

3 steps to reducing software, hardware, and cloud costs



Optimize technology resources, mitigate compliance risks, and enable proactive planning to spark business-building change



Here's your roadmap for systematically managing your complete technology estate to reduce costs and risks

In our [technology excellence handbook](#), we discuss the top four, forward-looking imperatives driving business transformation and growth. One imperative that is critical to the future success of your organization is reducing software, hardware, and cloud costs.

According to Gartner, worldwide IT spending will still grow 5.3% in 2023 to \$4.6 trillion. Software spending alone will rise 11.3%. With such an increase in uncertain economic times, it's never been more important to optimize IT budgets and get the most out of your investments. But that's tough to do if you're dealing with:

- Siloed, disconnected tools and teams that inhibit visibility of all IT resources as well as automation
- Inefficient, manual processes that lead to IT asset management delays, auditing fire drills, and frustrated teams

By connecting multiple departments on a single platform and automating the end-to-end IT asset lifecycle with a strategic workflow, you can simultaneously tackle these challenges head on. When you do, you will easily rein in your IT budget and easily meet compliance obligations.

Step 1

Know and optimize what you own to reduce technology capex and opex

In too many of organizations, data and processes are managed in silos², making it difficult to track IT assets. If you're going to reduce expenses, you need to know where all of your software, hardware, and/or cloud services are so you're not paying for something you don't need. A transportation agency, for example, saved \$7.8M³ by reclaiming software it no longer used, as well as decommissioning legacy apps. With the maximum visibility of your IT estate across departments, you can also:

- Get trustworthy insight to harvest and reallocate under-used or unmanaged software, hardware, and cloud services
- Track spending to manage less expensive cloud resources with reserved instances
- Gather data easily to avoid unbudgeted costs from compliance audits and policy obligations
- Examine business unit spending to identify and control shadow IT
- Strategically plan for, and strengthen negotiating position in, future purchases, refreshes, and renewals of technology resources

The key to tracking any asset, anywhere—software and hardware on premises and in hybrid clouds—is to manage IT processes in one place; more to come on that.

REAL-WORLD EXAMPLE



Gaining a better picture of software assets to minimize licensing fees.

As a leading operator of general acute care hospitals in the U.S., Community Health Systems (CHS) is dedicated to delivering quality healthcare. CHS needed to stop managing its software assets via spreadsheets, which resulted in incomplete, inaccurate, and outdated data. It also sought a more proactive approach to compliance and vendor audits to avoid significant fines. CHS automated software asset management, bringing all license information into a single pane of glass.

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“

By consolidating our software asset information, we can have better conversations with our vendors—whether that's pushing back on audits or negotiating volume pricing.”

Briana Alexander, vice president of process and performance excellence, Community Health Systems

95%

automation of software tracking

40%

savings in license true-up costs

19K+

machines discovered with overlapping software

Step 2

Centralize governance to minimize costly technology asset risk throughout the business

Let's face it, the chance of a regulatory audit at least twice a year is pretty high for the average enterprise. But many organizations have no formal governance process in place. With proactive, central governance, you avoid huge costs for which you haven't budgeted from compliance audits and policy obligations. A global finance company escaped a \$200M software compliance liability through full lifecycle visibility of assets.⁴ Those kinds of results are possible with a single-source configuration management database (CMDB) that surfaces infinite, real-time use cases, such as software/hardware costs of an IT change, day zero vulnerability response, and asset performance management planning. With a healthy, updated CMDB, you can also:

- Accurately track hardware, software, cloud resources, and apps from request to disposal as well as minimize lost, stolen, and ghost assets
- Plan technology refresh cycles for warranty and end-of-life periods as well as rationalize legacy applications to reduce technology debt
- Streamline labor costs by automating cumbersome processes as well as integrating cost analysis into planning and delivery decisions.

Again, the only way you can make all this happen is to leverage a single source of truth on a unified platform.

REAL-WORLD EXAMPLE



Tracking software assets across the business to avoid duplicative expenses

Cox Automotive offers a wide range of services and innovative digital solutions for dealers, lenders, manufacturers, and consumers at every stage of a vehicle's lifecycle. Its technology ecosystem is huge, dispersed, and complex, so it adopted a centralized platform to access and track accurate software usage data and costs. Now the company can easily address anomalies, such as duplicate licenses, to achieve significant savings and efficiencies.

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We selected ServiceNow [Software Asset Management] because it's very modular and customizable for very specific requirements. It has a CMDB built in, and...seamlessly connects with our contracts database. It's a cloud-based, agentless, turnkey solution...and its integrated workflows are far superior to other platforms."

Sam Morrison, Software Compliance Manager

70%+

visibility on software assets and counting

97%

of software ownership and consumption data recognized

\$150K

savings in the first year alone

Step 3

Automate the full technology lifecycle to boost staff efficiency and avoid compliance issues

When it comes to IT asset management, too many organizations aren't willing to invest in a modern solution. That's unfortunate, because modern solutions can automate every aspect of ITAM to reduce the time and human capital required to fulfill technology requests. One company that invested in modern ITAM saved 8,000 hours in the first year with self-service IT asset requests.⁵ Plus, when you modernize on one platform, you eliminate the need for constant imports and exports of data from legacy asset systems. Automation can also make some other critical functions a whole lot simpler. These include:

- Aligning your application portfolio, managing refresh cycles and rationalizing legacy apps.
- Delivering software intel to quickly respond to vulnerabilities, expose potential regulatory risks and remove restricted installs
- Onboarding and offboarding remote employees faster with the proper software and hardware allocations

REAL-WORLD EXAMPLE



Boosting team productivity with automated IT services

Covéa Insurance, the UK arm of France's top mutual insurance group, Covéa, provides a variety of insurance services to 2.1 million customers, and has more than 2,000 employees across eight offices. The company needed to streamline time-consuming processes to have more time to serve customers. It provided staff with a user-friendly self-service portal to rapidly procure IT assets. The company also adopted a solution that delivered fast access and better visibility of IT asset data to simplify audits and ensure compliance.

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Although we're early in our ServiceNow journey we're expecting to [achieve] savings on software, efficiency gains, and reduce the volume of support calls.”

Deborah Mulderrig, digital asset manager, Covéa Insurance

£450K+

ROI in asset management for the first year

£810K+

in compliance costs avoided in the first year

2,000+

employees empowered to work more efficiently



Walk the steps confidently with your bright ideas

With constant pressure to reduce technology spend, audits that uncover compliance lapses, and limited visibility of your IT assets across the enterprise, the path to reducing software, hardware, and cloud costs for technology leaders like you is fraught with challenges: escalating technology costs, wasted budget on unused resources, and disparate, manual processes for IT asset management, to name a few.

But it has never been clearer that connecting departments on one platform, automating the technology lifecycle end to end, and intra-departmental collaboration can light your way. Only ServiceNow can empower you with a complete portfolio to manage any IT asset (software, hardware, cloud, apps)—on premises or in hybrid clouds—from a single pane of glass. With ServiceNow, you can manage IT assets from the same place you plan, operate, service, secure, and retire IT. Using the power of these capabilities, you can lead your organization confidently and boldly in continuous cost savings. It's a future in which you can apply those savings to enable innovative, business-building change anywhere in the organization.



Learn more

about how ServiceNow IT Asset Management can fuel consistent growth for your business:

Solution brief [→](#)

ITAM on servicenow.com [→](#)

References

1. [Gartner Forecasts Worldwide IT Spending to Grow 5.1% in 2023](#)
2. [TechTarget, "What are Data Silos and What Problems Do They Cause?"](#)
3. ServiceNow customer results (U.S. transportation agency)
4. ServiceNow customer results (global finance company)
5. ServiceNow customer results (commercial and industrial construction company)

About ServiceNow

ServiceNow (NYSE: NOW) makes the world work better for everyone. Our cloud-based platform and solutions help digitize and unify organizations so that they can find smarter, faster, better ways to make work flow. So employees and customers can be more connected, more innovative, and more agile. And we can all create the future we imagine. The world works with ServiceNow™. For more information, visit: www.servicenow.com.