



The Network – Delivers

Technology Acquisition Criteria

Systems Discovery tool

What are the criteria you use to justify and guide an IT purchase? Maybe it would be more appropriate if I ask: Do you even *use* any formal acquisition criteria?

About half of companies that I've interacted with will answer that they do, indeed, have criteria. Unfortunately, I have found that those criteria are, to say it gently, a tad poorly conceived as well as virtually ignored in follow-up. Let's look at some of the issues you should consider.

The criteria we'll look at in this Briefing will be focused upon a Technology Asset Management - Systems Discovery & Inventory Tool, but keep in mind that this entire process can still be used for nearly any technology asset acquisition.

Remember: When it comes to software asset management or technology asset management, you absolutely must know what products you possess. The automated systems configuration discovery tool is ***the*** most valuable tool you can implement in any asset management initiative. If you are going to acquire and use technology, you absolutely must monitor the products. *This* is where you can lose or save the most significant technology dollars.

If you want to improve technology ROI -

Here is another key: You must establish your unique acquisition criteria for each IT product or service. The product or service you acquire must match these criteria as closely as possible—no vapor-ware! After the acquisition, and for the *entire life cycle* of the product or service, it is your responsibility as asset manager to follow up & ensure that the criteria continue to be met.

Failure to establish, adhere to, or follow up on criteria is the absolute leading cause to unnecessary IT spending.

Always Keep in Mind: *You are either controlling IT or IT is controlling you.*
There is no middle ground.

Internal Criteria – Configuration Discovery Tool

- What is this product going to do for the company? How will it actually be used?
- Will we be auditing desktops, notebooks, servers, PCs, Macs, UNIX, or other systems?
- What functionality do we value and expect the product to provide?
- Are we using this product to audit for software?
 - Other copyrighted products such as operating systems or file extensions? (Such as .PDF)
- Are we using it to review hardware and/or specific hardware components?
 - Can the product detail such information as RAM, BIOS, hard drive size/free space, etc?
- Do we want to be able to customize automated searches?
 - Can product locate music, video, graphics, fonts, and other focused product formats?
- Does the product need to be inter-operable with other products? If so, which ones & why?
- Who will use the product?
 - Are the multiple levels of users secure from one another? (Read only vs. read/write?)
 - What will they want the product to accomplish?
- What does the data reporting process look like?
 - Is it proprietary or can we manipulate report process?
- What level of technical skill will be necessary for potential users who will operate the product?
- Who will implement and administrate the core product?
- Do we have the talent in-house or will we require external assistance?
- Will the product be expected to track software utilization, or merely presence?
- Will we use the product to monitor concurrent license access?
- Can the product track and monitor patches, fixes, and updates?
- Will the product reside on a server? What are the hardware requirements?
- Will the product also conduct audits via the Internet? Via telecoms? By hand?
- What levels of support are available? What support will we need?
- What does the license look like?
 - Document the actual terms and conditions you will be expected to follow & do it before you buy the product.
- Do we have alternative products to consider?
- Are we committed to actually falling back to those alternatives?

Follow-up –

Do you want to cut IT costs? Here is a great way to do so. Take every item of criteria noted in this series and build a formal follow-up process to monitor whether or not you are actually receiving the value you expected from a given product. Technology consumers have traditionally failed to follow-up with this step. We purchase huge volumes of products (and services); then, once the products hit the loading dock, we completely fail to follow up on deliverables. If this concept is clearly defined – up front – before money changes hands, then both parties recognize that the relationship has very specific expectations. You *will* save money.

BATNA Matrix –

Best Alternative To a Negotiated Agreement – If you do not have viable alternative products to every purchase, you will have no negotiation positioning. Without a firm BATNA (or two), you will pay more for less.

What are the other products in this services arena? Create a matrix of the functionality and services you expect to find and compare them to those actually delivered by each product. You should track at least three additional products on this matrix. A matrix, if carefully built, will significantly strengthen your eventual acquisition decision. Be honest—no vaporware. Do not fall for the “shiny new toy” blind-side. Do not listen to sales hype or verbal assurances. Or, worse yet, do not buy simply because someone in your company is “psychologically addicted” to a given vendor or product line and is in need of a fix.

Real World – A majority of license agreements will specifically state that the license will supersede any verbal agreement between provider representatives and the consumer. This literally means that the functionality of the product is defined and controlled as noted in the agreement – not by what the sales rep tells you the product will do. Take a look at the Uniform Computer Information Transactions Act (UCITA). This document is a future predictor of licensing trends: UCITA specifically states that the software product does not have to provide the functionality expectations under which you purchased it.

Scope of Use –

- What will this product actually do?
- How long does the product take to scan the average system?
 - Be careful, the vendor will define “average system” very differently than you will.
- How does the product interact with the desktop system? Is it intrusive?

- Can it be made invisible to the user?
- Can it be deactivated by the user?
- What is the product footprint on the local system?
- How does the product interact with systems accessed via the Internet?
 - With systems accessed via dial up?
- How much of your network pipeline will the product consume during operation?
- How does the product audit servers?
- Who is permitted to use the data acquired through this product?
- Does this product fit into your specialized criteria?

Complexity –

How realistic is the product for actual use? To put it simply: Does it actually work? Can real people — normal people — the people who work here — make this product produce or does it require a highly technical background?

Administration – Explain the complexity of the day-to-day operation and data harvesting. Your asset manager is usually the one to manage product operations. Can they actually do so? Without constant (costly) help from the techs? Can more than one admin work with the product concurrently?

Reporting – Does the product come with pre-built reports? Covering what content? In what format? Can these be modified by the user? What is the modification process? Can new reports be defined? Can you explain and actually use the process? Can reporting permissions be varied and controlled by user?

Network – What is the core system maintenance level at the server? Can this be accomplished without interrupting the use of the product? Can modifications be applied without having to down & reboot the server? How difficult or convenient are updates or other adjustments? How frequent?

Management – Can corporate managers gain access to the data in a usable format? Can they massage the data without corrupting it?

Implementation –

Implementation of some products can exceed the initial cost of the product by as much as a factor of four (or more). You absolutely *must* gain a clear perspective on the realities—not the sales hype—of implementing this product.

How easy or difficult is the product to implement? What talent will be required? Will you conduct a bench test? What is the formal eval process and does this process fit into the way your company will actually test the product? How long will the product take to become fully functional? What are the frequencies of updates, patches, & fixes? Will you have input into the update/renewal process?

Real World – If, after bench testing, the product does not meet the criteria you expect, what is the process for returning and/or refund of your costs? In today's market, the provider has every right to sell you a product that doesn't even come close to your criteria—even though they will assure you that the product does so. Currently, your only refund is the purchase price – a substantially smaller dollar amount compared to what it will cost you to discover the product limitations.

Internal database –

An effective technology asset discovery tool will have an internal database of product executable files that are closely identified and directly linked with the product as well as with the publisher/copyright holder. If this database is comprehensive, your work will be drastically reduced. If this database is not present or is incomplete, do not buy the product: After all, if you wanted to identify everything yourself, you probably didn't need to spend the big money for the tool in the first place, right?

Carefully consider – and confirm – the following minimal expectations:

- What products are covered in the database? At what level of detail?
- What providers and copyright holders are included? At what level of detail?
- How does the database link products discovered with the actual products of the copyright holders?
- What is the frequency of database updates? How are these generated?
- Is there an in-house database for legacy products?
- Is it separate from the core database?
 - Can it be submitted for inclusion into the core?
- At what level of detail will the database match discovered products against those in the DB records?
- Can data for products be modified? How extensively?
- Does the database differentiate between versions & releases? How?
- Does it track patches &/or fixes?

Product Costs –

For the purposes of this Briefing, we are considering initial product cost a given. The issues we all tend to miss in terms of actual costs are the ones we need to identify and track. The initial cost of a product is generally minimal compared to the ongoing costs – these are the ones that companies tend to ignore during acquisition and they are the costs that represent substantial budget over-runs.

- *What will be the real world costs of this purchase?*
- What is the reduced price for competitive upgrade or displacement?
- When we purchase at volume prices, will we acquire our periodic seat increases at the same per seat cost?
- How much will the implementation *really* cost?
 - Do not limit this research to the user list provided by the vendor. Conduct an Internet search for failed implementations, as well as for companies that considered – but rejected – the product.
- What is the degree of periodic tweaking necessary to keep the product functional?
 - What is the technician skill set necessary to actually manage the product?
 - On the server, on desktops, and across the enterprise.
- What will be the projected costs of upkeep – including down time, security risks, patch management, version upgrades, database updates, and etc?
- What is the price of training – at all levels of user and can we lock that cost down for “X” years?
 - Does the training enable our personnel to actually manage the product or is it generic?
- What are the costs in terms of external technical support? What is the quality of support?
 - Where is support based? Is there an accessible database of FAQs for user technical personnel?
- Are there costs relating to standard maintenance? How will these fluctuate? How frequently?
 - Are periodic renewals based on purchase price? Or current list price?
 - Are the renewal increases capped?
- How long is the product’s expected life cycle & what will be the costs of its replacement?
 - What level of functionality improvement is necessary to trigger a *new product release* compared to an *existing product update*?

Real World – I have negotiated acquisitions of a product from a major software developer that was provided for free – as long as the consumer used the provider implementation team. Can you guess where the *real* money for this acquisition would be spent?

Product Track Record –

How dependable is this product in actual use? What is its track record in terms of patches & fixes? Are these designed only around correcting defects or are they designed around product improvements? What is the track record of security breaches related to this product? To this development company? What is the quality & value of product support? Does the product grow through continuous improvement or does it jump to a new product? Does the product require activation? What is the level of quiet enjoyment for this product?

Here is a tough one: In view of the current trends in technology litigation, do you suppose it is important to avoid acquiring products from supplier companies that have a track record of threatened litigation against their consumers?

There are many more acquisition criteria than the few we have listed here. This document is meant for use as an idea generation process to help you get started. Some of these criteria will not apply to you. However, most of them will—*or should*. If you have criteria that you believe need to be added, send them to us. This is meant as a living document to help professionals in the field improve their capabilities.

Can we afford this product?

Doesn't this seem like a simplistic question? One would think so. However, I have seen company after company acquire a configuration discovery tool (and other products) that the company couldn't implement or use. If you do not set – and enforce – very clear acquisition criteria, this scenario is in your future.

Real World – A group of personnel from a Florida municipality attended one of my sessions and relayed this incident: It seems that someone in the organization decided to acquire a top of the line asset management configuration discovery tool. The eventual cost of the initial purchase – discovered *after* they were fully committed to the buy – exceeded \$500,000 and completely consumed their budget for the year. Three years later, the group still had not been capable of budgeting enough to actually implement the product. Result? Half a

million dollars in a shelfware paperweight that was now so hopelessly out of date that it would never be used.

At the end of the day – The configuration discovery tool is absolutely the most critical and necessary technology asset management tool you can purchase. Select the one that most closely matches your real world acquisition and utilization criteria – including costs. Ensure that the terms and conditions of the agreement comply with your company standards of acceptable vs. unacceptable terms. Conduct a carefully controlled and documented test to ensure that the product does what it is advertised to do. Once your product is operational, *use it*.

The Institute - Delivers

Please consider reviewing the follow-up Knowledge Briefing in the Software Asset Management Certification Module:

Evolving Configuration Discovery Tools - Start out for free and let the products locate the savings necessary to purchase more powerful tools.

Let us know what you think. We constantly enhance and evolve these documents according to your peer reviews. Keep in mind that this description is not all-inclusive nor does it constitute legal or accounting advice – Always check with qualified legal and accounting professionals before taking action. It is critical that you closely review all technology acquisitions to ensure that you actually *get* what you paid for.

Any questions? Feel free to ask. We'll do our best to provide an accurate and timely answer.

I'm Alan Plastow and I welcome your input and ideas for helping us make this industry more consumer friendly.