FLEXERA™ 2022

State of ITAM Report

As new technologies evolve, ITAM professionals are challenged to maximize the value of their technology investments

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State of ITAM Report

As IT estates expand beyond on-premises into the growing consumption of public cloud, hybrid cloud and SaaS technologies, ITAM practitioners face new and evolving challenges in maximizing the value of their technology investments.

Executive summary

Digital transformation is accelerating across all industry verticals and organization sizes, bringing complexities in asset management that were unforeseen just a few years ago. The roles of those in information technology asset management (ITAM), including the related fields of software asset management (SAM) and hardware asset management (HAM), must evolve with the intricacies introduced by the digital enterprise. Such an evolution will enable organizations to continue to provide strategic value as they speed the adoption of new technologies.

Many ITAM practices continue to prioritize efforts related to compliance in order to reduce the future burden of internal and external audits. However, these efforts fail to advance the tools and processes to incorporate new IT environments and technologies; they're instead more focused on avoiding potential audits and penalties (both in terms of dollars and effort). ITAM teams need to continue to evolve their practices to streamline traditional operations (such as inventory and license management) while accommodating the complexities of hybrid IT environments and the new technologies that are maturing and evolving in these environments.

The *Flexera 2022 State of ITAM Report* provides insight into the current makeup and focus of ITAM teams at enterprise-level organizations. The report also reveals coming trends in the ITAM space as they relate to responsibilities and challenges introduced by the increased use of new IT environments and evolving technologies within those environments.

The report evaluates the responses of 465 global IT professionals who manage, advise and participate in ITAM, SAM and HAM activities in organizations of 1,000 or more employees. The insights gleaned from these responses provide vision into the strategic initiatives across these ITAM practices and practitioners.

The highlights

The *Flexera 2022 State of ITAM Report* survey captured insights into how organizations are progressing in their IT asset management efforts. The information includes the current maturity of IT teams, their role in the enterprise, top initiatives, challenges and success metrics. This report also includes highlights from European respondents.

ITAM is seen as a critical and strategic function in the enterprise

- Twenty-two percent of ITAM teams report to the chief information officer (CIO) or chief technology officer (CTO)
- ITAM teams interact directly with many other functional areas in the organization, including infrastructure (54 percent) and IT service management (ITSM, 54 percent)
- ITAM teams reporting to the C level have broader responsibilities across the organization

The responsibilities of SAM and HAM teams are still evolving

- About one-third (34 percent) of SAM practices have reached advanced maturity, while 30 percent are still in the beginner phase
- On-premises software license tracking (65 percent) is more prevalent than similar tracking in all other areas of the IT estate
- License tracking in containers is performed by a minority of SAM teams (28 percent)
- Responding to audits is the most commonly reported responsibility of SAM teams (70 percent)
- The top responsibility of HAM practitioners is discovery of devices in use (69 percent)

Configuration management databases (CMDBs) play an important role in asset management

- Seventy-one percent of respondents use CMDBs
- Respondents are feeding asset management data into CMDBs, with 48 percent feeding it into ServiceNow and 21 percent feeding it into BMC
- On-premises virtual machines (VMs) are the most tracked type of cloud asset (reported by 73 percent)
- More transient or ephemeral assets, such as private and public cloud instances and containers (tracked by 44, 40 and 25 percent respectively), demonstrate a need for ITAM practitioners to ensure that the CMDB doesn't become outdated and cumbersome

Public cloud and software-as-a-service (SaaS) must become a focus

- Only 28 percent of SAM teams track and optimize the use of public cloud infrastructure-as-a-service (IaaS) and platform-as-a-service (PaaS)—a number that didn't change over last year
- One-third (34 percent) of SAM teams track SaaS usage, a slight decrease from last year (35 percent)
- Only 42 percent of SAM teams track software license usage in the public cloud
- A minority of SAM teams track SaaS users by usage with the goal of rightsizing their subscription level (48 percent) and even fewer (43 percent) have implemented single sign-on (SSO) for all their SaaS applications

SAM teams face challenges related to maturity and the complexity of new environments

- Increasing the maturity of SAM practices is a challenge for the vast majority (76 percent)
- Seventy percent of SAM teams experience a lack of qualified resources
- Fifty percent of SAM teams lack a viable SAM tool to assist with their asset management activities
- Dealing with new environments such as SaaS, cloud and containers is a challenge for three-fourths (75 percent) of SAM teams

Cost-savings and cost-avoidance initiatives top the list for SAM teams

- The top initiative in 2022 for SAM teams is to optimize and save on software spend (54 percent)
- Almost half (49 percent) of SAM teams are looking to reclaim underused/unused software licenses
- Almost half (48 percent) of SAM teams have an initiative to improve the management of their SaaS applications

Audits continue to be a significant drain on ITAM resources

- Eighty-three percent of SAM teams' time is consumed by audit-related activities, an increase of 20 percent over last year
- Three of the top four vendor focus areas—licensed software, SaaS products and Azure public cloud—are associated with Microsoft
- Microsoft, Oracle and IBM are the top three vendors auditing SAM teams over the past three years
- Almost 10 percent of organizations have spent more than $5 million over the past three years in audit penalties and true-ups

SAM success metrics continue to be focused on compliance, not delivered value

- The top three metrics used to measure SAM success are external audit compliance (43 percent), accuracy of license positions (41 percent) and compliance with regulatory audits (37 percent)
- Cost avoidance (32 percent), minimizing penalties/true-ups (32 percent) and reducing growth on contract renewals (27 percent) were among the lowest-ranked metrics for measuring SAM performance
- Significant savings were realized by SAM teams through reuse of existing licenses (30 percent), vendor contract renegotiations (30 percent) and reduced maintenance spend on existing software (26 percent), but metrics for these activities are not highly utilized in measuring SAM teams' success
- The top measure of success for HAM is reduction in maintenance contract spend (34 percent)

Methodology

A total of 465 technical professionals from around the globe and across a broad cross-section of organizations participated in the *Flexera 2022 State of ITAM Report* survey. The participants provided insights into their ITAM practices.

Respondent demographics

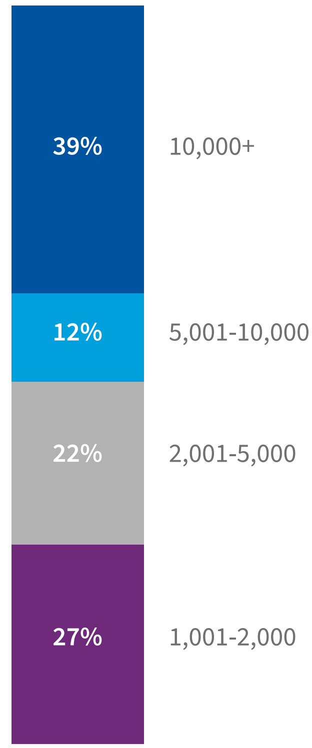
This survey includes organizations with at least 1,000 employees. More than half of participating organizations employ at least 5,000 people, while more than one-third employ 10,000 or more.

These larger enterprises face challenges due to more complex IT environments, whereas smaller organizations often struggle with budget and headcount constraints.

FIGURE 1

The majority of respondents are from large enterprises

How many employees are in your company?



N=465

Source: Flexera 2022 State of ITAM Report

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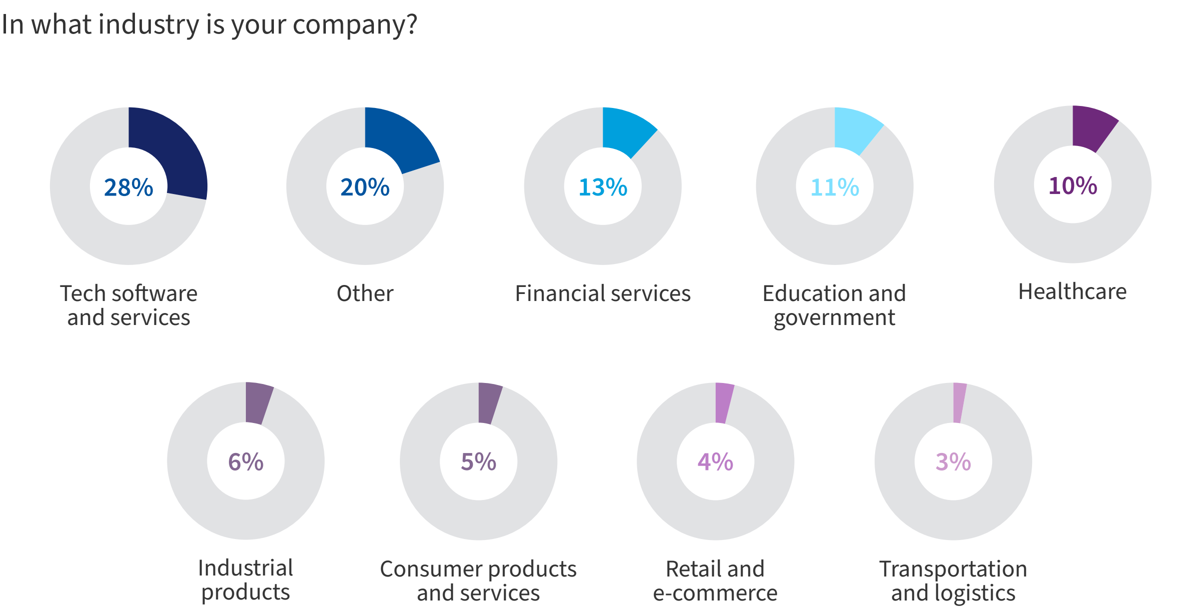
FIGURE 2

Forty percent of respondents are from *tech software and services* and *financial services*



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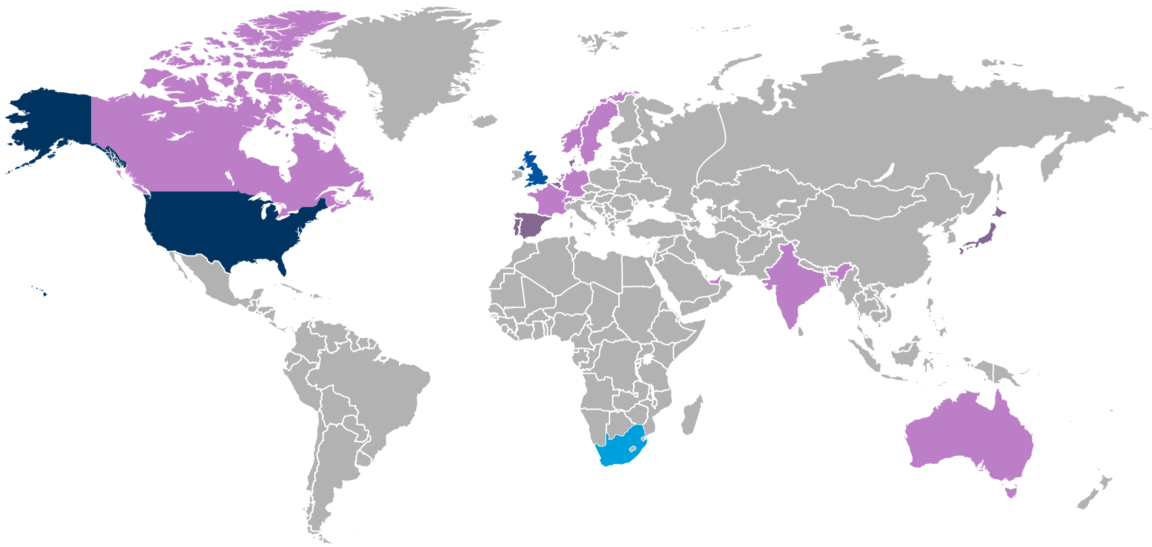
Source: Flexera 2022 State of ITAM Report

As figure 2 indicates, the report covers a broad range of industries. The *Other* category includes industries each representing less than four percent of respondents.

FIGURE 3
The majority of respondents are from the United States

In what country is your company headquarters or main office?



United States	81%
United Kingdom	5%
South Africa	2%
Other	2%
Australia	1%
Canada	1%
France	1%
Germany	1%
India	1%
The Netherlands	1%
Norway	1%
Switzerland	1%
Sweden	1%
United Arab Emirates	1%
Belgium	Less than 1%
Denmark	Less than 1%
Japan	Less than 1%
Portugal	Less than 1%
Spain	Less than 1%

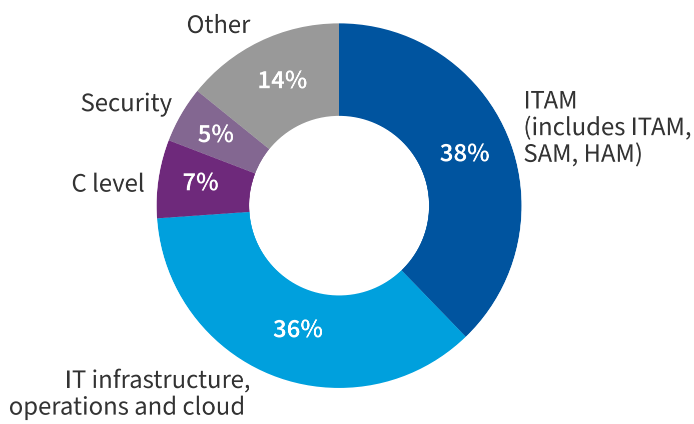
N=465
Source: Flexera 2022 State of ITAM Report
Flexera

Figure 3 shows the locations of participating organizations around the world.

FIGURE 4

More than one-third of respondents work in ITAM

What best describes the function in which you work?



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Source: Flexera 2022 State of ITAM Report

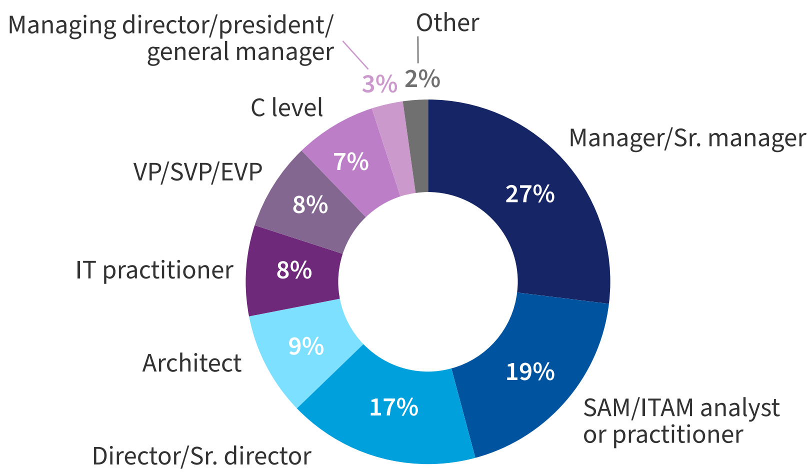
Figure 4 indicates the breakdown of respondents by function and level within the organization. Thirty-eight percent of respondents work on ITAM, SAM or HAM teams, while others work in the broader IT organization.

It's interesting to note that this year, four percent of respondents name *cloud* as their function.

FIGURE 5

Respondents span a variety of roles and levels

What is your role?



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Source: Flexera 2022 State of ITAM Report

ITAM is seen as a critical and strategic function in the enterprise

ITAM's collaborative role

ITAM teams must collaborate with a wide variety of other IT functions, but there's significant variation in where the ITAM function reports within IT. As the callout in figure 6 indicates, SAM teams are small, with a median of only six full-time employees.

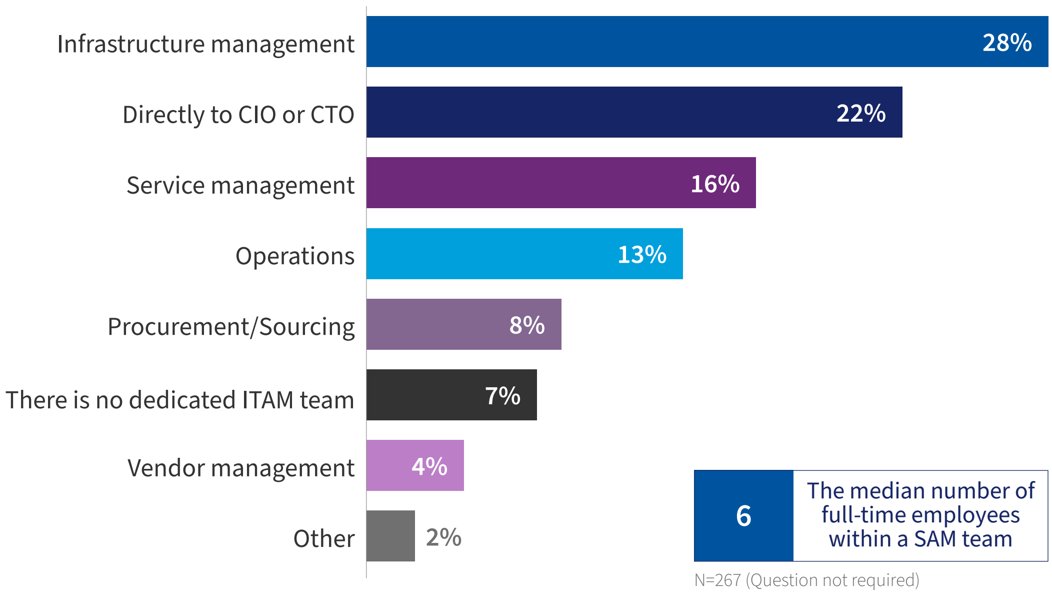
The graph shows that 28 percent of respondents indicate their ITAM team reports to *infrastructure management*, 22 percent of teams report *directly to the C level*, 16 percent report to *service management* and 13 percent report to *operations*.

The reporting structure for ITAM can impact the focus of ITAM efforts, how they're measured and how well they integrate with other IT functions.

FIGURE 6

Half of respondents report to the *CIO, CTO* or *infrastructure management*

Where does your ITAM team report in your organization?



6 The median number of full-time employees within a SAM team

N=267 (Question not required)

N=465

Source: Flexera 2022 State of ITAM Report

Importance of SAM teams building connections with C suite and cloud teams

SAM is a critical component of ITAM, with software representing a significant portion of IT spend. As figure 6 indicates, SAM teams are small.

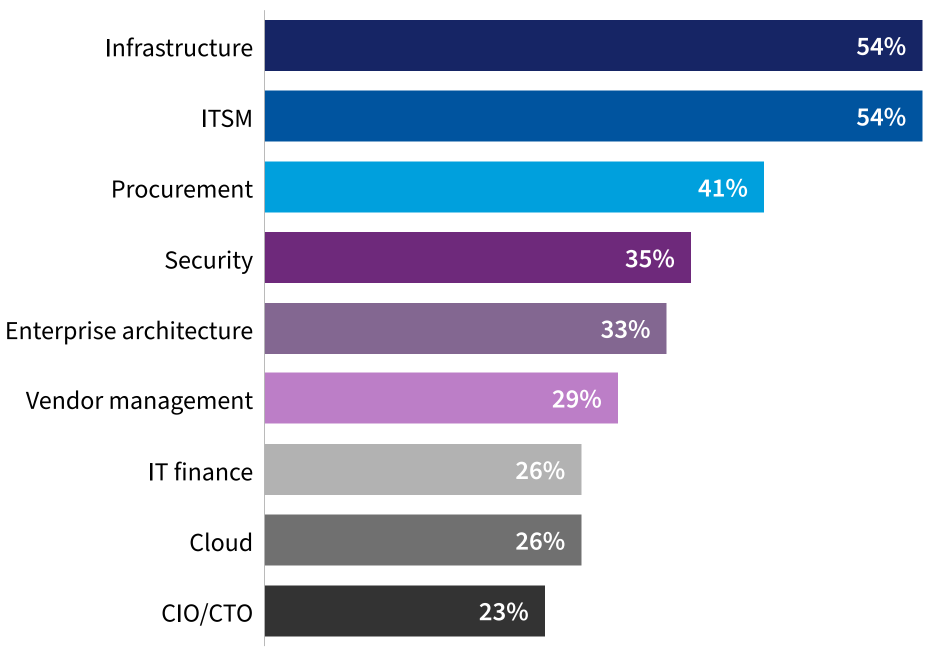
However, as figure 7 shows, they must interact broadly with other IT functions in order to accomplish their objectives. Respondents reported significant interactions with *infrastructure* (54 percent), *ITSM* (54 percent) and *procurement* (41 percent). Few SAM teams, however, had significant interactions with the *CTO/CIO* (23 percent, a decrease from 27 percent last year), indicating they still don't have a seat at the table as strategic decisions are made.

There was, however, a slight increase in those reporting interactions between SAM and cloud teams (26 percent, up from 24 percent last year). It's important for SAM teams to establish relationships with cloud teams as the amount of software deployed in the cloud increases.

FIGURE 7

SAM teams have significant interaction with *infrastructure* and *ITSM*

What's the level of interaction between your SAM team and the following teams?



N=465

Source: Flexera 2022 State of ITAM Report

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ITAM teams reporting to service management teams are the least connected

ITAM teams that report directly to the CIO or CTO or to procurement have the highest level of interactions across the broadest set of IT functions, as figure 8 shows.

By contrast, ITAM teams that report to service management or vendor management teams have very little access to the rest of the organization. As was the case last year, there's little significant interaction between ITAM teams and cloud teams.

Regardless of reporting structure, it's important for ITAM leaders to continue to look for ways to collaborate with all areas of the IT organization in order to maximize the value they deliver.

FIGURE 8

SAM teams reporting to the *CIO or CTO* or to *procurement* have the highest level of interactions

ITAM teams' interactions by reporting structure

ITAM team reports to:

Percentage having significant interactions with:	Directly to CIO or CTO	Infrastructure management	Operations	Service management	Vendor management	Procurement/ Sourcing
Infrastructure	65%	66%	52%	34%	47%	46%
Enterprise architecture	33%	31%	35%	25%	47%	41%
ITSM	59%	58%	67%	41%	21%	51%
Cloud	38%	25%	22%	21%	16%	22%
Security	48%	38%	35%	25%	32%	24%
IT finance	27%	22%	23%	29%	26%	46%
Procurement	36%	37%	50%	38%	37%	65%
Vendor management	30%	27%	25%	23%	47%	46%
CIO/CTO	50%	15%	13%	16%	5%	16%

100%

0%

N=465

Source: Flexera 2022 State of ITAM Report

The responsibilities of SAM and HAM teams are still evolving

Barely one-third feel that SAM functions at advanced level

While SAM processes have been defined for more than a decade, figure 9 shows that only one-third (34 percent) of respondents feel their SAM processes are functioning at an advanced level, where they're proactively optimizing the use of software licenses.

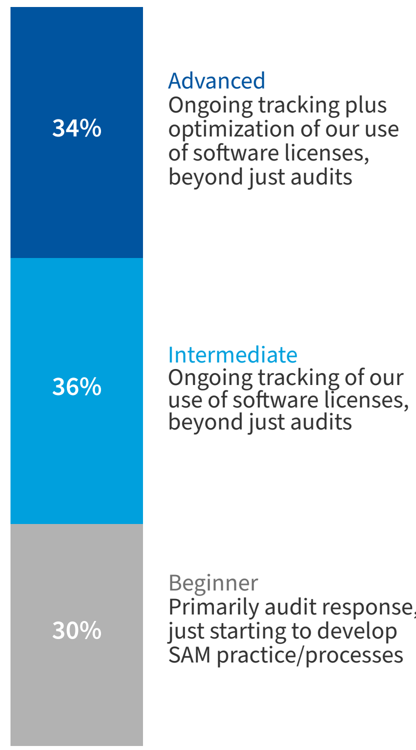
Thirty percent of organizations are at the beginner stage of maturity, where they're just getting started with SAM and employing an ad hoc approach to discovery and audit.

Thirty-six percent are in the intermediate phase, where they've implemented ongoing tracking of software use and license positions, a precursor for optimization activities.

FIGURE 9

Only one-third of respondents feel their SAM processes function at an advanced level

Which statement best describes where you are in implementing SAM in your organization?



N=465
Source: Flexera 2022 State of ITAM Report

Few SAM teams cover SaaS, cloud and containers

The maturity of a SAM team can impact its responsibilities. *Discovery of software* remains the most commonly reported responsibility of 92 percent of respondents.

Yet while most organizations cover the basics of software discovery, inventory and audits within their on-premises environment, less than one-third are focused on *optimizing cloud spend and usage* (28 percent), as figure 10 indicates.

Just under half (42 percent) *track software licenses in the public cloud* (bring your own license); this drops to 28 percent of respondents *tracking licenses in containers*. Just over one-third (34 percent) *track SaaS use*.

If other teams have these responsibilities, SAM teams run the risk of being disconnected from fast-growing areas of the IT estate, minimizing the influence of SAM practitioners.

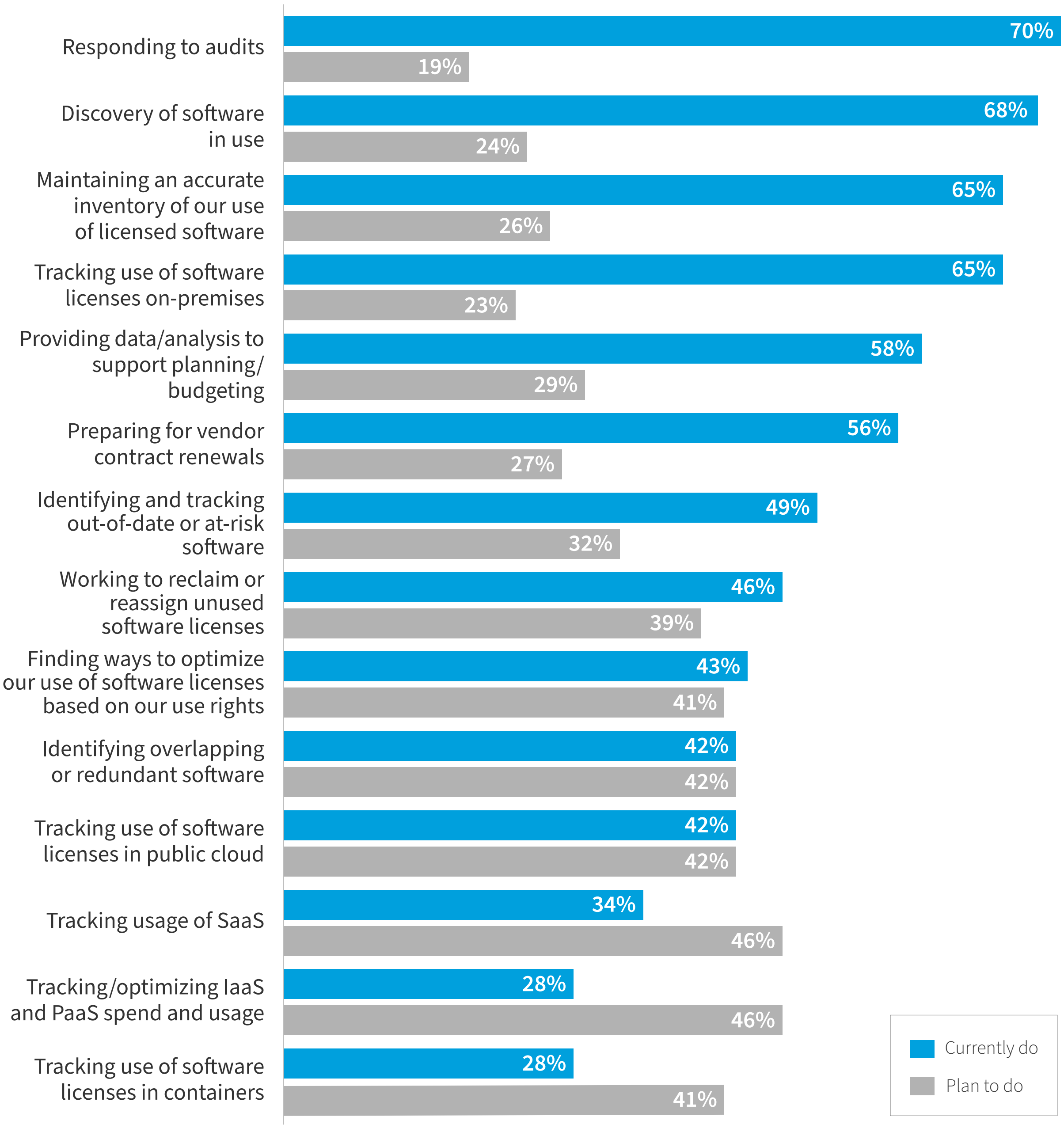
Tracking software in containers remains the lowest-ranked responsibility overall, yet a high percentage (41 percent) have plans to do it. Software vendors are formalizing their container-based licensing structures, which will undoubtedly lead to an uptick in licensing audits for software running in containers.

It will serve organizations well to prioritize the tracking of container-based software utilization in order to get ahead of the forthcoming licensing clarifications from software vendors.

FIGURE 10

Only one-third of ITAM teams *track SaaS usage*

What SAM-focused responsibilities does your ITAM team have in your organization?



N=465
Source: Flexera 2022 State of ITAM Report

SAM responsibilities expand with maturity

As figure 11 shows, SAM responsibilities expand as an organization's SAM practice matures.

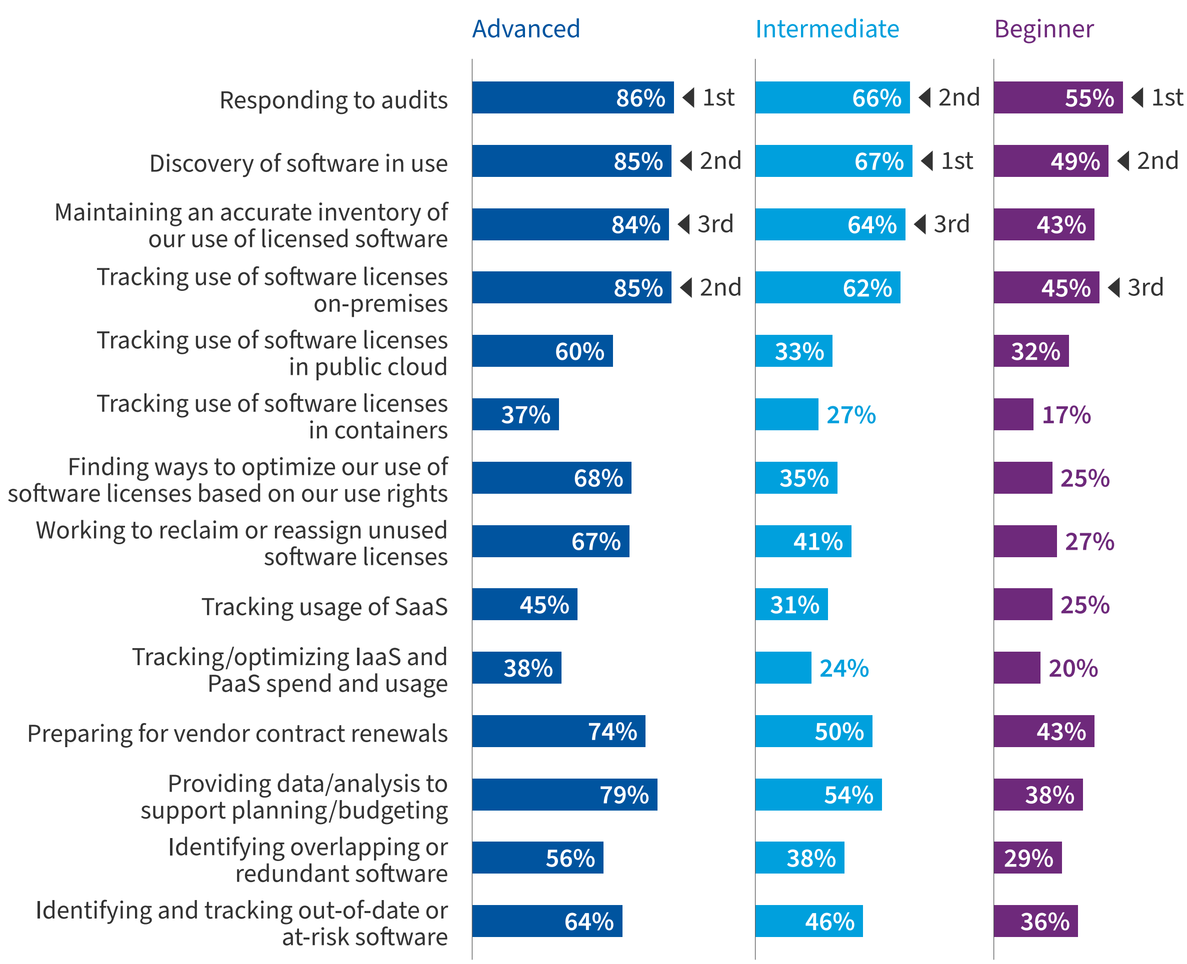
As an example, only 20 percent of SAM teams at the beginner maturity level track and optimize IaaS/PaaS use, while almost twice that amount (38 percent) track IaaS/PaaS use at the advanced maturity level.

Advanced users track 60 percent of software licenses in the public cloud, but only 37 percent of containers. It's important for SAM leaders to focus on advancing their maturity, broadening their responsibilities and increasing the value they deliver.

FIGURE 11

More SAM practice maturity, more responsibilities

SAM responsibilities by maturity



N=465

Source: Flexera 2022 State of ITAM Report

HAM responsibilities are limited

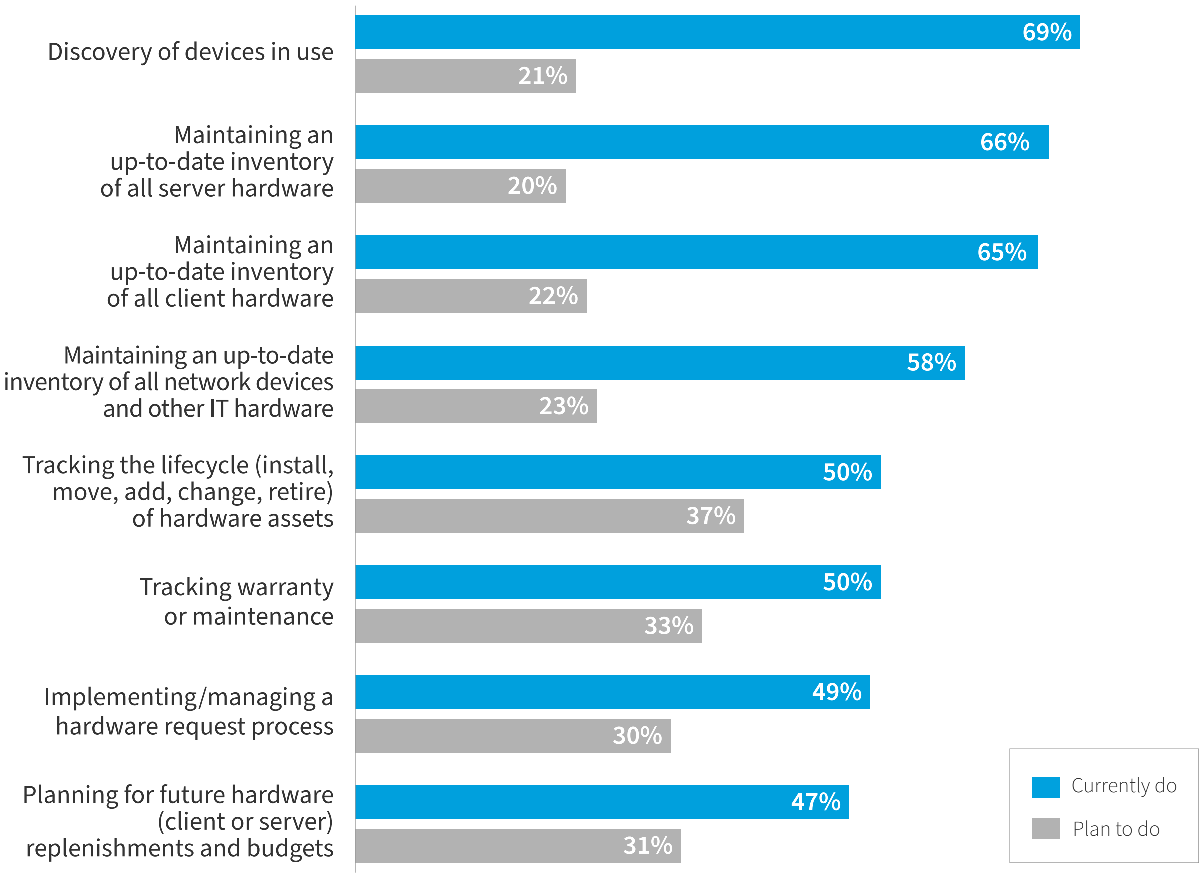
The primary responsibilities of HAM practitioners include *discovery of devices in use* (cited by 90 percent); *maintaining an up-to-date inventory of all client hardware* (87 percent), *server hardware* (86 percent), and *network devices and other IT hardware* (81 percent).

Less than half of the respondents currently *plan for future hardware replenishments and budgets*, which implies that such a task is typically outside a HAM practitioner's scope; it takes place elsewhere in the organization (e.g., central IT, procurement, finance).

FIGURE 12

HAM teams focus on discovery and inventory

What HAM-focused responsibilities does your ITAM team have in your organization?



N=465

Source: Flexera 2022 State of ITAM Report

ITAM teams reporting to the C suite have the broadest responsibilities

As figure 13 shows, ITAM teams that report to the CIO/CTO have the broadest set of responsibilities and are more likely than most to go beyond traditional SAM duties—such as audits—and take on additional duties. For example, 40 percent of ITAM teams reporting to the CIO/CTO *track SaaS usage* and 35 percent *track and optimize IaaS/PaaS*.

ITAM teams that report to vendor management or service management have much less influence. Only 26 percent reporting to service management *track and optimize cloud*; that number drops to five percent for teams reporting to vendor management.

FIGURE 13

ITAM teams reporting to the *CIO/CTO* have broadest responsibilities

SAM responsibilities by reporting structure

SAM responsibilities:	ITAM team reports to: Directly to CIO or CTO	Infrastructure management	Operations	Service management	Vendor management	Procurement/ Sourcing
Responding to audits	80%	74%	72%	49%	53%	70%
Discovery of software in use	76%	71%	70%	55%	68%	62%
Maintaining an accurate inventory of our use of licensed software	73%	67%	68%	51%	63%	62%
Tracking use of software licenses on-premises	78%	67%	73%	44%	47%	73%
Tracking use of software licenses in public cloud	52%	42%	52%	27%	32%	41%
Tracking use of software licenses in containers	38%	27%	33%	19%	21%	27%
Finding ways to optimize our use of software licenses based on our use rights	49%	41%	50%	32%	53%	46%
Working to reclaim or reassign unused software licenses	46%	46%	52%	38%	26%	46%
Tracking usage of SaaS	40%	36%	33%	27%	32%	24%
Tracking/optimizing IaaS and PaaS spend and usage	35%	30%	30%	26%	5%	22%
Preparing for vendor contract renewals	61%	65%	57%	38%	42%	59%
Providing data/analysis to support planning/budgeting	67%	64%	62%	36%	53%	54%
Identifying overlapping or redundant software	52%	44%	43%	33%	32%	38%
Identifying and tracking out-of-date or at-risk software	60%	55%	50%	34%	42%	41%

100%

0%

N=465

Source: Flexera 2022 State of ITAM Report

ITAM teams reporting to the C suite focus most on device discovery

As figure 14 shows, ITAM teams that report to the CIO/CTO are the most likely to focus on *discovery of devices in use* (81 percent). The discovery of devices in use is far less of a focus for teams that report to service management (52 percent) or vendor management (37 percent).

FIGURE 14

Discovery of devices is focus of ITAM teams reporting to C suite

HAM responsibilities by reporting structure

HAM responsibilities:	ITAM team reports to: Directly to CIO or CTO	Infrastructure management	Operations	Service management	Vendor management	Procurement/ Sourcing
Discovery of devices in use	81%	72%	75%	52%	37%	62%
Maintaining an up-to-date inventory of all client hardware	68%	69%	70%	53%	53%	54%
Maintaining an up-to-date inventory of all server hardware	70%	70%	70%	58%	42%	68%
Maintaining an up-to-date inventory of all network devices and other IT hardware	70%	58%	63%	48%	47%	54%
Tracking the lifecycle (install, move, add, change, retire) of hardware assets	56%	52%	55%	42%	53%	46%
Tracking warranty or maintenance	57%	50%	62%	41%	32%	46%
Planning for future hardware (client or server) replenishments and budgets	52%	48%	60%	41%	26%	49%
Implementing/managing a hardware request process	58%	49%	53%	45%	11%	43%

Color scale: 100% – 0%

N=465

Source: Flexera 2022 State of ITAM Report

Asset management challenges related to teams' maturity

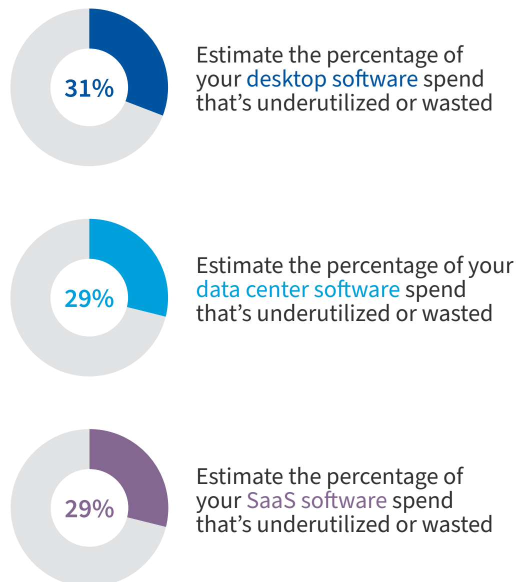
SAM teams face challenges addressing wasted spend

SAM practitioners know that organizations waste significant spend on unused or underutilized software. As figure 15 indicates, respondents estimate 31 percent of spend on *desktop software* is wasted, along with 29 percent of *data center software* spend and 29 percent of *SaaS software* spend.

Most analysts estimate at least 30 percent of software spend is wasted. This represents both a challenge and an opportunity for ITAM teams to deliver value by reducing the level of waste.

FIGURE 15

Nearly a third of software spend is wasted



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Source: Flexera 2022 State of ITAM Report

Key challenges prevent organizations from recovering wasted spend

ITAM teams face a number of challenges as they seek to deliver value by recovering wasted spend. As figure 16 shows, 76 percent of respondents cite the challenge of *increasing the maturity of the SAM practice*; 75 percent face challenges in *dealing with rapidly expanding new technologies* such as SaaS, cloud and containers; and 70 percent *lack SAM resources.*

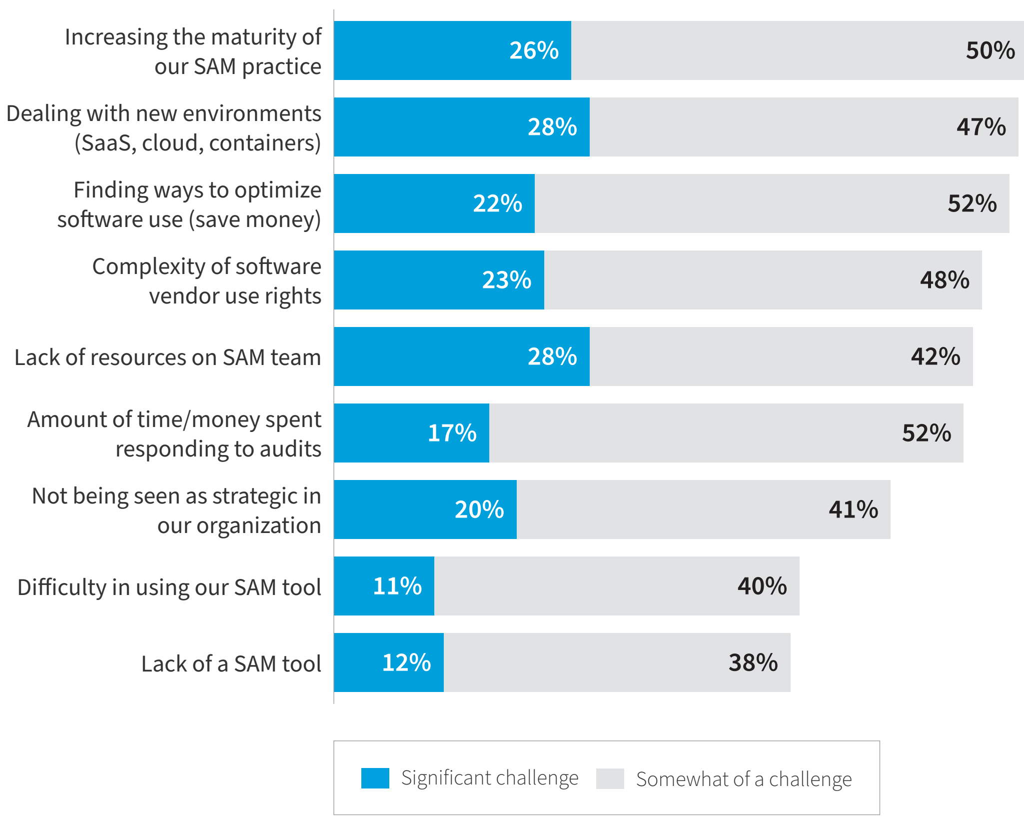
As a result (as shown in figure 10), many ITAM teams aren't responsible for these technologies, leaving potential gaps in governance. *Optimizing software use to save money* is a challenge for 74 percent, which indicates they're missing the opportunity to gain greater efficiencies and deliver value to the organization.

SAM groups are constantly having to *deal with new IT environments* (seen as a significant challenge to 28 percent), but are nonetheless often understaffed and undertrained and lack the tools to do their jobs effectively.

FIGURE 16

Increasing maturity of SAM practice would reduce wasted spend

What are your challenges with SAM?



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Source: Flexera 2022 State of ITAM Report

Most advanced teams cite SaaS, cloud and containers as top challenges

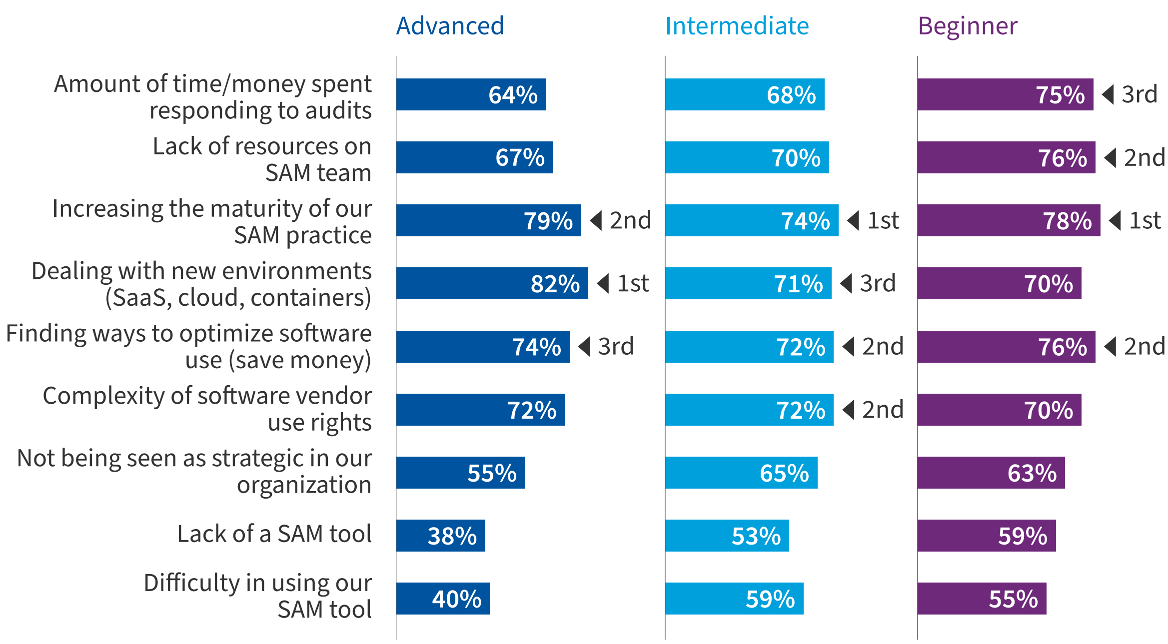
While the top five SAM challenges are the same across all SAM maturity levels, there are some important differences in the ranking. As figure 17 indicates, *increasing the maturity of the SAM practice* is the top priority of beginners (78 percent).

Conversely, *dealing with new environments (SaaS, cloud, containers)* is ranked the greatest challenge for advanced teams, presumably because they're more involved in facing these challenges on a regular basis. As maturity grows, it's important for SAM programs to expand beyond on-premises to more modern hybrid IT environments.

FIGURE 17

Increasing maturity of SAM practice is top challenge for teams

SAM challenges by maturity



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Source: Flexera 2022 State of ITAM Report

Top initiatives for SAM teams

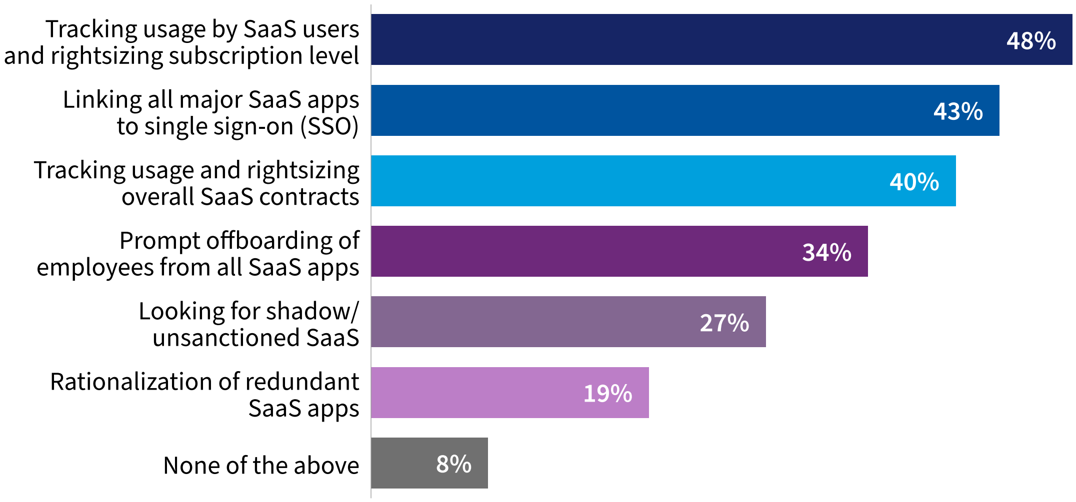
Few SAM teams implement best practices for SaaS governance

Figure 18 shows that respondents are still struggling to implement best practices for governing the use of SaaS and optimizing SaaS spend. Less than half—just 48 percent—*rightsize the SaaS subscription level assigned to each user*, and only 43 percent *link all major SaaS apps to single sign-on (SSO)* or *look for unsanctioned SaaS* (27 percent).

FIGURE 18

Less than half of respondents are optimizing SaaS subscriptions

What practices have you implemented for managing SaaS?



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Source: Flexera 2022 State of ITAM Report

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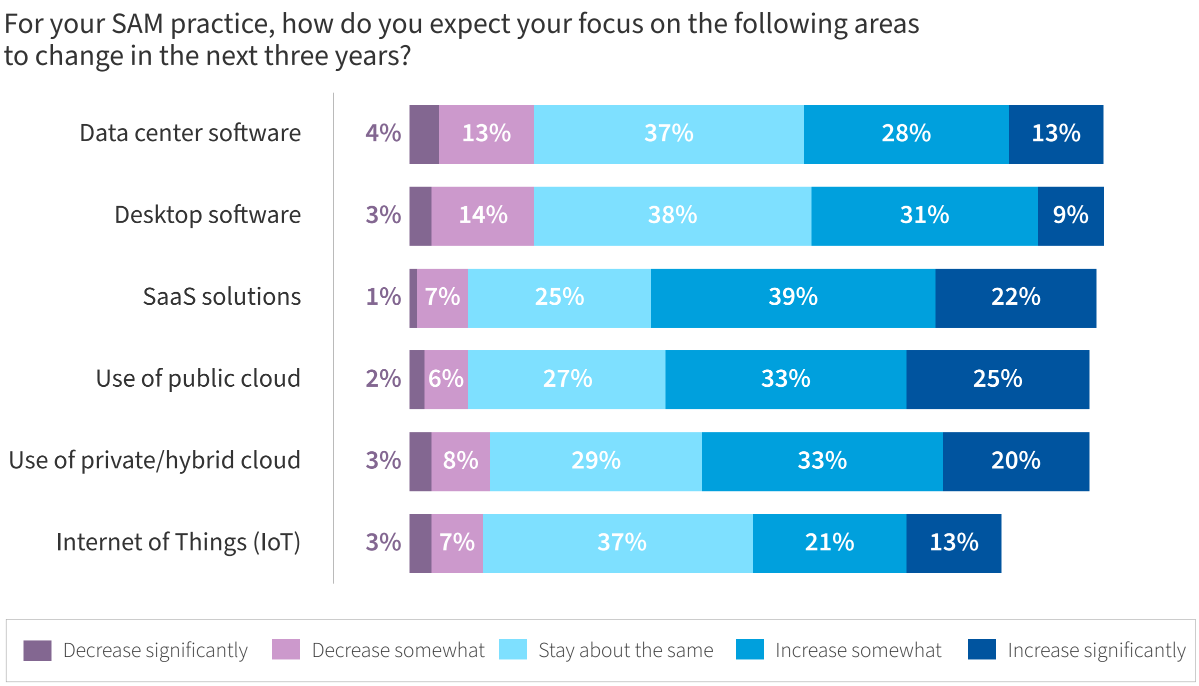
SaaS and cloud will receive more attention from SAM teams

Despite the current lack of focus on the cloud and SaaS, respondents indicated these newer technologies will receive significantly more attention in the next three years.

As figure 19 shows, 61 percent expect to increase their focus on *SaaS*, and 58 percent expect to increase their focus on *public cloud*. Concurrently, 17 percent expect to reduce their focus on *data center software* and 17 percent expect to reduce attention on *desktop software*.

FIGURE 19

SaaS and *cloud* to be the focus of SAM teams



N=465

Source: Flexera 2022 State of ITAM Report

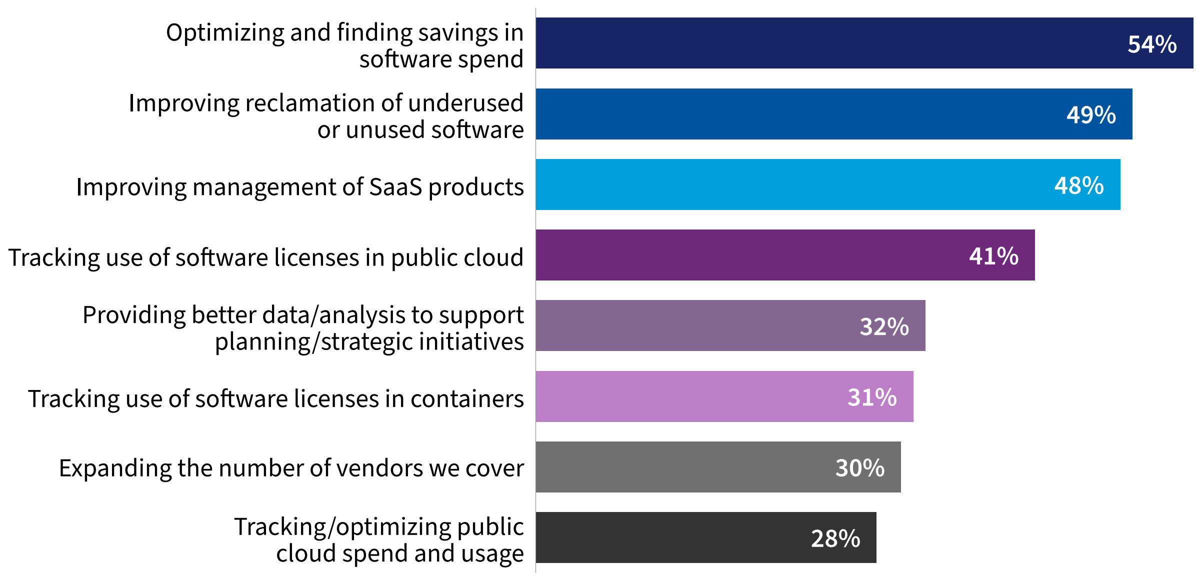
Cost savings to drive SAM initiatives over the next 12 months

The top initiative in 2022 for SAM teams is to *optimize and save on software spend* (54 percent), while 49 percent of SAM teams are looking to *reclaim underused/unused software licenses*. Similarly, almost half (48 percent) of SAM teams have an initiative to *improve the management of their SaaS applications*.

FIGURE 20

SAM teams' focus will be to optimize and save on software spend

What SAM initiatives do you want to make progress on in the next year?



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Source: Flexera 2022 State of ITAM Report

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Work from home drove SAM evolution during COVID-19

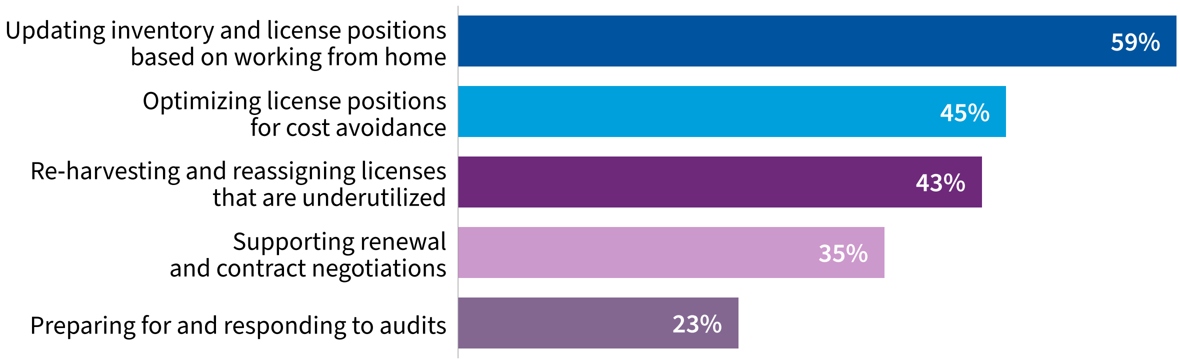
Predictably during the pandemic, work from home (WFH) topped the evolution of SAM practices, with 59 percent of respondents now *updating inventory and license positions* in response to WFH trends.

As figure 21 indicates, SAM teams are also evolving their practices around *optimizing license positions for cost avoidance* (reported by 45 percent) and *re-harvesting and reassigning licenses that are underutilized* (43 percent).

FIGURE 21

Nearly 60 percent of SAM teams now update inventory because of COVID-19

What areas of your SAM practice have evolved due to the effects of COVID-19?



N=465

Source: Flexera 2022 State of ITAM Report

SAM teams remain focused on audits and traditional vendors

SAM teams spend a majority of their time on audits

SAM teams report that they spend a majority of their time on audits; their availability for non-audit activities plummeted from 37 percent last year to 17 percent this year. As figure 22 shows, SAM teams spend an average of 27 percent of their time on *publisher audits* and 30 percent on *internal audits*.

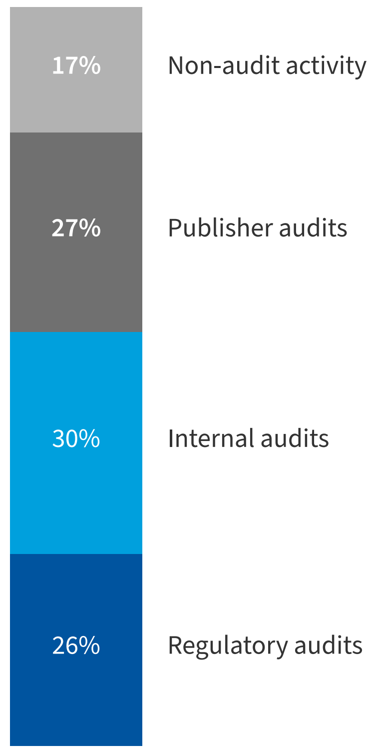
Audits can help uncover savings because they require SAM teams to establish an effective license position and (ideally) optimize their license position to avoid true-ups and penalties. However, the significant time spent on audits can limit the ability to implement more proactive cost-saving measures and to expand the scope of SAM into SaaS, the cloud and containers.

As a result, SAM practitioners had only about 17 percent of their time available to work on *non-audit activities*. While this may set off alarms, it should also be a motivator to improve audit processes and ensure compliance throughout the year. When audits must occur, they can be done more efficiently and effectively.

FIGURE 22

SAM teams spend more than half their time on *internal and publisher audits*

Estimate the percentage of your SAM team's time that's spent responding to audits.



Average N=440 (Questions not required)
Source: Flexera 2022 State of ITAM Report

Traditional vendors still command the focus of SAM teams

SAM teams aren't yet focusing holistically on top vendors by including their SaaS and cloud offerings, as figure 23 indicates.

SAM teams have made some progress focusing holistically on Microsoft, driven by Microsoft's unified enterprise agreements. Scoring their focus on a scale of 0 to 5 (with 5 being the highest level of focus), respondents scored their *Microsoft traditional licensed software* at 3.77, *Microsoft SaaS products* at 3.54 and *Microsoft Azure (public cloud)* at 3.16.

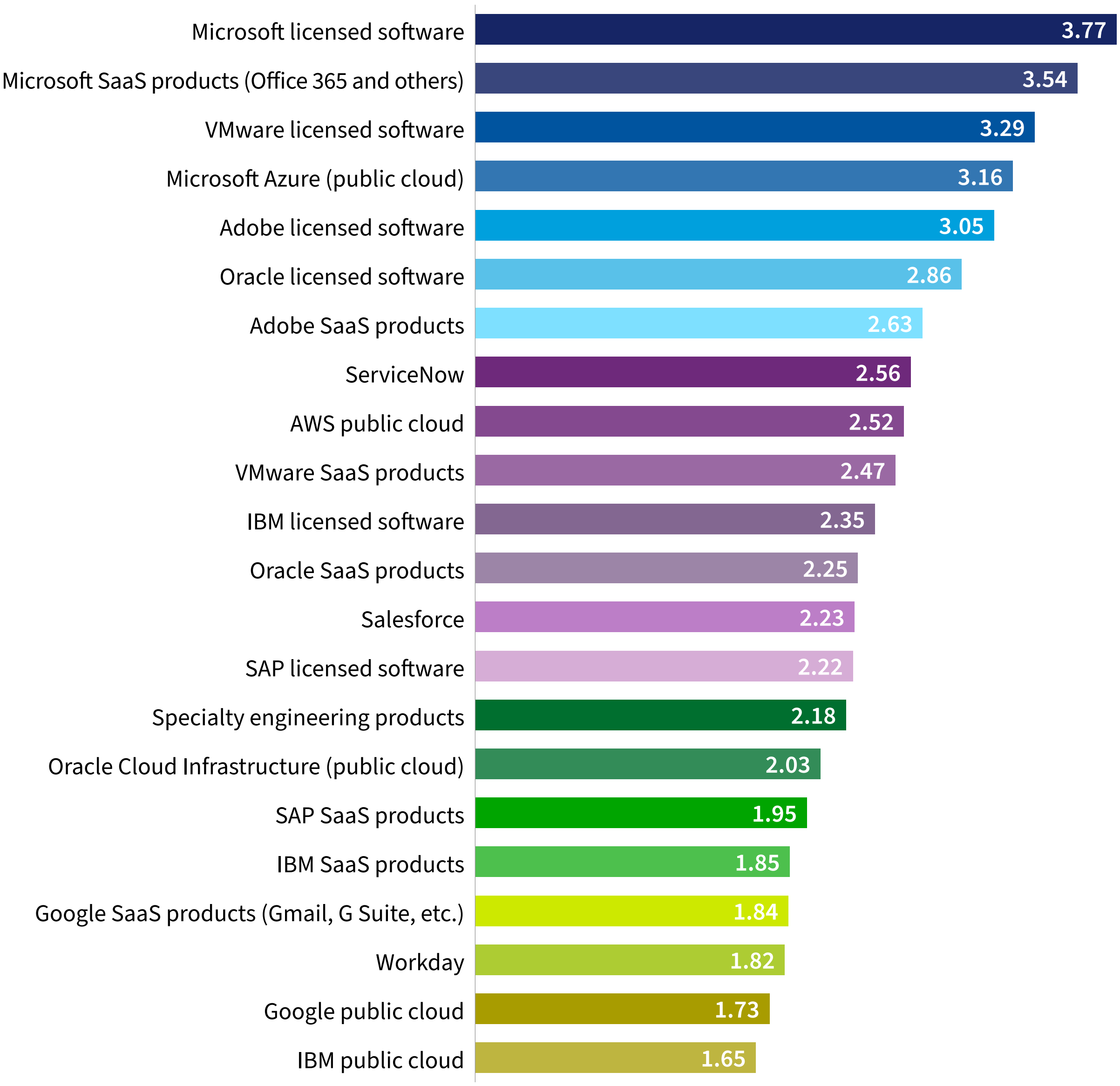
In contrast, respondents scored their focus on *Google SaaS products* at 1.84 and *Google public cloud* at 1.73. Even with the push toward cloud for many organizations (and vendors as well, such as Microsoft, SAP, IBM, etc.), licensed software remains a focus; the big players are still the big players, as shown in figure 24.

FIGURE 23

Microsoft receives the most focus from SAM teams

What level of focus do you have on the following vendors in your SAM program?

Weighted average of all respondents (scale 0 – 5)



N=465

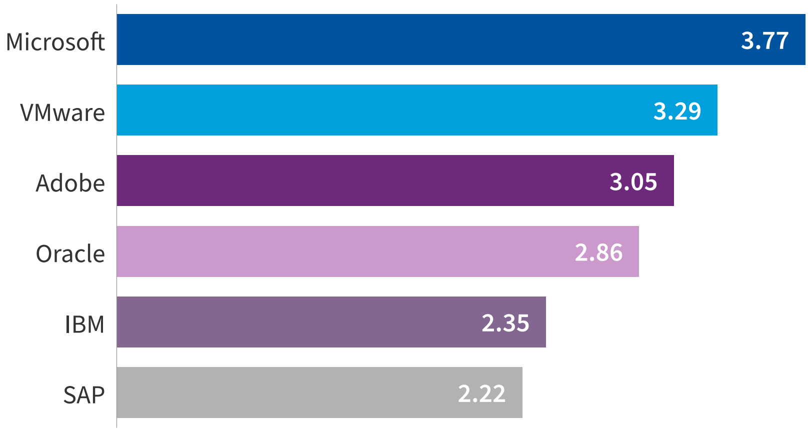
Source: Flexera 2022 State of ITAM Report

FIGURE 24

Top licensed software vendors

What level of focus do you have on the following software vendors in your SAM program?

Weighted average of all respondents (scale 0 – 5)



N=465

Source: Flexera 2022 State of ITAM Report

Half of respondents were audited by Microsoft in the past three years

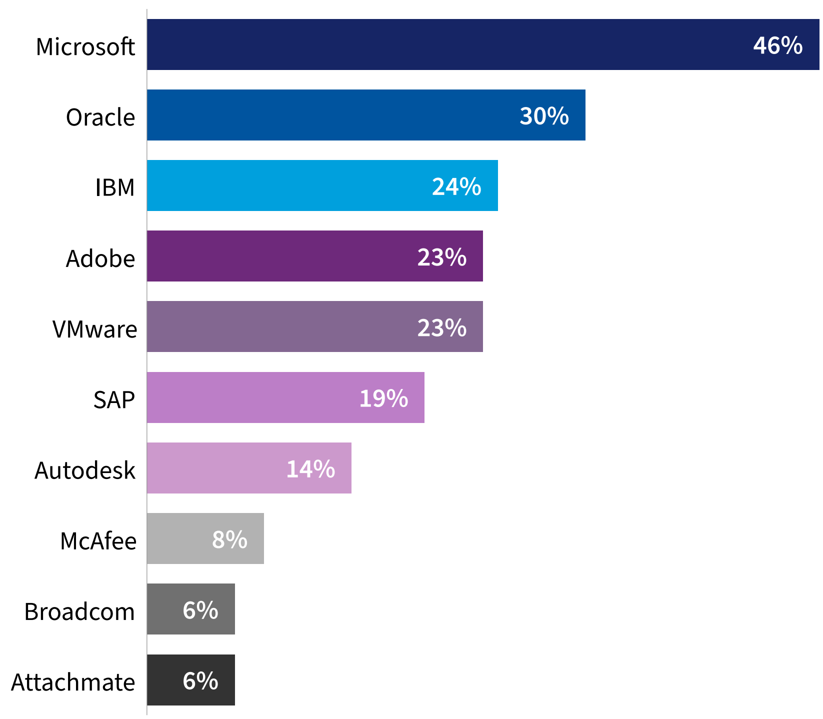
SAM priorities are often driven by the need to respond to vendor audits. The level of audit activity from a vendor combined with the level of spend on a vendor are key factors driving SAM teams' focus.

Figure 25 shows 46 percent of respondents have been audited by Microsoft in the past three years (down from 49 percent last year), far more than any other vendor. There are also significant numbers of respondents who have been audited by Oracle (30 percent), IBM (24 percent), VMware (23 percent) and Adobe (23 percent) over the past three years.

FIGURE 25

More than 45 percent of respondents had Microsoft audits in the past three years

Which of the following vendors have you been audited by in the past three years?



N=465
Source: Flexera 2022 State of ITAM Report

Many respondents report significant audit true-up costs and penalties

Figure 26 shows the level of audit true-up costs and penalties (excluding resource costs for responding to audits). Twenty-four percent of respondents paid more than $1 million in true-up costs and penalties over the past three years, while nine percent paid more than $5 million.

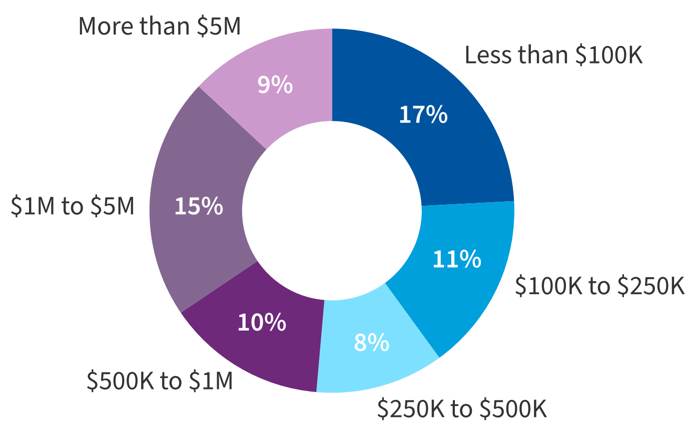
These penalties and true-ups are neither anticipated nor budgeted, and they can be very disruptive to internal initiatives as funds are pulled from other projects to cover these unanticipated costs.

It's vitally important for SAM practitioners to prioritize license compliance with all software vendors, but only 64 percent of respondents indicated that their SAM team's responsibilities include tracking on-premises software licenses. The penalties reported here should spur more organizations to make license compliance a high priority.

FIGURE 26

Twenty-four percent of respondents paid more than $1 million in true-up costs and penalties over the past three years

Estimate how much your organization has paid over the past three years as a result of audits by software vendors (including penalties or unbudgeted true-ups).



N=465
Source: Flexera 2022 State of ITAM Report

How SAM and HAM success metrics align with value and savings

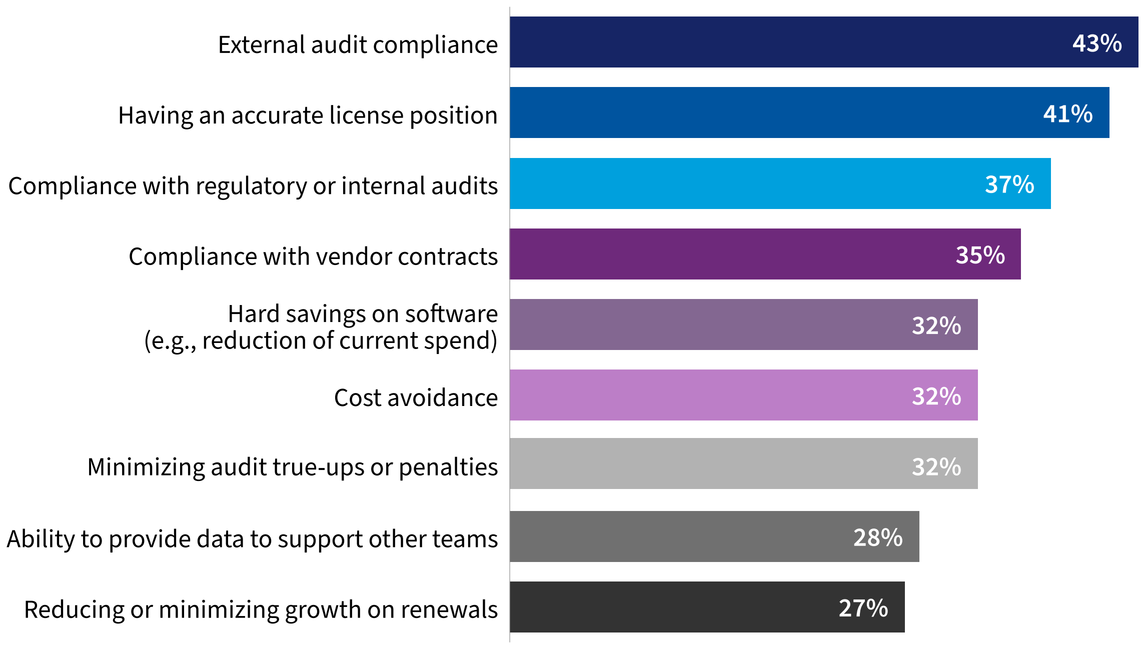
Compliance is the focus of SAM success metrics

Figure 27 ranks the metrics organizations are using to measure SAM success. The three most heavily used metrics are *external audit compliance, having an accurate license position* and *compliance with regulatory or internal audits*. Given the level of potential penalties for non-compliance, this is an understandable position, but focusing on compliance instead of delivering value can be detrimental to innovation in other SAM initiatives (such as optimization and consolidation of licenses).

FIGURE 27

External audit compliance is the top metric for SAM success

What metrics are used to measure success of your SAM initiatives?



N=465

Source: Flexera 2022 State of ITAM Report

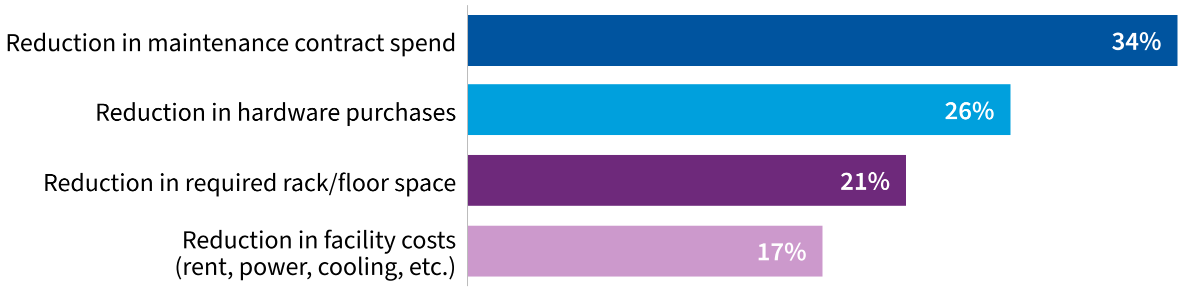
The top success metric for HAM is reduction of contract spend

Success in HAM is different than in SAM. The top success metrics for HAM are *reduction in maintenance contract spend* (34 percent), *reduction in hardware purchases* (26 percent) and *reduction in required rack/floor space* (21 percent).

FIGURE 28

Reduction in maintenance contract spend is the top metric for HAM success

What metrics are used to measure success of your HAM initiatives?



N=465
Source: Flexera 2022 State of ITAM Report

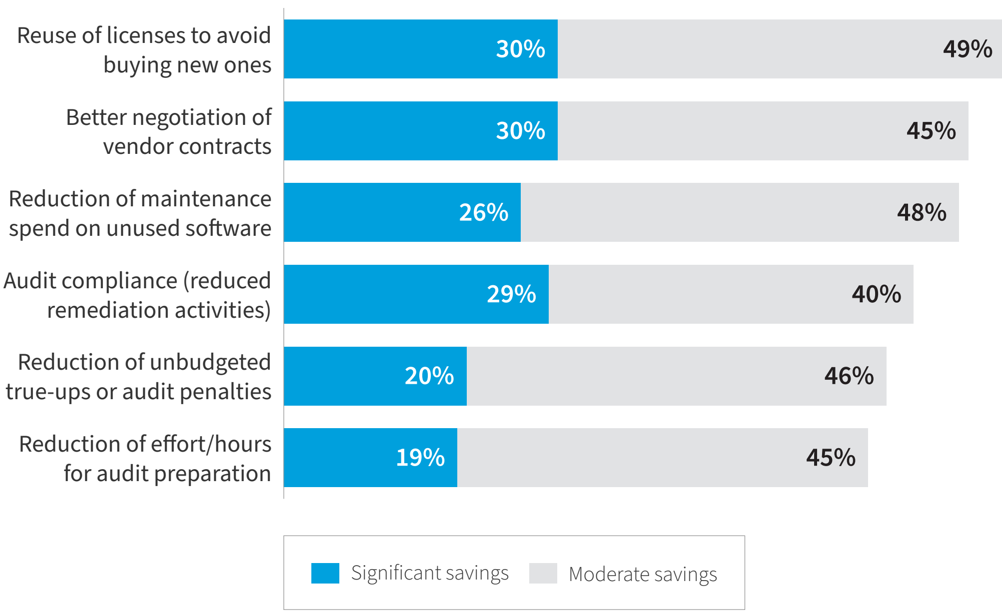
There are more savings from cost optimization than from audit

Savings from SAM practices can come from cost optimization or from reduction in audit costs. As figure 29 indicates, organizations reported they received the most savings from *reusing existing licenses to avoid buying new ones, better negotiation of vendor contracts* and *reduction of maintenance spend on unused software*.

FIGURE 29

More savings come from cost optimization than reducing audit costs

In what areas have you realized actual savings in the past year due to your SAM program?



N=465

Source: Flexera 2022 State of ITAM Report

Savings grow as SAM processes mature

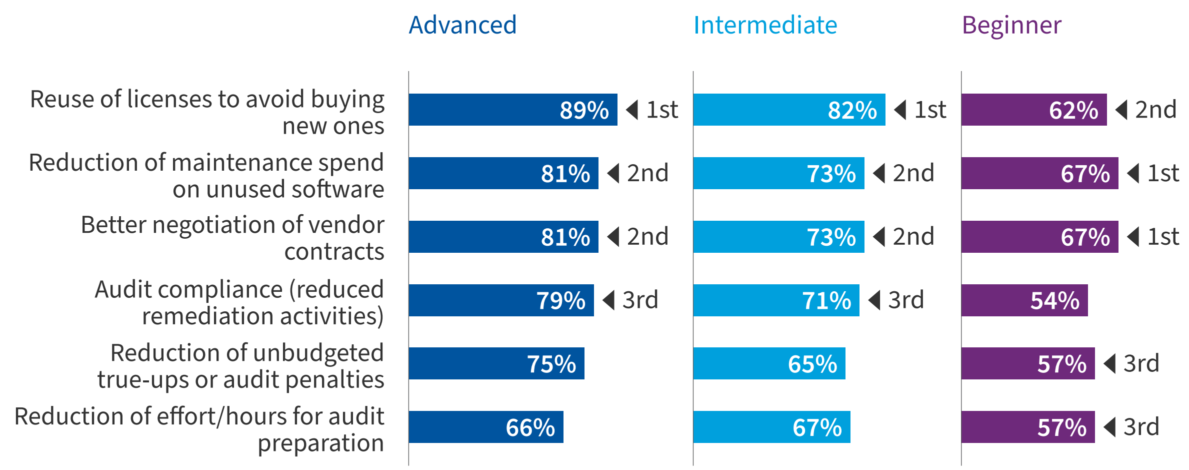
SAM savings by maturity

Figure 30 shows that savings from SAM programs increase significantly as these programs mature. For example, 89 percent of advanced SAM teams realize savings from the *reuse of software licenses to avoid buying new ones*, much higher than the 62 percent savings realized by SAM beginners. Similarly, 66 percent of advanced SAM teams realize significant savings from *reduction of effort/hours for audit preparation*, compared to 57 percent for beginners.

FIGURE 30

As SAM maturity increases, so do SAM savings

SAM savings by maturity



N=465

Source: Flexera 2022 State of ITAM Report

Flexera

Role of configuration management databases

CMDBs used by ITAM professionals

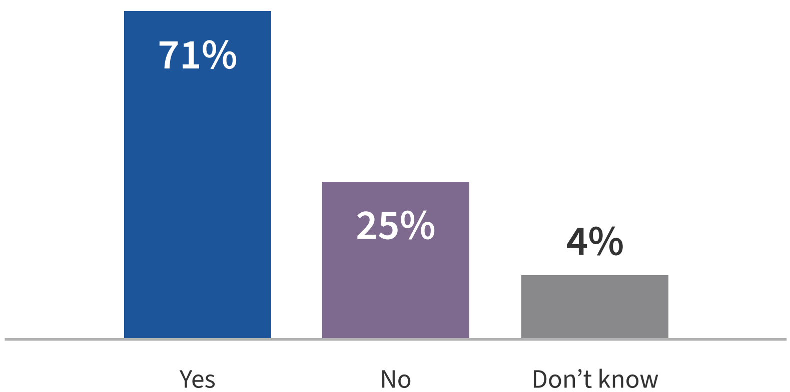
Seventy-one percent of respondents use CMDBs, and it's important for ITAM practitioners to be as familiar with CMDBs as their counterparts in ITSM are.

As organizations increase their use of transient assets such as cloud instances or containers, they must reassess their IT asset tracking procedures to ensure their CMDBs don't become bloated with entries that are no longer relevant.

FIGURE 31

Most ITAM practitioners use a CMDB

Do you use a CMDB (configuration management database)?



N=465

Source: Flexera 2022 State of ITAM Report

CMDBs track more static assets

On-premises virtual machines (VMs) are the most tracked type of cloud asset (reported by 73 percent). These tend to be long-lasting and fairly static (or at least not dynamic) and therefore are logical assets to be put into a CMDB.

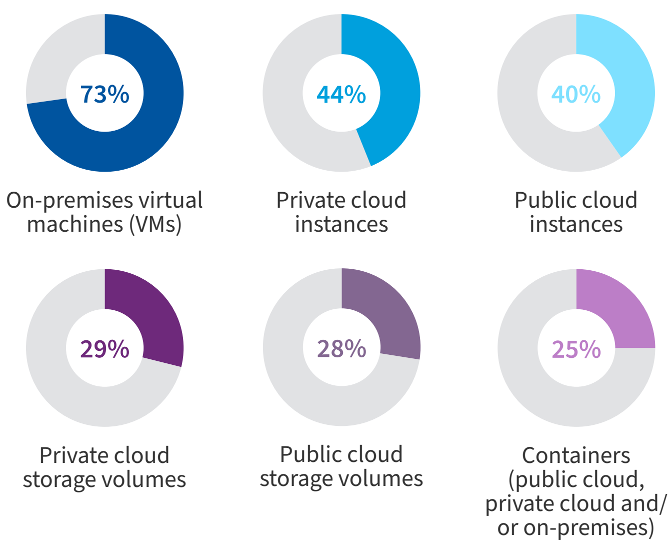
The next highest-ranked assets tend to be more transient/ephemeral, such as *private* and *public cloud instances*, as reported by 44 and 40 percent of respondents, respectively.

Only 25 percent are tracking containers. Since many containers exist for less than five minutes, ITAM practitioners need to adjust how they account for containers in their CMDBs to prevent these databases from quickly becoming enlarged, outdated and too cumbersome to use.

FIGURE 32

On-premises virtual machines are the most tracked type of cloud asset

What assets do you track in your CMDB?*



*N=330 (Respondents who use a CMDB)
Source: Flexera 2022 State of ITAM Report

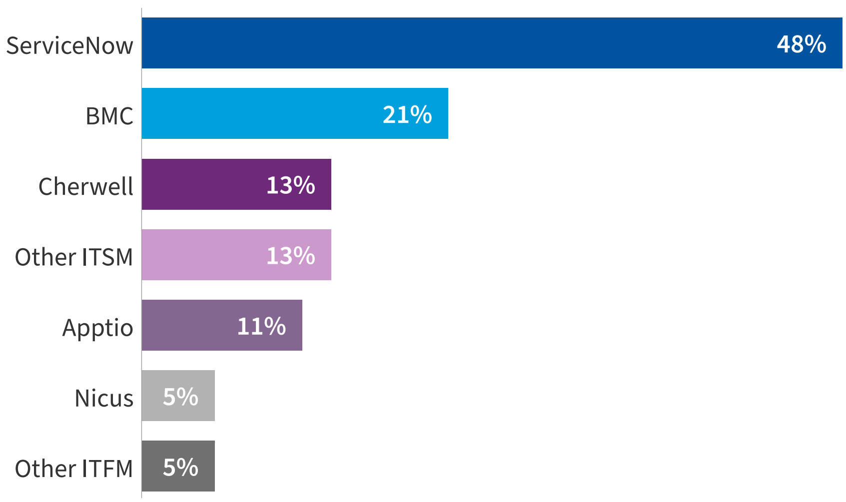
Asset management data is increasingly fed into CMDBs

As shown in figure 33, nearly half (48 percent) of respondents said they feed asset management data into ServiceNow's CMDB, compared to 21 percent for BMC. Some enterprises feed asset management data into CMDBs at higher rates. For example, 57 percent of Flexera customers feed normalized data into ServiceNow's CMDB and 27 percent do so into BMC, as shown in figure 34.

FIGURE 33

More and more asset data is fed into CMDBs

Do you feed data from your asset management tools into any of the following enterprise systems or CMDBs?



N=465

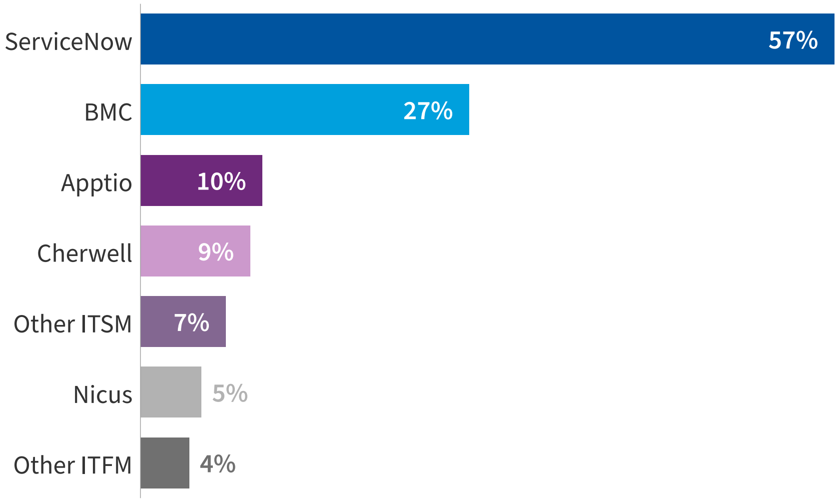
Source: Flexera 2022 State of ITAM Report

Flexera

FIGURE 34

Majority of Flexera customers feed data from their asset management tools into ServiceNow's CMDB

Do you feed data from your asset management tools into any of the following enterprise systems or CMDBs?*



*N=121 (Flexera FlexNet Manager customers)
Source: Flexera 2022 State of ITAM Report

FLEXERA 2022

State of ITAM Report: Europe Spotlight

FLEXERA 2022

State of ITAM Report: Europe Spotlight

Software asset management practices in European organizations are more focused on cost savings and on inventorying licenses in new environments than in organizations globally.

Europe highlights

European SAM teams are more likely than their global counterparts to report to the C suite. They're also better able to focus on cost savings, even while they're subjected to higher rates of audits by large vendors.

The Europe spotlight includes responses from 58 IT professionals in Europe and compares their answers with those of all global respondents.

The following are some of the responses that differ from those of other global respondents.

- ITAM teams in Europe are more likely to report to the C suite (34 percent in Europe compared to 24 percent globally)
- ITAM teams in Europe interact most heavily with infrastructure teams (71 percent in Europe, 54 percent globally)
- SAM teams in Europe have bigger plans to inventory licenses in cloud (48 percent in Europe, 42 percent globally) and in containers (48 percent in Europe, 41 percent globally)
- The top two enterprise SAM challenges for Europe are the same as globally: improving maturity of the SAM practice (86 percent in Europe and 76 percent globally) and dealing with new environments, including SaaS, cloud and containers (85 percent in Europe, 75 percent globally)
- European SAM teams place a higher priority on savings-focused efforts, including software rationalization (72 percent in Europe, 54 percent globally) and re-harvesting and reassigning licenses that are underutilized (57 percent in Europe, 49 percent globally)

- European organizations are more likely to be audited by Microsoft (52 percent in Europe, 46 percent globally), Oracle (34 percent Europe, 30 percent globally) and Autodesk (17 percent Europe, 14 percent globally)
- The top success metric used by SAM teams in Europe is the same as globally: external audit compliance (47 percent Europe, 43 percent globally)
- The most significant asset management savings in Europe come from reuse of licenses (34 percent in Europe, 30 percent globally). In addition, teams in Europe report slightly higher overall levels of significant savings for audit compliance (31 percent Europe, 29 percent globally)

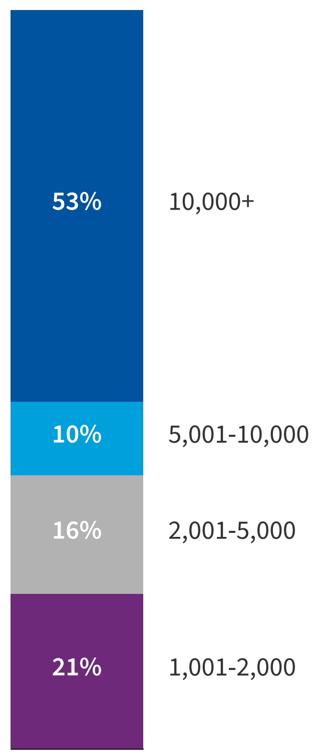
European respondents come from larger companies

As figure 35 indicates, a greater percentage of European responses (53 percent) comes from large companies than in the survey overall (39 percent).

FIGURE 35

The majority of respondents are from large enterprises

How many employees are in your company?



N=58

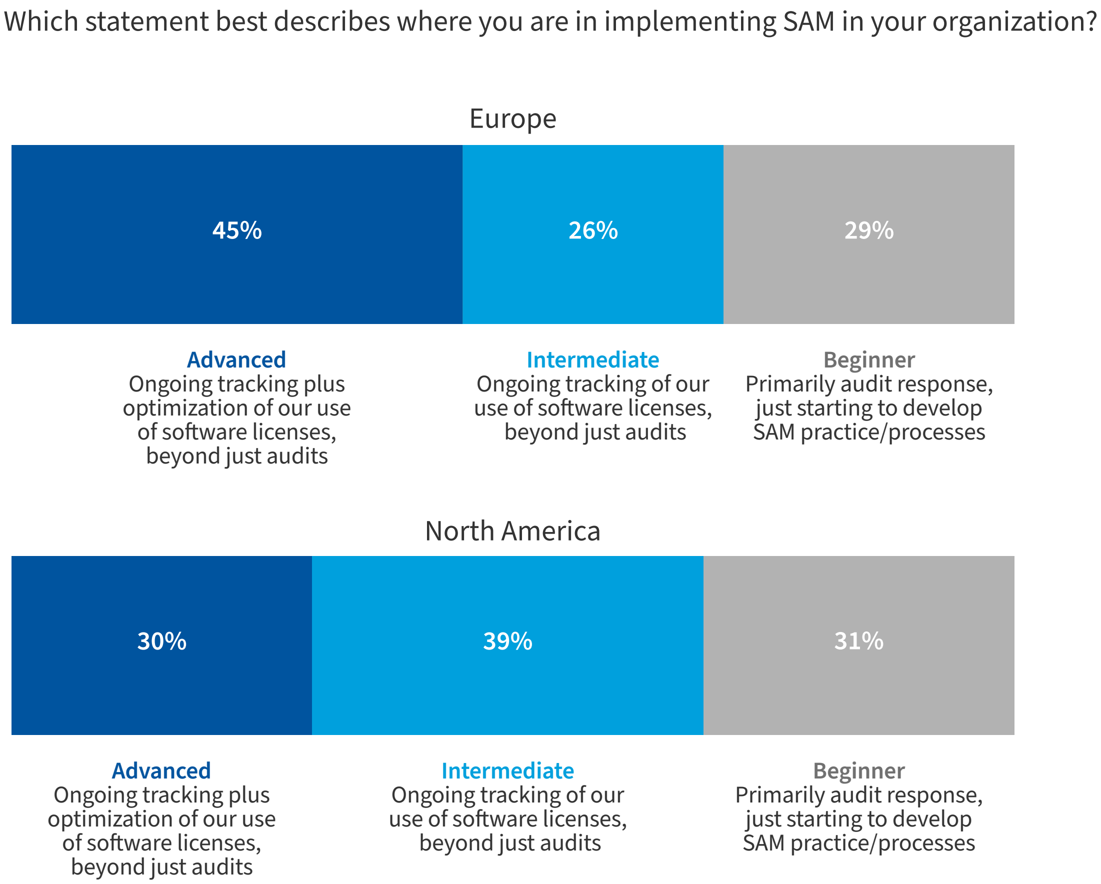
Source: Flexera 2022 State of ITAM Report

Europe has a higher percentage of advanced SAM users

Figure 36 shows that a higher percentage of European respondents (45 percent) were advanced than were North American respondents (30 percent).

FIGURE 36

Advanced SAM maturity in Europe is higher than in North America



Europe: N=58, North America: N=382
Source: Flexera 2022 State of ITAM Report

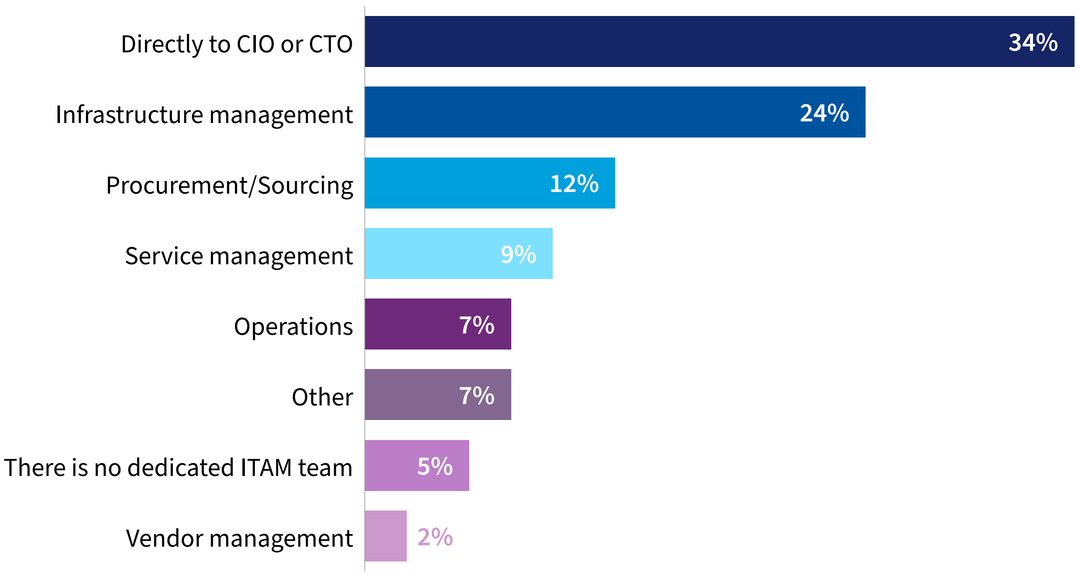
European ITAM teams are more likely to report to the C suite

Figure 37 indicates that 34 percent of ITAM teams in Europe report directly to the C suite, compared to 24 percent globally. This could imply that European organizations see ITAM teams as more strategic.

FIGURE 37

More European ITAM teams report to the *CIO or CTO* than teams in other regions do

Where does your ITAM team report in your organization?



N=58

Source: Flexera 2022 State of ITAM Report

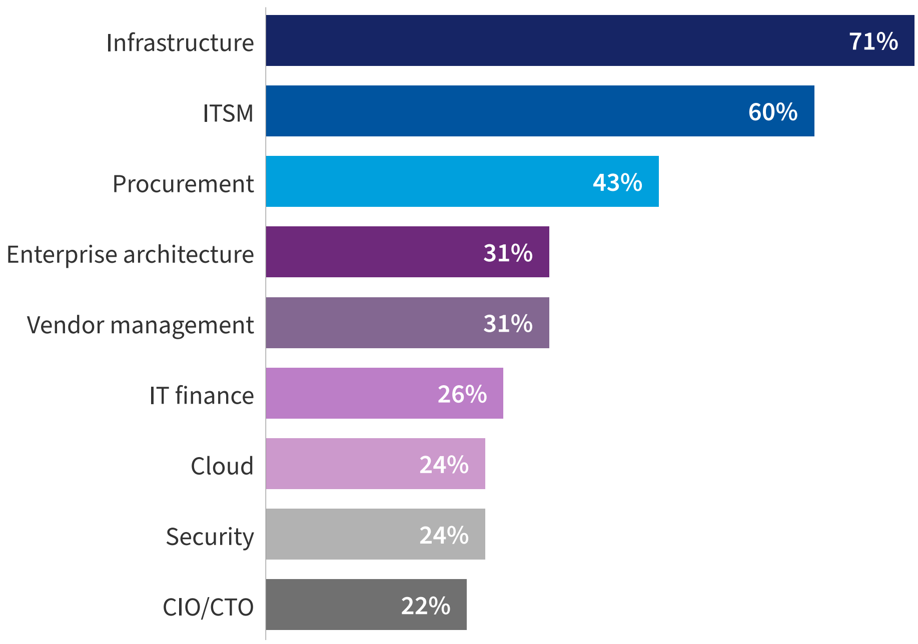
European SAM teams interact more with infrastructure and ITSM

Like their global SAM peers, SAM teams in Europe collaborate with *infrastructure* and *ITSM* teams the most. As figure 38 shows, 71 percent of European respondents have significant interactions with *infrastructure* (compared with 54 percent globally).

FIGURE 38

European SAM teams interact mostly with *infrastructure* and *ITSM teams*

What's the level of interaction between your SAM team and the following teams?



N=58

Source: Flexera 2022 State of ITAM Report

SAM teams in Europe have bigger plans to inventory licenses in cloud and in containers

Figure 39 ranks the responsibilities of SAM teams in Europe. Nearly all European respondents currently (74 percent) or plan to (24 percent) *maintain accurate inventory of licensed software*.

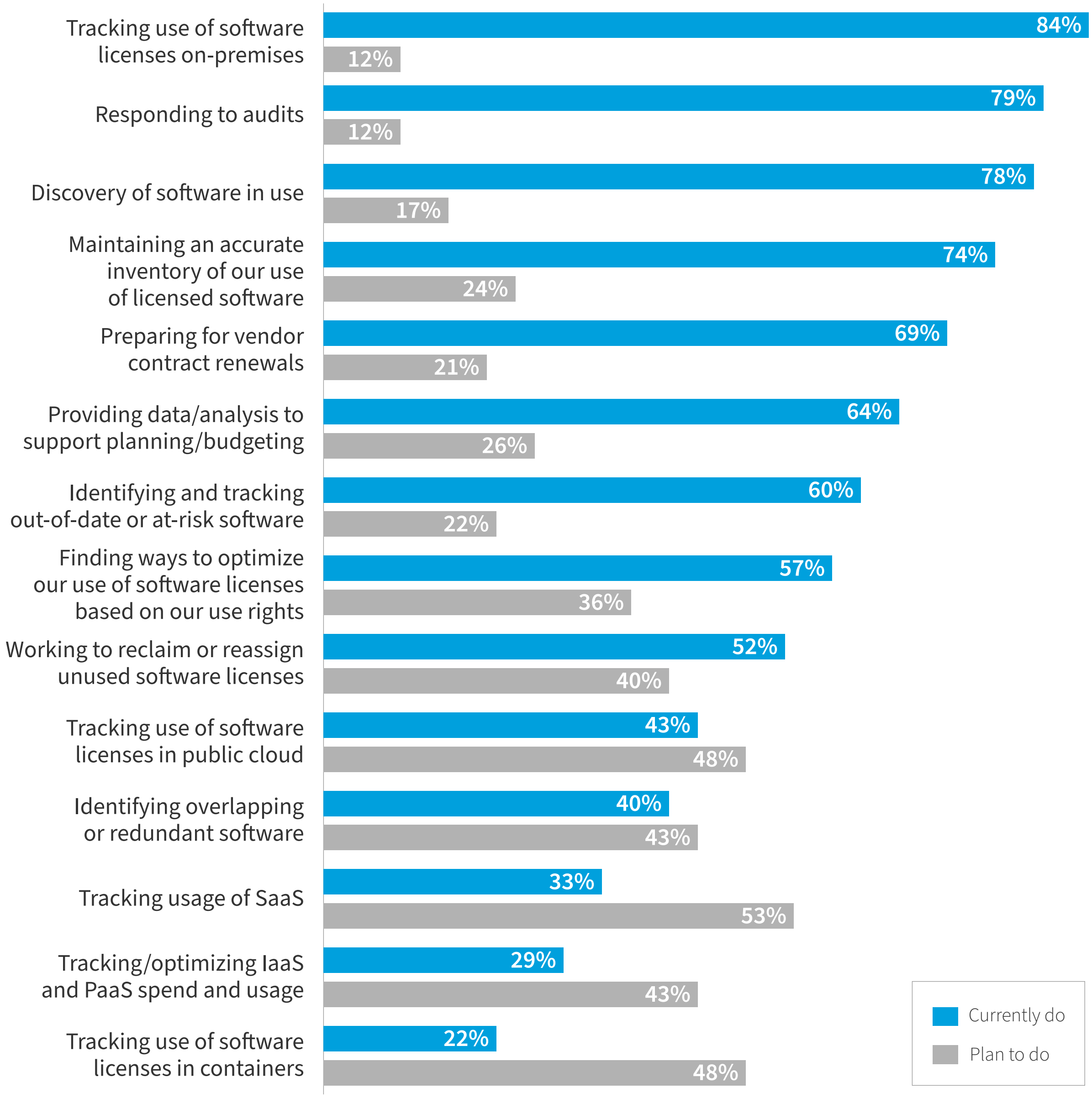
Eighty-four percent currently *track use of on-premises software licenses* (compared to 65 percent globally), 43 percent *track licenses in the cloud* (compared to 42 percent globally) and 22 percent in *containers* (compared to 28 percent globally).

Moving forward, Europeans are more aggressively planning to *track licenses in the cloud* (48 percent in Europe, 42 percent globally) and in *containers* (48 percent in Europe, 41 percent globally).

FIGURE 39

Maintaining inventory of licensed software is a priority

What SAM-focused responsibilities does your ITAM team have in your organization?



N=58

Source: Flexera 2022 State of ITAM Report

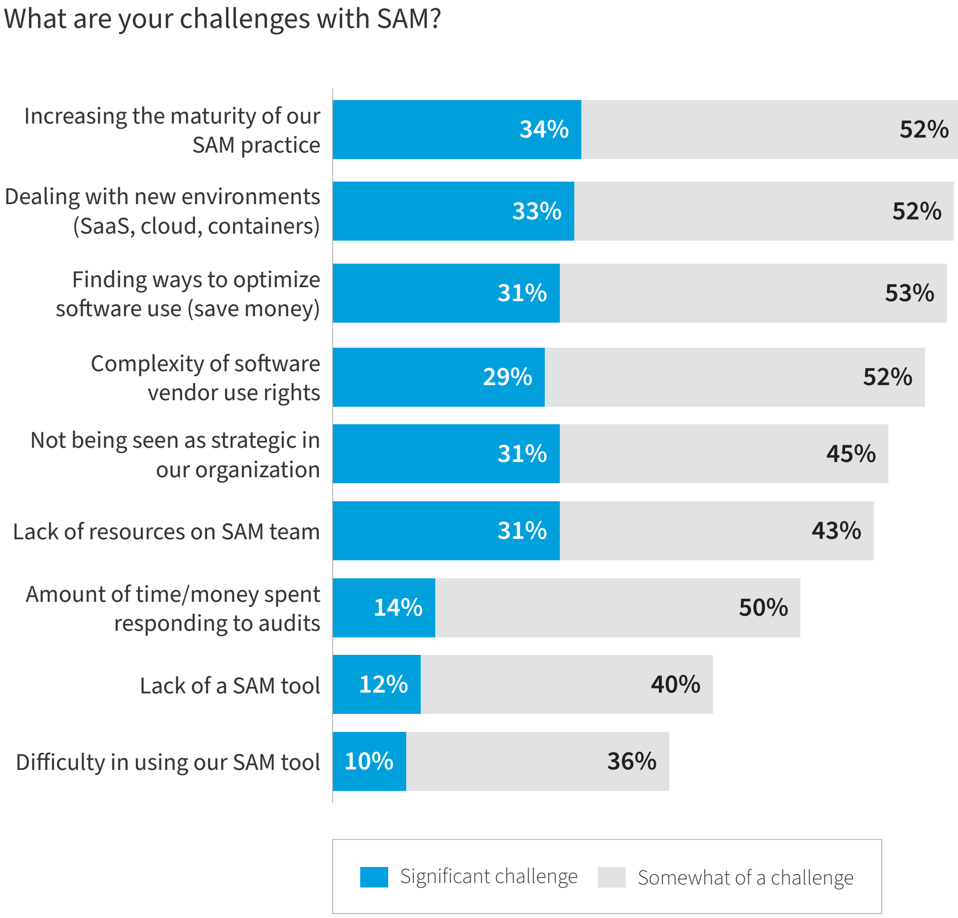
Flexera

Maturing of SAM practice is a key challenge in Europe

Figure 40 shows that the top enterprise SAM challenge for Europe is the same as globally: *increasing maturity of the SAM practice* (reported by 86 percent in Europe and 76 percent globally). In Europe, *dealing with new environments* (SaaS, cloud and containers) is a challenge for 85 percent of respondents, compared to 75 percent globally.

FIGURE 40

Increasing SAM practice maturity and *dealing with new environments* are the top challenges



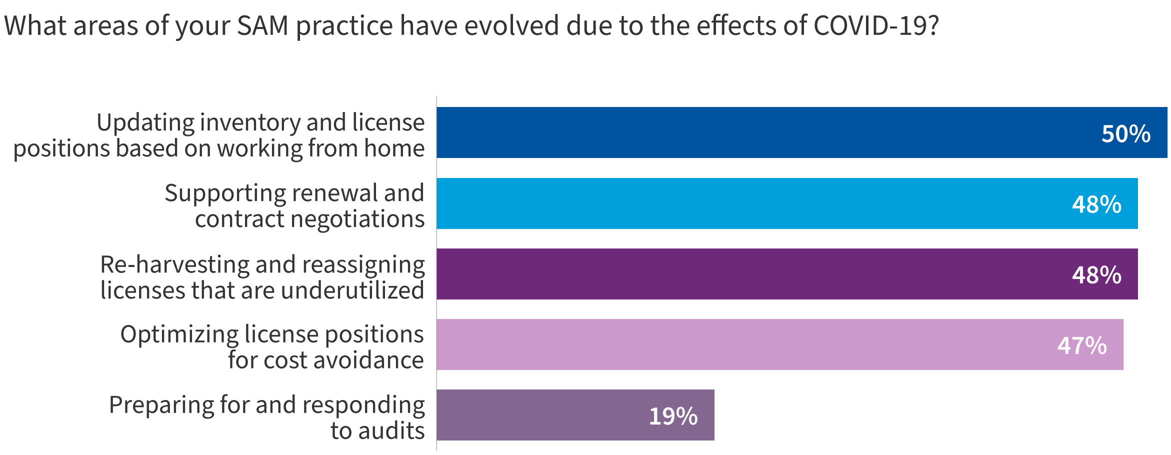
N=58
Source: Flexera 2022 State of ITAM Report

Work from home in Europe

Just as is reported globally, working from home topped the evolution of SAM practices in Europe due to COVID-19. In Europe, only 50 percent now *update inventory and license positions* in response to WFH trends (compared to 59 percent globally). Less than half of respondents in Europe now *support renewal and contract negotiations* (48 percent) and *re-harvest and reassign licenses that are underutilized* (also 48 percent).

FIGURE 41

Working from home was the top SAM practice to evolve during the pandemic



N=58
Source: Flexera 2022 State of ITAM Report

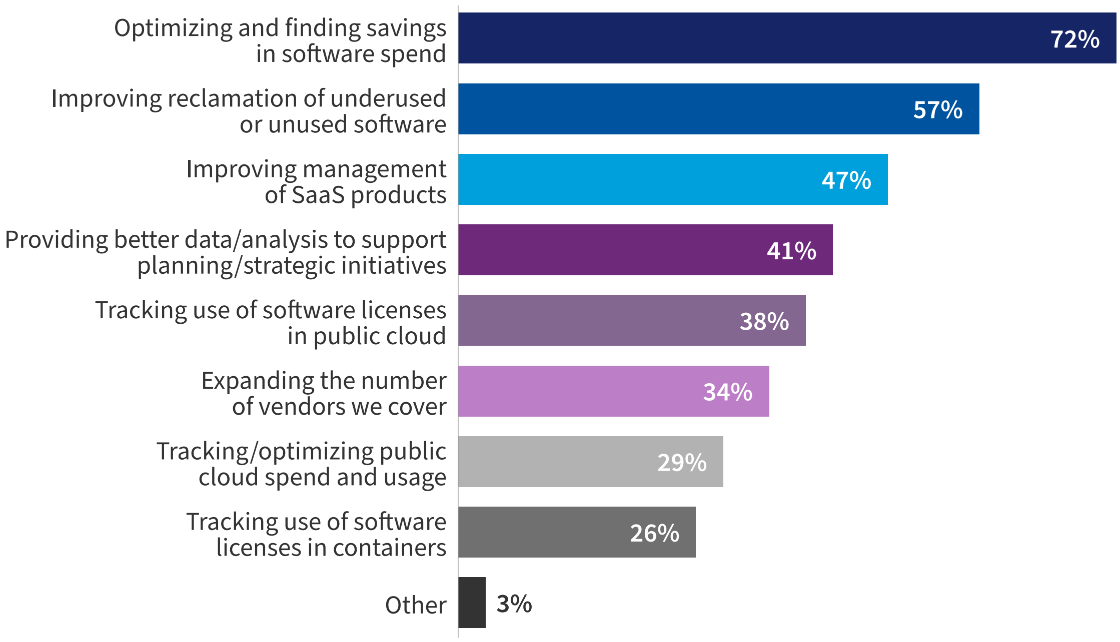
Top SAM initiatives in Europe align with savings, but focus less on SaaS and cloud

As figure 42 indicates, the top two SAM initiatives in Europe for the next twelve months are focused on cost savings and match the top two global initiatives. However, European respondents are showing far less focus on SaaS and cloud initiatives for SAM teams compared with other regions.

FIGURE 42

Optimizing and finding cost savings is the top initiative this year

What SAM initiatives do you want to make progress on in the next year?



N=58
Source: Flexera 2022 State of ITAM Report

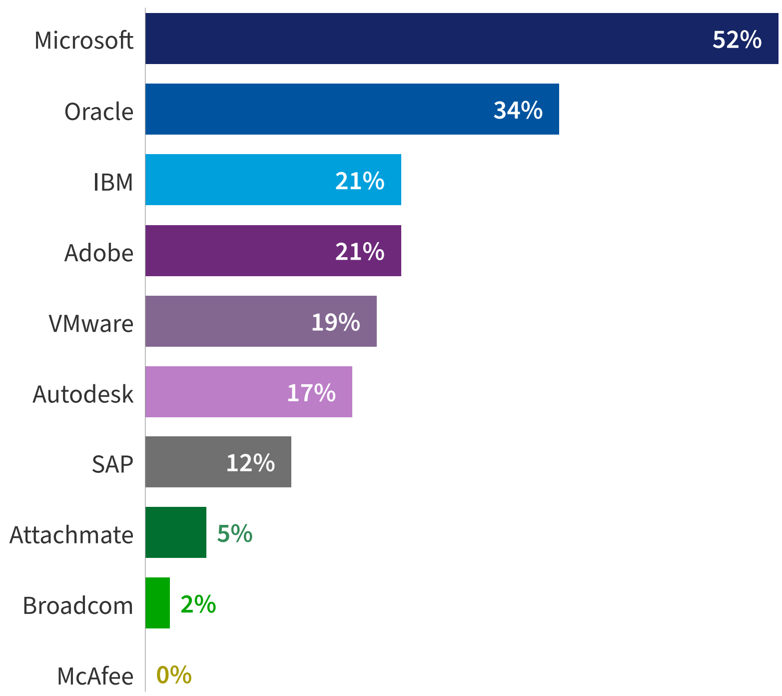
European organizations experience higher rates of vendor audits

As figure 43 shows, organizations in Europe, similar to those in other regions, are most likely to be audited by Microsoft (52 percent in Europe, 46 percent globally). In addition, the audit rates in Europe are higher for Oracle (34 percent Europe, 30 percent globally) and Autodesk (17 percent Europe, 14 percent globally).

FIGURE 43

More than half of respondents have been audited by Microsoft

Which of the following vendors have you been audited by in the past three years?



N=58

Source: Flexera 2022 State of ITAM Report

Flexera

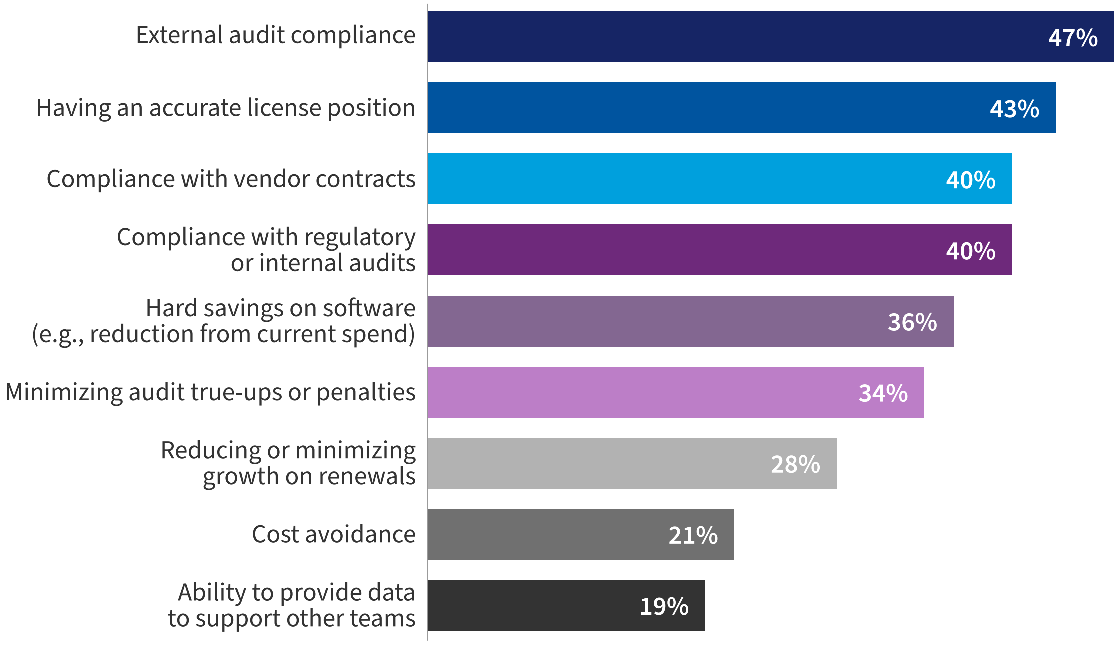
SAM teams in Europe put the strongest focus on audit compliance

As figure 44 indicates, the top success metric used by SAM teams in Europe is *external audit compliance* (47 percent Europe, 43 percent globally).

FIGURE 44

Top SAM success metric is *external audit compliance*

What metrics are used to measure success of your SAM initiatives?



N=58

Source: Flexera 2022 State of ITAM Report

Flexera

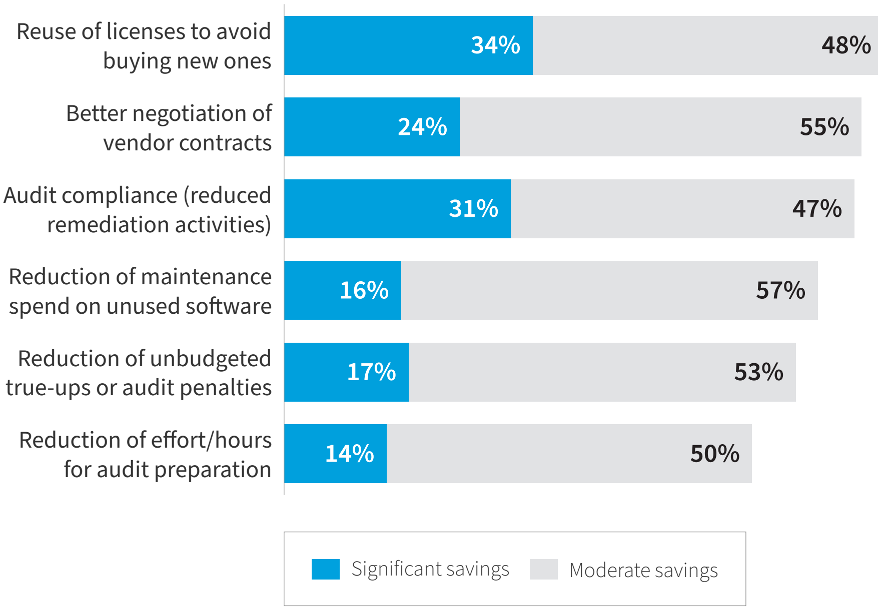
European organizations realize higher savings from SAM

As figure 45 shows, *reuse of licenses to avoid buying new ones* drives the most significant savings (reported by 34 percent in Europe, 30 percent globally). In addition, teams in Europe report higher overall levels of significant savings for *audit compliance* (reported by 31 percent in Europe, 30 percent globally).

FIGURE 45

Reuse of licenses drives the most SAM savings

In what areas have you realized actual savings in the past year due to your SAM program?



N=58

Source: Flexera 2022 State of ITAM Report

Global summary

The data presented in the *Flexera 2022 State of ITAM Report* illustrates that ITAM, SAM and HAM continue to play critical roles in the enterprise and the associated digital transformation of their organizations. This is driven by the need for these teams to collaborate with most—if not all—functions across the larger IT organization. While ITAM teams report to different groups within different organizations, the team is most connected and aligned to transformation when it reports directly to the CIO or CTO and when it has the visibility afforded by this status in the organization.

Many SAM teams are still in the early stages of maturity. These teams focus on the more traditional functions of ITAM, such as asset discovery, inventory, compliance and audit activities.

SAM teams must expand their expertise into the emerging technologies being adopted by their organizations in order to maintain relevance as digital transformation efforts continue. To be truly effective and strategic to the business, SAM teams need to evolve their focus to more tightly integrate with the new elements of their IT estates, including public cloud, hybrid cloud, SaaS consumption, and container usage and adoption.

Audits—including internal, regulatory and those driven by vendors—continue to consume a majority of time for SAM teams. The data this year indicates that time devoted to audits is increasing, further eroding the ability of ITAM teams to focus on emerging areas. The largest vendors, representing the majority of audits, get the most attention from SAM teams even as these vendors expand their product suites to include cloud-based offerings. SAM teams should therefore consider placing more focus on SaaS and cloud offerings from those same vendors.

The metrics used to evaluate the efficacy of ITAM/SAM/HAM teams have historically been misaligned with the actual sources of value these teams deliver. The data indicates that this trend is continuing. The criteria used by organizations for measuring their ITAM initiatives are tied to compliance and audit activities instead of cost optimization, cost savings and cost avoidance. ITAM teams will continue to struggle to deliver true perceived value if their priorities are misaligned with the objectives most beneficial to the business.

This report provides a benchmark IT organizations can use to advance their asset management capabilities so they can maximize the business value of all their technology investments.

Table of figures

About Flexera

Flexera delivers SaaS-based IT management solutions that enable enterprises to accelerate and multiply the return on their technology investments. We help organizations inform their IT with total visibility into their complex hybrid ecosystems, providing the IT insights that fuel better-informed decisions. And we help them transform their IT with tools that allow IT leaders to rightsize across all platforms, reallocate spend, reduce risk and chart the most effective path to the cloud.

More than 50,000 customers subscribe to our technology value optimization solutions, delivered by 1,300+ passionate team members worldwide. To learn more, visit **flexera.com**

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