

IT cost reduction

This Success Insight provides guidance on the transformation that ServiceNow leaders—including platform owners and executive sponsors—should drive across their organizations to successfully reduce hardware, software, and cloud costs with ServiceNow. This guidance is organized by three business capabilities:



Reduce technology CapEx and OpEx

- Harvest and reallocate under-utilized software, hardware, and cloud services.
- Avoid unbudgeted costs from compliance audits, policy obligations, and cloud sprawl.
- Streamline labor costs with ready-to-go leading practice automation.



Reduce technology asset risk throughout the business

- Minimize lost, stolen, and ghost assets.
- Identify and control shadow IT spending.
- Use software intel to respond to vulnerabilities faster, surface regulatory risk indicators for IRM, and remove restricted installs.



Automate the full technology lifecycle

- Effectively manage refresh cycles to rationalize legacy and under-utilized apps.
- Integrate cost context into all service planning and delivery decisions.
- Onboard/offboard remote employees faster with the right software and hardware allocations.



Reduce technology CapEx and OpEx

Managing IT asset management activities on the Now Platform can identify opportunities to reduce under-utilized software, hardware, and cloud services. Take these actions to help your teams and processes adapt to the upcoming transformation:

Ensure that your team has the required IT asset management expertise.

- **Don't overlook the importance of IT asset management (ITAM) program expertise on your team.** Familiarity with ServiceNow ITAM products alone may not be enough. Domain expertise is critical, especially related to software lifecycle and license management. Seek a partner that specializes in ITAM if your team doesn't have adequate ITAM experience and expertise.
- **Designate at least one person to own ITAM policies and processes at your organization.** At a minimum, this person should have taken the Software Asset Management and Hardware Asset Management ServiceNow product fundamentals trainings.
- **Secure executive sponsorship for your ITAM program.** The right executive sponsor will work with your ITAM program team to decide which business outcomes to support, define the KPIs to track, and keep the team accountable for delivering expected value.

Make sure your team starts with a strong understanding of your organization's software, cloud, and hardware ecosystem.

- **Start by building out discovery capabilities.** Your team needs discovery to pull data and establish a full inventory of all deployed hardware and software. This inventory provides a baseline for hardware and software utilization rates and enables your team to correlate what software is deployed on which devices, all of which needs to be understood to identify opportunities to rationalize and cut costs.
- **Connect your ITAM teams with peers in finance and procurement groups.** The ITAM teams will need to collaborate with colleagues in IT and corporate finance teams and in contracts and procurement teams to build a full understanding of the contract terms and how licensing works for all discovered software assets.

Reveal the impact of technology debt on CapEx and OpEx.

- **Target technology debt as an opportunity to reduce both CapEx and OpEx.** Using information pulled and organized on ServiceNow, work with your teams to better understand the impact of technology debt at your company, including the:
 - Cost of maintaining the current infrastructure environment needed to support underutilized applications
 - Cost of infrastructure and labor required to support application service level agreements (SLAs)
 - Cost of ill-sized maintenance contracts or oversubscribed SaaS
 - Cost effectiveness of application decommissioning and retirement processes and activities



Practitioner insight

ITAM workflows on the Now Platform work only as well as your ITAM business processes do. For example, there must be a clear definition for "unused software" for the reclamation workflow to identify and reclaim used software licenses. Is it any software not used within the last 90 days? What if an employee is on a leave of absence—does the 90-day policy apply to their software? Should anyone be consulted before the workflow reclaims a license? Your team needs to know when and how to answer questions like these to implement effective ITAM workflows.

Reduce technology asset risk throughout the business

Centralized visibility across all IT assets coupled with effective ITAM practices can minimize technology asset risks and close vulnerabilities. Take these actions to prepare your organization to position security as a critical component of IT asset management:

Provide your team with a strong understanding of your organization's IT asset ecosystem.

Prioritize effective lifecycle management practices to reduce vulnerabilities.

Enact IT asset management practices to help mitigate asset risk within the IT ecosystem.

- **Start by building discovery capabilities.** Your team needs discovery to build a full inventory of all deployed IT assets so it can identify missing or misused assets, identify potential security vulnerabilities, and support audits.
- **Require your teams to collaborate with peers in the security operations organization.** Your ITAM program must partner with IT and information security experts at your company to identify opportunities to reduce technology asset risks. This is especially important if you plan to implement ServiceNow SecOps workflows as part of your ITAM solution.
- **Provide system owners with information about update schedules and expected improvements.** It's critical to ensure all applications are properly upgraded, updated, and/or patched within the vendor's specified support time frames, but your ITAM team can't unilaterally manage this. The team will need input and support from system owners. Ensure your team notifies these owners of the upcoming changes in a timely manner, ideally one quarter in advance.
- **Target technology debt to reduce technology risks posed by outdated systems.** Mature lifecycle management manages all stages of software assets, from the initial request through removing them from service. This removal step is critical to reduce technology debt, especially for business-critical applications, so that effective application decommissioning or retirement processes and activities are in place.
- **Incentivize your teams to search for high-risk software as part of their ongoing software management processes.** Ideally, teams can use discovery to source the information they need to continuously assess security vulnerabilities and/or prohibited software and be able to respond to remediate.
- **Focus on improving data resilience to minimize data loss, fraud, and downtime.** To accomplish this, develop a data resilience and quality strategy, define clear accountability for data stewardship and quality, and formalize your processes for data management.
- **Work with enterprise risk, governance, and compliance teams** to be sure your technology inventory standards adhere to the compliance regulations.



Practitioner insight

Discover your full software and hardware ecosystem to identify shadow IT spending. Your teams should use new visibility across all assets to recognize where non-IT groups are spending money on IT (e.g., software not managed by IT). Use this insight to understand distributed IT spending and verify that you've managed and secured any shadow IT.

Automate the full technology lifecycle

Managing ITAM on a platform with the rest of IT gives you opportunities to manage and automate the full technology lifecycle more effectively. Take these actions to help your teams and processes adapt to the upcoming transformation:

Start by building a strong ITAM program.

- **Make sure your ITAM program team has experience managing technology lifecycles.** Your team needs at least one person who deeply understands and has practiced IT asset lifecycle management to lead the identification of how to apply specific automation opportunities to your organization's asset management practices.
- **Lead with developing good business processes before you automate.** Automating the full technology lifecycle should happen gradually as your organization's ITAM approaches maturity. Start with basic automation and then add more automation over time.
- **Connect your ITAM program with your organization's cloud center of excellence.** Linking these groups can give people in your ITAM program better insight into how your organization uses and manages cloud assets. This will help them design processes and governance that will support your organization's cloud strategy. If your organization doesn't have a cloud center of excellence, recommend setting one up.

Conduct a baseline review to understand the existing technology ecosystem.

- **Work with your team to define a baseline of your application ecosystem before optimizing and introducing automation into technology lifecycle management.** It's critical that your team starts with deep insight into the current state of your IT assets and application portfolio. This includes understanding how each asset supports your organizational goals, details about entitlements, and license positions.

Collect information about employee usage patterns to inform lifecycle management processes.

- **Ensure your team uses discovery to collect data on end user computing, data center, and hybrid cloud environments.** This data is foundational to tracking and managing the lifecycle of tech, devices, and hardware used by the employees at your company.
- **Undertake user research to identify what devices and applications employees need, and when.** If this hasn't been done yet, your team will need to inventory and rationalize the existing applications available, many of which will be different tools that provide the same capabilities. Define rough employee personas for your company and identify what technology each persona needs to do their work. This understanding will guide how your team designs technology lifecycle processes that provide (or reclaim) devices and software access to the right employees at the right time.
- **Plan integrations into relevant HR systems to inform when the employee technology lifecycle processes should trigger.** The trick is to identify who is joining, transferring, or leaving the company and what each of those employees need—either granting hardware, SaaS access, or licensed software licenses if they're joining or reclaiming, and possibly eliminating software and hardware if they're leaving.

