



IT & DATA MANAGEMENT RESEARCH,
INDUSTRY ANALYSIS & CONSULTING

A business view of IT asset management: Current state and near-term outlook

Modern business demands
modern IT asset management

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Digital Service Execution

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Progression

The third in a series of annual research initiatives on the state of IT asset management (ITAM), this report represents the collective findings of 450 global IT leaders in 2023. Their observations and opinions benefit from context that was set in earlier efforts.

On the surface, much remains constant. Although more trendy innovations may grab headlines, the core mission of ITAM is unchanged. Assets must be managed. ITAM professionals have always looked for ways to automate and simplify their processes as the number and type of assets change. Today, a logical progression of factors bring IT asset management to an inflection point: There is a real opportunity for it to become a compelling force in the business of IT.

That progression is reflected in the research report titles.

ITAM has a real opportunity to be a compelling force in the business of IT.

2021 IT Asset Management: Current State and Near-Term Outlook

When ServiceNow first commissioned this independent study, the purpose was for EMA to assemble a vendor-neutral panel of IT leaders who could establish a baseline for ongoing trend analysis. The question that year was, “How is IT asset management (ITAM) keeping pace with business innovation and technology advances?”

2022 Asset Management (IT and Beyond): Current State and Near-Term Outlook

The topic of IT asset management itself had moved beyond the confines of traditional IT to such an extent that it warranted exploring enterprise assets. In 2022, the report examined the changing definition of ITAM and its cross-functional role in a volatile business environment.

2023 A Business View of IT Asset Management: Current and Near-Term Outlook

Modern IT asset management has advanced in organizational stature and business impact. It can no longer thrive with a technology-centric view of enterprises that are business-driven. Rather, it must use technology to deliver clear business benefits to an audience that only speaks business. IT teams can't rely on ITAM approaches and tools that were designed for less complex times. This year's report takes a business view of asset management, noting any significant changes year over year.

Follow the money

Enterprises reward outstanding IT service quality with budget. The strong correlation between quality of IT service and the size of budget increase makes business sense. When a function delivers high value, it receives funding because executives trust it will be well spent. That funding, in turn, enables investments that improve service quality in a productive cycle of reciprocity.

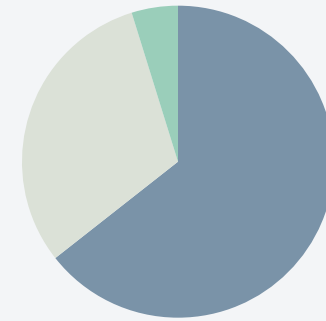
Increasingly, IT organizations are being held accountable for the business impact of their use of that budget. This year, a convincing 76% of organizations that earned in excess of a 20% budget increase are among those organizations that hold IT responsible for the business impact of their investments.

Every year, this research shows that ITAM data accuracy has a rock-solid correlation with the quality of IT service delivered, and by extension, the level of funding that IT receives. This year is no exception: 70% of all organizations with outstanding quality of IT service also reported an outstanding level of ITAM accuracy and completeness. In sharp contrast, of those delivering average IT service quality, only 6% reported working with a high level of ITAM excellence.

Of the many reasons for this connection, the most basic is that asset visibility is foundational to the ability to serve, secure, control, and optimize the components of IT service. Performance, cost, and security all depend on the completeness and accuracy of ITAM information.

Asset information completeness and accuracy are fundamental to IT service quality and funding.

Which statement best describes IT's area of responsibility?



- **64.4%** IT is increasingly held responsible for the business impact of its investments.
- **30.8%** IT is only responsible for the performance and availability of the service it delivers.
- **4.8%** IT works within a budget, but how they use it is up to them.



ITAM inflection point

When ITAM information is complete, accurate, and current, good things happen to the business and to the ITAM teams serving that business. This year, the research suggests that ITAM is at an inflection point that offers a clear path to a better seat at the executive table.

No one needs any research to know that IT is in a volatile state of complex, innovative change at a volume and velocity that are beyond human comprehension. Digital transformation is an ongoing force that directly impacts the organizational role of the ITAM team – for good or for bad.

Asked, **“Which statement best characterizes the effect of digital transformation initiatives on the role of ITAM in your organization?”** there was an almost exact split between two camps:

- Increased reliance on IT has raised ITAM’s role and influence
- The scope and speed of innovation have increased the number and types of tools

One group experiences digital transformation as an opportunity to excel and improve their standing on the leadership playing field where key decisions are made. The other group experiences change as just one

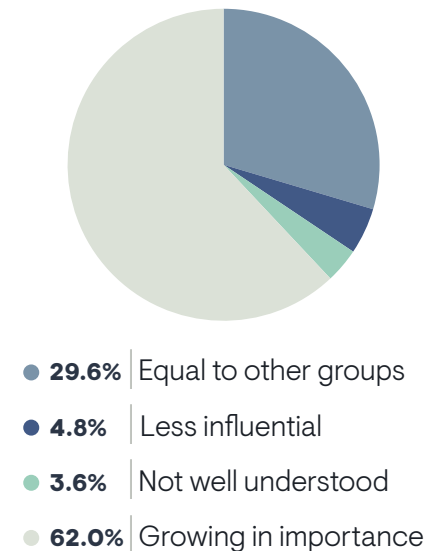
more source of aggravation and consternation disrupting the daily routine.

What makes that kind of difference? The difference is in the level of ITAM maturity. Those organizations with average ITAM maturity experienced digital transformation as yet another in an endless wave of changes and complication. Their processes, skills, or systems are ill-equipped to adapt. In sharp contrast, those with high levels of ITAM maturity were able to meet changing business demands with agility and effectiveness, parlaying their success into organizational stature.

This set of circumstances gives ITAM teams an opportunity to promote the function and extend its influence on the basis of business value.

It’s not uncommon for ITAM team contributions to go unheralded, hidden beneath flashier trends and technologies. The result can be something of a second-class status in IT. However, change is well underway. For 62% of the respondents, the role of ITAM is growing in importance. The speed and level of that growth are directly determined by the value ITAM brings to the business—delivered in a way that the business values.

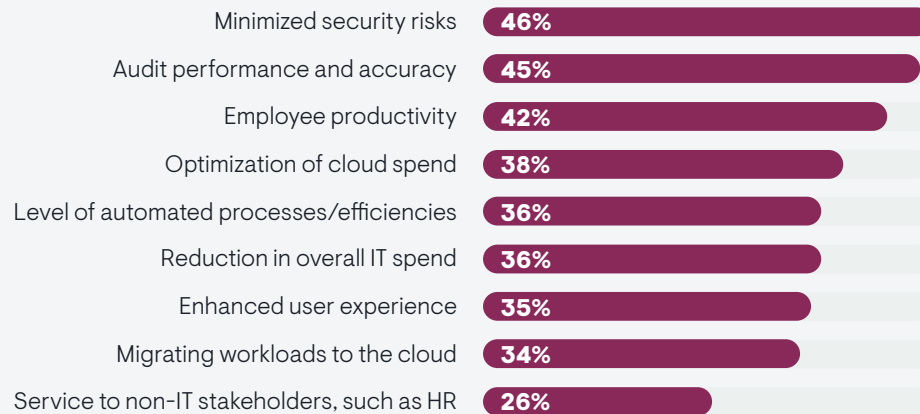
When it comes to influence in your organization, which statement best characterizes the asset management team compared to other IT groups, like DevOps, IT service, NetOps, and FinOps?



Speaking business to business

Business measures success in business terms. In addition to detailing ITAM-specific characteristics, such as lifecycle management, maturity level, and fidelity, EMA probed numerous business areas. The business metrics by which ITAM's contributions are weighed place security, audit performance, employee productivity, and optimization of cloud spend at the top of the list.

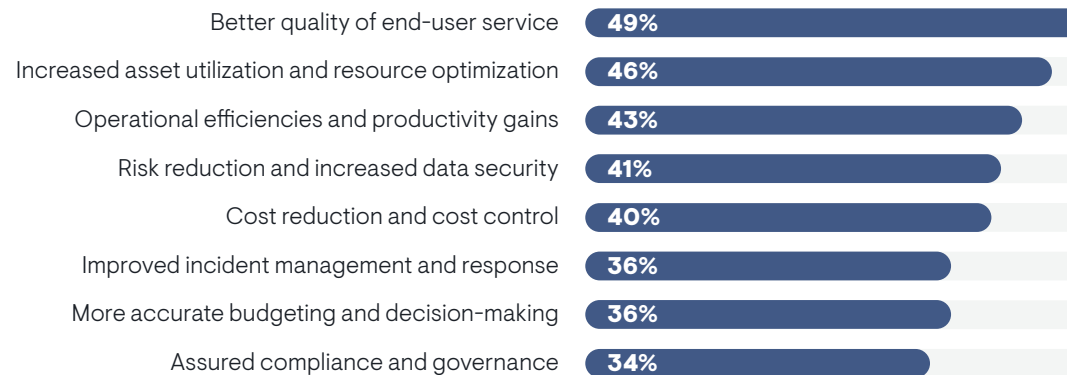
Which business metrics are used to measure the success of your ITAM programs?



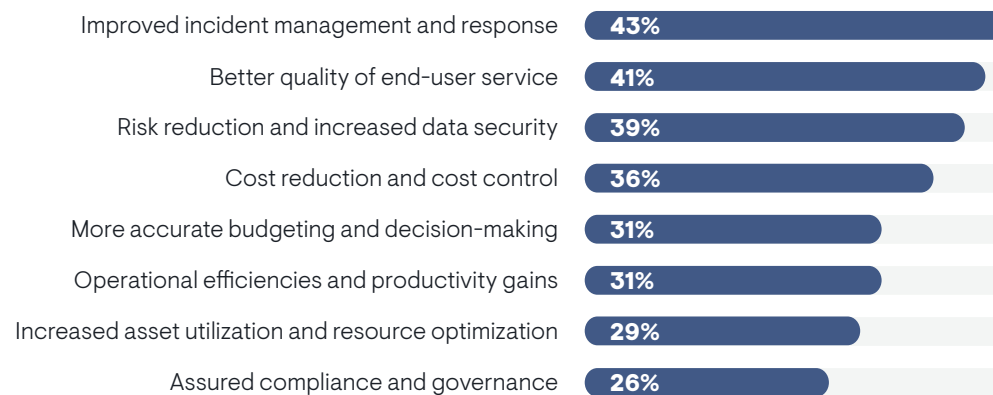
Most businesses are inherently risk-adverse. Stakeholders expect ITAM to play defense first to ensure technology assets are safe and compliant, then deliver on cost-cutting optimization and automation.

The expectations business metrics set are more than matched by the business benefits that good ITAM practices deliver. The top benefits that ITAM delivers – improved end-user service, asset utilization, operational efficiencies/productivity, cost containment, and risk reduction – are also C-level objectives across industries and enterprises of every size.

How has your organization benefited from its ITAM practices?



Benefits that could be increased through ITAM practices



Research panelists each named an average of three benefits that ITAM practices deliver to the organization. However, those from organizations with optimized ITAM maturity experienced significantly more benefits at a higher level than others. What's more, that successful group was the most aggressive in naming the benefit areas they want to improve.

The implication is clear: some organizations are leaving real benefits and gains on the table.

The state of asset management

Year-over-year comparisons

Strategic vs. siloed

Organizations increasingly treat asset management as strategic. Fully 70% of the organizations are either actively working to tear down siloed barriers or have already adopted a unified platform approach. For 34% of this year's panel, there is a drive to bring all asset classes and types onto a shared platform for cross-domain workflows. That number is up from 23% in 2022. The gain comes largely from the group that has tools specific to each type of asset, which last year took 36% of the responses compared to this year's 28%. Likewise, cloud team separation is decreasing – 15% this year vs. 23% last year.

Which statement best describes your organization's approach to asset management?

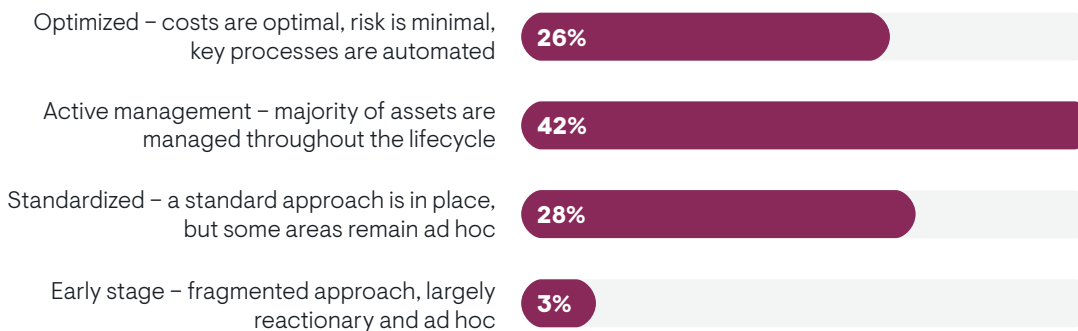
2023		2022
34%	Asset management is strategic. There is a drive to bring all asset classes and types onto a shared platform for cross-domain workflows	23%
28%	There are separate teams and tools specific to each type of asset (hardware, software, cloud, non-IT assets/IoT/operational)	36%
22%	Hardware, software, and cloud assets share management processes and tools, but IoT, OT, and industry assets are tracked separately	19%
15%	Hardware and software asset management teams are combined, but cloud teams are separate	23%

The maturity/excellence connection

Overall, the maturity level is unchanged year over year. Another thing that hasn't changed is the fact that "Optimized ITAM" has a high correlation with outstanding IT quality of service delivered and completeness/accuracy of ITAM.

A convincing 100% of organizations that have reached the optimized level of ITAM maturity did it by taking a platform approach. It can't be achieved any other way.

How would you characterize the overall maturity of your IT asset management function?



The end-to-end lifecycle management of IT assets is a reliable predictor of ITAM maturity and ability to deliver value to the organization. Those handling the lifecycle of "Hardware, software, cloud, and non-IT assets all differently" dropped to 15% from last year's 21%. We live in a world where staffing levels do not increase linearly with asset volume and variety. However, organizations that consolidate and standardize lay the foundation for active management and optimized operations.

Asked which phases of the lifecycle present the most challenge to ITAM teams, ITAM practitioners gave first place to "Monitoring – uneven asset utilization and performance data, reactive approach to security" and second place to "Deployment – difficulty getting assets where they need to be, asset tracking." Both relate to optimizing the investments in technology assets with automation to minimize risk – key behaviors to reach peak maturity.

The dark side of specialization

When IT asset information is accurate, complete, and accessible, it gets widely used by many groups. When it lacks any of these factors, groups that have need of the information will simply establish their own asset management systems.

The question, **“Many different groups use IT asset information. Which groups have their own asset management tools and processes?”** produced the following categories other than ITAM:

Most commonly cited:

- » IT finance
- » ITSM (service management)
- » Cloud Center of Excellence CoE/operations

Well-represented:

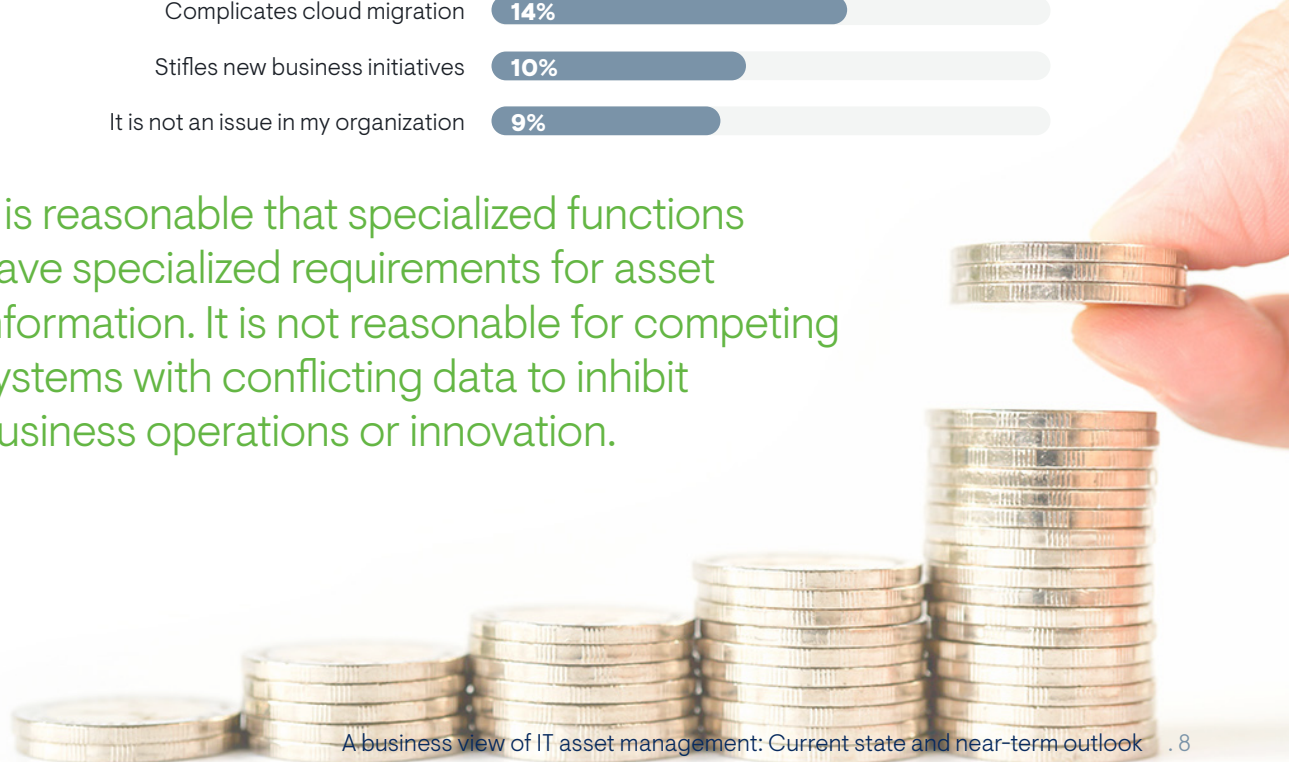
- » HR (human resources)
- » SAM (software)
- » Procurement
- » ITOps

Not surprisingly, the information in these various asset management systems may or, more likely, may not agree with each other. On a departmental or localized level, that disparity can be incidental. However, these differences have definite consequences when it comes to enterprise initiatives, such as automation and cross-functional workflows. Also, it's a risky practice that is just plain wasteful.

Incomplete, siloed, conflicting, or inadequate asset information has what effect in your organization? Limit: two choices.



It is reasonable that specialized functions have specialized requirements for asset information. It is not reasonable for competing systems with conflicting data to inhibit business operations or innovation.



Intelligent automation

Automation isn't just strategic. It's a survival essential for IT and it runs on information. The enormous and unending job of making certain that asset data is complete and accurate pretty much guarantees that automation and asset management will increasingly go hand in hand – unless stymied by siloed barriers. Asked, **“How would you characterize the use of automation in your asset management program?”** the breakdown leaned heavily toward automation.

43%

We have a high level of process automation aided by AI/ML and a workflow platform

27%

Automation is increasingly a part of our asset management effectiveness, but it is still new

30%

Tools, teams, and policies limit cross-functional process automation

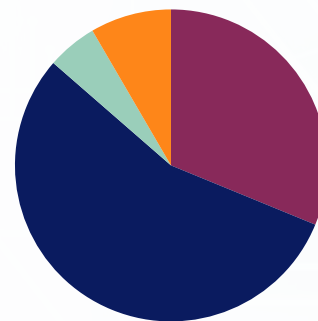
The combination of AI and ML with automation is a game-changer for IT asset management. Intelligent automation is at work across a wide range of functions. The question, “Which asset-related functions use AI/ML and/or automation in your organization?” resulted in a statistical tie between:

- Cloud
- Security
- ITSM ticketing and service

Rounding out the list were:

- HR employee onboarding/offboarding
- Configuration management
- Audit readiness and defense
- Facilities
- Discovery
- Dependency mapping
- CMDB update

Increased reliance on IT as the fabric of business requires intelligent automation to comprehend the scope and pace of change. Silos that hamper automation are missteps organizations can no longer afford. Step one is tool consolidation. In response to the question, “Is there any effort to consolidate asset-related tools?” a resounding 86% answered “yes” and 8% said, “no, but there should be.” Only 5% of respondents were content to simply say, “no.”



- 31.2% | Yes, we're reducing a lot of duplication and overlap
- 55.2% | Yes, we use a platform to unify asset visibility, workflow, and automation
- 5.2% | No
- 8.4% | No, but there should be

Platform use plays a major role in the battle to consolidate asset tools and unify asset visibility.

Asset management at work

Last year, the spotlight was on ITAM's role in technology-enabled enterprise assets – edge computing, IoT, OT, and non-connected business assets. The trend continues unabated with an upswing in IT's role in managing all of the above. Only 25% of the panel stated a preference and plan for keeping IT and non-IT assets separate.

This year, the rising star spotlight shines on environment, social, governance (ESG) and IT's evolving role in its management. Of the many other contributions that asset management makes to the business, practitioners are clearly focused on four high-impact topics:

- ① ESG
- ② Employee Experience
- ③ FinOps
- ④ Security

The ESG opportunity for ITAM

The acronym ESG encompasses an organization's generalized approach to making the world a better place in terms of **e**nvironment/sustainability, **s**ocial justice, and **g**overnance/corporate ethics. Increasingly, an organization's ESG stance has direct bearing on its financial well-being as investors, consumers, and employees weigh in. Almost all of this year's panel indicated personal support of ESG, with 87% responding, "In my personal life it is important, and I think corporations should care too."

ITAM has the potential to play a significant role in ESG initiatives, exerting influence and guidance on sustainable approaches to asset use, sourcing, and disposal. The importance of ESG is well-recognized. The challenge is how an organization funds, activates, and measures it.

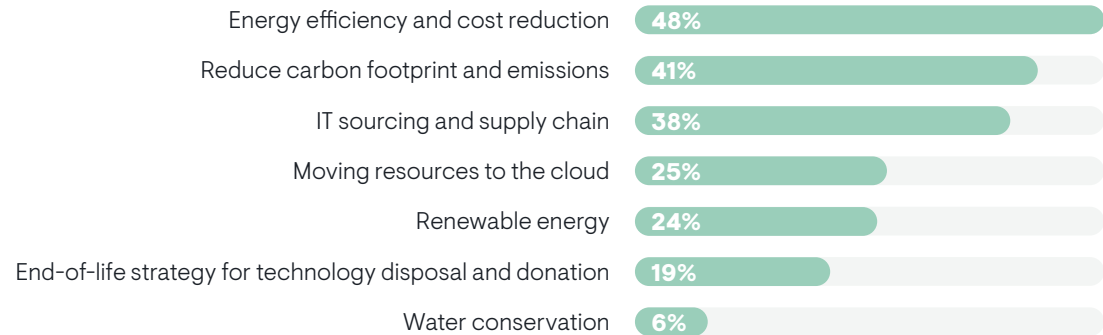
IT asset management teams are uniquely equipped to be at the forefront of driving ESG initiatives as organizations work out how to align operations with sustainability goals and stakeholder expectations. With their influence over technology choices, energy efficiency, waste reduction, and data security, ITAM teams have a clear opportunity to take a leadership role in meeting ESG objectives and creating enduring organizational value.



EMA asked the panel, **“What does the term ESG mean to you?”** Three-quarters of the respondents correctly identified it as an organization’s approach to sustainability and social matters, while 13% focused on ways to cut energy spend and waste. However, when the term was defined, the panel split roughly into two groups: 61% have a dedicated ESG team at their company and 39% are in relatively early stages of ESG policies and programs. Early or established, ESG concerns did rank consistently highly across ITAM-specific questions throughout the research. For instance, “greater attention to ESG initiatives” ranked in the top three of ITAM changes anticipated in the coming year.

Most of the panel indicated some degree of willingness to pay extra and invest in ESG initiatives, with 63% saying, “It’s part of our long-term vision and priority, so willingness is high.” Asked to prioritize ESG areas of interest, ITAM professionals consistently placed “IT sourcing and supply chain” in their top two and placed slightly more weight on end-of-life strategy than respondents from other functions.

Which of the following ESG areas are important to your organization? Choose two.



ESG offers asset management teams an opportunity to get in early enough to exert meaningful influence on policies and deliver increasingly valued contributions to the business’ health.

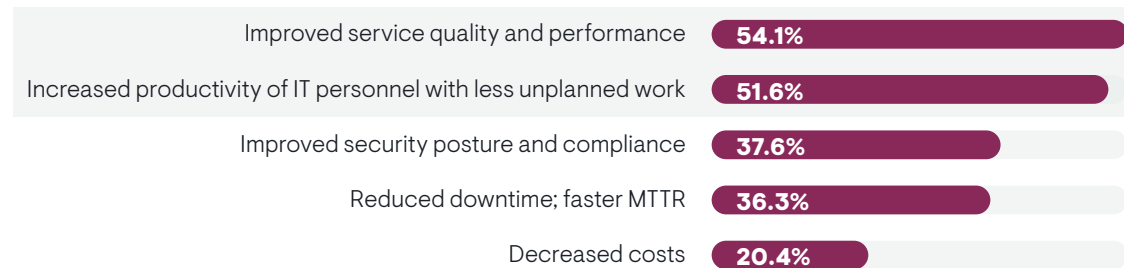
ITAM and the employee experience

Work-from-anywhere means assets are everywhere, bringing ITAM challenges from all points of the globe. It also brings a heightened opportunity for the ITAM team to deliver business value. Employee productivity hinges on their experience with the systems they use. Although IT service management offers users a productivity lifeline when systems behave badly, assets are often at the core of an issue.

CxOs recognize ITAM's critical role in enabling the service team to serve employees. In fact, asked to name the highest impact use of IT asset information, the executive respondents named service desk/ITSM as second only to security and risk. Anyone who has ever sat helplessly waiting for a service desk agent to exercise his or her detective skills can appreciate the difference that fast, accurate, and complete asset information can make in identifying and remedying a problem.

ITAM brings more than visibility to the employee experience; it brings understanding. Knowledge of usage patterns, performance, licensing, and warranty all contribute to effective management of the end-user experience.

Which benefits of a CMDB have the most value in your organization? Select two only.



Employees “see” the service desk, but ITAM is a power source for that service.

While we're on the topic of employee experience, EMA recently did an in-depth research project on CMDB. As it turns out, CMDB use is far from reaching its shelf life for 98% of the organizations. It remains a vibrant fundamental of IT service quality for 48% of a global panel with another 50% responding, “CMDB use is increasing; it's critical in hybrid and multi-cloud environments.” The top CMDB values cited directly and unambiguously play to “Improved employee experience.”

FinOps and ITAM

The fact that high adoption of cloud led to unbudgeted costs caught many organizations off guard. FinOps, the discipline and organizational practices for cloud financial management, is now mainstream. Only 11% of respondents consider their organizations to be early or just starting. FinOps delivers much-needed financial rigor and accountability to cloud spend and the group is typically separate from ITAM teams in almost all organizations.

Although separation is the norm, with only 5% of the panel indicating that a single team is responsible for both FinOps and ITAM, cooperation is on the rise. ITAM, FinOps, and Cloud Center of Excellence proactively collaborate in 43% of organizations, and another 18% of ITAM teams provide support when asked. ITAM professionals lend cloud management groups their expertise in complex vendor contracts, audits, monitoring, cost control, and rightsizing.

The convergence of ITAM and FinOps roles and functions will continue as cloud resources overtake traditional software in size and scope. Fifty-five percent of the panel predicts that they will be brought into a larger, unified organization that will manage all asset types using specialized tools on an enterprise-wide platform.

How involved are ITAM and FinOps today?



Asked, “What will the long-term relationship of FinOps and ITAM most likely be?”

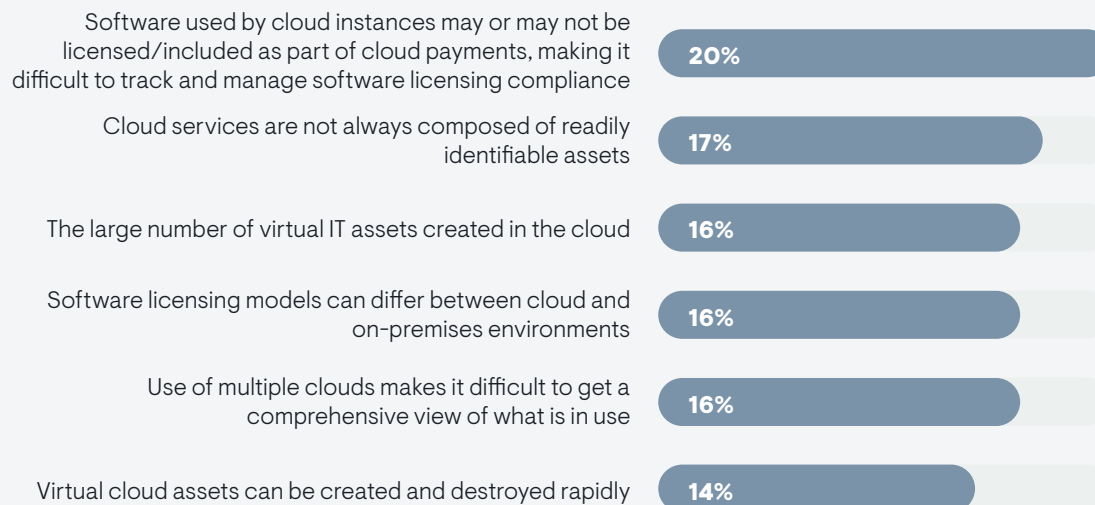
- Only 11% responded, “FinOps and ITAM are fundamentally different. They will remain separate, sharing information as needed.”
- 34% said, “They will remain separate organizations, but complement each other using an enterprise-wide platform.”
- 55% predicted, “They will be brought into a larger, unified organization that will manage all asset types using specialized tools on an enterprise-wide platform.”

New capabilities meet classic requirements

By design, cloud (SaaS, PaaS, and IaaS) allow business units, DevOps, and engineering to quickly scale resources up and down as needed. The agile nature of cloud brings a distinctive set of challenges that come with the velocity and volume of change, as well as the variability of cloud costs. In this scenario, a cadence of monthly reporting is the equivalent of a speedometer with a 30-day delay. By the time runaway costs are identified, it is too late to prevent the loss.

Despite real differences between cloud and traditional IT, cloud resources are assets that need to be managed. ITAM brings mature management skills to the task. The first skill of note is software license compliance tracking, which is especially important when migrating to the cloud and dealing with bring-your-own-license (BYOL). Other challenges relate to the composition of cloud environments, which are replete with virtualization and containers. Businesses need a comprehensive view of what is in use – the level of visibility that is routine for both software and hardware management. Sound cloud cost management brings the proficiencies of ITAM together with the nuances of FinOps.

What challenge(s) does FinOps address that complement ITAM?



The two teams bring distinctive competencies that can benefit each other and the business when collaboration is proactive, seamless, and practical.

Security

Security was the number-one choice for both the top ITAM priority and the ITAM use having the highest business impact. The reason is clear. Step one in securing the IT estate is knowing what needs to be protected. What exists where?

Asset visibility is the non-negotiable foundation of security and risk management. Logically, ITAM information is the bedrock of cybersecurity efforts. However, results from the field are less definitive. More than half of the respondents stated that asset information is not as useful to their organization's cybersecurity teams as it could and should be. The difference is accuracy.

How does your organization's cybersecurity team view asset information?



The areas of asset information that most interest security teams are cloud, software, and SaaS. However, the span of interest is broad and growing across the enterprise as asset types and uses multiply.

Security teams that rely on asset information as a critical factor in identifying and protecting attack surfaces are found in organizations that have the highest level of ITAM maturity, automation, and data accuracy. Organizations with less mature ITAM functions fall short of their potential as a source for security efforts. ITAM teams are aware of this disconnect. Security took a convincing first place mention in the list of tasks or functions that ITAM teams find the most difficult to get right.

What specific tasks or functions are the most difficult to get right? Top two.



The near future

Year over year, ITAM practices and results have steadily improved, serving every major IT function. Asked, **“IT asset management is integrated with which functions?”** respondents named an average of five functions. ITOps, ITSM service, and IoT/OT/edge were the top-ranked functions cited followed by IT financials, ESG, and security. Even so, “Increased integration with other functions” landed in the top four anticipated changes to ITAM in the near future. CxOs differed only in their placing higher priority on the use of AI/ML.

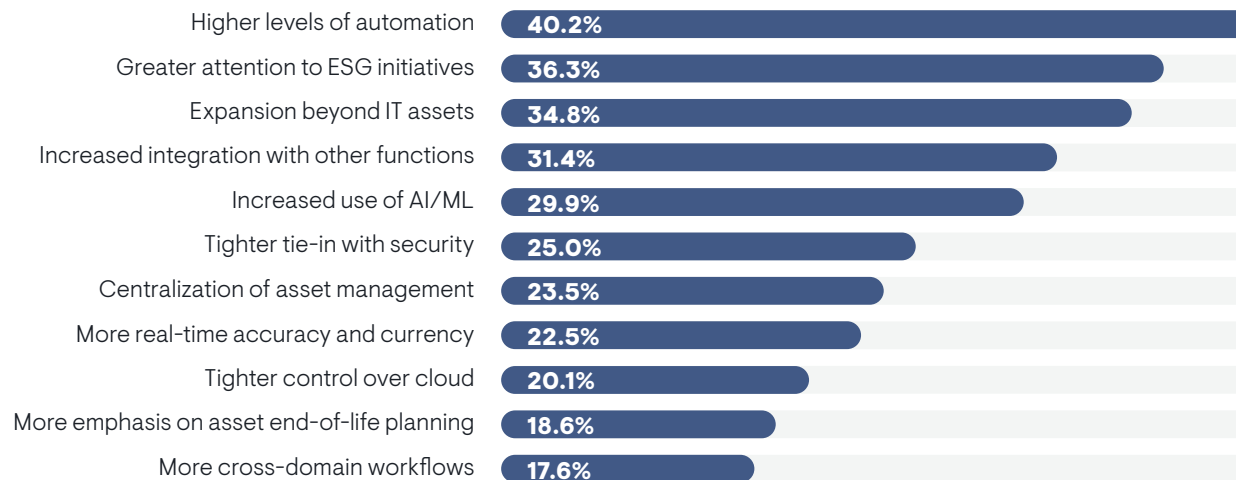
Modern asset management has advanced in organizational stature and business impact. It can no longer thrive with a technology-centric view of enterprises that are business-driven. Rather, it must use technology to deliver clear business benefits to an audience that only speaks business.

Understanding the business context of IT assets drives modern ITAM to deliver new value to more functions across the enterprise. This level of asset information gets used and funded. It also requires constant

investment in people and technologies to automate and execute end-to-end lifecycle management of all assets.

If the past is any indication of the future – and it has been so far – next year’s research will show advances in intelligent automation and cross-functional collaborative workflows. The ESG/ITAM connection will have more definition, FinOps and ITAM collaboration will be more fluid, and there will be a newcomer of ITAM interest to explore (anyone want to bet on generative AI?).

What changes to asset management requirements do you see in the next 6-18 months?





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