

# Cracking the Software Lifecycle Code



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Digital transformation projects have seen an explosion of software licences in practically every organisation.

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IT teams are having to wrestle with an intricate ecosystem of legacy tech, on-premise, in-house systems, cloud and SaaS licences that are all at different stages of their lifecycle. The impact reaches beyond the IT department. Procurement, finance and legal teams are under more pressure than ever to optimise commercial contract terms, improve financials, remain compliant and enable change.

Today's truth is that the traditional ways of buying and trying to control software licenses are struggling to deliver significant benefits.

What's required is a new approach to software asset management (SAM). One that looks at the entire lifecycle – from acquisition through to management and evolution – and recognises that SAM impacts on processes that are owned by different parts of the organisation. All this and it needs to be scalable and flexible to support changing business needs.

Insight's 'acquire, manage, evolve' approach is a perfect example of where fresh thinking can optimise the return on your software assets, and ensure your processes are well governed.

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Explore Insight's fresh approach to optimising the entire software lifecycle and ensuring governance.

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Razor-sharp decision-making takes Insight

Insight 



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## More Than a Technical Challenge

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Digital transformation has given enterprises great opportunities to increase efficiency, improve customer service and retention, and grow their business profitably. But it also adds complexity.

In the era of digital transformation, organisations have seen their IT ecosystems expand exponentially. They have become an intricate nest of legacy, on-premise, home-built, hybrid, cloud-based and SaaS systems. These ecosystems are embedded in the way the business operates and are important for driving the business forward. Software literally makes organisations work. They are at the heart of many processes and both customer and employee experiences.

With the increasing reliance on digital tooling, software asset management is going to become even more urgent. Greater competitive pressure from more agile businesses and digital native market entrants is elevating the importance of optimisation and governance from being an IT-centric activity to one that is crucial for the whole organisation.

Managing the software asset lifecycle efficiently has never been more important, or more complex.

No pressure then.



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# Getting to the Detail

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**The challenges are intense and wide-ranging. At every stage there are questions to answer.**

**At acquisition:** Do we need this software? Have we already got something similar? Is this the best supplier? Am I getting the best deal? Is the support offered enough, is it too much?

**At renewal:** Are people using the software? How many? Have we got enough or too many licences? Can we consolidate users? How does the business feel about the software, the supplier and our relationship? Similar questions can be asked of data centre software, where significant spend exists; how much of the licensed capacity is being used and is it structured in a cost-efficient way?

**For governance:** What are the licensing terms? Are we using this compliantly? Does it fit our own processes? Is our data protected? Can people access tools and data they shouldn't? Does it expose us to risk?

**Dealing with change:** Are we still using the software in the same way? Have the licensed components of software 'part number' changed since the last release or renewal? Will it cost more to run it in the cloud? Would an alternative licensing structure be more suitable?

You get the idea.

Now multiply these questions by the number of software packages and vendors an organisation uses. A business with 10,000 or 20,000 end-users utilises hundreds of different software applications. In 2021, organisations worldwide were using an average of 110 SaaS applications<sup>1</sup> alone. Although by some estimates this is on the low-side. Anecdotal reports suggest that larger organisations could have software from 500-800 different publishers in play at any one time. This calls for proactive analysis on a grand-scale every year to allow time for effective negotiation at renewals time.

Because of the scale of the undertaking, licensing for much of the application portfolio is not analysed. This creates a huge amount of wastage, as well as stress for purchasing teams each year. Unfortunately, it usually falls between the cracks of procurement, IT and legal responsibilities. Each function wants the best for the organisation, of course, but tend to focus resources on core goals. In general, procurement wants to get the best price, legal wants adequate protections and IT wants to leverage technical features.

While some businesses have strategic vendor management teams focused on key suppliers, there is a large unmonitored and unmanaged gap of software publishers that hardly ever gets the focus it needs.

Many organisations are looking to engage external support to help solve the sheer scale of software asset optimisation and governance challenges



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“By 2025, **40%** of organisations will utilise continuous software asset management managed services from third parties for at least part of their rapidly expanding and increasingly complex software estate.”<sup>2</sup>

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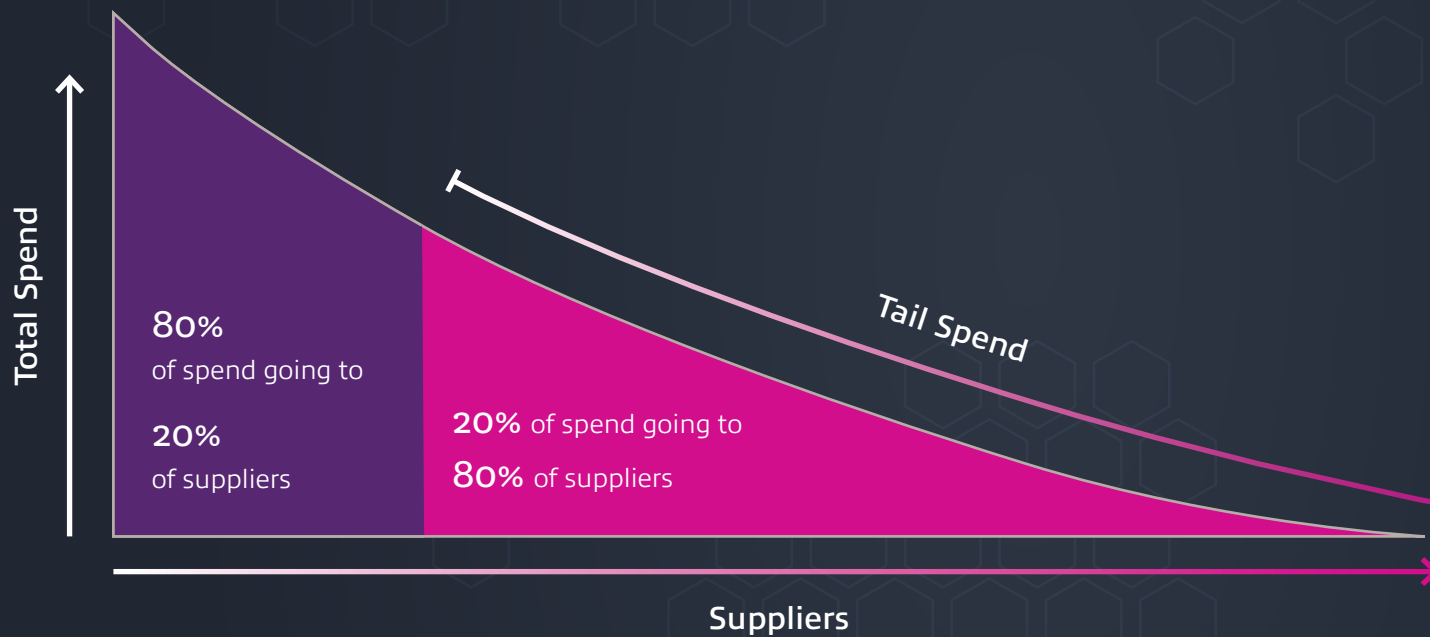
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<sup>2</sup> Gartner® 2022 Magic Quadrant™ for Software Asset Management Managed Services

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# Conquering Tail Spend

Most enterprises focus precious in-house vendor management resource around their key suppliers. But there's potentially a greater cost reduction opportunity in the 'tail spend'. The 20% of overall spend that goes to the 80% of non-core suppliers who are often unmonitored and unclassified.



The challenges this presents only adds to the administrative burden on procurement, IT, legal and finance professionals. It happens when spending falls outside the company's procurement policies or is put through by an employee on expenses as a one-off or regular purchase – often to bypass procurement or IT policies. It can be costly as it raises the security threat threshold and potentially can be a compliance liability too.

Addressing tail spend should be on every IT and procurement professional's agenda.

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# The Software Lifecycle

## - Acquisition

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Navigating the procurement minefield for software acquisitions is complex, time-consuming and often unappreciated. Businesses may already have agreements in place with multiple vendors, but this doesn't stop requests for new software purchases from users or for projects.

Managing these requests and understanding what's available, what's appropriate and what's a valid new requisition is a full-time job.

A self-service platform that allows employees or their managers to request technology directly can be great. It is especially suitable for equipment purchases like a new monitor, mouse or headset. But the software asset landscape contains so many variables, that IT and procurement staff can really struggle with the complexity of managing multiple areas of the procurement process.

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**Adopting a holistic process, powered by external expertise gives you:**

- **Visibility of consumption and entitlement**
  - **Future-proof contracts for mutual benefit with vendors**
  - **Free up resource to focus on strategic deliverables for your business**
  - **Reduced costs and a more efficient delivery process**
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# The Software Lifecycle - Management

With the proliferation of software and software vendors used by an organisation, the demand to manage software assets has massively overtaken many IT departments' capabilities.

Undoubtedly, SaaS helps make applications more accessible to non-IT groups, but this democratisation has also unleashed a series of new challenges for pressured IT professionals.

Stronger efforts to impose strict rules to protect the business may be met by employees bypassing the rules, leading to increased shadow IT and even more risk. A commercial side effect is inefficiency, duplicated spending and, from a technical perspective, even more applications to monitor secure and support.

SAM has gone from being 'useful' to 'essential' to ensure the smooth running of the business and mitigating risk. SAM tools and processes provide visibility and control. With additional expertise from a dedicated external resource, you can move from reactive to proactive SAM.





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With Software Asset Management as a Service you can:

- Increase your focus on decision making not analysis
  - Drive greater return on software investments
  - Optimise spending across your software assets
  - Reduce compliance risks, demand and wastage
  - Improve visibility, coverage and the accuracy of data sources and reporting
  - Draw on a wider range of expertise beyond a handful of key individuals
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“The SAM services offered by Insight, have added value to our overall IT management system by focusing on cost reduction and contract optimisation.”

Software Asset Manager, Global Energy Company

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# The Software Lifecycle

## - Evolution

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Software is continually evolving. Software publishers are in a constant state of enhancing capabilities and extending the reach of their products.

Within your organisation, software assets will be coming to end-of-life, or end-of-usefulness. Maybe they don't work on a new platform as well as they did. Maybe a solution from a new vendor – or a new solution from an incumbent vendor – is a better fit, or a 'good enough' fit at a lower cost. Maybe there are new, more appropriate or more efficient licensing metrics. Whatever the case, the software landscape is always changing.

Keeping up with change, evaluating what changes to accept and when to switch vendors for greater business advantage in the future is all part of the continual software asset lifecycle. It should be proactively managed to meet the optimum time for change. After all, to remain competitive, you have to continually adapt and change.

This requires a clarity of information that isn't always present: licence terms can vary between countries in a global business; contracts may vary between business entities. Terms, rights and features all change. Things can get messy, when what you really want is to rise above the noise and plan strategically for your own business evolution.





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With a focused software optimisation resource, you can gain:

- Clarity for more informed decision-making
  - Optimised consumption and commercial positions on cloud, SaaS and on-premise systems
  - Assurance that you have obtained a good deal for the technology consumed
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“Thanks to Insight, we have much greater visibility and control of our spending on Microsoft technologies across all of our operating companies. We’re also confident that we now have the right technology roadmap in place to achieve our company goals over the next five years.”

Senior Stakeholder, Global Telecommunications Company

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# Governance

Top of absolutely no one's list of favourite things is a publisher's software audit. They are time-consuming and expensive. You can divert the threat by having clear, coherent SAM processes in place, and, importantly, making sure they are followed.

Being prepared with the right levels of internal governance is useful to reduce the cost impact and disruption of an audit. When your organisation understands its licensing entitlement and consumption, you're in a better place to deal with an audit.

More than this, however, you are better informed about who or what is consuming your licences and the extent to which the rights are being used. You can also see whether licences are still allocated or are being consumed unnecessarily by users who no longer use the application or have left the business. And, it highlights systems that are redundant or are inefficiently configured from a licensing perspective. Armed with this insight you can true-up or true-down to report an accurate software cost and avoid compliance challenges.

With external software asset management governance expertise you gain:

- An understanding of spare capacity and cost reduction opportunities
- Reduced likelihood of audits and their impact
- Clarity around procurement and demand for renewals and growth strategy



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# Fresh Thinking from Insight

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Insight's optimisation and governance solutions are based on many years of experience and a refreshingly challenging approach to the issues involved. As a technology agnostic organisation with strong vendor relationships across the IT spectrum, we continually challenge the 'accepted' way of doing things to come up with solutions that benefit clients large and small. Our approach has been recognised as 'visionary' by Gartner® in its Magic Quadrant™ for Software Asset Management Managed Services<sup>3</sup>.

Insight has the expertise to deliver the right solution for your software asset optimisation and governance needs. You just need to ask the experts.

Insight's Optimisation and Governance Services augment your existing SAM processes. They can be used to help to deal with a specific issue or with a longer term, or wider scale objective.

With Insight's fresh approach, you gain:

- More time and extra internal resource to focus on strategic deliverables
- Enhanced visibility to make more informed decisions
- Reduced costs and potential to optimise existing investments
- A lower risk profile and better governance

Why Insight?

- Our extensive experience in managing software licensing by certified professionals
- A technology agnostic approach, with deep experience of working across a range of subject relevant tools
- A pragmatic understanding that 'one-size does not fit all' to serve organisations of all sizes and software maturity
- A trusted pioneer and partner with significant experience of delivering results

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## Find out more

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To learn more about how we can help optimise and govern your software assets, why not ask the experts?

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