tracking.

Figure 1. The IT asset lifecycle



Stock or deploy Assets may be received into stock where they become available to fulfill new requests, or they may be immediately deployed. When deployed, asset tracking keeps track of the user it is assigned to, the business service it supports, its physical location, and other operating details.

Monitor and support When the asset becomes part of the deployed IT infrastructure, IT operations systems continually monitor its health and initiate service and support activities as needed. Asset tracking enables IT to keep track of vendor service contracts and helps it better understand overall support costs.

Install, move, add, change (IMAC) In a rapidly changing IT environment, assets are frequently moved, upgraded, changed, and even repurposed. Each of these activities carries a cost. Asset tracking keeps track of new locations and configurations so IT can better understand the real cost of changes and find ways to optimize them.

Retire or reallocate When no longer needed or no longer adequate for its original purpose, an asset must be reallocated to other purposes or retired. In the case of retirement, critical actions must be taken. If the asset has capital value, the IT asset must be reconciled with its fixed asset representation in finance; if it is to be removed from the organization, regulatory compliance certifications must be recorded with the asset disposal history.

Each lifecycle phase may be supported by specialized IT processes and supporting software solutions like service catalogs, request and approval, software entitlement and license control, financial management and chargeback, and contract management. Achieving the total benefits available through IT asset management may require implementing many of these functions. But automatic discovery, inventory, and asset tracking underlie and support all of them. Plus asset tracking provides its own benefits and savings at each lifecycle phase.

Lifecycle asset tracking—the HP approach

What's needed is IT asset tracking that provides automatic discovery of assets, covers the entire asset lifecycle, provides the data needed by IT, understands both physical and virtual assets, and interfaces to IT operations processes as well as financial management systems. Let's look at HP's approach to achieving that.

Discover all physical and virtual assets.

HP Discovery and Dependency Mapping (DDM) Inventory software keeps asset data up to date by automatically discovering network devices, printers, physical and virtual servers, desktop systems, and the software installed on them. It detects changes. It helps reconcile the real world with the documented world, and it enables IT to better provide software license compliance. HP DDM Inventory feeds the asset tracking database, and through HP Asset Manager it enables the federation of inventory data with the HP Universal Configuration Management Database (UCMDB). The result is accurate, up-to-date asset and configuration information without the labor cost of manual systems.

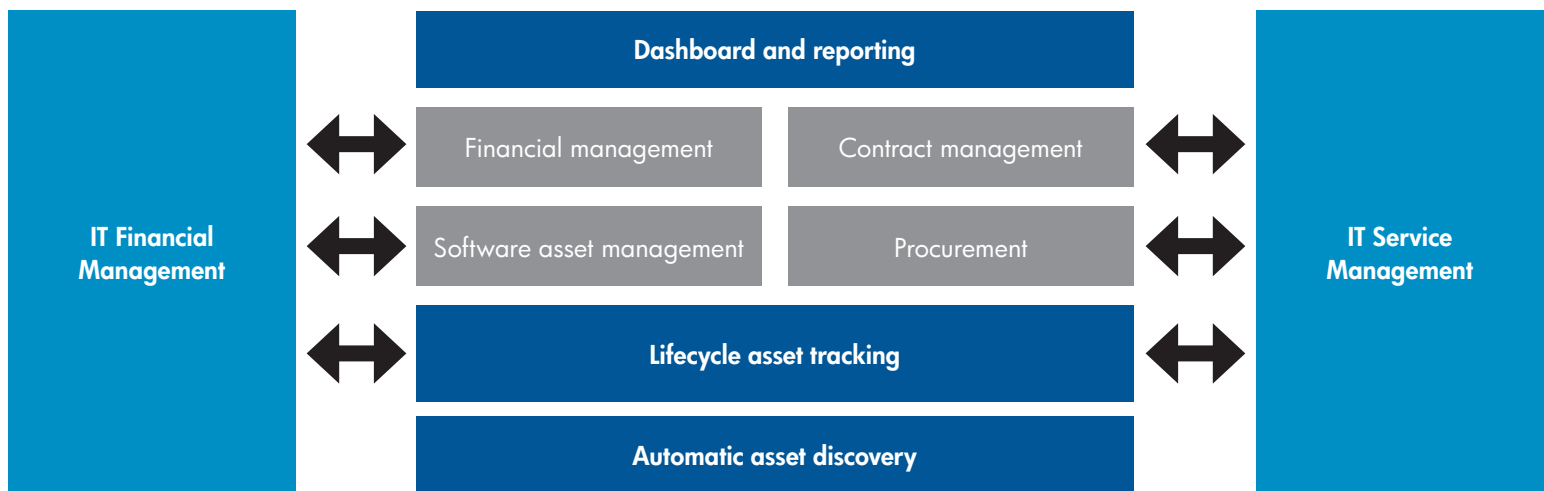
Manage assets throughout the lifecycle.

But asset discovery is not enough. Once discovered, assets must be tracked across the lifecycle. In the HP solution, IT processes for asset tracking are supported by the HP Asset Manager Asset Portfolio module. The software provides a central repository for asset information and tracks each IT asset from request through disposal. Accurate, up-to-date inventory data enables IT to better reuse assets and to financially optimize them by matching support and service levels to the current use of assets as their application changes.

Extend the value of ITAM to other initiatives.

HP Asset Manager Asset Portfolio module is also the foundation for the complete suite of modular components that comprise HP Asset Manager software. This enables IT organizations to start with asset tracking and expand the solution to include procurement, financial management, contract management, and software asset management—a complete IT asset management solution that integrates with HP ITIL-aligned IT Service Management and IT Financial Management solutions. (See Figure 2 on the next page.)

Figure 2. IT asset management—a complete solution from HP



Does it work?

Why should your business invest in asset management? Because IT organizations that have done so have reduced the cost of assets by cutting surplus inventory, decreasing theft, and discontinuing unnecessary leases and service contracts. While doing that, they have reduced IT operational costs by automating asset discovery and inventory. Our experience implementing ITAM at more than 1,000 organizations shows that a complete ITAM solution can reduce asset cost by 10 percent to 20 percent in the first year and can pay for itself in less than 12 months.

Why HP?

IT asset management helps IT better manage costs, demonstrate compliance, and show value delivered. But why choose HP to help you achieve asset tracking and develop a comprehensive ITAM strategy?

A comprehensive ITAM solution HP Asset Manager software builds a complete ITAM solution on the foundation of automatic asset discovery and tracking. When IT automates every phase of the IT asset lifecycle, it

increases visibility, reduces costs, and helps demonstrate compliance. Further, HP Asset Manager connects ITAM into other parts of the HP portfolio including IT Service Management and IT Financial Management.

A flexible solution HP offers HP Asset Manager as a software solution and software as a service (SaaS). HP consultants can help you achieve your asset management goals by implementing your own asset management solution. But if you need to shift capital investments to operating expenses, reduce staff training needs, and focus your IT resources on other business initiatives, we provide the options you need.

A record of success More than 1,000 organizations worldwide have implemented HP IT Asset Management solution—including nearly half of Global 100 companies. We have led the market for ITAM software for more than 20 years.

Learn more.

To learn more about asset management and HP asset management solutions, visit www.hp.com/go/itamsoftware.



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