Cracking the Software Lifecycle Code

Razor-sharp decision-making takes Insight.

Digital transformation projects have seen an explosion of software licenses in practically every organization.

IT teams today are wrestling with an intricate ecosystem of legacy tech, on-premises and in-house systems, cloud, and Software as a Service (SaaS) licenses 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 optimize 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 do not 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 recognizes that SAM impacts processes owned by many parts of the organization. And it needs to be scalable and flexible to support changing business needs.

Insight's approach is a perfect example of where fresh thinking can optimize the return on your software assets and well-governed processes.

Explore Insight's fresh approach to software asset management.

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More than a technical challenge

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

In the era of digital transformation, organizations have seen their IT ecosystems expand exponentially. Often, these ecosystems include legacy, on-premises, hybrid, cloud-based, and SaaS systems. And they're embedded in the way the business operates and how it serves its customers and employees.

With the increasing reliance on digital tooling, SAM is becoming a necessity for efficiency and strategic decision-making. Greater competitive pressure from more agile businesses and digital-native market entrants has elevated the relevance of optimization and governance from being IT-centric functions to ones that are crucial for the whole organization.

Managing the software asset lifecycle efficiently has never been more important, or more complex. No pressure.
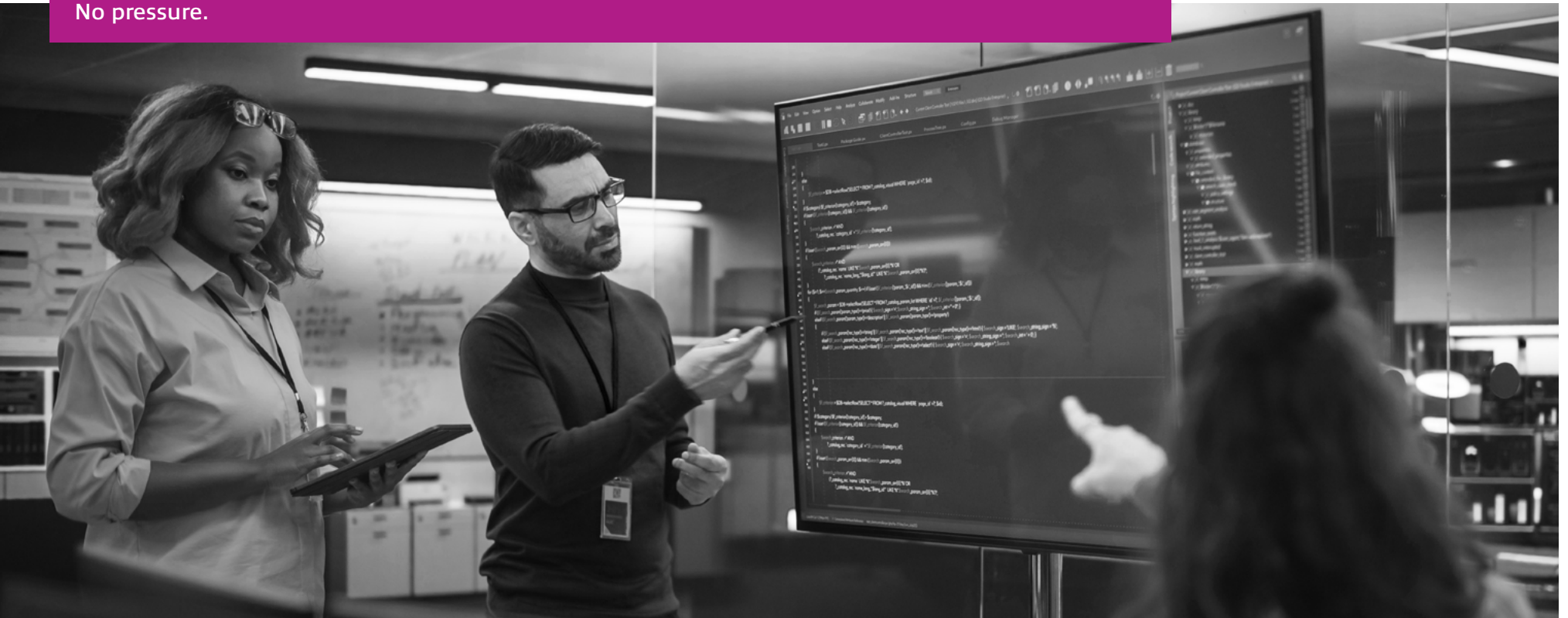
Getting to the detail

The challenges of SAM are wide-ranging. At every stage, there are questions to answer.

At acquisition:

- Do we need this software?
- Do we already have 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?
- Do we have enough or too many licenses?
- Can we consolidate users?
- How does the business feel about the software, the supplier, and our relationship?
- Similar questions can be asked of data center 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 in compliance?
- 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 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?
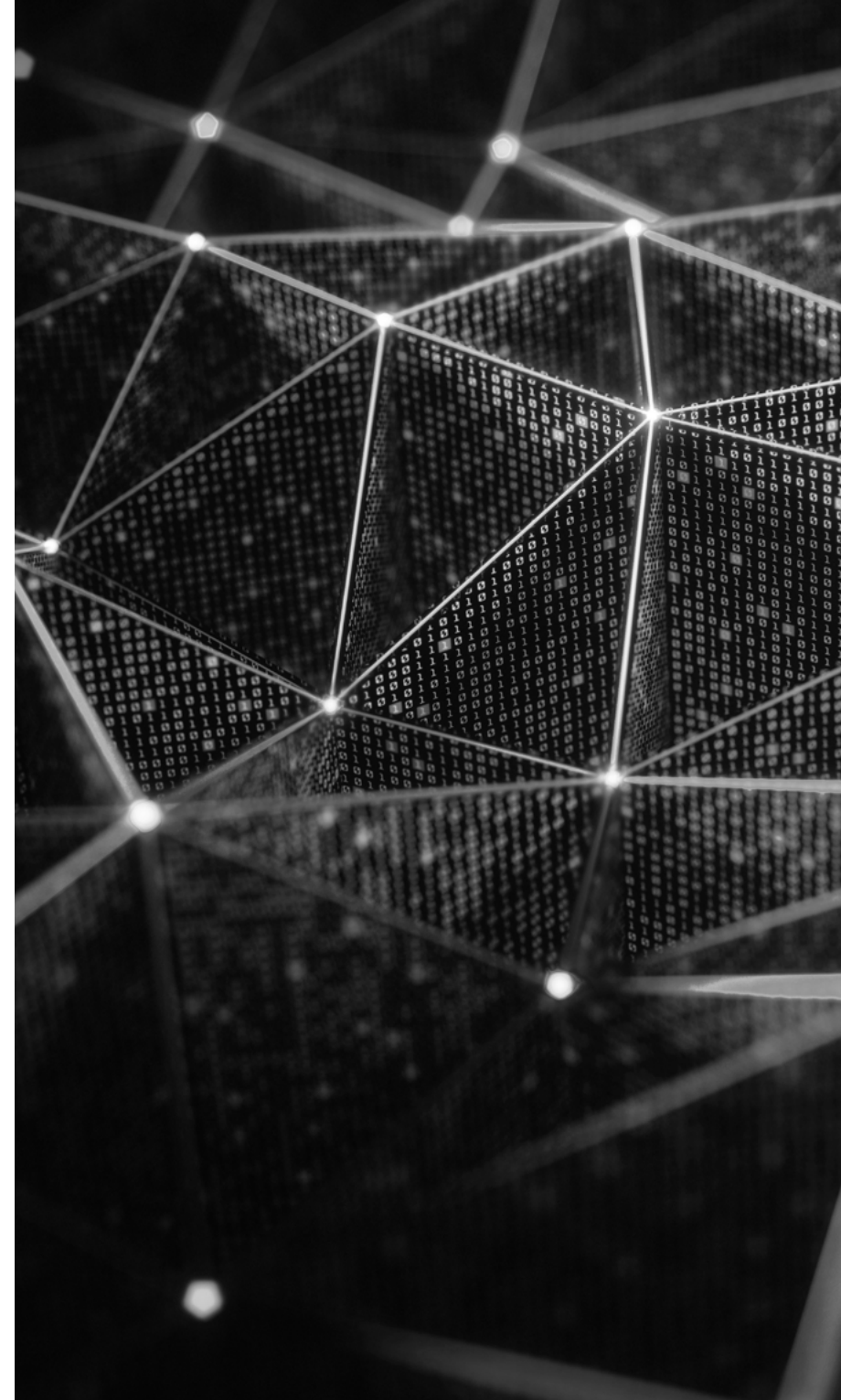
Now multiply these questions by the number of software packages and vendors used. A business with **10,000 or 20,000 end users employs hundreds of different software applications**. In 2022, organizations worldwide were using an average of **130 SaaS applications alone**.[1] Anecdotal reports suggest that larger organizations could have **software from 500–800 different publishers in play at any given time**. This calls for proactive large-scale analysis every year to allow time for effective negotiation at renewal.

Because of the scale of the undertaking, licensing for much of the application portfolio goes unscrutinized. This creates a huge amount of wastage, as well as stress for purchasing teams each year. Often, licensing analysis falls between the cracks of procurement, IT, and legal responsibilities. Each function wants the best for the organization, of course, but tends to focus resources on its core goals. In general, procurement wants to get the best price, IT wants to leverage technical features, and legal wants adequate protections.

While some businesses have strategic vendor management teams focused on key suppliers, there is usually a large contingent of unmonitored and unmanaged software publishers that hardly ever come under strategic consideration.
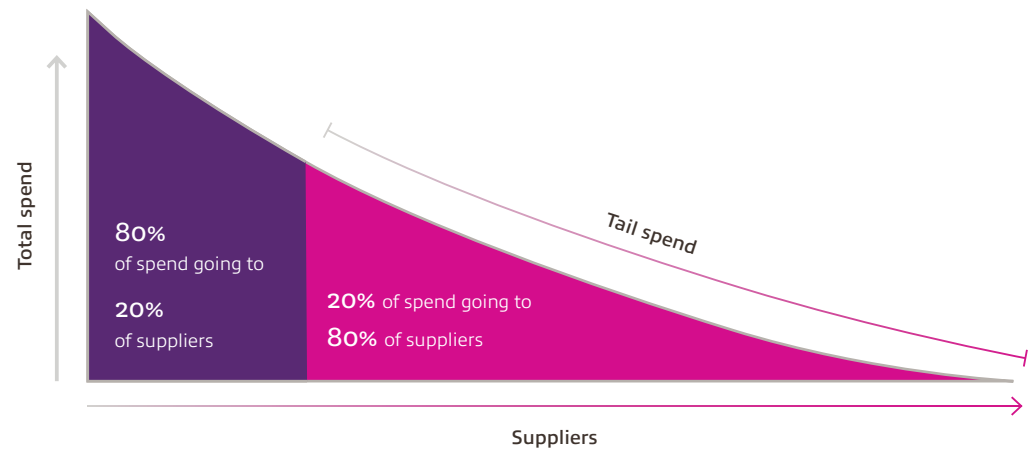
For many organizations, engaging external support is the most effective way to solve the sheer scale of SAM challenges.
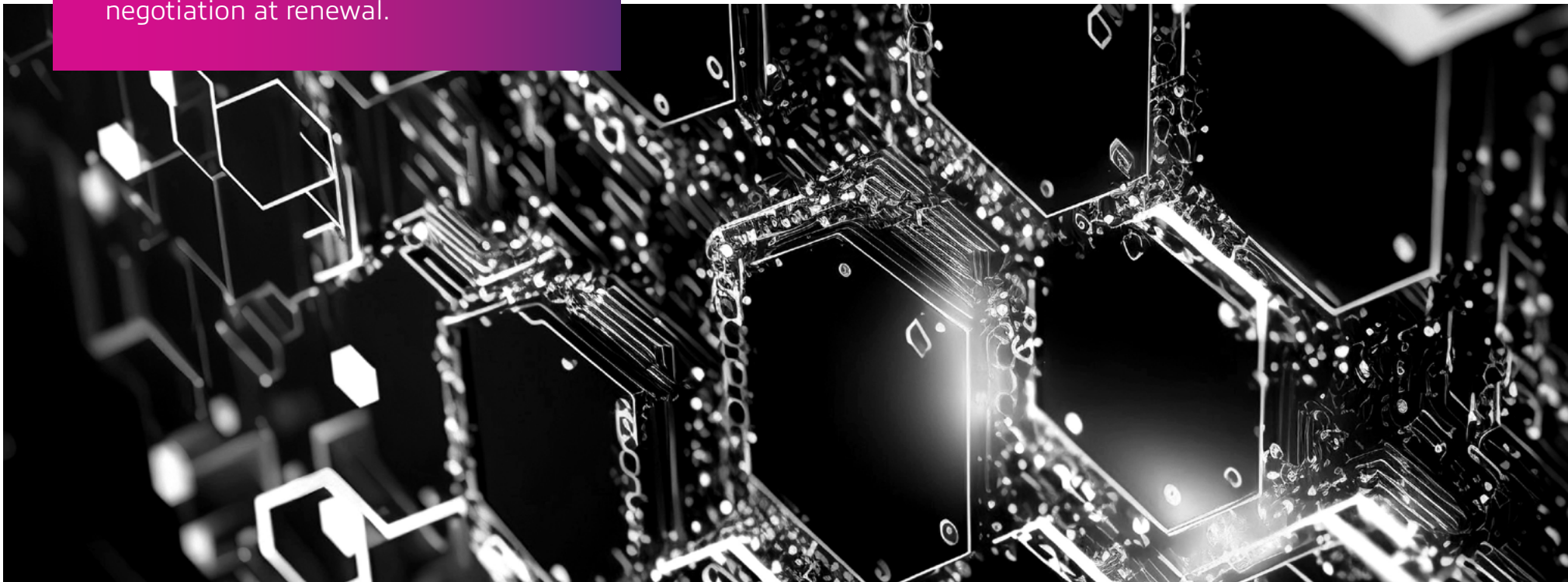
Conquering tail spend

Most enterprises focus precious in-house vendor management resources on 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 (often unmonitored and unclassified) non-core suppliers.

Total spend (y-axis) / **Suppliers** (x-axis)

80% of spend going to
20% of suppliers

20% of spend going to
80% of suppliers

Tail spend

The challenges this presents only add to the administrative burden on procurement, IT, legal, and finance professionals. It happens when spending falls outside the company's procurement policies or is designated as a one-off or regular purchase — often to bypass procurement or IT policies. In addition to increasing administrative and financial burden, tail spend can also be costly due to the added security and compliance concerns involved with unmonitored technology purchases.

"By 2025, 40% of organizations will utilize continuous software asset management managed services from third parties for at least part of their rapidly expanding and increasingly complex software estate."[2]

The software lifecycle — Acquisition

Navigating procurement for software acquisitions is complex, time-consuming, and often unappreciated. Organizations 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 managers to request technology directly can help relieve some of the administrative burden of technology procurement. It can be especially suitable for equipment purchases like workforce devices and accessories. But the software asset landscape contains so many variables that management for IT and procurement teams is almost never a simple affair.

Adopting a holistic process powered by external expertise gives you:

- Visibility of consumption and entitlement
- Future-proof contracts for mutual benefit with vendors
- Increased resources to focus on strategic deliverables for your business
- Reduced costs and more efficient delivery

The software lifecycle — Management

With the sheer volume of software and vendors used in one organization, the demand to manage software assets can eclipse many IT departments' capabilities.

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

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. Commercial side effects are inefficiency, duplicated spending, and, from a technical perspective, even more applications to monitor, secure, and support.

SAM has gone from being useful to essential. Without it, teams find it increasingly difficult — even impossible — to adequately optimize their portfolio of software and licenses, ensure optimal performance, and minimize associated risk. SAM tools and processes provide critical visibility and control. And, with support from an experienced external resource, your teams can shift from a reactive approach to resource management to a strategic, focused SAM methodology that supports your business goals.

With Insight's Software Asset Management services, you can:

- **Drive greater return** on cloud and software investments.
- **Optimize existing resources** with third-party expertise.
- **Reduce** compliance risk, IT complexity, and resource waste.
- **Gain informed** cloud and software decision-making.
- **Improve** visibility, coverage, and data and reporting accuracy.

"The SAM services offered by Insight have added value to our overall IT management system by focusing on cost reduction and contract optimization."

**Software Asset Manager,
Global Energy Company**
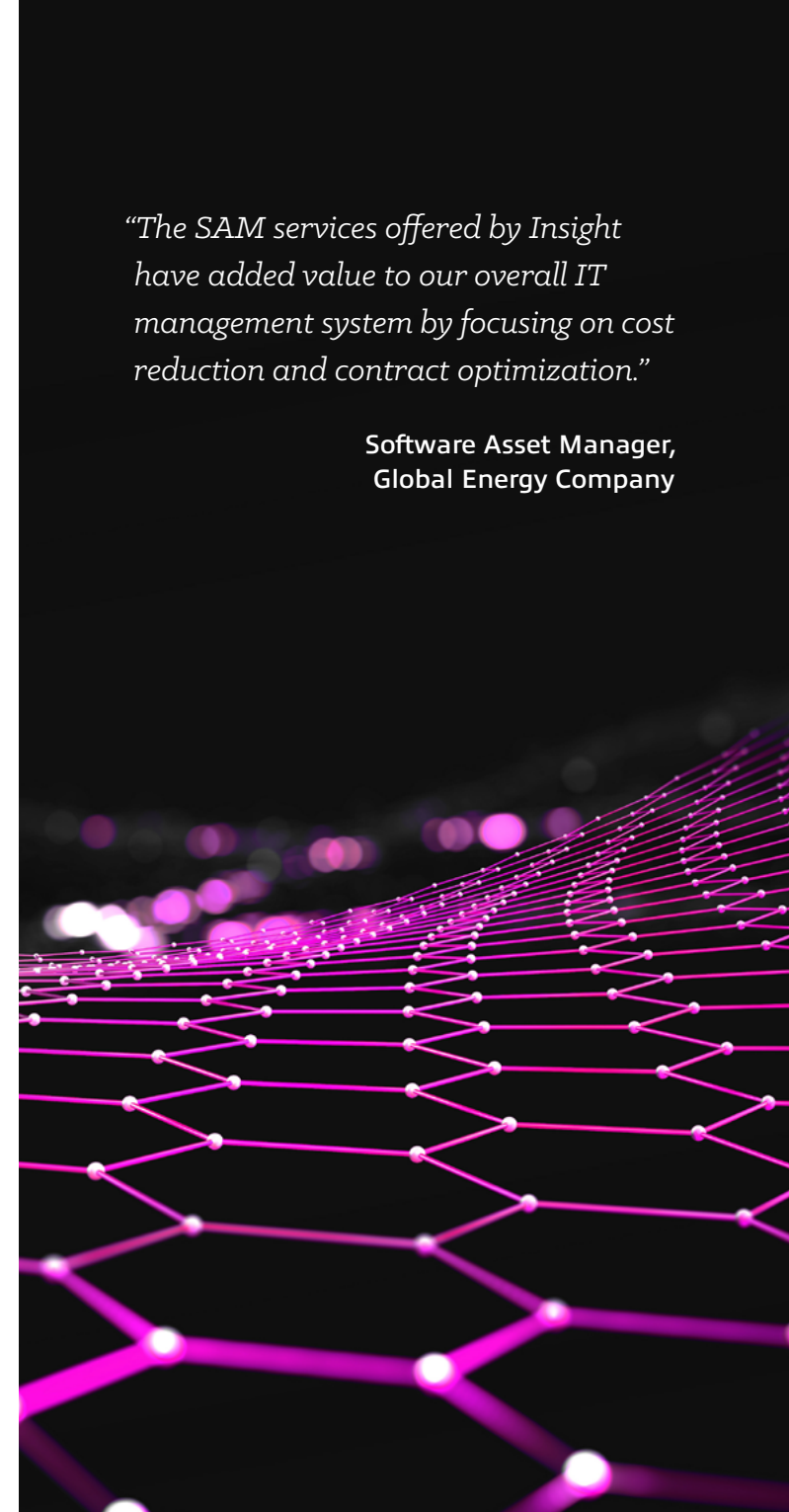
"Thanks to Insight, we have much greater visibility and control of our spending on Microsoft technologies across all of our operating companies. We're also confident that we now have the right technology roadmap in place to achieve our company goals over the next five years."

**Senior Stakeholder,
Global Telecommunications Company**

The software lifecycle — Evolution

Software is continually evolving. Software publishers are constantly enhancing capabilities and extending the reach of their products.

At the same time, existing software assets are moving toward end of life or end of usefulness. Maybe they don't work well (or at all) on a new platform. Maybe a solution from a new vendor — or a new solution from an incumbent vendor — is a better fit, or 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 and evaluating what changes to accept and when to switch vendors for greater business advantage in the future are all part of the continual software asset lifecycle. Proactive management monitors all of these considerations to ensure the organization makes the best possible move at the best possible time.

This requires a clarity of information that isn't always easily attainable: License terms can vary between countries in a global business; contracts may vary between business entities; and terms, rights, and features all change. What you need is to be able to rise above the noise and plan strategically for your own business evolution.

With a focused SAM approach, you can gain:

- More strategic asset management
- More cost-efficient cloud and software performance
- More clarity for your long-term business goals
- More simplicity in acquisition and management

Governance

Top of absolutely no one's list of favorite things is a publisher's software audit. They're 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 can help reduce the cost impact and disruption of an audit. When your organization understands its licensing entitlement and consumption, you're in a better place to deal with an audit.

And, what's more, you're better informed about who or what is consuming your licenses and the extent to which the rights are being used. You can also see whether licenses are still allocated or are being consumed unnecessarily by users who no longer use the application or have left the business. This kind of awareness also uncovers redundancies and inefficiencies from a licensing perspective. Armed with these insights, you can true-up or true-down to report an accurate software cost and avoid compliance challenges.

Effectively managing your portfolio of software assets can help your organization reduce costs, mitigate risk, and drive stronger, more cost-efficient performance. The real challenge is that many organizations simply lack the in-house bandwidth and expertise to carry out such a robust asset management strategy.

This is why an expert third party can be such an invaluable resource to organizations with an eye to the future.

Fresh thinking from Insight

Insight's SAM services are based on many years of experience and an in-depth strategic approach to the issues involved. As a technology-agnostic organization with strong vendor relationships across the IT spectrum, we continually challenge historical methods and complacent ideologies to come up with solutions that benefit clients large and small. In fact, Insight has been recognized as a Visionary in the 2022 Gartner® Magic Quadrant™ for Software Asset Management Managed Services.[2]

Insight's broad SAM capabilities can be tailored to your organization's needs to help you handle a specific concern or to drive wholesale optimization across your entire portfolio.

From strategic consulting and implementation to management support and end-of-life solutions, we can help you gain full control over your cloud and software assets with deep and broad SAM capabilities.

Data & tooling platforms	Compliance & remediation	Monitoring & advisory services	Reclamation & assignment	Billing & cost allocation	Cloud & SaaS cost management	Compliance & audit support
Implementation, management, and support for a range of SAM technologies and associated data sources	Determining exposures and shelf-ware with guidance and advice to improve your position	Providing scorecards, diagnosis, and assessments of a variety of risks, trends, and opportunities, helping you to advise business stakeholders and make informed decisions	Management of license pools and reallocation of deployments to reduce demand and minimize waste	Support for internal billing and cost allocation, with options to support how you invest and pay for software	Monitoring of consumption, spend, and trends with ongoing improvement recommendations	Managing the scope and process of delivering a vendor or internal software audit, with recommendations where you need to make management decisions

Why Insight for Adobe

Insight and Adobe support your on-site, remote, and hybrid teams with a suite of software solutions designed to make work simple and more productive.

Adobe's solutions are powerful tools that streamline and simplify workflows. With Insight, you can implement Adobe® tools like Creative Cloud® across your entire workforce with ease. Here's why you should choose Insight for Adobe:

| Advanced security	Password protection	Mobility management	Content redaction	Leak protection

Insight is a Worldwide Adobe Licensing Partner.

Take the complexity out of software licensing by subscribing to the Adobe Value Incentive Plan (VIP) through Insight. This subscription-based solution is a way to centralize control of the Adobe Creative Cloud and Adobe Acrobat® Pro platforms.

Experience the benefits of generative AI with Adobe Creative Cloud.

Adobe is on the leading edge of generative AI, using its new intelligence powers to speed productivity, creativity, and more. Adobe Firefly® is transforming Creative Cloud workflows with AI-powered features that change simple language into amazing content. Other new creative tools include:

- Text to image and text effects in Express
- Generative Fill and Generative Expand in Photoshop®
- Generative Recolor in Illustrator®

Learn more about the new AI features in Adobe Creative Cloud products.
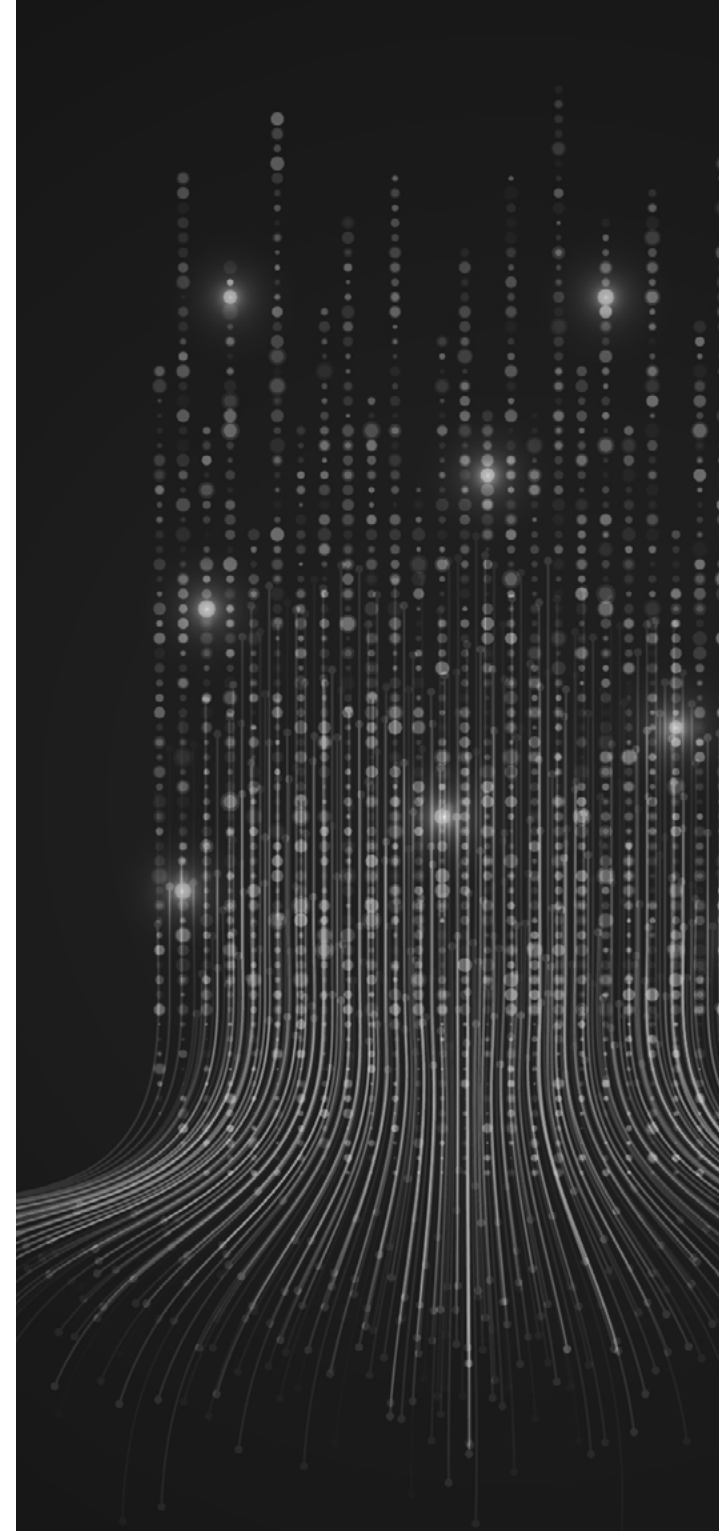
About Insight

Insight Enterprises, Inc., is a Fortune 500 Solutions Integrator with 14,000 teammates worldwide helping organizations accelerate their digital journey to modernize their business and maximize the value of technology. We enable secure, end-to-end transformation and meet the needs of our clients through a comprehensive portfolio of solutions, far-reaching partnerships, and 35 years of broad IT expertise. Rated as a Forbes World's Best Employer and certified as a Great Place to Work, we amplify our solutions and services with global scale, local expertise, and a world-class eCommerce experience, realizing the digital ambitions of our clients at every opportunity.

Find out more.

Acquire, manage, and evolve your cloud and software licensing with Insight.

To learn more, visit insight.com.

Insight

Sources:
[1] Vailshery, L. (2023, May 30). Average number of software as a service (SaaS) applications used by organizations worldwide from 2015 to 2022. Statista.
[2] Gartner, Gartner Magic Quadrant for Software Asset Management Managed Services, Stephen White, Yoann Bianic, and Rob Schafer, 19 July 2022.

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