

IT Hardware Asset Management

By Jenny Rains, Senior Research Analyst

Recent HDI research revealed that organizations are generally struggling with IT hardware asset management (HAM). When multiple systems, as well as people with varying levels of awareness or training, are involved, it results in inconsistent practices within organizations. However, even with 91 percent of technical support professionals reporting a need for change or addition to their current policies, HAM is providing noticeable

financial and customer service benefits to the business. (Just imagine what the impact could be if the wheels were turning smoothly...)

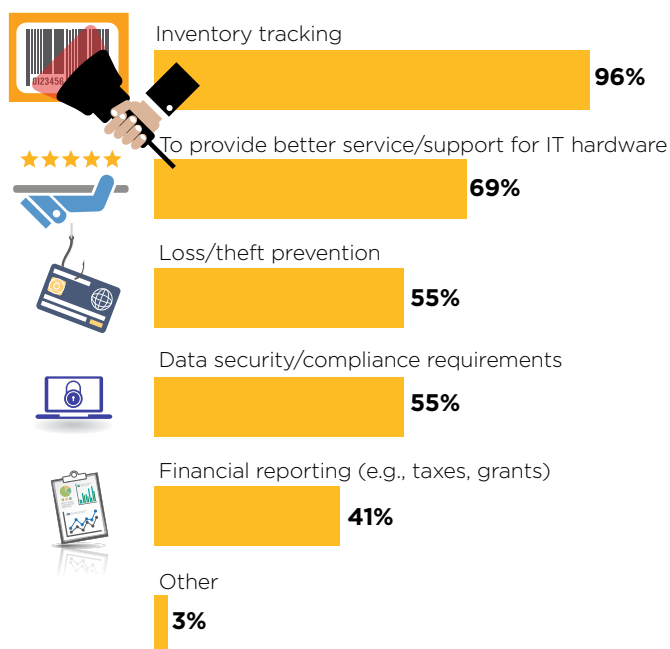
This month's HDI Research Brief is based on responses from 342 technical support professionals to an online survey conducted in March and April 2015 about their organizations' current practices, policies, technology, responsibilities, and struggles with HAM, as well as its impact on the organization. This report provides a summary of those findings.



Why HAM?

Almost all of the survey respondents have at least some asset management practices in place for IT hardware in their organizations; only 12 percent do not. For those that do have practices in place, HAM serves multiple purposes and is implemented for various reasons. Not surprisingly, the most common reason is for inventory tracking purposes (96%), such as hardware procurement, refreshes, locating assets, and forecasting and/or reporting. Focus shifts to the customer for the second most common reason: 69 percent of respondents report having HAM practices in place in order to provide better service and support for customers. Loss prevention and data security purposes come in tied for third place. The chart in the next column summarizes the reasons why organizations have implemented HAM.

Why Organizations Have IT Hardware Asset Management in Place



*Percentage of organizations
(Includes only those with HAM practices in place.)*

Practices

For various reasons, most organizations with HAM in place don't inventory all of the company's IT hardware. In fact, only 28 percent have policies defined to inventory all IT hardware, and only 17 percent *actually* inventory all IT hardware. On average, about 76 percent of an organization's IT hardware is inventoried. Any IT hardware that's not inventoried is either intentional (by design) or the result of poorly enforced policies.

The scope of IT hardware encompasses a wide range of equipment and brands across a spectrum of price

points, from pocket change to bank-breaking. As a practice, many organizations (40%) don't inventory certain hardware depending on type (e.g., monitors), brand (e.g., Macs), or other qualifications. Also, it's fairly common for organizations (32%) to only inventory items that are above a specified price point (typically \$500 USD). The table below lists, in order of most common, the reasons why not all IT hardware makes the cut.

Ten Reasons Some Hardware Isn't Inventoried	
1	40% Specific type of hardware (e.g., desktops, Macs, mobile devices)
2	32% Hardware doesn't exceed a specified value
3	30% HAM isn't enforced
4	29% Hardware purchased before the adoption of HAM practices
5	28% Other
6	7% Hardware isn't at risk of being stolen
7	7% Hardware doesn't contain sensitive information
8	6% On-site assets (e.g., not in remote or home-office locations)
9	6% Only hardware under warranty is inventoried
10	4% Only hardware owned or funded by a third party (e.g., leased or grant provided) is inventoried
Percentage of organizations (Includes only those with HAM practices in place.)	

After reviewing the list of reasons why hardware isn't inventoried, it's evident that untracked hardware is often intentional, based on defined parameters. However, much untracked hardware is *not* intentional; one of the most common reasons (30%) that hardware isn't inventoried is because the organization's policies aren't enforced. For those organizations that have policies in place regarding hardware inventory expectations, just over half (53%) report that they actually meet or exceed the expectations defined in their policies.

Looking at this further, we found that 12 percent of organizations inventory 20 percent less than what is defined in their policies. To clarify, consider Company A, whose defined policies state that all IT hardware valued at greater than \$100 USD should be tracked. Based on defined parameters, they're expected to inventory 95 percent of IT hardware as part of the asset management process. In practice, less than 75 percent of the company's IT hardware is being inventoried, for a variety of reasons. Analysis of open survey responses revealed some common reasons why Company A and other organizations aren't meeting inventory expectations:

- Assets moved or purchased without IT's knowledge aren't documented or reported
- Lack of resources (i.e., time and people)
- Out of IT's control (i.e., different departments, users, or locations aren't required to track or report hardware)
- Technology limitations
- Manual processes are cumbersome and leave room for error
- Mergers and acquisitions bring in either untracked hardware or multiple systems
- Formal HAM is new to the organization
- Negligence

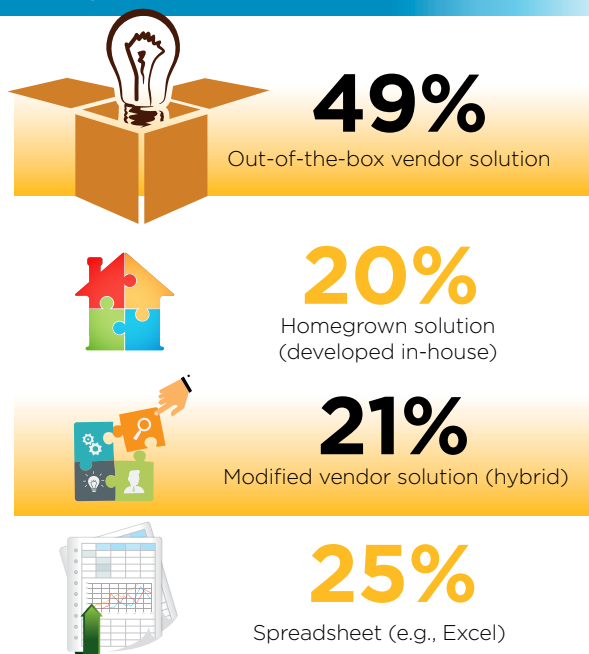
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Technology

Several organizations report struggling with tool limitations, and some respondents are either shopping for or in the processes of ramping up new solutions. Currently, the majority of organizations (83%) host their HAM solution on-premises, as opposed to using a SaaS solution. In fact, 20 percent are currently using solutions developed in-house, and 25 percent are using a spreadsheet, such as Excel, for tracking IT hardware. While the survey results did reveal that less than half of the industry is using vendor solutions out of the box (with no modifications), the results don't indicate why. Is it that asset management solutions aren't meeting the needs of IT, or is that IT is struggling to find funding and other resources to implement out-of-the-box solutions?

IT Hardware Asset Management Solutions Currently Used*



Percentage of organizations
(Includes only those with HAM practices in place.)

*Some organizations may be using more than one type of solution.

In addition to the findings for out-of-the-box solutions, it was surprising to learn that just over half of organizations (57%) use HAM solutions that are integrated with their ticketing tool or incident management system. One might assume there would be more integration in light of the finding that providing better support is a key reason for having HAM practices in place. It will be interesting to observe this trend in the near future, to see if this type of integration becomes a more common practice over the next couple of years.



On average, about

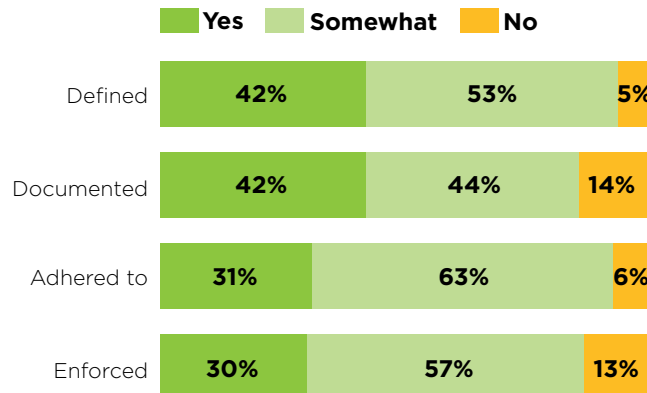
25%

of IT organizations are using a spreadsheet, such as Excel, for tracking IT hardware.

Policies

As alluded to previously, most technical support professionals think they need to revisit their current policies, or lack thereof. With 72 percent reporting that they would either add to or change their current policies, and an additional 18 percent reporting that their policies need to be improved "somewhat," that leaves a mere 10 percent of respondents who are happy with the HAM policies currently in place in their organizations. Currently, only 42 percent of organizations have well-documented policies, and only 31 percent consistently adhere to those policies. The chart below gives a closer look at the maturity of HAM policies.

IT Hardware Asset Management Policies



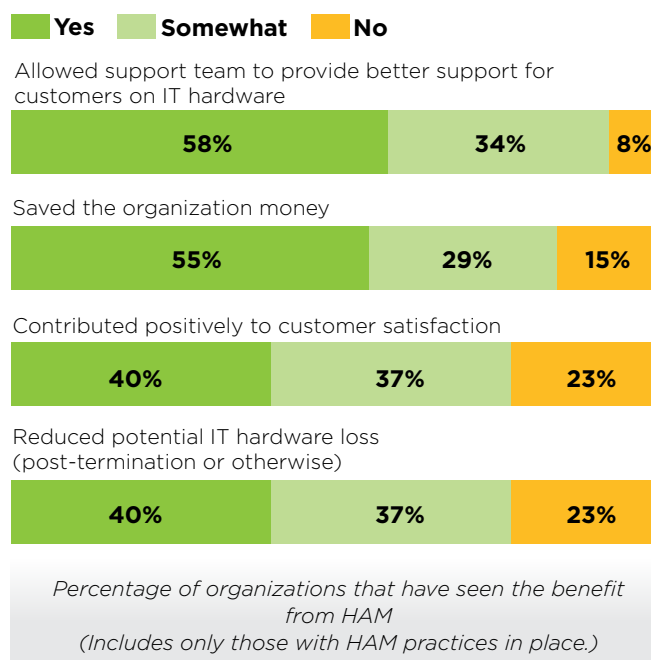
Percentage of organizations
(Includes only those with HAM practices in place.)

Benefits

Even though there's a clear need for policy improvement across the industry, many organizations do feel like managing their IT hardware is having a positive impact. Keeping tabs on the whereabouts and owners of IT hardware allows support teams to better serve their customers when they have questions or issues: 92 percent of respondents say that HAM has helped their teams provide better support to customers on hardware-related issues, and 77 percent of organizations report improvement in customer satisfaction as a result of managing hardware assets.

Keeping an inventory of hardware also saves the company money (85%) by enabling the organization to more accurately assess business and customer needs to streamline procurement and refresh/maintenance cycles. Asset management policies also reduce hardware loss (77%) proactively, through deterrence (i.e., equipment is less likely to leave the company when employees do, if employees are aware that the hardware is being inventoried and tracked), and reactively, by enabling the organization to locate and track down missing assets or owners. The full results are displayed in the chart below.

The Benefits of IT Hardware Asset Management



Having and using an accurate inventory can save businesses money and enable better customer service and support. Beyond these obvious and more easily measured benefits of HAM, just having well-communicated and enforced policies in place serves the purpose of preventing loss associated with employee turnover.



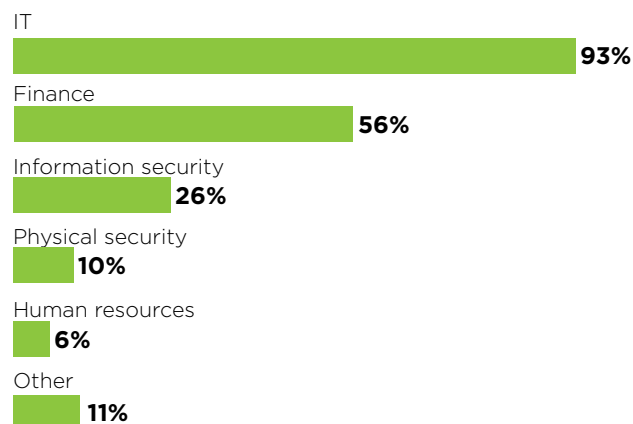
85%
of organizations using IT hardware asset management report that it has saved the organization money.

Roles

As seen in the previous section, HAM impacts IT, technical support, finance, and the business as a whole. So, which parts of the business are involved in HAM, and to what extent? Not surprisingly, IT owns HAM throughout most of the industry (94%), although finance is the owner or co-owner in 19 percent of organizations. And, although they aren't the primary owner of HAM, finance, information security, and physical security departments are actively involved in making decisions about HAM processes (39%, 27%, and 12% respectively).

Whether or not they touch the processes at all, many areas of the business are impacted by HAM, and being knowledgeable about the current state, as well as internal hardware trends, is important for stakeholders. According to survey respondents, the following business areas receive reports and/or information about the organization's IT hardware.

Who Receives Reports About IT Hardware Assets?



When it comes to actually maintaining HAM, the responsibility most commonly lies with desktop support teams. Thirty-seven percent of organizations with HAM have a dedicated asset management position—which may (39%) or may not (61%) be on the desktop support team—but in 62 percent of organizations, HAM falls on one or more desktop support staff as one of their desktop support responsibilities.

Deeper analysis revealed that larger organizations are more likely to have a dedicated asset manager (or a similar position). Organizations that have dedicated

asset managers that aren't under the desktop support umbrella most commonly have dedicated asset management teams or departments; the position also falls under operations in some organizations. But, in general, no matter the size of the organization, and no matter who owns HAM, maintenance responsibilities most commonly rest with desktop support. This, too, will be an interesting trend to watch over the next few years. Will the industry's desire to improve its asset management practices affect who's responsible for it?

Conclusion

If your organization is struggling with IT hardware asset management, you aren't alone. Across the industry, formal processes and policies either aren't in place or aren't being followed, which means there's an opportunity for improvement. As this research has revealed, investment in practice improvement and resources to implement new or develop better policies, communication, and enforcement, would be well worth it for both the business and the IT organization.

The business benefits of HAM are undeniable. However, there is an additional benefit to having formal, well-documented, and consistently enforced policies in place that we haven't yet discussed: While a smooth-running HAM program can make the job of locating, updating, and supporting hardware easier, it can also positively impact the way the teams that run the program are perceived by the rest of the company. A boost in reputation is invaluable, particularly as IT and technical support organizations continue to wrestle with demonstrating their value to the business.

Combining features—thoughtfully defined policies and implementation, using the appropriate asset management solution, clearly communicating processes, educating customers, and implementing consistent HAM practices—will ensure a more successful asset management program. But, as an additional benefit, it will also create the perception of a well-managed IT organization that's providing service for the greater good of the business. So, while the industry is currently struggling with HAM, it's in the best interests of IT and technical support teams to lead the charge and improve it.