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IT Asset Management Services

Compliant IT Asset Control Techniques For Mitigating Risk

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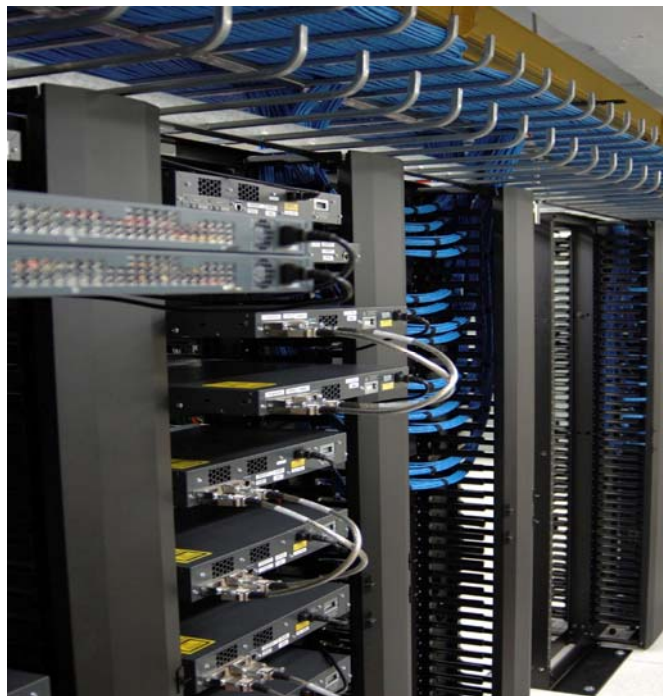
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The Asset Management Challenge

With increasing regulatory demands from legislation such as Sarbanes-Oxley, together with the significant focus on improved cost control, data security and compliance there are more requirements on organizations to revitalize their approach to IT asset management control. The need for improved processes, greater accountability and a higher degree of accuracy is critical to a successful IT asset management solution. To ensure compliance, security and cost efficiency the IT asset inventory must assess the value, location, status, configuration and management of hardware and software for enterprise-wide IT assets.

The foundation of this management solution is a comprehensive asset baseline. This is the starting point from which all asset control functions operate. IT asset registers based on historic asset management procedures are often inadequate and require the establishment of a new baseline by physically re-verifying the IT asset inventory. With bench and ad hoc project resources nonexistent and certified staff unavailable or geographically restricted, it is very difficult to perform a cost-effective and precise inventory.

The Trouble with Assets

It is a fact that every year millions of dollars of assets are written-off due to problems with SOX Compliance.

One of the impacts of the Sarbanes-Oxley Act has been that historical methods of asset management may no longer satisfy this stringent legislative requirement. As a result, the values of assets in a corporate asset register may be difficult to validate.

Under Sarbanes-Oxley legislation there is a potential risk that the prescribed carrying values of functional IT assets will need to be written-off to profit and loss (P&L). These types of write-offs could lead to a direct and possibly significant impact on in-year profitability.

Large and diverse organizations routinely run into IT asset management challenges even with a centralized procurement policy and robust IT organizations. Simply supplying a technology or system to record the asset inventory or using auto-discovery tools has limitations in producing a compliant asset inventory. Software must be installed and configured correctly to facilitate full functionality. In addition, a software-based approach requires the devices to be network based and does locate devices that are outside of that model. A total solution includes a solid methodology, aligned resources, defined processes and procedures that are supported by technology. This approach also allows companies to identify under-utilized assets and reallocate them to other uses across the business instead of needlessly purchasing new assets.

IT Asset Management Solution Methodology

Achieving a total IT Asset Management solution begins with a solid plan or roadmap that provides a structured methodology. The best practice framework that has been proven to succeed includes five key stages, as follows: *Planning, Execution, Data Reconciliation, Process Improvement* and *Governance*. Without this structured approach, the foundational elements for each stage will lack the critical inputs, outputs and inter-dependencies across the management lifecycle. With the assurance that business risks are mitigated and regulatory compliance has been achieved, the next step is to establish on-going management and long-term governance throughout the entire IT asset lifecycle.

Outsourcing the IT Asset Management function with key deliverables that support audit and compliance, governance and cost efficiency, has enabled numerous organizations to focus their limited IT resources on strategic projects that are critical to the execution of their business.

Planning

Developing the plan involves incorporation of the key stakeholders of the IT asset management process. This committee defines the requirements of the solution based on legislative and organizational policy input that will guide the effort to determine the right asset management solution. These requirements also define the objectives and desired outcomes and are very similar to a statement of work (SOW). Then a detailed project plan is created and a budget is defined based on the scope of the requirements. The universal requirements for improving any asset management solution include:

- Current Inventory Data Model Review
- Physical Asset Discovery
- Data Collection
- Data Reconciliation
- Process Improvement (closing the gaps)
- Governance (sustainable management)

The final output of this effort should be the plan and the team composition that will execute a full system level and physical audit of all IT assets, define the asset management data model, remediate data issues, and identify process controls and governance. This plan and execution strategy should be a key deliverable when considering executing this work with a consulting or outsourcing partner.

Execution

During this stage the defined IT asset management team is deployed to conduct facility and/or field visits in accordance with the plan, recording all assets physically in that location. This activity is defined as a 'Floor to Book' exercise. This means that all assets physically at a specific site within the scope and time of the audit are recorded after being physically confirmed. This effort also identifies a list of items that were not on-site at the time of the visit but are known to exist, such as laptops and mobile peripherals. For known assets that are not present at the time of the audit, these are recorded and due diligence is performed until the state of the asset has been defined. This would also apply to all assets not certified to be off-site at the time of the inventory. The common characteristics captured for physical IT assets include:

An IT asset management solution protects IT investments by baselining current assets, correcting any discrepancies and mitigating business risk across the entire IT enterprise.

- Assignee
- Make
- Model
- Type
- Serial Number
- Location
- Asset tag (applied if not found and recorded)

Software is also a common task for remediation during inventory efforts. Deployment teams can be equipped with agent installations for network based devices such as desktops and laptops. These agents are organization or company approved and security compliant for deployment on network discoverable devices. This usually only applies to devices that are network aware that need to be added to the asset registry and moving forward can be governed through the approved network discovery tool.

When configured correctly, these agents can scan and inventory the software library present on all devices and report this information back to the central database. Typically these types of auto discovery systems are already in place within your organization, the distinct benefit of the physical baseline is to remediate non network based assets as well as assets not correctly configured or added at the time of procurement. In parallel with the discovery fieldwork, validation is executed to ensure the accuracy of the inventory. This task is typically performed by an individual not involved in the primary data collection exercise. Spot checks are then conducted to identify and correct any inconsistencies. The primary output of this phase is a consolidated report that defines the validated assets, any newly discovered assets and any known assets that are missing from the inventory roster. It is important to remember that the baseline activities are critical to success in any asset management solution. It creates the foundation of assets, defines the gaps and in a key input to define the areas for improvement in process and governance moving forward.

Data Reconciliation

IT asset data reconciliation is the stage that requires a multi-functional approach to ensure the data analysis is accurate. During this process coordination is critical between IT, procurement and finance departments. As information is analyzed, the following key questions need to be answered when reviewing the data:

- Is the asset recorded? If not, why?
- How was the asset procured?
- When the asset was purchased (depreciation schedule of asset)?
- How was the asset funded (for financial reconciliation)?
- What process improvement is required to reconcile the procurement process?

The fundamental analysis and reconciliation of the data is to reconcile system-level discrepancies, make any required financial adjustments and improve the process to ensure sustainable management of the IT asset management life cycle. Depending on the nature of the engagement, a typical set of reports includes:

- Index of the asset baseline in a format ready for upload to asset management system of record
- Inventory of assets not present during fieldwork for which there was certification
- Catalog of assets physically located at site(s) but not in the current asset register
- List of assets on the current asset register which were not able to be physically accounted for or receive certification for.
- Record of other issues, findings or observations captured during the discovery work such as: (*) potential health & safety exposures, potential security exposures, inability to access site, LAN closet or Machine Room.

** Note, these observations are not considered a formal audit of these areas. They only indicate issues that have been identified during the course of the fieldwork that will require follow-up.*

Process Improvement & Governance

Once the execution of the location or fieldwork is completed, data analysis and reconciliation has been corrected, the improvement process begins. This stage is vital for ongoing sustainment and maintenance of the asset management function. The reports and key findings from the Data Reconciliation stage provide opportunities for process improvements for the management and governance of the total IT asset management process. During this improvement cycle there should be set milestones or calendar events to review processes against any legislative or regulatory changes. This ensures that the needs of the business and changes to the processes that govern and manage IT assets are enhanced to meet any new requirements.

Summary

An IT asset management solution improves regulatory compliance, inventory accuracy and can account for thousands of valuable corporate assets, saving tens of millions of dollars in potential write-offs.

The total value of an IT asset management solution can be significantly improved by using a structured methodology that aligns the business, financial and IT objectives with defined organizational goals. By outsourcing the IT asset management function, organizations can create a more centralized asset

management solution, increase compliance, reduce financial impact and data exposure, and improve visibility into the asset management process.

The benefits of outsourcing IT asset management services are as follows:

- A prompt, accurate and comprehensive asset list which will substantially reduce the risk of an asset write-off under Sarbanes-Oxley requirements
- A cost effective, managed service that provides predictability for your budgets
- A service that allows organizations to mobilize without diverting staff and management resources from critical business functions

Whether your organizational goals are to reduce costs by eliminating duplicative spending, improve your carbon footprint, or to embrace green initiatives or cloud computing, the process begins with a solid asset baseline foundation.

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About the Authors

Jim Boughey

Business Development Director

Jim is responsible for driving all business development activities throughout Europe and working with the company's North American lines of business to integrate and innovate global solutions, methodologies and best practices. Jim's extensive delivery-focused experience and background complements his business and sales skills across several industries and at all levels within our client base.

Beginning his career with OAOT in 1998, Jim started as a data centre operator and progressed through shift leader, service delivery manager, subject matter expert and delivery consultant. In 2007 he assumed his current position as Business Development Director for OAOT's European region.

Prior to joining OAOT, Jim held several diverse positions in sales and engineering. Jim graduated from the University of Hertfordshire with an Honours degree in Civil Engineering. He is also an ITIL certified Service Manager.

Cameron Chehreh

Senior Vice President/General Manager, Strategic Business Solutions and CTO

Cameron Chehreh joined OAO Technology Solutions, Inc. (OAOT) in October 2007 as Chief Technology Officer and is also the President, Strategic Business Solutions. He is responsible for leading the company's Application Outsourcing expertise and providing a full complement of application, architecture and IT alignment services for our customers. In addition, he manages the expansion of the company's Global Managed Information Technology (IT) Services and Solutions portfolio that solve a wider range of customer challenges. His technical and business expertise establishes him as an IT Industry thought leader, and he was a guest speaker at the Gartner Government Conference (GCON) on the topic of Case Management and Service-Oriented Architecture (SOA) strategies.

Cameron began his career in the staffing industry as an Account Manager for the Maxim Group. At Tek Systems, an Aerotek, Inc. company, he provided helpdesk and field location support, and was the PeopleSoft technical lead.

Following this, he has held positions as Senior Applications Engineer at USinternetworking and Enterprise Architect for COTS solutions at Digex, Inc. During his tenure, Digex was recognized with CIO 100 and Infoworld 100 awards, and ranked #11 on the prestigious list for systems integration projects.

Immediately before joining OAOT, Cameron was the acting Chief Technology Officer and Enterprise Solutions Architect for Northrop Grumman Information Technology's Enterprise Resource Planning (ERP)\Customer Relationship Management (CRM) division of the Civilian Agencies group. As Technical Director, he designed and implemented an application-focused Center of Excellence with core technologies from Oracle, PeopleSoft, Siebel, SAP, and Microsoft that supported rapid prototyping solutions to support the business development efforts of the corporation. Cameron holds a Bachelor of Science degree in Audio Engineering and Mass Communications from Middle Tennessee State University.

About OAOT

OAOT (www.oaot.com) is a global leader in Managed IT Services and Solutions to Fortune 500 corporations, global outsourcers and government agencies. The Company's core competencies include application outsourcing, data center and infrastructure management and staffing solutions. Headquartered in Greenbelt, Maryland, our 1,600 worldwide employees are located throughout the United States, Canada and Europe.

The IT Asset Management Services (ITAMS) by OAOTsm is comprised of three distinct services that you can leverage individually or as a complete offering, depending on your requirements:

IT Asset Management Consultancy: Our experienced ITAMS team members offer a consultative approach that is based on worldwide standards, compliance processes and methodologies for the management of enterprise-wide IT Assets. We work with you to establish, implement and sustain a long-term IT asset governance model.

IT Asset Baseline Service: OAOT has provided numerous asset baselines across highly complex IT environments and worldwide locations. Our expertise includes new and comprehensive baselines, as well as reconciliation against past baselining activities to track new, existing and previously unidentified assets.

IT Asset Lifecycle Solution: We provide end-to-end Asset Management Services to improve controls over IT assets from implementation to disposal. We perform IT Asset Lifecycle management procedures and physical inventories on a recurring basis. You can choose either an all-inclusive or a representative inventory sample.

The OAOT ITAMS solution offers the following benefits to small and mid-sized enterprises, Fortune 500 companies and Government customers:

- Simplifies IT asset management to produce accurate and compliant reports
- Establishes a rapid asset baseline for critical IT processes and asset management controls
- Reduces the worry about IT asset compliance and risk of monetary penalties for non-compliance
- Improves inventory control for IT investments, systems and other resources
- Manages the full asset life cycle, with easy to implement methodologies, from implementation to disposal

To review our successful IT asset baseline methodologies, read our IT Asset Baseline (ITABS) [case study](#), or find out more about our [ITAMS solution](#) on our web site, www.oaot.com.