

The SAM Spotlight

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**"A good plan today is
better than a perfect**

Greetings from London

You are receiving this newsletter as someone who has expressed interest in Software Asset Management and/or Soft-Aid in the past.

In this e-newsletter, we share some key information about the ISO SAM standard that I learned on a recent trip to London. My colleague, Adam Fast, follows with an article that compares retail, volume licensing, and OEM purchase criteria.

Thank you for reading and please forward this newsletter to others who might be interested in SAM!

Regards,

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From London: Developments in Adoption of the ISO 19770-1 SAM Standard

*Investors in Software and the ISO
standard for SAM.*

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I recently returned from a trip to London where I attended an Investors in Software (IiS) meeting devoted to the ISO 19770-1 SAM Standard. Investors in Software is one of the primary groups driving adoption of an internationally recognized ISO standard for Software Asset Management. The principals of the group hail from a wide variety of companies, and several were involved in the development of the corresponding IT Infrastructure Library (ITIL) SAM framework of best practices which was released in 2003. Besides the principals of IiS, a number of software publishers, SAM consulting firms, and ITAM tool vendors were in



plan tomorrow."

-George S. Patton

attendance. All in all, the meeting provided a great day of learning.

As you may know, the 19770-1 ISO standard was released in mid-2006 and was designed to guide organizations in the objectives and process outcomes that are necessary to demonstrate effective Software Asset Management practices. An example of a typical prescribed outcome is that a "SAM owner" (or what Soft-Aid calls a SAM Coordinator) is clearly defined with responsibilities for corporate governance of software and related assets. That person should be empowered by the organization and have responsibilities that include overseeing development of the organization's SAM program, obtaining necessary resources, and delivering results against the SAM plan, among others.

The standard defines 27 different process areas and breaks them into three groups. The following information is also available on the www.investorsinsoftware.com web site, but I believe it is important to list the three groups and some representative elements:

1. Organizational Management Processes (e.g. the right roles, responsibilities, planning mechanisms, and monitoring activities for SAM). The above outcome example falls into this group.
2. Core SAM processes (e.g. software asset identification, license compliance, and contract management)
3. Primary Process Interfaces (e.g. deployment, retirement, and acquisition processes).

The day began with a morning session devoted to the formal release of IiS' "Self-Assessment tool," which is designed both to be a vehicle for obtaining 19770-1 certification, and to drive the uptake of SAM best practices given its baseline approach. There was also a late afternoon session that provided an outlook of where IT governance and SAM adoption are headed and the role that the IiS organization envisions playing in this. While it rained both days that I was in London, the outlook for ISO 19770-1 adoption in organizations looks bright. Several attendees to the London sessions are already conducting ISO SAM assessments for clients and a few European companies are formally pursuing ISO 19770-1 certification - under IiS' Recognized Adopter Program(me) -- for their organizations.

What are the Benefits of Performing an ISO 19770-1 assessment and/or pursuing certification?

If you meet the outcomes in all 27 areas, you are a candidate for 19770-1 certification. Conforming to a standard that is internationally recognized, vendor independent, and independently developed by competent third parties, allows stakeholders in your organization to be assured that you have effective controls in place for software assets with meaningful structure, order, and evidence to support this. Following SAM best practices provides a myriad of benefits in areas such as cost control and risk management (such as risk of deterioration to IT services).

While the ISO standard provides SAM objectives and process outcomes, it does not dictate what actual processes or activities must be performed to ensure that the requisites outcomes are met, nor does it spell out what elements must exist in a SAM policy. For those elements, many organizations rely on the ITIL SAM Framework and the International Association of IT Asset Managers' (IAITAM) Best Practice Library (BPL) for guidance. IAITAM's BPL focuses on the "hows" and "whys" of

implementing consistent and repeatable SAM processes, and fills in the gaps of how to ensure that you are able to meet the ISO outcomes. IAITAM'S BPL helps ensure that you have the right SAM person/document/item ("what") available at the right time ("when") and in the right order ("where"). Likewise, the ITIL SAM framework, while descriptive in nature, provides guidance on how to structure SAM activities, and ways you might configure your SAM-related databases. As such, ITIL SAM, ISO 19770-1, and IAITAM are complementary.

In some countries, there are government and legal mandates that require you to "measure, monitor, and control" software assets. These requirements are common ISO mantras and are helping to drive ISO adoption. The hope and belief is that software publishers will eventually offer direct incentives (either software discounts or a "free" pass from compliance audits) for achieving certification. While this has yet to occur, Microsoft and other software vendors are already driving ISO adoption through their own SAM initiatives; in fact, several publishers are drafting manufacturer specific SAM outcomes that can complement the ISO set.

There is interest in a staged or phased approach to certification, which is being explored by a working group headed by one of the IiS' principals. This would be more in line with organizations that not only want to increase their SAM maturity, but also want guidance and formal recognition of having reached certain "tiers."

The full ISO 19770-1 standard and the IiS/ISO Self-Assessment tool are available for purchase on the www.itsmf.com and www.iso.org web sites.

Conclusion

We would be happy to discuss these topics further with you. I will be speaking at the 2007 IAITAM conference on how ITIL's SAM framework, ISO 19770-1, and IAITAM's models complement one another. While each has unique characteristics, deliverables, and objectives, they not only coexist, but also enhance each other. Organizations should actively consider using several models when looking to enhance their SAM/ITAM maturity.

Volume Licensing or Shrink-Wrap

Factors to consider before buying shrink-wrap software for one-off requests



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Almost every company receives one-off requests for software not currently being used by the organization. If your job responsibilities include handling such requests and you receive one, should you always purchase the software through a volume licensing program? Is there any situation where going to an office supplies store for a retail "shrink-wrap" copy is an appropriate course? Here are a few essential tips to keep in mind when trying to decide: volume licensing or shrink-wrap?

When should I buy volume licensing?

In general, companies should buy all of their software through a volume license program, even when purchasing a small quantity of a new software product. A good rule of thumb is to always investigate volume licensing options before resorting to shrink-wrap, and buy volume licensing if the purchase qualifies. Here are three steps to determine your volume licensing options:

First, check to see if you already have a volume license purchase program in place with the new software's publisher. If you do, you can probably add the product to it. Most publishers include a wide range of their products in their volume purchase programs. For example, you can buy most of Microsoft's commercial products through any one of their various license programs, once you are in the program.

If you don't have a volume purchase program in place with the software's publisher, see if you have one with a publisher offering an equivalent product. If the competitor's software is a viable substitute, your organization can maintain a higher level of software standardization and eliminate the cost of managing an additional contract.

Finally, if there is no existing volume license option, for either the software, or a substitute, look into opening a new volume license agreement with the software's publisher. Quantity is the deciding factor in qualifying, but this is usually not as large a hurdle as you might believe. Most entry level volume license programs require a very small quantity in the initial purchase, particularly if the publisher's program is based on a system of point values per product instead of a simple number of licenses. Adobe uses such a system, and some of their products are worth enough "points" to qualify for the first or second purchase level of their Transactional License Program (TLP) with just one or two copies.

Why should I buy volume licensing?

Both a volume license and a shrink-wrap product contain a license to install and use the software, but beyond that they are usually more different than alike. Volume licenses are almost always less expensive than shrink-wrap, and the difference can be significant. Volume licensing usually offers the following additional benefits:

The product use rights differ. Volume licensing typically provides broader product use rights than shrink-wrap (both are less restrictive, however, than OEM software - more on OEM in a bit). Microsoft, for example, rarely grants downgrade rights on shrink-wrap software. Shrink-wrap may be restricted in other areas as well, such as re-imaging or remote access rights.

License and contract management is easier. One of the most important benefits of volume licenses is the comparative ease with which they can be tracked and recovered if lost. Publishers keep records of volume license purchases, and many provide a web portal where you can access this information. These records can serve as proof-of-licensing. By contrast, very few publishers keep track of shrink-wrap purchases. The documentation included in the box is your only proof-of-licensing, and that could be lost or misplaced.

Shrink-wrap software is not always eligible for maintenance. This is a greater concern if your company prefers to upgrade to the latest version. However, even if your company does not regularly upgrade, find out what the publisher's maintenance program offers beyond upgrade protection. First and foremost, does the maintenance include tech support, and can it

even be purchased separately? Also, many publishers now include a wide range of additional benefits with maintenance. Microsoft is the industry-leader in this area. As of this publication, Microsoft's maintenance program "Software Assurance" includes over 20 benefits, with benefit eligibility based on which volume licensing program you select.

What if I need it right away?

Shrink-wrap can be a lifesaver if you need the software immediately. But even in an urgent situation, investigate volume license options. Many publishers have revised their volume license programs to allow you to begin using a volume license as quickly as shrink-wrap. They can email license and installation codes to you, provide you with a grace period of use, or expedite your order through your reseller. Media is often available immediately via download.

Remember that the crisis will pass. If you buy shrink-wrap software, it will be taking up space for a long time, and you will need to keep track of it. If you do have to purchase shrink-wrap, be sure the purchase information and any license keys are correctly entered into your license management database and your procurement system. Store the media securely for disaster recovery, and to prevent any unauthorized installations. These steps can be overlooked when an urgent purchase is made, or when remote users or departments are allowed to purchase shrink-wrap software on their own. Ideally, all software should be centrally procured through your purchasing department.

What about OEM?

If you plan to buy hardware with your new software, you can also consider purchasing OEM (Original Equipment Manufacturer) licenses. OEM may appear to be advantageous because it is often less expensive than even the lowest volume licensing price and it comes pre-installed.

However, outside of desktop operating systems, be cautious about buying OEM licenses. They often share many of the drawbacks of shrink-wrap that we've touched on, such as availability of maintenance and ease of license management, and can have additional ones of their own. For example, the publisher might not provide full support on an OEM license, or require you to seek it from the hardware manufacturer. The product use rights are usually more limited, such as not allowing the license to be transferred to a different computer. In some cases, the product itself may not be identical to its volume licensing or shrink-wrap counterparts.

In conclusion, volume licensing provides several important benefits usually not available in shrink-wrap (or OEM), and it is always worth the effort to investigate volume licensing options. A final thought: don't shoulder the majority of that effort; ask your software reseller sales representative to assist. They can provide you with information about volume licensing options, and tell you how quickly a volume licensing solution could be provided. They want to demonstrate their value to you and have access to publishers' volume license program information through their internal resources and relationships with software distributors and publishers.

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