Don’t sweat assets, liberate them!

*Maintaining business focus with a dynamically changing IT asset base*

April 2012

Most organisations are sitting on IT equipment that is not supporting the business optimally, yet the received wisdom is to sweat the assets to gain as much perceived lifetime value from them as possible. However, IT assets have inherent value which can change significantly through each asset’s lifecycle – whether this is through its hard resale value or just through its scrap value. By applying a full IT lifecycle management (ITLM) approach to the complete IT platform, a business-optimised platform can be created – one where business value overrides the embedded concept of sweating assets.
Don’t sweat assets, liberate them!

Maintaining business focus with a dynamically changing IT asset base

<table>
<thead>
<tr>
<th>Every IT asset has some intrinsic value</th>
<th>Even old IT equipment has some level of value – whether it is as working equipment, as spares or even in the precious and rare metals held within the equipment. The key is to be able to optimise the value that can be gained from these assets while managing the security and performance of the total IT platform.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Data also has value – and managing this badly can have massive impact on organisations</td>
<td>With many organisations having in excess of 80% of their data now in electronic format, the value of that data to the organisation cannot be underestimated. The intellectual property of the organisation is tied up in some of this data – yet not all data needs to be managed at the highest level of security. Being able to match different data types with an agreed corporate risk profile enables IT asset values to be optimised through managing how storage devices are dealt with during their decommissioning and disposal stages.</td>
</tr>
<tr>
<td>IT Lifecycle Management (ITLM) is a strategic means of managing the value of an IT platform</td>
<td>Actively managing an IT platform enables an organisation to be flexibly and effectively supported by continuous replacement of IT assets as the balance between their business value and intrinsic residual value is managed to ensure that an optimum platform is in place at all times. Organisations that try to ‘sweat’ IT assets through extending their useful life will find that the business support provided by ageing equipment falls away rapidly to the point where IT becomes a constraint to the business, whereas those that attempt to always be at the leading edge by replacing equipment too often will find that IT costs will be too high for the business value provided. Finding the sweet spot is what ITLM is all about.</td>
</tr>
<tr>
<td>Understanding where your organisation is within a maturity model helps define an ITLM strategy</td>
<td>Few organisations will be at the same point in their ITLM journey. To help organisations understand where they are on this journey, Quocirca has created an eight-step ITLM process that matches with a six-level maturity model. Readers of this report will be able to understand where their organisation stands within the maturity model, and plot a way to gain the best business gains through carrying out a gap analysis as to where they believe they should be.</td>
</tr>
<tr>
<td>To gain the most business value, ITLM requires outside assistance</td>
<td>Although ITLM can be carried out by an organisation itself, Quocirca recommends using external experts as trusted partners. Good ITLM partners can source better deals on hardware and software licensing as they negotiate on behalf of multiple clients; fully understand all the legal aspects around asset disposal (such as the UK’s WEEE and COSHH legislation); and will have the wherewithal to ensure that data assets are dealt with in line with the organisation’s corporate risk profile. Such 3rd parties will also have the existing agreements for extracting the utmost value from old assets, through recycling, stripping for spares or by selling on the residue of secure disposal (asset destruction) for the recovery of precious and rare metals.</td>
</tr>
</tbody>
</table>

Conclusions

IT Lifecycle Management (ITLM) is becoming more important as an increasing proportion of any given organisation is dependent on an effective and flexible IT platform. Whereas IT platforms used to be replaced on a 10, 7 or 5 year cycle, the benefits of continuous IT asset replacement are becoming better understood. Knowing at what point an asset should be replaced, based on its usefulness to the business and its intrinsic residual value, can make an ongoing, dynamic replacement approach based around a comprehensive ITLM strategy a highly cost-effective option.

However, approaching ITLM as an in-house activity will probably not achieve the optimum business value. Quocirca recommends that organisations look to external experts with the required deep domain expertise in ITLM to work alongside as trusted partners. A well thought through and implemented ITLM strategy will not only optimise how the IT budget is spent on the acquisition, management and disposal of IT assets, but will also ensure that the business is supported on the most cost-effective, flexible and optimised IT platform.

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Avoiding “Saving your way out of business”

During the ‘good times’, the positive cash flows and reasonable margins of many businesses can hide a multitude of economic sins. For example, strong margins can mask the fact that the margins could be so much better if the business processes were more efficient – but business managers are not that worried if the profit and loss sheets look OK.

The problem changes when times aren’t so good - margins get squeezed and business becomes more inwardly focused on what were previously perceived as minor problems turning into major issues. Projects get pushed back, expenditure is halted – and departments are told to do more with less, and to sweat their existing assets as much as they can.

For IT departments, this can become a major issue. Organic growth with the need to maintain stability, along with the economic downturn, has meant that many organisations now have ageing equipment in place that is no longer optimally supporting the business. However, many businesses are becoming more IT savvy and are aware that utilisation rates of hardware in the data centre are not where they need to be. Therefore, they feel a duty to push back hard on IT – stating that with so much excess resources available in servers, storage and networking equipment they do not see why there should be any further investment in new equipment.

IT managers, however, know that data centres have to change. New technical architectures are coming through that will require major changes to the hardware underpinning existing systems. Virtualisation and the use of cloud services can meet future business requirements but will not provide the overall benefits expected if they are to be implemented only on existing equipment.

A dichotomy arises – how can the IT department provide a platform that keeps up to date with the requirements of a changing technology landscape, yet also ensure that it meets the demands of the business by ensuring that the best value for money solution is chosen?

The main aspect that is often missed by both the business and IT departments is to carry out effective asset lifecycle management. Too often, old equipment is just seen as being of scrap value – or even of no value at all. For many, it is even seen as a cost item – the cost of disposal can be high when the legal and internal requirement to ensure data is dealt with securely are taken account of. Further legal requirements around the dumping of hazardous materials and meeting requirements such as the UK’s waste electrical and electronic equipment (WEEE) directive can also be high.

The problem during tough economic times is that recovery is always slow – so if an IT department does manage to sweat their IT assets successfully during the bad times, it is unlikely that the purse strings will be opened miraculously as times get better – it is far more likely that funds will trickle back, and the IT platform will continue to age and be less capable of supporting the business going forward as required. Indeed, with prospects of a ‘double dip’ recession growing, having a non-optimised IT platform in place could be the straw that breaks the camel’s back – the lack of capability to invest in what is needed to support a business through the bad times, bringing the business itself down. This is what Quocirca calls “saving your way out of business” – something that Quocirca has seen in many different organisations.

There is a need for a different approach – one that brings the business and IT together, that optimises the IT platform at the best possible costs; one that avoids ‘forklift’ equipment upgrades but provides an ongoing capability for hardware and software to be upgraded at a cost-effective, business-optimised level. This is called business-led IT lifecycle management, or ITLM.

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IT asset management – a.k.a. herding cats

Historically, the simplest approach has been to carry out IT asset management. Here, a list of assets is maintained (either manually through a spreadsheet, or through a more automated dedicated application). Maintenance schedules can be associated with the assets, and write-downs can be applied against capital values.

This is all well and good: the IT department knows what it has, is writing the assets off at an agreed rate of, say, 10% per annum and can manage the maintenance of the assets based on simple events being triggered when something needs doing.

However, maintaining such records can be difficult, and upgrades and other changes to the assets often do not get mapped or monitored fully. Indeed, equipment that fails is often replaced without the asset register being updated, leading to assets still being on the books that have long been removed. Existing Quocirca research into the number of server assets organisations believed they had and how accurate they believed the numbers to be, found that the majority of organisations would only put a +/-20% accuracy on their server asset numbers.

Such a spread leads to several issues that an organisation needs to be aware of. Firstly, overestimating the number of assets means that maintenance costs against them could also be 20% higher than needed, as could software licensing and maintenance. Underestimating the number of assets in use can be just as costly – the lack of licences available for the number of servers under management could lead to heavy costs should an audit be carried out by an external agency such as FAST, and equipment vendors may refuse to support assets that are not on the agreed asset list. Calculations of asset utilisation rates could also be off, meaning that resource ceilings could be hit earlier than expected.

Therefore, it is critical that any asset management approach does maintain a fully accurate asset register, and that all the associated items are also maintained at a granular level – all replacements of sub-assemblies, all upgrades, all changes to the software stack associated with the hardware and so on.

IT asset management also tends to focus the business purely on the straight line depreciation of an asset. For example, if an asset cost £10,000 when first bought and is depreciating at a 10% straight line level per annum, after 6 years it has a book value of £4,000. However, it is unlikely that this will be the case with IT equipment, which is why many organisations have moved to 3 or 4 year asset write-down approach. So, taking the same piece of equipment, but depreciating it straight line over 4 years, after 6 years, that same piece of kit has had zero value for 2 years – yet is still being used by the business. It must have had some value as far as the business is concerned, otherwise it would not have been in use, but the organisation’s balance sheet now has no value for it. For the accountants, this is great – the asset has been sweated successfully. It is not on the books, but it is supplying value – a definite win at the financial level.

Obviously, there has to be something wrong with such basic economics. There is, and this can only be addressed by using a full ITLM approach – preferably one where an external partner can deal with the complexities of pulling together supply, management and disposal of the assets involved.
Beyond the IT asset – gold dust in the mud

An IT asset has an initial price, followed by an intrinsic value as it ages. However, it has other values that may be of far more interest to a business. Let’s take, for example, a storage asset. What may be regarded as Tier 1 storage today – and therefore have a price premium for purchase – will become lower tier storage in a short period of time due to improvements in storage technologies. For the sake of discussion, let us regard the storage as being beyond reasonable book value after 4 years – i.e. straight line depreciation of 25% per year.

Now, let us look at what has happened with that storage asset during its life. When it was first purchased, it was empty – it held no data. Therefore, its information asset value was zero. After a period of a year, it would have held a lot of Tier 1 data – information that was of critical use to the business. The intrinsic value of the storage system will have reduced, probably by around one half, but the value to the business will have gone up by an incalculable amount. If the storage asset was to be used over the whole of the four year period as above, what would the true value to the business be at that point? The book value would be zero, but the actual hardware would still have some intrinsic value, even if this is low. The build-up of data on the disks would, however, have led to a growth value – but the storage asset itself is now no longer in the Tier 1 class. So, the organisation now has a high-value information asset being held on zero book value hardware in a manner that does not meet the organisation’s actual data needs.

This is shown in Figure 1. The book value deprecates at 25% per annum, whereas the intrinsic value (the actual market value of the item) is less than the book value from the start, drops rapidly in year one, and then drops more slowly over time. The data value grows rapidly, beginning to plateau as the asset ages. The business value – what the business gets out from the combination of the asset’s capabilities and the information held on it – grows to a peak and then drops as newer equipment with better capabilities come to market. The key is therefore to identify the point at which the business is still gaining significant business benefit from the asset and the asset has enough intrinsic value left to make moving to new equipment cost and business effective.

Take a different type of asset, such as a network router. This asset will also have some storage associated with it – generally some flash-based permanent storage for maintaining settings and so on. The trouble here is that these settings may well contain information that is useful for a hacker to use to identify ways of attacking an organisation’s network, as settings tend to follow some pattern. Therefore, disposing of a network switch without...
regarding the value of the settings stored on it can lead to a subsequent security breach – and the concomitant cost of dealing with such an incident at both a direct cost and a brand reputation level.

These examples show how poor practice has the potential to undermine business value, and organisations need to look at how best to address such issues effectively.

**IT Lifecycle Management (ITLM)**

The idea behind ITLM is that all assets are looked at in the round. The costs of acquisition, operation, maintenance and disposal are all measured in conjunction with the cost to the business of a sub-optimal asset being in place. The value of the asset over its life is also monitored, and the sweet spot of when it is best to replace an item can be identified and managed to ensure that the business is optimally supported on an ever-changing platform that is maintained for all the right reasons – that IT is there to support the business, to reflect and respond to the changing market conditions and to provide the flexibility that an organisation demands.

**ITLM 8-step model**

To create a suitable ITLM approach, Quocirca recommends an 8 step, iterative model (see Figure 2).

**Figure 2**
The various steps of the ITLM process can best be described as follows:

**Assess**

The start of any ITLM assessment has to be with a full asset discovery. Only with full knowledge of what is actually present within the IT estate can a fully effective ITLM system be put in place. Preferably using an automated approach, a highly granular asset database needs to be set up that covers the IT assets, not only at an assembly level (e.g. by data centre row, rack or chassis), but also at a component level. Here, it is necessary to understand what the differences are between similar equipment – for example, has a server had a memory upgrade; has this storage asset had extra disk capacity added; what level of operating system is this network switch operating at? A key part of the Assess stage is also to look at how fit for purpose the equipment is – whether it is fulfilling the business need completely and is likely to do so for some time, fulfilling the business need but will need replacement in the near future, or is not fulfilling the business need and so should already have been replaced.

**Advise**

Once a full assessment of the IT estate has been carried out, there is a need for the business and IT to be advised on what their options are. In many cases, this will not be a single leap from where they are now to a ‘Nirvana’ state, but a set of incremental improvements set against the business’ own risk profile and spend capabilities. These issues will be discussed later in the document.

The advice provided may include the levels of virtualisation to be used across the data centre, the use of private and public cloud services in creating a suitable mix of functionality for the business as well as how the revitalised or new data centre needs to be configured at a facilities level, as well as at an IT equipment level.

The key within the Advise stage is to ensure that the reasons behind the choices are understood by the business, along with how the change will impact the three business variables involved – the risk, the cost and the incremental additional value created.

**Procure**

Once the business has agreed a direction forward, the new equipment needs to be procured. For an organisation trying to carry out ITLM for itself, this will just be down to dealing with existing suppliers under existing contracts. Where an external ITLM management company is involved, they may have greater scale in their procurement deals, being able to source equipment at lower cost, which can be passed on to their customers. Also, an external ITLM management company should have greater visibility of what is happening in the market, so should be able to advise whether it is better to wait for a new technology or product that is just around the corner, and also to advise on where a single vendor or a mixed vendor approach makes sense.

**Provision**

Once the equipment is procured and has been delivered, it needs to be provisioned into the data centre. Again, for an organisation that is trying to carry out ITLM on its own, this may be problematic. The equipment will have to be set up either in situ within the data centre, or part-provisioned outside the data centre ready for final provisioning in the data centre itself. This can impact the business, and needs to be planned carefully to minimise any interruption.

An external ITLM management company can set up the equipment within its own facilities, even going so far as creating a fully working platform that can be tested outside of the customer’s own data centre to check on the overall configuration. Once the major part of the provisioning has been carried out, the equipment can be simply transported to the customer’s data centre premises for final provisioning to take place.

With modern IT equipment, much has to be considered when provisioning it. High density equipment in highly engineered racks and rows will require distinct design and implementation, along with highly specific cooling and power distribution. With energy prices being unstable but trending ever-upward, a key part of provisioning is to ensure that this is carried out in the most energy-efficient and effective manner.

In the first instance, a large amount of old equipment may need to be decommissioning and disposed of, which requires a specific approach (see Disposal section below.).
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Maintain

Maintenance of an IT platform is far more than just systems management. Each item of equipment requires maintaining to an agreed schedule – whether this is to the manufacturer’s schedule or to one that has been agreed within the business’ risk profile. Also, the capabilities of the equipment need to be reviewed on a constant basis to ensure that it is still meeting the business’ needs. In some cases, equipment will need to be upgraded at a component level. In other cases, firmware will need updating. In others, software will need patching or upgrading. The equipment may be repurposed from one tier of operation to another. Others still will result in the equipment needing swapping out for newer, more functional kit.

Decommission

When the decision is made that an item of equipment is no longer needed within the data centre, it will need to be decommissioned. This is not just a simple ‘unplug and dispose’ activity – the purpose of the equipment has to be considered, along with what decommissioning means both at an equipment level and at a business function level.

Plans have to be in place as to how the decommissioning of any item of equipment is handled to minimise business disruption, and how to provision replacement equipment and function in a manner to provide the highest level of business continuity possible.

Data destruction

These days, nearly any IT asset will have data stored on it. The obvious candidates, such as servers and storage units, can be easily identified and suitable steps taken to ensure that any stored data is beyond economic retrieval. However, many printers these days will also have disk drives in them, while network switches and other appliances may have flash storage for various settings (including usernames and passwords along with event logs that can hold other information useful to an outside entity). Also, the growth of use of smartphones and tablet computers is leading to large amounts of data being stored on remote devices. When these are ‘end-of-lifed’, the storage associated with them will also need dealing with.

Therefore, it is necessary to match the needs for data destruction with an organisation’s risk profile, and deal with the data storage part of the asset accordingly. In the majority of cases, dealing with the data will be as part of the disposal stage.

Disposal

Once any item of equipment has been decommissioned, its disposal has to be considered. There are three basic scenarios here as follows:

Equipment has high intrinsic value:
This scenario happens when the item of equipment that is being decommissioned as not being fit for purpose, but is still relatively up to date and would meet the needs of other organisations for certain workloads. This piece of equipment will have a resale value, but cannot just be put on the market ‘as is’. As previously discussed, there may be a large amount of data on the device which may have legal, internal security or brand ramifications if it fell into the wrong hands. Therefore, the business needs to be made aware of what the data is that is stored on the device, and it can then make a decision on what course of action should be taken, such as:

- Store the equipment in a secure manner for possible reuse by the organisation at some later date
- Secure deletion and wipe of any data, leaving a ‘clean’ piece of equipment that can then be resold in a fully functional mode
- Removal of any storage devices for secure disposal and replacement with new storage devices to create a ‘clean’ piece of equipment for resale in a fully functional mode
- Removal of any storage devices for secure disposal, selling the equipment without storage for the buyer to provide their own storage devices
- Any of the above three resale options could also be looked at as to the possibility of using the equipment in a trade-in agreement with an existing supplier
Don’t sweat assets, liberate them!

Equipment has some intrinsic value:
The item of equipment has some value, but this may be critically time-dependent (e.g., a new version of the equipment is due out and, once this happens, it is likely that the market will be swamped with second-hand items like the one under consideration). This minimises the options available, but the following could apply:

- The equipment is stripped of any storage devices and its marginal resale value is used to offset the costs of secure data disposal and equipment disposal logistics costs
- The equipment is stripped of any storage devices, and is stripped down to component parts for resale, again to offset the costs of secure data disposal and equipment disposal logistics costs
- The equipment is repurposed for reuse under a corporate social responsibility (CSR) strategy

No intrinsic value:
The item of equipment is of no discernible value within the market. However, there may be some value in some of the components in the spares market. This requires careful consideration, however, as the cost of recovery of the components may outweigh the value gained.

In most cases, the strategy here would be to move to secure destruction of the equipment—but even this will have some value that can be accrued to offset the costs of disposal.

Secure equipment disposal

When an organisation wants to ensure that any item of equipment is disposed of securely, specific skills are needed.

For example, it may be possible to use special storage media algorithms to erase data to a point where it is uneconomic for anyone to recover it. However, it has to be borne in mind that there is no such thing as completely secure erasure—with enough time and money, data can still be recovered from a disk using forensic techniques. For certain types of data however, fully secure erasure may not be needed, but just enough to meet the risk profile of the business for the particular type of data involved. In this case, the storage media can be reused, adding to the overall value of the equipment under consideration.

Where the data type is regarded as requiring complete secure disposal, then the physical means of doing so has to be looked at. Again, while hitting a magnetic disk with a hammer will break the platters, storage forensics have now reached the level where data can be recovered even from these. A good ITLM management company should offer a full range of disposal options, particularly for storage devices, or for small devices with built-in storage.

For example, where simple storage device destruction is considered enough, a simple punch tool that breaks through the disk housing and through the platters may be sufficient to make the data economically unrecoverable. A macerator which chops storage devices down to a level where no piece is more than 25mm in size may be considered where high levels of data security are demanded, or for devices where complete security is mandated, a macerator where the pieces left are 4mm or less in size offers the ultimate in data destruction.

Where small devices, such as mobile phones, are concerned, such physical destruction may be the only way to ensure that data stored in flash memory has been securely dealt with.

The output from such secure destruction may just look like rubbish fit only for landfill. However, this ‘rubbish’ does have a surprisingly high residual value. Within the plastic and steel, there will also be copper, rhodium, gold, iridium and other precious or rare metals. With the costs of raw materials skyrocketing, there is value in recycling such material—and the value obtained can be used to offset some of the cost of the destruction process itself.

ITLM maturity model

Not all organisations will be starting from the same point when it comes to current ITLM capability. It is necessary for an organisation to assess where it is at the moment so that it can put in place a roadmap for improvement.
## Maturity Level

### ITLM step

<table>
<thead>
<tr>
<th>Maturity Level</th>
<th>Level 0 (Minimal)</th>
<th>Level 1 (Part best practice)</th>
<th>Level 2 (Best practice)</th>
<th>Level 3 (Service oriented)</th>
<th>Level 4 (Adding value)</th>
<th>Level 5 (Visionary)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asses</td>
<td>Assets not tracked or compiled into a single register</td>
<td>Asset inventory compiled in a single file or database</td>
<td>Audit of infrastructure and installed software</td>
<td>Automated discovery and inventory compilation</td>
<td>Full asset discovery, tagging and tracking</td>
<td>'What if' predictions and recommendations based on current assets and future requirements</td>
</tr>
<tr>
<td>Advise</td>
<td>Limited market awareness, suppliers treated with suspicion</td>
<td>Organisation seeks only best price</td>
<td>Organisation seeks best value</td>
<td>Organisation seeks longer term supplier relationships</td>
<td>Organisation looking for a supplier to take ownership of wider issues</td>
<td>Organisation looking for trusted advisor able to bring in partners to cover all aspects of ITLM</td>
</tr>
<tr>
<td>Procure</td>
<td>Ad hoc, project by project</td>
<td>Coordinated procurement led by IT department, partial business alignment</td>
<td>Coordinated procurement led by business or IT with close business alignment</td>
<td>Some post purchase financial metrics are in place to check return on investment</td>
<td>Full post purchase financial metrics are in place to assess total value</td>
<td>Cradle to grave lifecycle process for all IT assets – procurement fully aware of the value from disposal</td>
</tr>
<tr>
<td>Provision</td>
<td>Organisation takes delivery and does own setup</td>
<td>Systems are part pre-configured</td>
<td>Systems are fully pre-configured and tested</td>
<td>Seamless provisioning of appropriate systems to ensure business continuity</td>
<td>Consistent approach leads to economies of scale fed back into business as savings</td>
<td>Deployment fully optimised to business need</td>
</tr>
<tr>
<td>Maintain &amp; support</td>
<td>Reactive and ad hoc break/fix</td>
<td>Maintenance processes in place, but few tools – periodic inspections</td>
<td>Automated management with appropriate tools and procedures</td>
<td>Real-time proactive and predictive maintenance – rootcause analysis</td>
<td>Maintenance viewed as part of the supply chain</td>
<td>Fully optimised hardware maintenance program and software license management</td>
</tr>
<tr>
<td>Decommission</td>
<td>No processes, inconsistent</td>
<td>Some processes and checks for most sensitive materials or data</td>
<td>Fully audited to comply with technical regulations</td>
<td>Decommissioning process is led and inspired by the business, but seamlessly delivered by IT</td>
<td>Consistent approach leads to economies of scale fed back into business as savings</td>
<td>Process is fully audited with monitoring for improvement and value creation</td>
</tr>
<tr>
<td>Data destruction</td>
<td>No data destruction – assets are just disposed of in an ad hoc manner</td>
<td>Obvious storage systems are wiped before disposal</td>
<td>Storage systems held within all data centre and corporate assets are identified and wiped during disposal</td>
<td>Data destruction is tied in to ITLM process, all data on personal devices identified and wiping these during disposal</td>
<td>Data storage is tied by value allied to corporate risk profile, and storage assets are either wiped or destroyed as necessary</td>
<td>Asset value is maximised through tiered data destruction activities from simple wipe through to actual asset destruction</td>
</tr>
<tr>
<td>Disposal</td>
<td>Hardware thrown away, nod to regulations such as WEEE etc.</td>
<td>Storage is wiped, some assets are redeployed internally</td>
<td>Disposal value neutralises disposal costs – storage fully overwritten</td>
<td>Disposal values offset replacement costs – storage destroyed in secure and audited process</td>
<td>Disposal value and replacement cost optimised</td>
<td>Disposal forms an integral part of IT asset lifecycle management</td>
</tr>
</tbody>
</table>

*Figure 3*
An organisation needs to find where it currently is across each aspect of the ITLM 8-step process. For example, it may be at Level 2 when it comes to the Procure stage, but only Level 0 when it comes to Provisioning. Based on an organisation’s needs and its risk profile, it should then plot out what levels it feels are achievable in the short and medium terms. Figure 4 takes the table shown in Figure 3 and shows an example, applying a gap analysis between where an organisation is now (marked in red) and where it wants to be (marked in green).

This will then define a roadmap for improvement that can be monitored, measured and reported against to ensure that the expected benefits are being accrued. It is also necessary to review this on a regular basis, so that changes in the organisation’s needs, as well as changes in market forces and technology architectures, can be reflected in the plans.

Gap analysis

As targets are achieved, the maturity model needs to be reviewed and the gap analysis carried out again, ensuring that an organisation’s needs and risk profile are being met as greater maturity is achieved. The long-term aim is to move towards Level 5 across the whole 8 steps of ITLM, but this can be done at a pace that fits in with the organisation’s needs and agreed risk profile.

Again, this is best done with the help of an external ITLM management company, as their visibility of the overall situation will be less clouded with the immediate IT needs within an organisation, leaving them free to take a more dispassionate view of what will be in the best long-term interests of the organisation.
Conclusions and recommendations

ITLM is moving from being something that was too complex and expensive for organisations to carry out to being something that is too important not to do. However, it remains too complex for the majority to implement purely in-house, and even those that have the capability to put in place the basic processes will not have the scale or existing relationships with suppliers and recyclers to optimise the costs of hardware acquisition and the value of assets upon disposal.

Similarly, maintaining a full knowledge of the legal aspects of asset disposal is not easy, with local, regional and global rules all fighting each other as to which should be pre-eminent. By working alongside a trusted partner in the ITLM space, the costs of maintaining a full understanding of the legal aspects of asset disposal, data destruction and the various standards and laws involved lies with them. Quocirca recommends that any contract signed with an ITLM provider covers all these responsibilities, as well as how the organisation and the ITLM provider will work together to manage major changes to IT systems to reflect e.g. the introduction of new platforms, such as cloud computing, and the effect this could have on the an ITLM agreement ongoing.

ITLM can ensure that a business is supported in the optimum manner, at a highly competitive cost of acquisition and ongoing management, with costs offset through the maximisation of asset disposal value when set against the actual costs of disposal. ITLM can stop an organisation from saving its way out of business, and can ensure that IT is seen as investing in enabling the success of the business.
About Bell Microsystems

Bell Microsystems is an award-winning successful global IT Lifecycle Management Company. Providing enterprise level customers with a cost optimised, holistic service that is applied to the whole IT lifecycle from IT procurement, provision and maintenance through to compliant data removal, decommissioning and eventual disposal management subject to the Environment Agency Waste Electrical and Electronic Equipment (WEEE) regulations.

The company has strong strategic partnerships with world-class IT manufacturers. These include IBM, Oracle, HP, Hitachi Data Systems, Cisco Systems and Symantec to name but a few, delivering enterprise level IT products and related services to FTSE 100 companies.

Head Quartered in the UK with over 30,000 square feet of logistics facilities, and now newly opened operations in Singapore, Kuala Lumpur, Moscow and Boston; the company is building true international coverage for global customer needs.

Bell Microsystems is privately held and is an ISO 9001, ISO 14001, OHSAS 18001 & PAS 2060 carbon neutral registered company.
REPORT NOTE:
This report has been written independently by Quocirca Ltd to provide an overview of the issues facing organisations seeking to maximise the effectiveness of today’s dynamic workforce.

The report draws on Quocirca’s extensive knowledge of the technology and business arenas, and provides advice on the approach that organisations should take to create a more effective and efficient environment for future growth.

About Quocirca

Quocirca is a primary research and analysis company specialising in the business impact of information technology and communications (ITC). With world-wide, native language reach, Quocirca provides in-depth insights into the views of buyers and influencers in large, mid-sized and small organisations. Its analyst team is made up of real-world practitioners with first-hand experience of ITC delivery who continuously research and track the industry and its real usage in the markets.

Through researching perceptions, Quocirca uncovers the real hurdles to technology adoption – the personal and political aspects of an organisation’s environment and the pressures of the need for demonstrable business value in any implementation. This capability to uncover and report back on the end-user perceptions in the market enables Quocirca to provide advice on the realities of technology adoption, not the promises.

Quocirca research is always pragmatic, business orientated and conducted in the context of the bigger picture. ITC has the ability to transform businesses and the processes that drive them, but often fails to do so. Quocirca’s mission is to help organisations improve their success rate in process enablement through better levels of understanding and the adoption of the correct technologies at the correct time.

Quocirca has a pro-active primary research programme, regularly surveying users, purchasers and resellers of ITC products and services on emerging, evolving and maturing technologies. Over time, Quocirca has built a picture of long term investment trends, providing invaluable information for the whole of the ITC community.

Quocirca works with global and local providers of ITC products and services to help them deliver on the promise that ITC holds for business. Quocirca’s clients include Oracle, Microsoft, IBM, O2, T-Mobile, HP, Xerox, EMC, Symantec and Cisco, along with other large and medium-sized vendors, service providers and more specialist firms.

Details of Quocirca’s work and the services it offers can be found at http://www.quocirca.com