

Try Before You Buy

Proof of Concept Defines SAM ROI

While the softening economy creates IT budget unpredictability, businesses of all sizes are taking a hard look at strategies to clean up IT inefficiencies, reduce extraneous spending and avoid costly mistakes such as failed software audits. Companies that use tools to manage their software assets understand the benefits of conducting periodic license audits—but what about those that are dissatisfied with their current tools and/or processes, or are reluctant to commit to an investment in software asset management (SAM) technology without first being assured of its long-term value?

All too often, enterprises have some flavor of tool that provides rudimentary inventory data but does not offer the robust, licensing-focused information necessary to ensure ongoing compliance and/or prevent overspending on licenses – the real key to recession-proofing an IT department. But as any IT professional will attest, it takes more than heaps of raw data to keep one’s licensing house in order. As a SAM software provider, we often witness the struggle between the IT manager who recognizes the value of SAM, and the C-level executives who control the purse-strings and believe the current system of accounting for licenses is “good enough.” CFOs feeling the strains of the economy are pushing all departments to cut back on anything that isn’t deemed necessary for ordinary daily operations, and are cautious about making long-term investments in technology whose benefits are difficult to quantify and whose IT impact has yet to be understood.

It’s common knowledge that sometimes it is necessary to spend money in order to save money—which is a hard sell when budgets are tightening. But software vendors are also feeling the crunch and are often willing to consider creative licensing options that recognize the challenges IT professionals have obtaining money for new investments. In this environment, IT managers are well advised to seek from potential vendors a “proof of concept,” allowing them to implement software asset management technology at a very low cost and demonstrate – with hard figures – the longer term benefits of that solution.

The Burden of Proof

One model for a proof of concept is, for example, a 60-day, enterprise-wide deployment of a SAM tool on a “pilot” or “project” basis. This gives an organization the opportunity to

implement the solution at a substantially lower cost than a perpetual license. Most importantly, it provides an opportunity to demonstrate to those with budget authority the value that software asset management brings to their organization without committing to a long-term investment.

Our customers often note that implementing a SAM software program has more than paid for itself. For example, Bob Ritger, Director of IT for architectural firm Payette, has saved in the upper tens of thousands of dollars and gained control of the firm’s licenses using SAM technology. When Ritger began at Payette six years ago, there was no software asset management system in place and the firm was both severely under- and over-licensed on many software titles, meaning it was simultaneously non-compliant and overspending. With a SAM program, Payette has brought its license position back into balance by re-allocating and/or terminating spending on unused licenses, as well as generating documentation needed to ensure the firm remains compliant with its licensing agreements.

These types of financial gains are not uncommon when a company deploys solid SAM technology with a focus on licensing, but those with budget authority may not recognize the extent of a company’s licensing exposure and savings opportunities until they have seen data that justifies the investment. Implementing a shorter-term technology proof of concept at a relatively low cost within your organization is the notable way to demonstrate its value as an investment without putting too much on the line.

No one can predict when the economy will return to a healthier state, but in the interim there are painless steps every business can take to weather the storm. In particular, be sure to seize upon the fact that in this climate, vendors will go the extra mile to gain your business and trust. Take advantage of your leverage, and ask SAM vendors whose products you are considering to provide a “proof of concept” license. This will make it easier than ever for you to test and illustrate to those with budget authority exactly how and where money can be saved, and the importance of investing in technology that will deliver a holistic—and critical—view of your organization’s license position.

Jeff Kelsey
*Vice President of
Products and Services
Express Metrix*