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The Soft-Aid SAM Spotlight

**A Soft-Aid Publication for the
ITAM/SAM Community**

Issue 3, Vol. 3, March 2009

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**The Essentials Behind Going
Virtual. How ITAM Can Help.**

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***"Genius is 1%
inspiration and 99%
perspiration.
Accordingly a genius is
often merely a talented
person who has done
all of his or her
homework."***

-Thomas Edison

Industry News

"Oops! McCain Camp Sells Loaded BlackBerry," 12/08, Kevin McLaughlin, *CRN Magazine* [More](#)

"IT Security's Next Big Threat: Generation Y user behavior could endanger security of enterprise systems, studies

Greetings from Fort Myers, Florida

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

In this month's e-newsletter, SAM Consultant Paul "Doc" Burnham and I share our impressions of last year's IAITAM annual conference in Fort Myers, Florida. In addition, we have written a piece on the role of Software Asset Management in planning and executing a virtualization project.

Thank you for reading. Please forward this newsletter to others who might be interested in ITAM or SAM.

An archive of past e-newsletters is available on our web site at www.aid.com/enews

All the best,

David Yashar, Managing Consultant
dyashar@aid.com
(voice) 781-569-0410

Impressions from the IAITAM 2008 Annual Conference and Exhibition

**What we took away from this important
event for IT Asset Managers**

Authors:

David Yashar, Managing Consultant dyashar@aid.com
Paul 'Doc' Burnham, Senior SAM Consultant, pburnham@aid.com



say," 11/08, Tim Wilson,
Information Week [More](#)

"Microsoft Changes
Virtualization Licensing Rules,"
9/08, Keith Ward,
MCPMag [More](#)

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Our Favorite Web Links

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CNN Reporter was recorded as
a hologram and beamed into
the CNN studio. A first using
dozens of Hi-Def cams [Link](#)

A thieving raccoon invades a
residence. But he hasn't met
the dog and the cat. [Link](#)

Cat massaging a dog while
having a funny conversation.
Hilarious! [Link](#)

Amazing Photography [Link](#)

High-tech water fountain
display [Link](#)

Paul 'Doc' Burnham

At this year's conference, I was pleased to see the focus on SAM processes as well as technology. Many attendees were talking about best practices and how tools complemented them. Awareness of the SAM ISO standards was strong and interest in the development and implementation of parts of it continues to grow.

I enjoyed the presentation from one tool vendor entitled 'Software Asset Management in the Virtualized Data Center.' The vendor (ManageSoft) elaborated on why managing software in virtualized environment can be particularly difficult. The speaker explained that many people in IT do not understand how virtualization effects software licensing. While the concept of virtualization seems straightforward - reduce the number of physical servers by utilizing virtual servers - it does not translate well to software costs. Understanding how the various publishers license software within virtualized environments is crucial; but equally important is the ability to accurately account for such software. The vendor discussed their unique approach to managing assets within a virtualized environment that touches on both licensing and asset tracking aspects. Both of these aspects are needed to better manage software and maintain license compliancy and control software costs.

David E. Yashar

The attendance was up from last year's conference and there was palpable excitement around some of the new focus areas in SAM. Some of the programs that were launched at the conference included an IAITAM sponsored insurance program for license compliance (yes, you heard that correct!) and movement by various groups to spur adoption of the ISO standards. The SAM process standard is out there and provides an excellent framework for ensuring that you have the right process and governance practices for software.

'Doc' and I co-presented on "How to Evaluate, Select, and Implement an ITAM tool." Feel free to [e-mail me for a copy of the presentation](#) and/or our tool matrix that compares inventory and license management tool functions.

I found Lisa Wilson of Harris County (TX) Hospital District's presentation on Vendor Management particularly enlightening. She gave a real-world view of how to leverage your vendors' knowledge and hold them to a high standard.

The Essentials Behind Going Virtual. The ITAM Role.

Plan and Execute Your Virtualization Project using ITAM Practices and Tools.

Author:



David E. Yashar, Managing Consultant
dyashar@aid.com.



Virtualization is a very hot topic today. As IT Asset Management consultants, we are often asked by clients what ITAM principles are relevant and what practices should be employed when undertaking virtualization projects. This article will address this topic towards the end, but first I shall examine virtualization and its benefits for the uninitiated.

Virtualization makes it possible to run multiple operating systems and applications on the same computer (or hardware) at the same time, which increases hardware utilization. It allows companies to consolidate servers making use of more of the total capacity of each physical machine.

Since virtualization means many things to different people, its most common form is *server* virtualization (e.g. Microsoft Virtual Server, Microsoft Hyper-V, VMware ESX). Other forms include *application* virtualization (SoftGrid application virtualization), *presentation* virtualization (Microsoft Terminal Services, Citrix), and *desktop* virtualization (Virtual PC, Vista Enterprise Centralized Desktop [VECD]).

The benefits from implementing virtualization are well documented. VMware, a provider of virtualization software, summarizes them as follows:

- **Server Consolidation and Infrastructure Optimization:** Virtualization makes it possible to achieve significantly higher resource utilization by pooling common infrastructure resources and breaking the legacy "one application to one server" model.
- **Physical Infrastructure Cost Reduction:** With virtualization, you can reduce the number of servers and related IT hardware in the data center. This leads to reductions in real estate, power and cooling requirements, resulting in significantly lower IT costs.
- **Improved Operational Flexibility & Responsiveness:** Virtualization offers a new way of managing IT infrastructure and can help IT administrators spend less time on repetitive tasks such as provisioning, configuration, monitoring and maintenance.
- **Increased Application Availability & Improved Business Continuity:** Eliminate planned downtime and recover quickly from unplanned outages with the ability to securely backup and migrate entire virtual environments with no interruption in service.
- **Improved Desktop Manageability & Security:** Deploy, manage and monitor secure desktop environments that end users can access locally or remotely, with or without a network connection, on almost any standard desktop, laptop or tablet PC.

(as excerpted from <http://www.vmware.com/overview/why.html>)

Given all of these benefits, it should therefore come as no surprise that many of our mid-market and enterprise customers are eager to get started, particularly those with data center investments. According to a recent *CIO Magazine* survey, organizations can receive one of the highest investment returns by virtualizing their server environment.

In a separate *CIO Magazine* article, a Fortune 500 company CIO says **virtualization is netting him 50 to 60 percent utilization rates, compared to 10 to 15 percent utilization rates on standard servers.** He also has seen a 30 to 35 percent reduction in energy consumption per virtual machine compared to its physical counterpart. While these savings are not uncommon, according to research firm IDC, less than 10 percent of data centers are virtualized today. The opportunity for savings and efficiencies is largely untapped. A more optimistic survey by the Yankee Group of 750 businesses in 2006 yielded that 62 percent of respondents already have or plan to deploy a virtualization solution.

A key finding of a recent global study on virtualization management sponsored by Computer Associates reports that worldwide, 54 percent of large enterprises rate management of their virtual server environment as a critical or high IT priority. Yet only 45 percent think their companies are doing an effective job in this area. The study found that the most important capabilities when managing a server virtualization environment are performance/utilization, **keeping a diligent inventory of software assets**, security and automation. It also revealed the top benefits from server virtualization initiatives are easier hardware provisioning and software deployment, more flexible development and testing environments, and optimized system performance. *The main challenge to virtualization project success, according to a separate CIO Magazine survey is with "balancing server workloads and maintaining application service levels."*

So can one leverage an existing investment in an IT Asset Management tools to help with these projects? The answer is unequivocally "Yes."

IT Asset Management tools complement tools that examine server utilization (e.g. CPU or memory utilization) and application service levels by providing other data necessary to prepare for server conversions and maintain an optimized licensing environment.

Asset management can help with (1) justifying a virtualization project, (2) ensuring that the transition goes smoothly, and (3) managing the licensing dimension of the virtualized environment on an ongoing basis.

JUSTIFICATION

In term of justifying the project, IT asset management tools provide insights into what hardware and software can possibly be virtualized. **The tools can provide details on the physical location of servers, hardware requirements and utilization, and software installed.** Some ITAM tools pre-populate how virtual environments map to physical devices. All of this information can be used to sanity check against the results from the virtualization product company's own tools of what loads can be sustained on a piece of hardware.

In terms of forecasting energy savings, in particular, virtualized servers will reduce the total hardware requirement, which saves a good amount of energy. According to Paul Rochester, CEO of asset-management software vendor PS'Soft, as quoted in a recent *Redmond Magazine* article, **the role of IT Asset Management is to "manage the economic**

opportunities and consequences of asset acquisition and use." That includes energy use and carbon emissions, he says. In the future, ITAM tools like PS'Soft are looking at including features like a carbon charge-back mechanism and analytical tools for managing and reducing energy use.

You must first establish what you have in your environment to begin an assessment of potential savings and the effort required to virtualize: you can use the inventory data returned by your ITAM tool in conjunction with the power consumption statistics and IT Asset procurement costs to start building a picture of hard savings.

With respect to the cost of powering servers, the figures are staggering: PS'Soft's Rochester notes that this cost can easily exceed asset depreciation, making it a significant ongoing expense.

ENSURING A SMOOTH TRANSITION AND MAINTAINING THE ENVIRONMENT WITH ITAM PRACTICES

While not insurmountable, from a licensing perspective, virtualization adds a layer of complexity that needs to be carefully considered and managed. **You should plan for Windows Server licensing at the same time as you devise virtualization and consolidation plans.**

The potential costs and/or savings of creating virtual environments, from both a hardware acquisition and software licensing perspective, should therefore be fully understood before starting to deploy virtualized servers. In certain cases, the hardware savings may be offset by software licensing costs.

Because a lack of consistency exists between software vendors in how they treat virtualization, one must pay particular attention to the licensing requirements. For example, some vendors have punitive terms ranging from only supporting certain hypervisors to tying licenses to specific hardware components to restricting the movement of licenses between machines to restricting offline copies of virtual environments for disaster-recovery purposes.

Soft-Aid's consultants are often asked about **Microsoft** virtualization rules in particular. Microsoft has its own set of unique virtualization rules across several products; many of those license entitlements are in the customer's favor so it makes sense to understand and apply them to your environment. For example, in certain circumstances **Microsoft provides complimentary operating system licenses for virtual environments** (for example, the latest versions of Windows Server Datacenter and Enterprise editions provide unlimited and up to four virtual instance operating system licenses respectively-- for full details see <http://www.microsoft.com/licensing/highlights/virtualization.mspx>

Microsoft SQL Server also has some unique licensing entitlements for virtual environments -- for more info see <http://www.microsoft.com/sqlserver/2005/en/us/special-considerations.aspx>

A recent Burton Group report stated, nevertheless, that Microsoft is one of five management application vendors that provide virtualization friendly licensing, along with HP, Opware, Sun and Symantec.

For information on virtualization licensing for other vendors visit the

following link(s):

[IBM:](#)

http://www-01.ibm.com/software/lotus/passportadvantage/Counting_Software_licenses_using_specific_virtualization_technologies.html

ITAM tools help with ongoing license management by keeping track of these various rules and how they have been applied. This is important because many software manufacturers license their products on a Multi-CPU and/or Multi-Core basis which is indifferent to the number of host and virtual environments. And when using application virtualization (e.g. SoftGrid), one needs to properly configure it to reflect licensing rules.

Likewise, in a dynamic environment, some licenses require customers to license for the most powerful node in cluster. Some ITAM tools can automatically factor these into license compliance: for example, they can identify the correct number of processor sockets (i.e. physical processors) and can seamlessly match virtual instances and the software running in them with their host environments. **Ultimately, in order to optimize one's license position in a virtualized environment, using IT Asset Management tools to gather the necessary data is key. Relying on tools to seamlessly maintain them on an ongoing basis is one step better.**

When assessing which servers to consolidate and how to maintain the licensing for the new virtual environment, ITAM plays a role. Successful planning and implementation of a virtualization project depends on using tools and the necessary licensing expertise to make the best decisions for your organization.

If you have not already done so, **consider doing a formal assessment of the licensing implications (and savings) of moving to a virtualized server environment.** Microsoft has several Windows Server Virtualization Calculators that can be helpful for estimating the costs and savings in your Windows environments at <http://www.microsoft.com/windowsserver2003/howtobuy/licensing/calculator.msp>

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