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Software License Asset Management and Audit

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How can businesses minimize software license costs while ensuring compliance?

The first step for starting a software license management initiative is to understand what needs to be tracked and why. Very simplistically, *all* licenses should be tracked. These intangible assets are not only the most costly part of an IT budget, they are the reason that IT functions, and when these assets are not carefully deployed, they also cause IT to cease to function. Because the complex interactions of software products cause 90-percent or more of all downtime, even the most trivial product needs to be tracked.

Because the number of licenses involved is going to exceed the number of devices deployed, it will be essential to take advantage of modern asset management software database technology. To the extent that your current help-desk software offers suitable functionality, it could be simpler to take advantage of the coordination of data by expanding on that platform. However, depending on the size of your enterprise, you may benefit from considering other products.

Each license needs to be included in the asset database with as much detail as is possible. This begins with a consistent description of the product name, vendor, and version. One of the biggest problems with locating all licenses of a particular product is inconsistency in description. For example, Windows 2000 licenses described as WS2000, Windows2000, Windows, Microsoft Windows 2000 are all descriptions of the same product — but will not sum correctly unless input into the database consistently.

Additional important data to include are the procurement details including order date, license period, license terms (per machine, per seat, per processor, per user), unique license ID (serial number), purchase order, associated serial number(s), price, and maintenance price. Sourcing details should also include the distributor, if for licenses bought from indirect sources, and method of acquisition (shrink-wrap, download, custom install, etc.).

Maintenance prices, terms, conditions and upgrades should be treated just as you would treat a hardware asset. (If you purchased a server in 2007, and the warranty expires in 2010 – you should be able to know that information.) Upgrades should be noted with the base asset – otherwise great confusion can result. An original license for “Version 2.0” from 2005 that was upgraded to “Version 4.2” in 2008 should be treated as a single license.

Software license tracking will also have to accommodate tracking licenses for “virtualized” products, per seat, per transaction, and even software-as-a-service (SaaS) licenses. While these forms of licenses may make the “to-do” list long and daunting, lack of planning to accommodate these license types will cause headaches down the road when you need them. Two of the largest issues today are that of virtualization and

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how multi-core processors are treated by software companies. Not long ago, policies by one of the major independent software companies put a serious damper on sales of new quad-core processors because they attempted to require licenses for all four cores.

Finding the data to populate your new system is more challenging than using it once established. Few businesses have acceptable data for their hardware assets, and fewer still have kept good records of their licenses. You will need to do some creative digging for data both within and outside your organization. Go to Finance and Procurement for all their records, ask all software vendors for a download of their license records, ping all assets with remote sensing software to get lists of everything installed, and clean up all inconsistencies in descriptions.

Software lifecycle tracking is a function of being able to access the license start and end dates, along with renewal, upgrade, and maintenance start and end dates. This should also be handled in the same way that a hardware asset is managed, where the entire history for a device can be viewed by serial number. Obviously, since many software products are licensed in bulk, the database needs to be set up to pull this same information for a bulk item.

Available upgrades do not properly belong in the asset management database, but it an intriguing idea to include links. Our experience with asset management databases is that maintenance of the database is such an important task that it is unlikely any time can be spent to keep such links current. There are specialized software packages that can be used to manage software updates (not upgrades) on the basis of a scheduled time to download fixes (usually monthly or quarterly). This function is usually part of a “change management” function. Updating software automatically is certainly a risky proposition and needs to be controlled.

Archiving of information is not of great consequence, since having a complete history of all active licenses is part of the concept. At some point the database might benefit from a little housekeeping to remove history for licenses and assets that are long gone – but to have history available has its own benefits.

Auditing of license compliance can only be done once all the current license details are gathered, cleaned up, and research undertaken to locate details which were overlooked. By comparing the asset inventory of licenses by device type to the asset inventory of devices, it should be possible to locate “ghost” licenses as well as “ghost” assets. Both inventories can be used as a cross-check for each other.

IT asset management is well established and there are many sources of data for ITAM products and best practices. Most of our enterprise client base is using BMC Remedy, CA Unicenter, or HP Peregrine as legacy products. Most are now moving into full blown ITAM by consolidating their multiple help desk, asset management, incident management, and software management systems under one umbrella.

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Key Points:

- Software license/asset management is a natural outgrowth of hardware asset management, incident tracking, and an essential component of ITAM. Lack of controls in this area leave an organization vulnerable to problems due to incompatible software and associated downtime. Tight controls will reduce downtime and assist managers in cost control and planning.
- Software asset management should reduce license costs by locating both ghost assets and ghost licenses. Audit and compliance costs will drop dramatically, as the information will be available at any time and in a variety of formats.
- Numerous consulting organizations, including ITPMG, are available to assist in launching a software asset management program.

Software asset management systems are widely available and are a mature technology. There are also remote sensing tools available to assist with gathering basic information for all network attached devices.

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