

THE 7 QUESTIONS YOU MUST ANSWER WHEN PLANNING YOUR IT FOR 2022

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The 7 questions you must answer when planning your IT for 2022

Imagine you're a football coach preparing for the next big game. Before you drafted your game plan, you'd need to know the capabilities and strengths of your offense and defense. You'd want to understand how they perform under pressure. You'd seek an assessment of how each player executes his position, and what their specific weaknesses were.

And if your responsibilities included management of the roster, you'd need to assemble the best combination of players that fit within the salary cap.

As a seasoned coach, you'd understand that you couldn't possibly expect to get to the postseason without this critical intelligence. And if you drafted your game plan without it, there'd be little chance of victory.

How are you planning to win?

We'd likely all agree that this kind of comprehensive asset assessment is essential for game planning.

But year after year, IT executives draw up their annual plans with a shocking lack of visibility into their organizations' IT infrastructures, the individual assets that comprise them, their per-unit costs and their many complex interdependencies.

The last year and a half have been the most challenging for business in virtually anyone's memory. Unprecedented demands were placed on IT infrastructures and the executives who manage them, and the expectations for IT are only increasing as we enter a post-pandemic era.

As the stakes grow ever higher, it's essential that IT leaders use the best data, tools and resources available to get the comprehensive visibility and responsive control that allow for a strategic IT planning framework.

Every day is game day

Because this competition is personal. You're being asked to do more with less, and your competitors certainly aren't standing still. Your reputation and the success of your team and, ultimately, the ability of your organization to effectively compete are all at stake.

That's why Flexera is committed to providing the tools and resources—along with the unparalleled IT asset data—that enable IT professionals to deliver the most value to their organizations.

At Flexera, we call that [technology value optimization](#) (TVO). When you achieve TVO, you multiply the return on your IT investments and free up funds to accelerate strategic initiatives like digital transformation, digital experience, cybersecurity and [cloud migration](#).

But TVO and a strategic IT plan can be achieved only by having the answers to the following seven key questions.

1: Do you know exactly what's in your IT estate?

IT infrastructures are sprawling, impenetrable networks full of blind spots, wasted spend, unanticipated vulnerabilities and missed opportunities. Comprehensive visibility across the entire estate, from on-premises to SaaS to cloud, has long been regarded by IT leaders as an impossible dream. But the unprecedented view delivered by Flexera One's [IT Visibility application](#)—powered by current, refined, enriched IT asset data—gives you the command and control you never thought possible and makes planning infinitely more effective.

2: Are your software licensing costs optimized?

Software licensing agreements are confusing and opaque by design, putting customers at a decided disadvantage in negotiating price, tracking usage and withstanding audits. Flexera One's [IT Asset Management](#) application levels the playing field, helping organizations rightsize usage, establish effective license positions and negotiate from a position of informed strength.

3: Can you control your organization's SaaS costs?

When anyone and everyone with a company credit card can buy a SaaS app, how in the world can IT control costs and defend against threats? With the resources delivered by Flexera One's [SaaS Management](#) capabilities, which enable you to support the agility of SaaS adoption while governing its costs and usage.

4: Are your cloud costs optimized?

[Public cloud](#), [private cloud](#), [hybrid cloud](#)—it takes a wizard to understand the complexity of it all and give business units the capacity they need while keeping costs in check.

Flexera One's [Cloud Cost Optimization](#) application makes you that wizard, with the power to optimize usage, institute rule-based chargeback and policies, establish alerts for cost and compliance, and so much more.

5: How can you optimize your migration to the cloud?

Migrating interdependent workloads to the cloud is a dauntingly complex task, and a single misstep can prove costly for an organization. Flexera One's [Cloud Migration and Modernization](#) application removes the guesswork, giving you the cost analysis, workload placement and prioritization that allow you to chart your course to the cloud with confidence and cost efficiency.

6: How can you get more from your investments in ITSM and ITFM?

Want to turbocharge your IT service management and IT financial management solutions? Fuel them with the enriched IT asset data provided by Flexera One's IT Visibility application and see the difference. But don't expect miracles from your ITSM and ITFM platforms alone. They cannot by themselves provide the comprehensive visibility and responsive control you need to plan effectively, despite the claims their salespeople may make.

7: What are the costs of doing nothing?

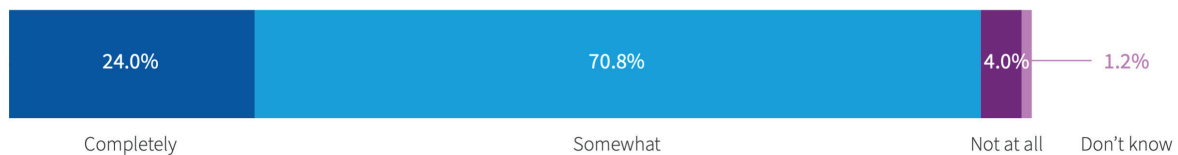
With each passing day, your IT estate increasingly resembles an unharnessed beast. The gap between your allocated software licenses and actual usage widens, exposing you to the risk of costly true-ups. Your cloud costs spiral further out of control. SaaS adoption accelerates without brakes. And every unoptimized dollar spent reduces your ability to help your company grow.

Do you know exactly what's inside your IT estate?

Can you see across your extensive IT landscape?

IT infrastructures are sprawling, impenetrable networks full of blind spots, wasted spend, unanticipated vulnerabilities and missed opportunities. Less than 25 percent of respondents in Flexera's [2021 State of IT Visibility Report](#) say they have complete visibility into their IT estates, with the vast majority seeing an incomplete picture of their assets.

Q: Does your organization have accurate visibility into your IT assets and their impact on business outcomes?



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N=325
Source: Flexera 2021 State of IT Visibility Report

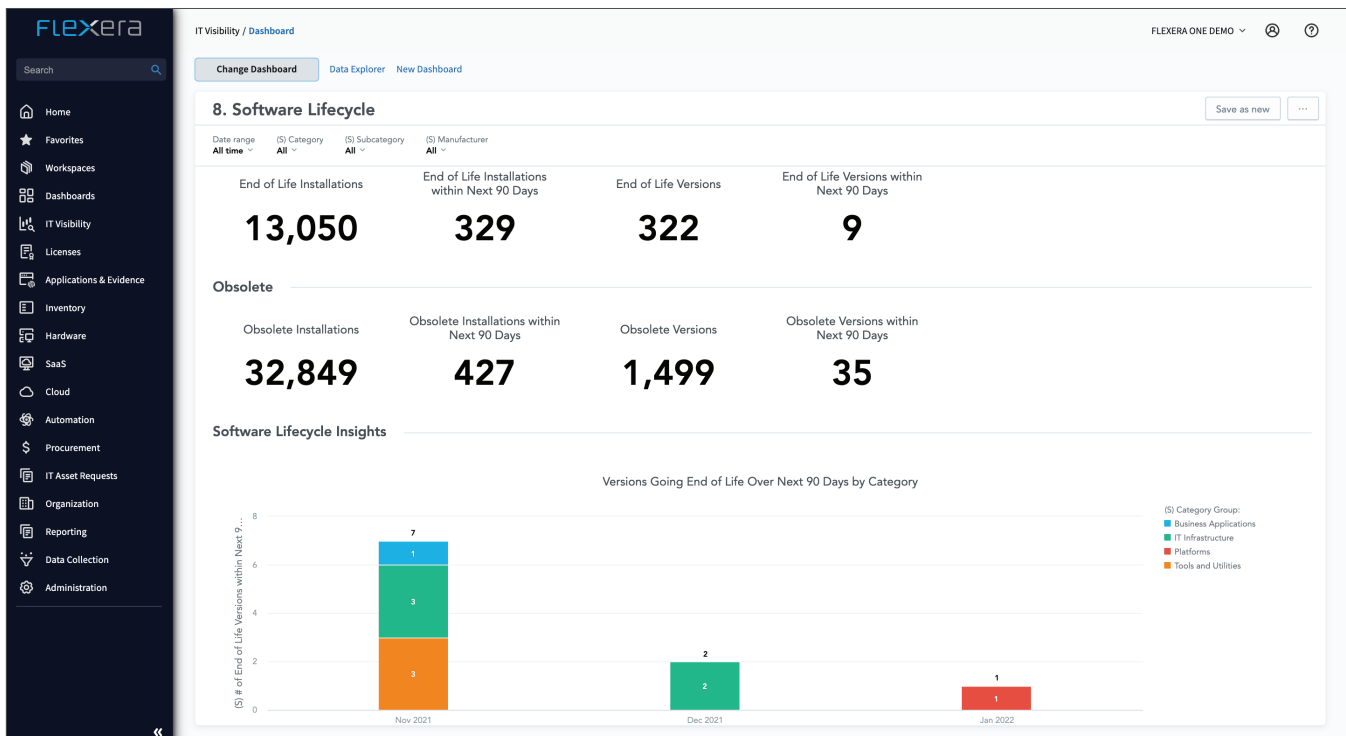
Less than 25 percent of organizations have complete visibility into IT assets

The comprehensive visibility that makes data-driven planning possible.

IT infrastructures and the foundational technology data on which they're built are constantly changing. The landscape of assets and tools that feed business initiatives is complex and dynamic, scattered across hundreds of providers and typically managed by numerous siloed teams.

Comprehensive visibility across the entire estate, from on-premises to **SaaS** to **cloud**, has long been regarded by IT leaders as an impossible dream.

But the unprecedented view delivered by Flexera One's **IT Visibility** solution—powered by current, refined, enriched IT asset data from our own **Technopedia**—gives you the command and control you never thought possible, and makes IT lifecycle management infinitely more effective.



Flexera One's IT Visibility makes IT lifecycle management infinitely more effective

IT Visibility delivers:

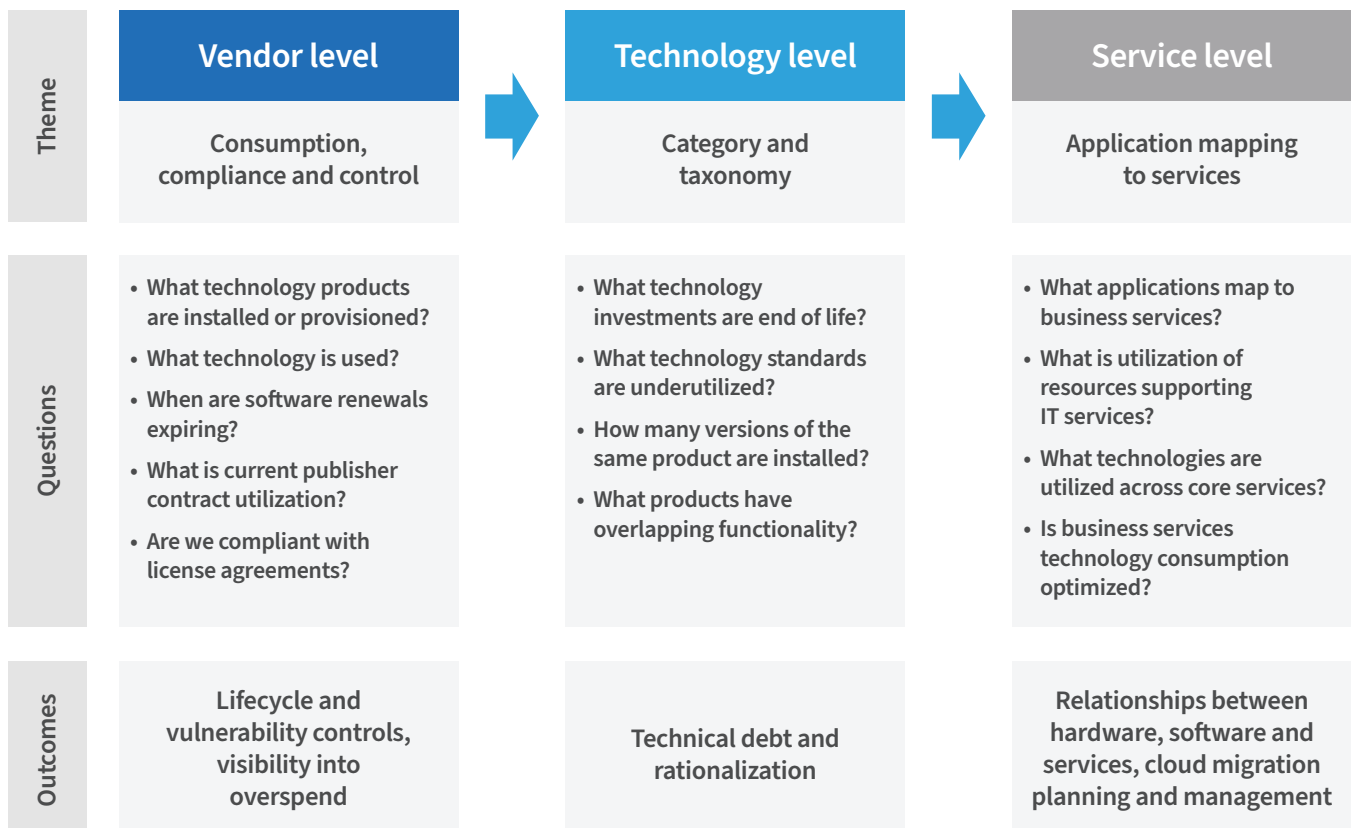
- **Normalized IT asset data** for use across the organization—whether in an internal **CMDB** or applied to ITSM and ITFM efforts, inventory data is the foundation of business initiatives
- **Better IT lifecycle management**—an understanding of what assets are at **end of life and end of support**
- A view into **asset sprawl** (vendors, products, etc.) that needs consolidation in order to avoid audits, manage regulatory compliance and get the greatest ROI for your investments

- **Business service contextualization** to understand application dependencies and inform accurate planning for strategic initiatives like cloud migration
- **Security vulnerability** reduction and management

With clear visibility you can also gain a clear picture of asset usage and costs by business unit, the business services powered by applications and servers, and a more precise understanding of asset requests and possible reclamation.

Comprehensive IT visibility empowers active data intelligence as a strategy to enable technology value optimization.

A multi-phase approach to building IT intelligence that creates a deeper understanding of the business services consuming IT and enables fact-based decision-making



Are your software licensing costs optimized?

Spend continues to increase year over year

SaaS and cloud may be the shiny new objects attracting all the attention, but most organizations are still spending significantly more on traditional software than SaaS/IaaS/PaaS services, according to Flexera's *2021 State of Tech Spend Report*.

Planning for these software investments is a pivotal challenge for IT leaders. You need to budget for your "keep the lights on" expenses and stretch every dollar to support digital transformation initiatives. Accurately planning your software spend based on actual usage ensures you optimize your costs and protects you from unbudgeted audits and true-ups.

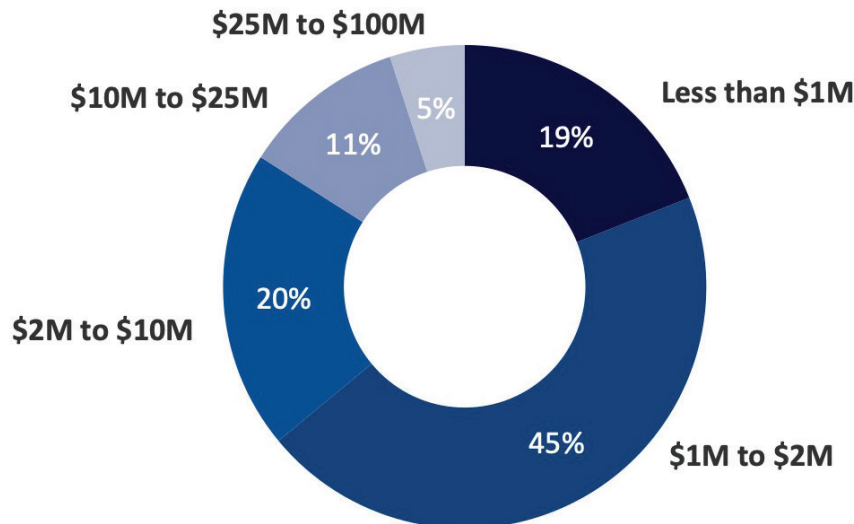
Sound management can uncover significant savings

According to Flexera's *2021 State of ITAM Report*, respondents' average annual software spend is \$74 million. Software asset management (SAM) programs and tools drive these costs down, according to the research. Overall average yearly SAM savings are \$6.4 million, with five percent of organizations reporting more than \$25 million in yearly SAM savings.

A SAM program yields an average of 8.64 percent savings. That's 8.64 percent of the budget that you can move to line items that support growth and innovation, like improving your customers' digital experience.

SAM Savings in Past 12 Months

% of all respondents



N=461

Source: Flexera 2021 State of ITAM Report

Overall average yearly SAM savings is \$6.4 million

Gaining insight into costs

Gartner recommends showing IT cost efficiency by determining a cost per unit for all IT expenditures, then determining whether you're getting the maximum value from the investment.

"IT needs to reduce its cost per unit, to pay for vital business demand."

– Gartner, "How to Demonstrate IT Cost Management Success"

Software licensing is intentionally opaque

Determining the cost per unit for software is far more challenging than for other types of IT assets. Software licensing is complex by design, making an effective license position a tough process. The largest software publishers—including Microsoft, IBM, Oracle and SAP—charge based on a dizzying combination of cores, clusters, environments and availability.

If you're working without robust tools, these pricing models turn calculating the cost per unit or installation into guesswork. And if you can't accurately calculate how much something should cost based on how it's being consumed, then optimizing the value of it is non-trivial.

Layer upon layer of complexity

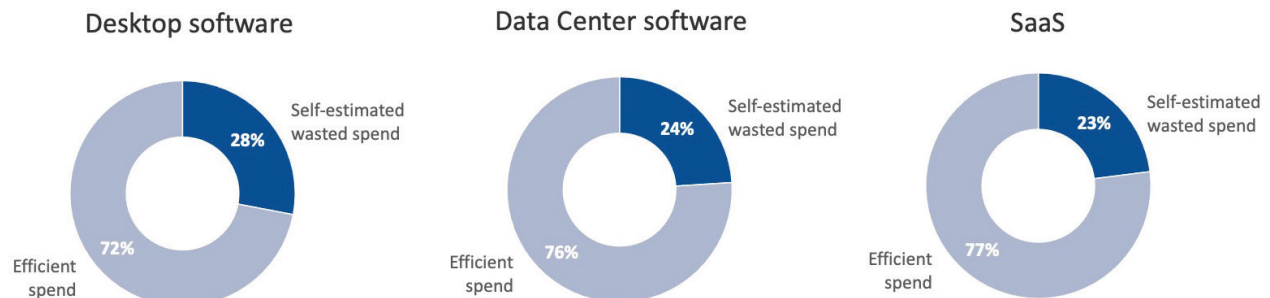
Imagine a simple example of an Oracle database instance that supports a customer-facing application. Do you know how it should be licensed (i.e., how much it should cost)?

The answer is very dependent on the amount of computing resources available to the database, whether it's on an active or passive node in a cluster, whether it's in production or highly available, and many more dimensions.

Now imagine how many Oracle database instances you have in the enterprise. It's easy to see why most organizations "guesstimate" how much they should be spending on software. And why about 24 percent of software spend is considered wasted, making an effective license position necessary.

Waste in Software Spend

Average % across all respondents



N=461

Source: Flexera 2021 State of ITAM Report

About one quarter of software spend is wasted

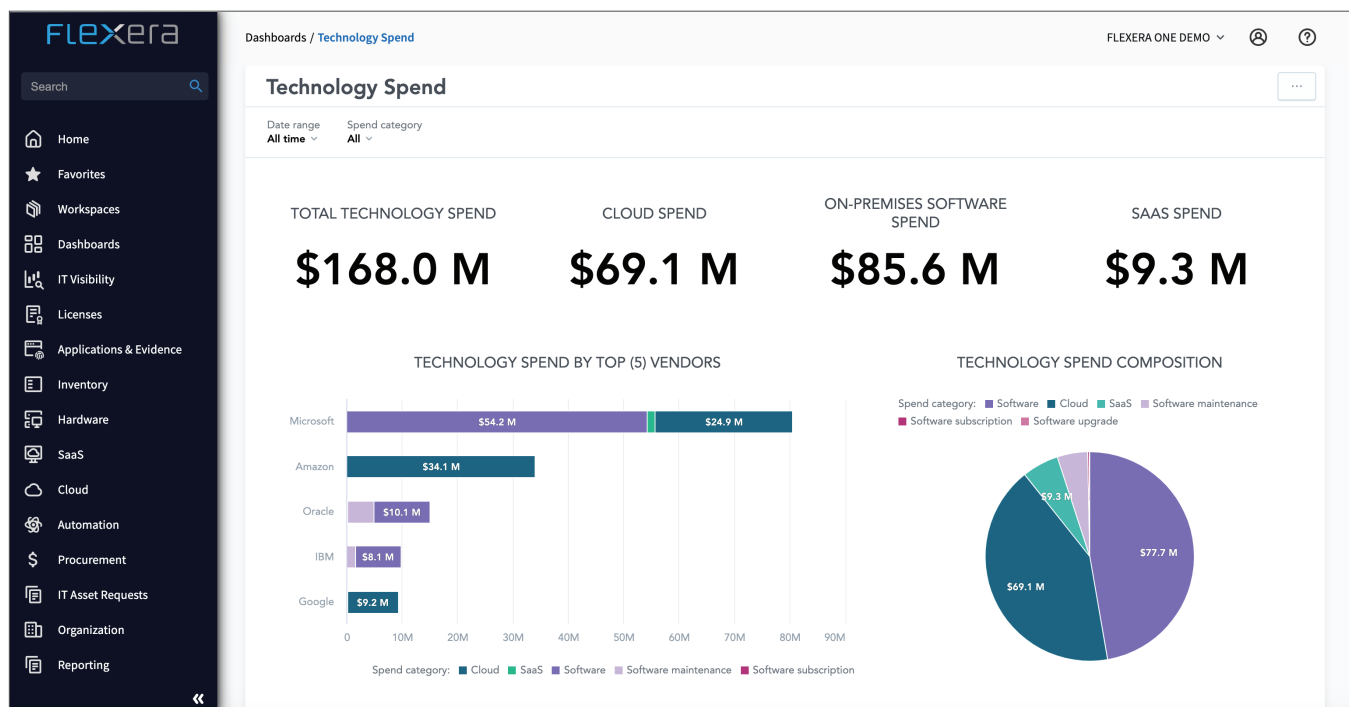
The savings are there if you know where to look

On the flip side, this complexity provides the biggest opportunity for optimization if you leverage intelligent product use rights and algorithms to automate the calculation of your true licensing needs. This is why the world's leading companies choose Flexera's [Software Asset Management](#) to optimize the value of their software portfolios.

In our Oracle database example, Flexera enables you to not only automatically calculate consumption costs, but also optimize the licensing based on how it's being consumed.

Consider: the minimum cost for an Oracle database instance is around \$25,000 (many instances cost more than \$100,000, depending on how/where they're used). Across your estate, optimizing even one application results in material savings.

Imagine: your software portfolio is automatically optimized so you can clearly demonstrate [IT cost management](#) success.



Automatically optimize your software portfolio to demonstrate IT cost management success

The budget buster: software audits

Unlike other categories of IT spend, enterprise software has an X factor: the [software audit](#). Almost 30 percent of large organizations paid over \$1 million in software audit costs last year (source: Flexera's *2021 State of ITAM Report*). If you're not proactively calculating your actual license positions, your organization is at risk for an unbudgeted true-up expense.

Continuing with our Oracle database example: during a software audit, the burden is on you to prove that each database instance should not cost more than \$100,000 (or the worst-case scenario).

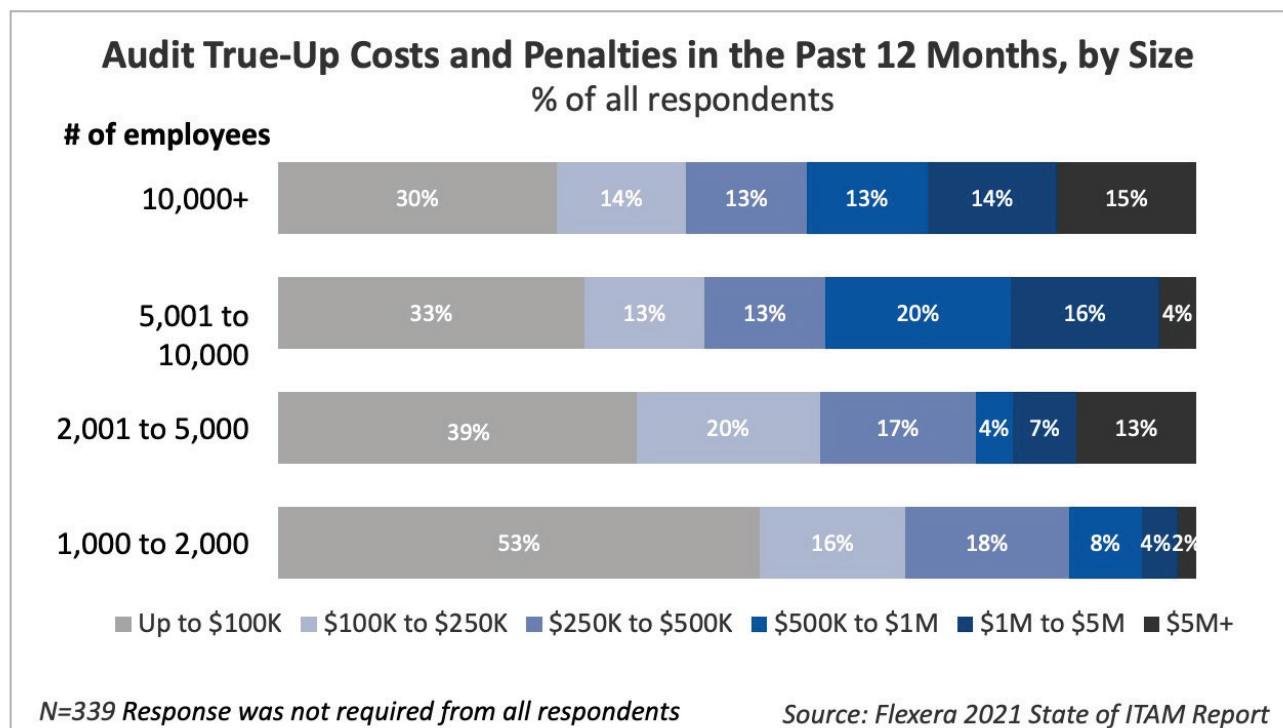
“The supply side represents rates or price. These are the areas that the CIO and team can directly influence, without needing to engage with the wider business. At its simplest level, if the business demands, say, 300 software licenses, the supply side is about IT procuring those licenses at the best possible prices, making the right technology decisions to deploy them efficiently. By contrast, the demand side is about IT challenging the business on those 300 licenses: Why do we need 300, not 100? Why do we need a gold standard license, not bronze?”

– Gartner, “How to Demonstrate IT Cost Management Success”

How to operate from a position of strength

Flexera automatically applies optimization techniques to put you in the best possible position during a software audit. A simple example is exclusions for non-production environments. Flexera's solutions are [verified](#) by many of the major software publishers to help you breeze through audits.

Unfavorable software audit findings are certainly one of the biggest compelling events for our prospects. Being proactive about optimizing your software estate before an audit not only helps you avoid “audit hell” but also enables you to stop guessing sooner so you can redirect funds to innovation.



Twenty-nine percent of largest organizations paid \$1 million+ in audit true-ups

ITSM and ITFM tools alone can't get you there

You've probably invested millions in [ITSM and ITFM tools](#). So why aren't they helping you solve this problem?

ITFM can show your spending with a vendor, but not your consumption cost per unit or whether your spending is optimized.

ITSM can show you license deployment, but doesn't address the complexity of enterprise software licensing, leaving you vulnerable to audits and overspending on your software contracts.

Software licensing has never been simple. And with continued adoption of cloud and containers, it will only become more daunting as you continue your hybrid IT journey.

The Flexera difference

Flexera has been solving these problems and saving our customers millions of dollars annually for more than 15 years. That's why six of the world's ten largest enterprises depend on Flexera for software license optimization.

"If you're like me and believe that on-premises apps aren't going anywhere and that cloud usage will continue to grow dramatically, then you probably also agree that having separate tools or solutions to manage desktop, datacenter, SaaS and cloud doesn't make sense," says Jim Ryan, Flexera's CEO.

"After all," he continues, "Microsoft, Oracle and others are going to negotiate a single enterprise license agreement with you and, as a result, you'll require a single solution to discover, normalize and optimize hardware, software and services running across your complex hybrid environment."

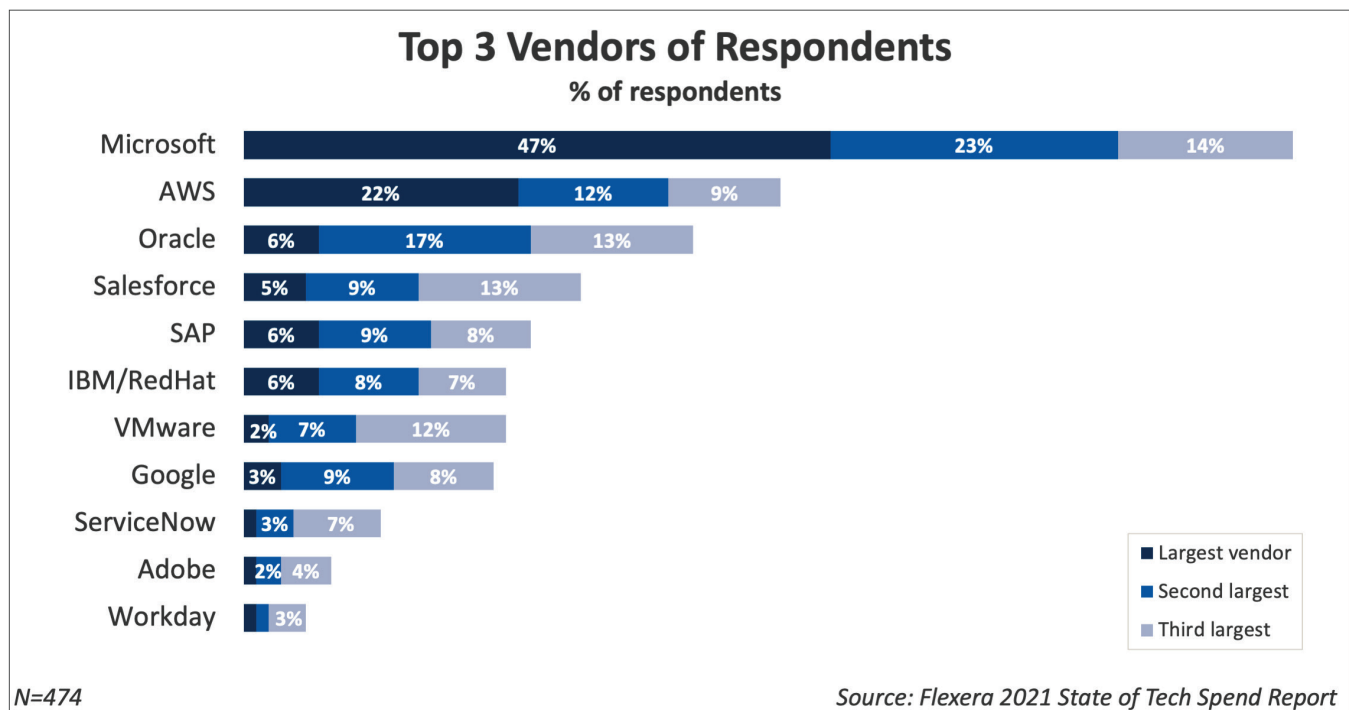
[Flexera One](#) helps you visualize your entire estate from on-premises to [SaaS](#) to the [cloud](#). And it delivers the power to mitigate risk, reduce costs and maximize every technology investment—so you can invest in innovation.

Can you control your organization's SaaS costs?

SaaS spend is on the rise, impacting spend and reshaping your vendor landscape

If you're like most IT leaders, the proliferation of SaaS is changing how you view your software portfolio and spend forecasting. As recently as a few years ago, your top-spend software vendors probably consisted of the "usual suspects" of Microsoft, Oracle, IBM and SAP.

But things have changed. According to Flexera's [2021 State of Tech Spend Report](#), Salesforce, ServiceNow, Google and Workday are among vendors receiving the most spend.



Vendors receiving the most spend

SaaS adoption and spend are a runaway train

And if your organization is like many others, your spend with tools like ServiceNow continues to increase quarter over quarter with little governance. Without SaaS spend optimization and risk management in place, SaaS applications become an unbridled expense.

“Our costs with ServiceNow started spiraling out of control. We were doing quarterly true-ups. So you can let as many people as you want have access to it. What you don’t understand is—and what you need to educate your users on—is there’s a charge for that. So even if the user isn’t using the application to the same extent at the end of the next quarter, you’re still paying for that. We had to really understand the ROI and make adjustments.”

– Director, Sourcing, Agriculture industry

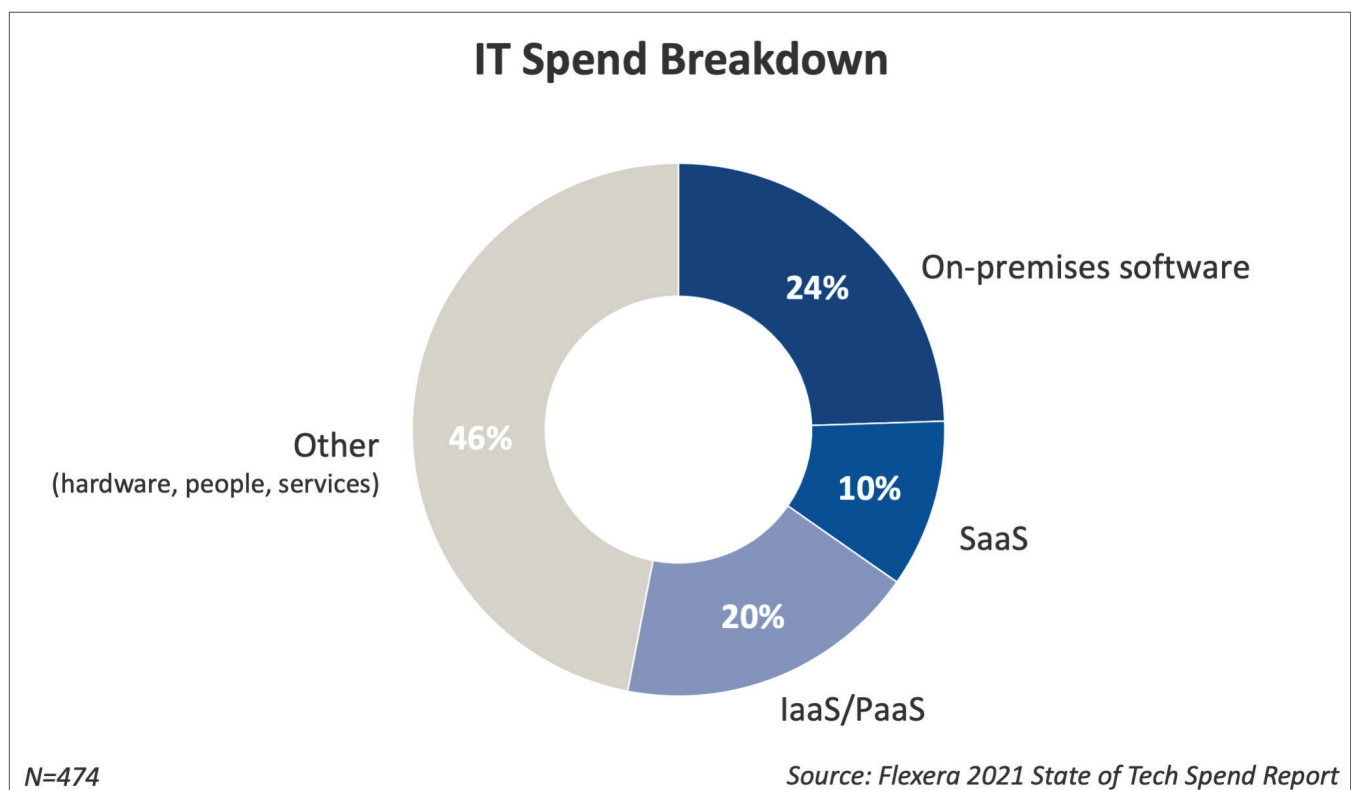
It's not just "born in the cloud" vendors

Microsoft, IBM, Oracle and SAP are also moving more of their solutions to SaaS or cloud offerings. So in order to rightsize your Microsoft contract, you need to have visibility into Microsoft's on-prem applications, Azure and O365 usage needs.

But even as more spend moves to SaaS, the adoption of [SaaS management](#) disciplines is lagging. Only 35 percent of respondents in Flexera's 2021 State of ITAM

Report say tracking SaaS usage and costs is part of the SAM team's responsibility. This indicates that SaaS spend management is not centralized and is instead governed by business units.

Or it could suggest that 10 percent of IT spend is not being governed at all.



Over half of IT spend is software or cloud

Follow the money

By now, your user community has probably subscribed to hundreds or thousands of SaaS applications. It's time to get visibility into what's happening. At the very minimum, you need to understand if ex-employees still have access to proprietary data for security purposes.

But where do you focus your SaaS cost optimization efforts? Just like with software spend, the 80/20 rule applies: 80 percent of your SaaS spend is going to be with strategic vendors like Salesforce, Workday and Microsoft O365.

The long tail of SaaS apps is interesting, but it has diminishing returns for spend optimization efforts. When you "follow the money" for SaaS optimization, you'll free up more budget dollars to invest in innovation.

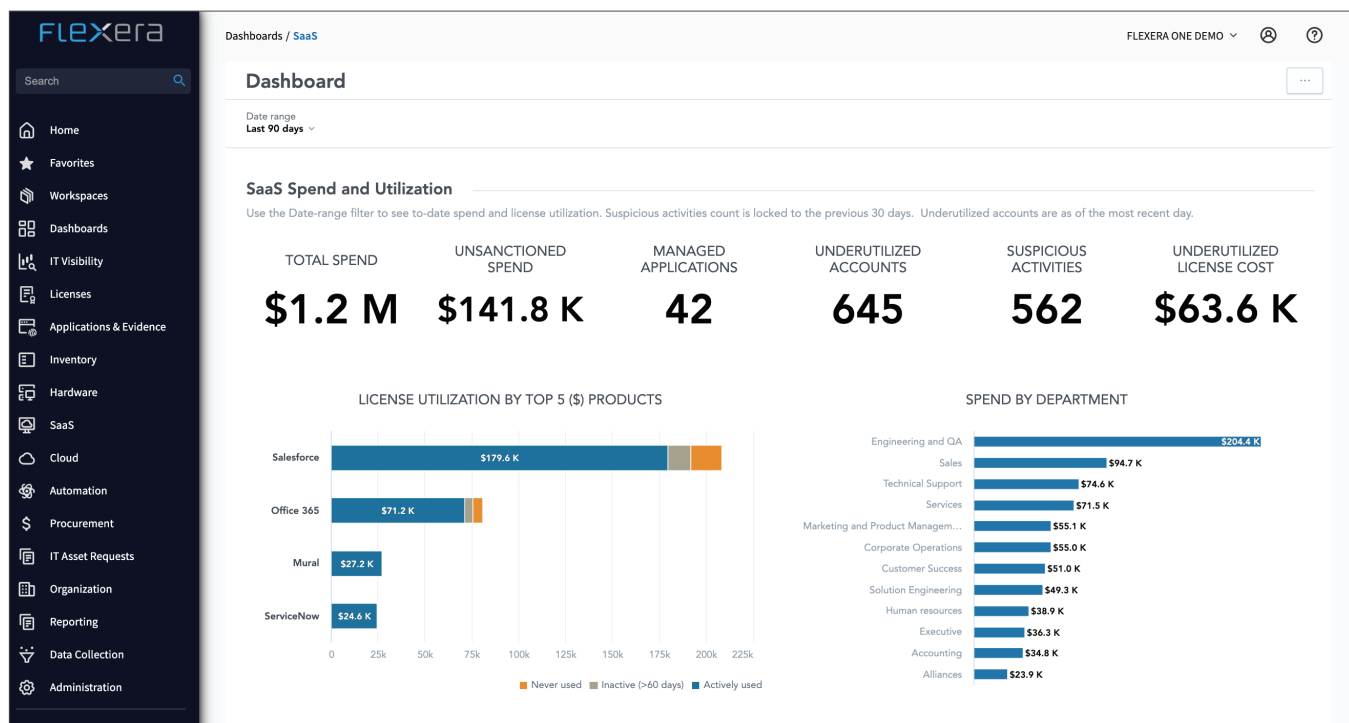
"If I look at this is a curve, you wouldn't do the long tail of like your minimal subscriptions. You focus on ERP solutions such as Oracle, NetSuite, SAP, Workday, ServiceNow. Salesforce.com would be a big one too. Just that management and insight alone gets us a long way because that's how they make the revenue. They divide and conquer and you end up with many contracts and costs that just keep going up."

– Managing Director, IT, Logistics industry

Stop leaving money on the table

This means you need to look for capabilities that go beyond just SaaS discovery. Vendors like Salesforce have very complex pricing structures and a large portfolio of products. It's not enough to simply discover salesforce.com. To optimize a complex contract like Salesforce, you need to optimize all of the modules—for example, Salesforce Marketing Cloud contacts and Salesforce App Exchange.

But even optimizing Microsoft O365 is complex, as it has both SaaS and on-premises elements. Adopting purpose-built SaaS spend optimization tools that have the ability to go deep into your strategic SaaS licenses provides actionable cost savings and meaningful ROI.



Take advantage of actionable cost savings and meaningful ROI

You need to see beyond discovery

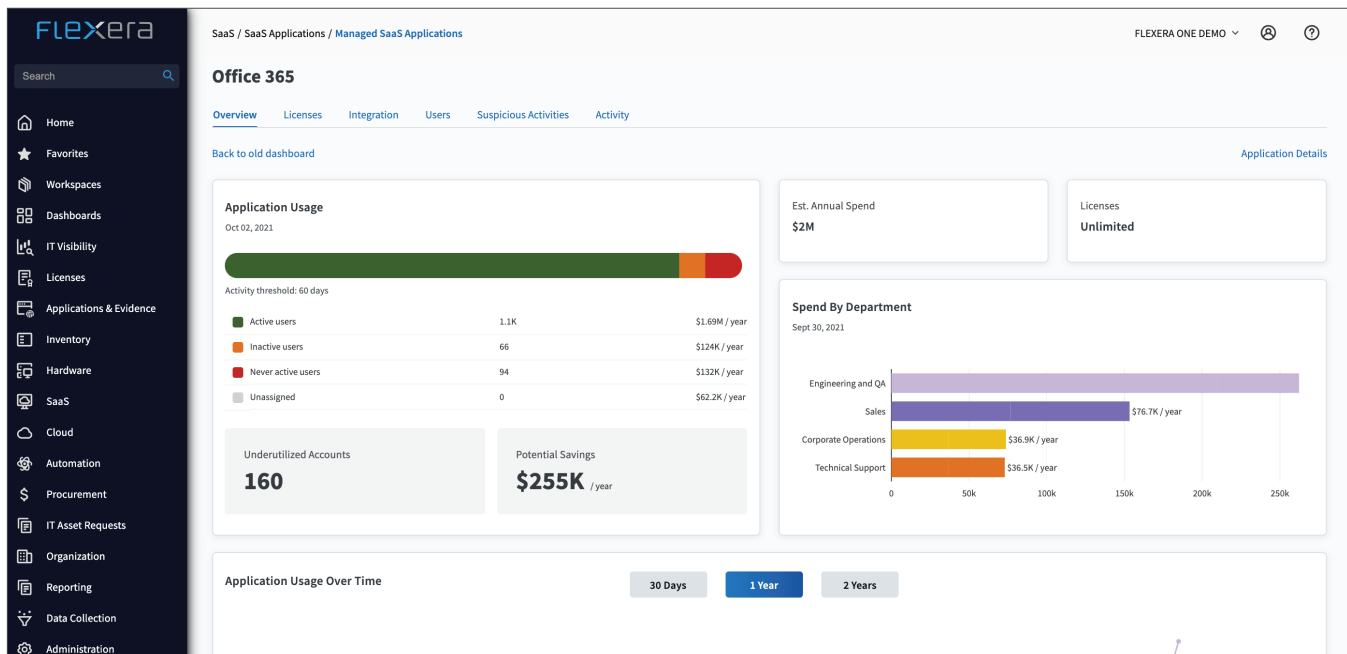
Software licensing has never been simple. And SaaS licensing with large vendors like ServiceNow, Salesforce, Microsoft, Adobe and Workday is no exception. These providers have large portfolios of products that are monetized not just by number of users but also by transactions, storage, API usage and many other dimensions.

The Flexera difference

Flexera One's **SaaS Management** solution goes far beyond discovery to provide true optimization of the different elements of SaaS licensing. Your largest costs aren't just for number of subscribed users; that would be too easy. Flexera One's SaaS Management enables you to tackle the true costs of your biggest SaaS vendors.

Flexera has been solving these SaaS spend optimization problems and saving our customers millions for more than 15 years.

Flexera One helps you visualize your entire estate from on-premises to **SaaS** to **cloud**. And it delivers the power to mitigate risk, reduce costs and maximize every technology investment—so everyone in your organization wins.



SaaS Management enables you to tackle the true costs of your biggest SaaS vendors

Are your cloud costs optimized?

The answer to the question is: probably not

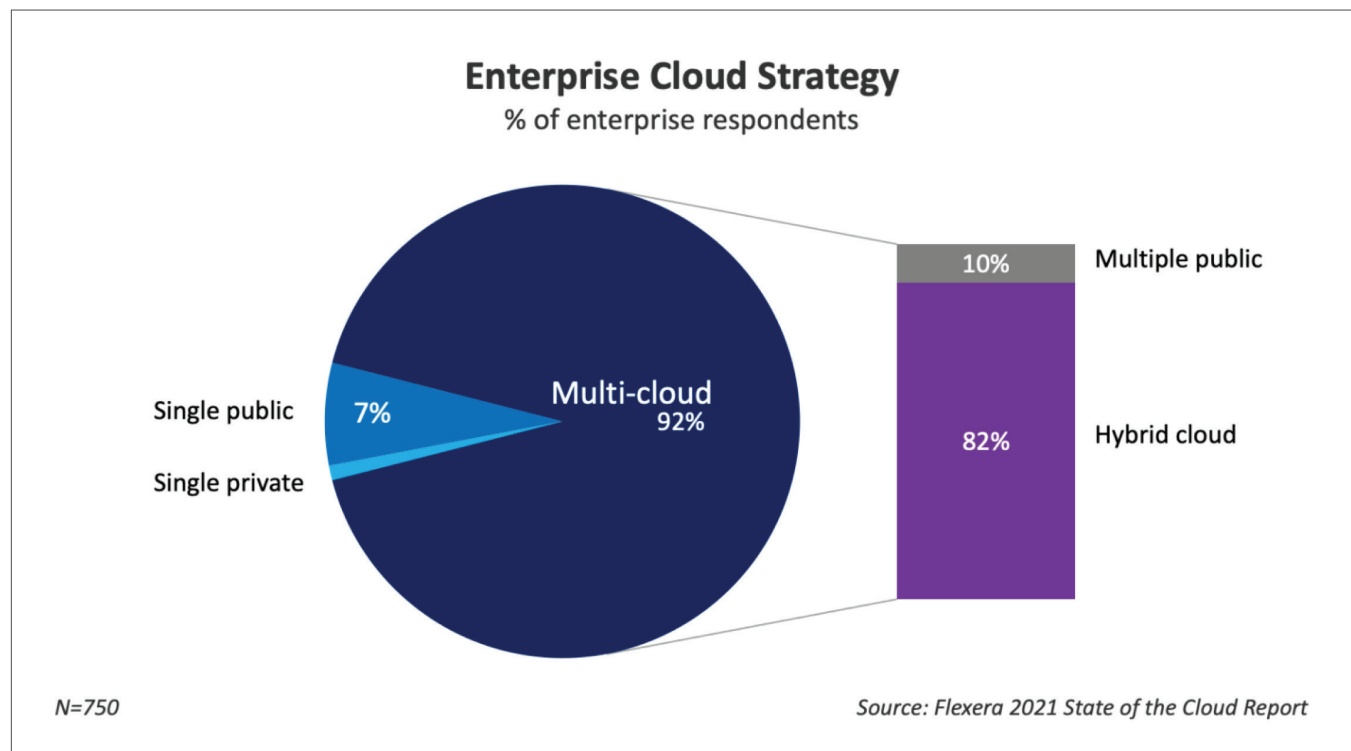
But there's hope—and help—for IT leaders who struggle to make sense of the increasing complexity of the cloud.

As Flexera's [2021 State of the Cloud Report](#) illustrates, the adoption of cloud continues to grow across all industry verticals, and across organizations of all sizes.

As shown in the figure below, 99 percent of organizations are currently utilizing at least one public cloud provider. With this proliferation of cloud usage and adoption come larger and more complex bills from the providers.

Can't decipher a cloud bill? You're not alone

The complexity of these bills and the pricing models on which they're built present a bewildering challenge for IT professionals managing the combination of public and private clouds adopted by so many organizations. But the clarity delivered by Flexera One's [Cloud Cost Optimization](#) (CCO) application helps you find the signal in the noise that is your cloud provider bill, and provides recommendations on where and how you can optimize your cloud spend.



Most organizations are currently utilizing at least one public cloud provider

What is cloud cost optimization?

The optimization and automation features CCO delivers include:

- **Slice and dice bill data:** CCO's tabular view functionality allows you to subdivide your bill across any single dimension, or any combination of multiple dimensions. For example, you can view costs associated with a particular provider account, a specific cost center within that account, a particular application, or even an individual user (all the way down to a specific day and time for that user). This enables you to find the “big rocks” that would benefit from further investigation to determine if the spend is warranted or not
- **Customized dimensions:** CCO's rule-based dimensions (RBD) feature adds to the efficacy of the tabular view as it allows you to create your own dimensions that aren't encapsulated by account/project boundaries, or that are captured via tagging of resources. An RBD can be created that spans accounts (even across different cloud providers) or includes multiple projects or cost centers so you can group and analyze all your cloud costs in any structure that makes sense for your organization and use case
- **Automation:** As the [Flexera One](#) platform is “API first,” all functionality available via the CCO UI can also be accessed and utilized programmatically. This enables development and engineering teams to automate the scheduling of optimization checks, as well as the execution of any recommendations that result
- **Provider discount cost reallocation:** All cloud providers offer discounting mechanisms such as reserved instances and savings plans. The ability to allocate these discounts properly across the accounts that utilize them is paramount in accurate and fair cost accounting across business units, applications and account. CCO can provide visibility into how these discounts are being allocated, enabling accurate showback and/or chargeback
- **Discounted spend coverage:** CCO provides the ability to see all your cloud spend across all resource types and determine which portions of that spend are covered under some type of provider discount—including reserved instances, savings plans and spot instances. This, in combination with CCO's recommendations, can help increase the percentage of your monthly bill that's covered by discounts, resulting in more optimized use of your cloud spend

Adding muscle to showback and chargeback

As part of the cloud cost optimization journey, many organizations use showback and/or chargeback to their internal business units, allowing them to illustrate to their users the amount of cloud costs each incurs.

Sometimes even just this visibility will spur groups to self-optimize their cloud spend once they realize the extent of these costs (when these reports are issued publicly within the company, it's sometimes referred to as "shameback," as groups come to realize how much more they're spending than their counterparts, providing further motivation to optimize).

CCO has powerful functionality within showback and chargeback, including the ability to add adjustments to the costs shown to users, such as the addition of overhead charges for a central IT team's efforts and involvement, or to distribute costs such as provider support contracts across all the groups that participate in that contract.

The cloud is a double-edged sword

Compared to the days of yore in the data center, the cloud has made it infinitely easier to provision and access resources. However, this efficiency has made it equally easy to spend money quickly and non-optimally.

Good [cloud governance practices](#) can assist with reining in some of these issues, but cloud cost optimization is at the core of getting the most efficient benefit from your cloud resources.

How can you optimize your migration to the cloud?

The complex task of cloud migration

As the benefits of cloud continue to be realized, more and [more organizations are accelerating their plans to utilize public cloud services](#) for their workloads.

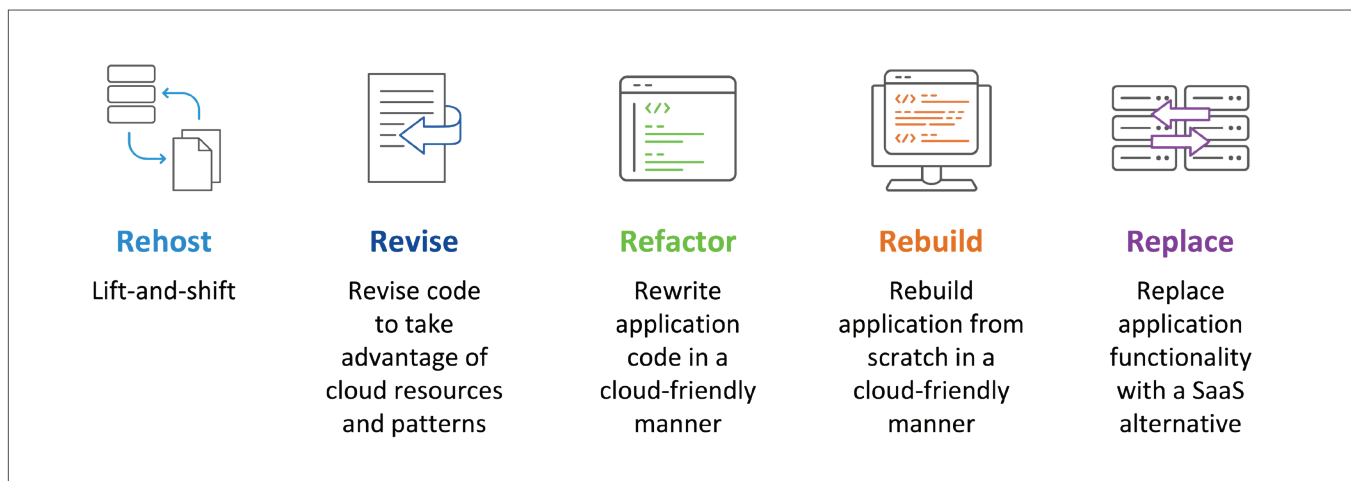
If you're like many businesses, your first few cloud-based applications were developed directly in the cloud and were architected to use cloud-friendly patterns and services. These are often referred to as "greenfield" applications, as they're seeded, sown and nurtured in the cloud from the outset.

There will still be, however, a large number of applications in your portfolio that were developed years (or perhaps decades) ago, that run in non-cloud environments. These legacy applications were developed with technologies that were state-of-the-art at the time, and most likely involved on-premises resources. They were architected to take advantage of these self-owned and controlled resources, some or all of which may not be available in the public cloud.

The 5 ways to move applications to the cloud

There are multiple strategies for migrating these non-greenfield (often referred to as "brownfield") applications to the cloud, each with its own pros and cons. These strategies, known as the "5 Rs," are illustrated below.

No matter the strategy, careful forethought and planning are essential in order for a migration to be successful. Many applications fail and/or struggle in their new cloud environments due to a lack of a true understanding of the application itself, as well as its dependencies and relationships with other applications in the portfolio.



The five ways to move applications to the cloud

Agentless discovery, automated dependency mapping

This is where Flexera One's [Cloud Migration and Modernization](#) (CMM) offering can provide significant insight and benefits to your cloud migration efforts.

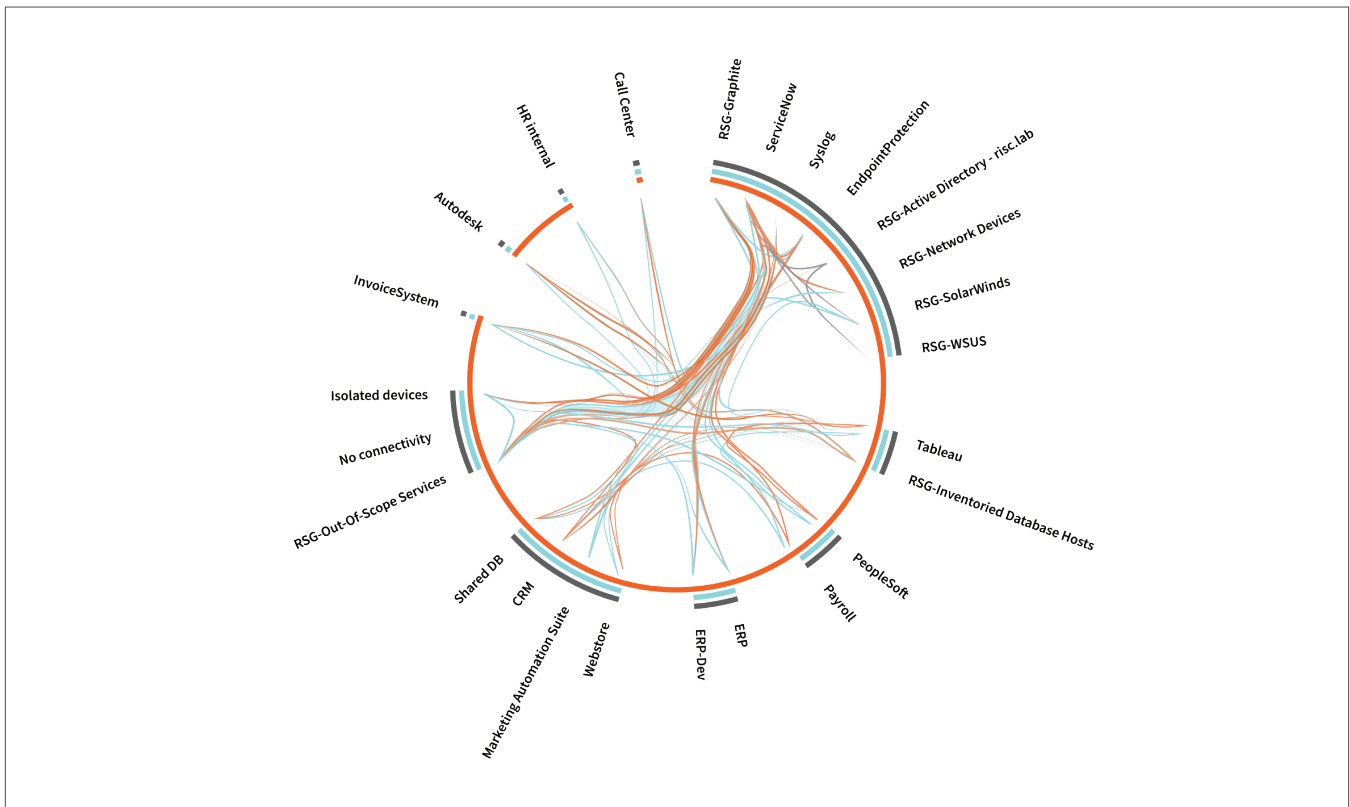
CMM utilizes an agentless discovery mechanism that traverses your network and all the devices it contains, taking inventory of both the physical resources involved and the applications and services running on those resources.

The data from these inventory sources is [normalized](#) using the power of [Technopedia](#), our proprietary and comprehensive IT asset data repository. This enables application rationalization by identifying areas of redundancy or opportunities for consolidation—as the easiest migration you can perform is the one you don't need to do at all.

After collecting and normalizing this inventory data, CMM identifies the dependencies between the applications in your IT estate and creates [business service maps](#) illustrating which of these application components comprise unique [business services](#).

For example, a database that's utilized by many different applications will be represented as a spider web of dependencies in the UI of a standard application dependency tool.

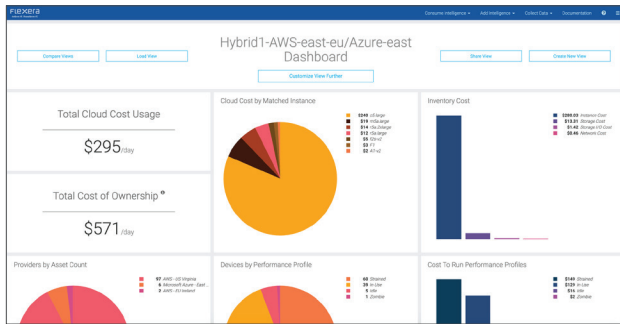
But with CMM, the individual business services that access that database are highlighted, as well as automated application grouping of device dependencies within those business services, allowing for a more informed decision on which applications should be prioritized for migration.



CMM allows you to make better-informed cloud decisions

Know your cloud costs before you migrate

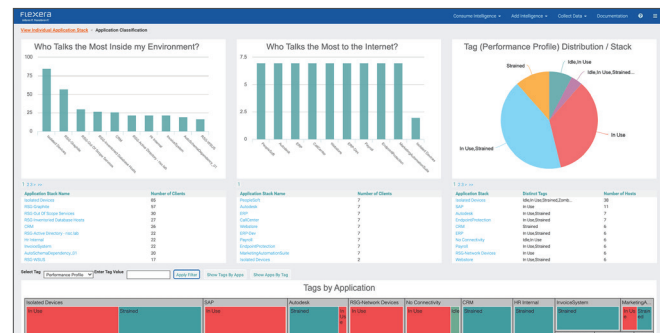
CMM's **Cloud Cost Assessment** functionality provides insight into which cloud provider, instance choice, purchase method and resource provisioning model is best for each workload, budget and performance requirements.



This provides valuable insight into the costs you can expect to incur based on which cloud and deployment model you choose, and places your workloads onto cost-effective resources, which can be more finely tuned with Flexera One's **Cloud Cost Optimization** capabilities.

Cloud Cost Assessment will also assist with on-premises cost optimization by identifying candidates for instance rightsizing as well as idle and/or unused resources.

In combination with Cloud Cost Assessment, CMM's **Workload Placement** features enable you to identify the performance requirements of your workloads and map these to the cloud providers and resources that are best aligned with those needs. Cloud migration application ranking can be customized using rulesets, tags and the collected performance data to suit any strategic migration initiatives.



Map your migration with precision and confidence

The full suite of features offered by CMM allows you to gain visibility into all the physical and application assets within your IT estate, and to prioritize the migration of these applications based on what matters most to your organization—whether performance, cost, ease of migration or any combination of these factors.

This data can be exported and used by numerous migration tools and services such as the AWS Migration Acceleration Program tool, RiverMeadow and CloudEndure. And as part of the [Flexera One](#) platform, these applications can be monitored and optimized from a cloud spend perspective once they have been migrated to their new home in the cloud.

Flexera cuts cloud complexity down to size

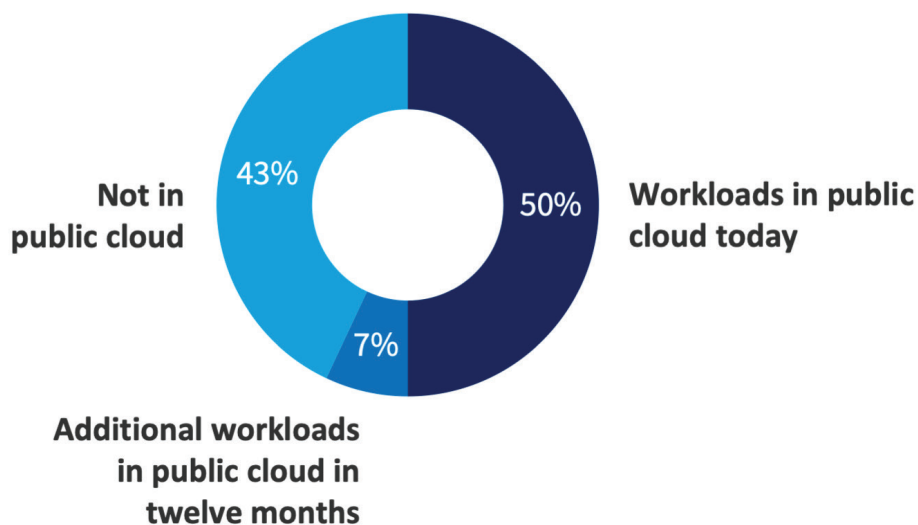
As Flexera's [2021 State of the Cloud Report](#) illustrates, 50 percent of organizations' workloads are in the public cloud today, with plans to expand this footprint even further in the coming months and years.

For the vast majority of these organizations, these will be existing workloads that must be migrated from their current home to the public cloud.

Cloud migration can be a daunting task, but Flexera One's [Cloud Migration and Modernization](#) delivers the insights that make it manageable.

Workloads in public clouds

All respondents



N=750

Source: Flexera 2021 State of the Cloud Report

Half of organizations' workloads are in the public cloud today

How can you get more from your investments in ITSM and ITFM?

Why your ITSM and ITFM platforms don't deliver as advertised

Like many organizations, you've invested substantial sums in IT service management (ITSM) and IT financial management (ITFM) solutions—as you should in many cases to streamline your organizational effectiveness.

These tools, however, don't deliver the entire IT service or finance picture, so fully understanding what ITSM and ITFM are and where they're used can help you identify the gaps in your asset data.

The answers you get aren't the answers you need

For example, your ITFM platform can highlight that you spend \$100 million annually on software, and specifically \$10 million with IBM.

Your ITSM solution can tell you that employees are requesting specific applications (e.g., Adobe Illustrator) and the number of incidents you've had around that application.

You now know how much you're spending overall and by vendor, and you can drill into applications from vendors to know how many are being requested.

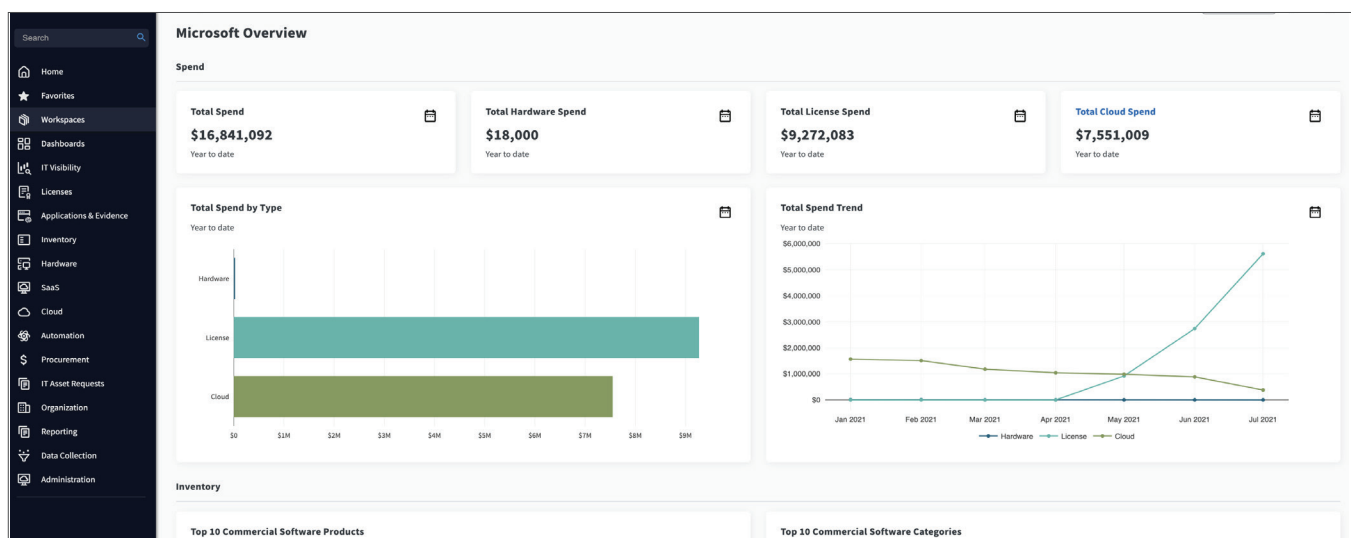
However, what your ITSM and ITFM platforms can't tell you is:

- Will you be out of compliance if an IT request is fulfilled? And do you have available licenses in a different version or for a comparable product?
- Are the applications requested at end of life or support? If so, what are the costs associated with extended support? What are the vulnerabilities attached to said applications? Is your organization at risk?
- What percentage of your spend is on databases and with which vendors? Which databases are more expensive? Can you reduce spend on one over the other?

Could you reallocate your licenses more effectively or save money on underused licenses?

It looks like your organization has \$10 million in duplicative software; could you rationalize your applications?

- ...and an endless list of questions that would help you rightsize across your estate, reallocate funds more effectively and reduce risk



Get a handle on your entire vendor relationship with accurate and comprehensive asset data

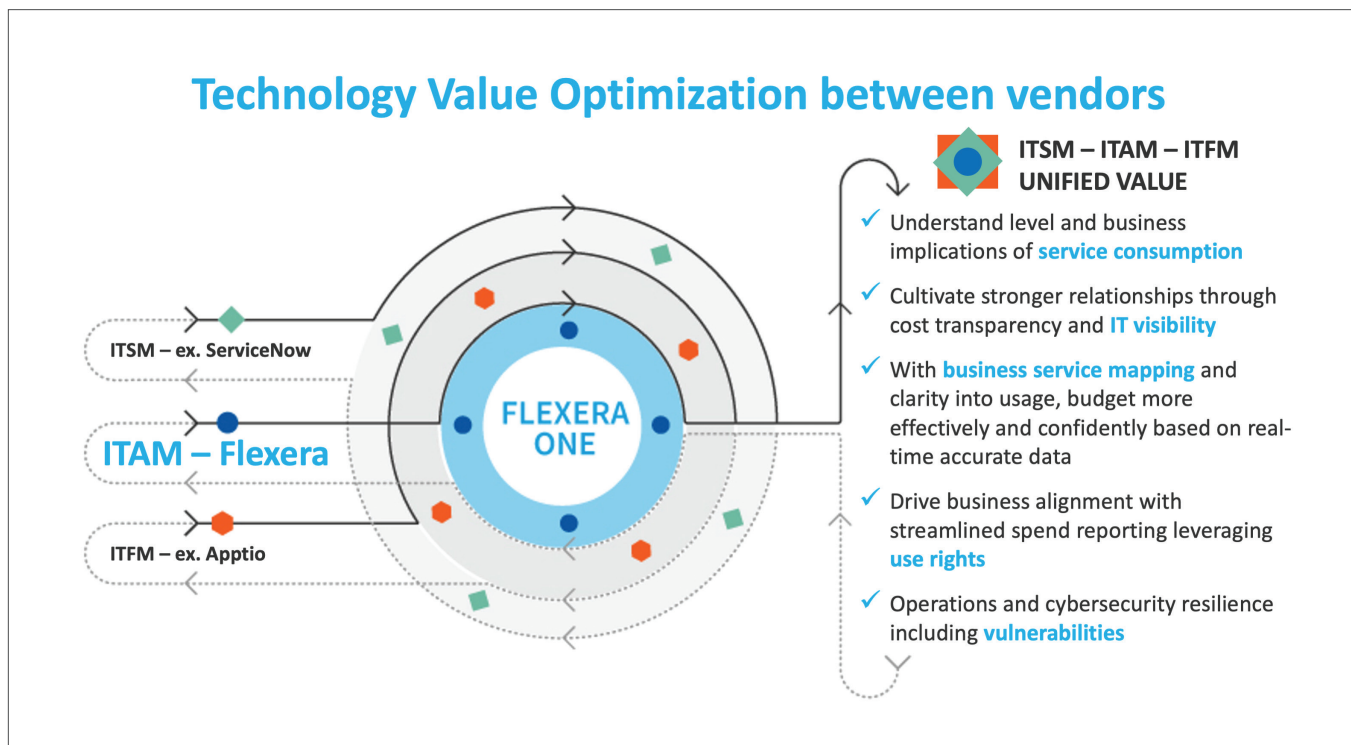
The missing ingredient: current and enriched IT asset data

If you want to see your investments in ITSM and ITFM pay dividends, you need to fuel these platforms with the accurate and comprehensive IT asset data provided by Flexera One's [IT Visibility](#) solution.

But don't expect miracles from your ITSM and ITFM platforms alone. Flexera One's IT asset data helps ITSM and ITFM tools work better, with accurate asset inventory information that's [critical to maintaining clean configuration management databases \(CMDB\)](#), data for building sound financial management with cost optimization and enrichment with intelligence for prioritization and risk mitigation.

Here's a simple way of illustrating the comparison:

- ITSM shows you what assets you have; Flexera One shows you if you have the right assets
- ITFM shows you your IT spend; Flexera One shows you if you're spending smart



One way of illustrating the comparison

What's the cost of doing nothing?

Why perform software audits: Profitable growth

IT spend—particularly for [cloud](#) and [SaaS](#)—continues to increase year over year. In fact, the rate of cost increases often outpaces the growth rate of the business. And if your costs for software, SaaS and cloud are growing at an annual rate of 10 percent but the company is growing at only three percent, that's an unsustainable situation.

Full disclosure: many of the organizations that engage Flexera for our IT management solutions don't want to spend less money. It may seem counterintuitive, but spending less is rarely the desired outcome.

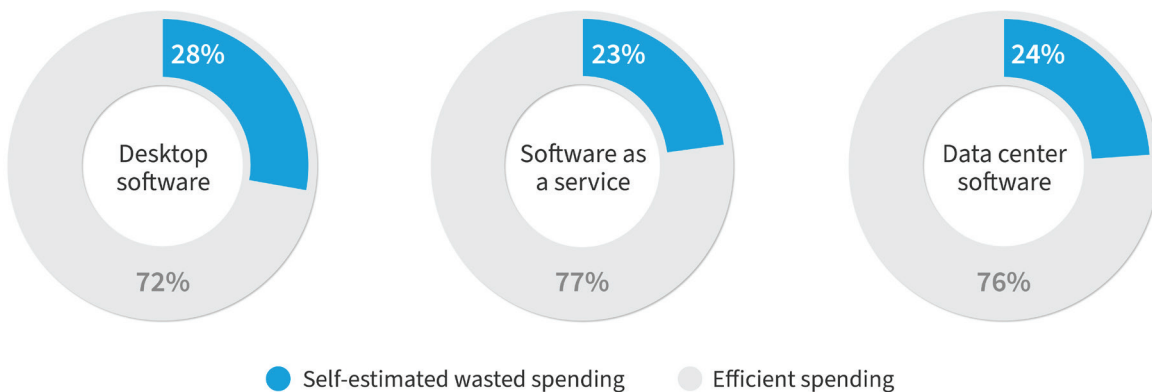
What IT professionals really want

The goal instead is to flatten the spend curve and remove unpredictability. To seize the opportunity of [technology value optimization](#) in order to direct funds towards innovation and growth. To remove waste from IT spend while providing an exceptional digital experience for customers and employees.

When it comes to software, SaaS and cloud spend, there's no shortage of waste. And every wasted or unoptimized dollar cuts into profitability and investment in growth.

But only 36 percent of the IT budget is allocated to growth and innovation (source: Flexera's [2021 State of Tech Spend Report](#))

Waste in software spend



Cloud spending and waste

\$235 billion

Estimated global cloud computing spending in 2020



Source: Flexera 2021 State of the Cloud Report and 2021 State of ITAM Report

“IT is too expensive”

IT leaders are under constant pressure to do more with the same or—more likely—do more with less. Yet the C suite continues to ask why IT costs so much.

How do you show cost efficiency? In “[How to Demonstrate IT Cost Management Success](#),” Gartner recommends clearly communicating your cost per unit improvements by splitting IT costs into supply and demand.

With this approach, IT leaders demonstrate IT cost efficiency with:

- **Asset utilization:** Demonstrate that IT is getting the most out of its assets, across software, infrastructure and cloud
- **Resource utilization:** Show that the CIO has resourced at the right level, and that the CIO

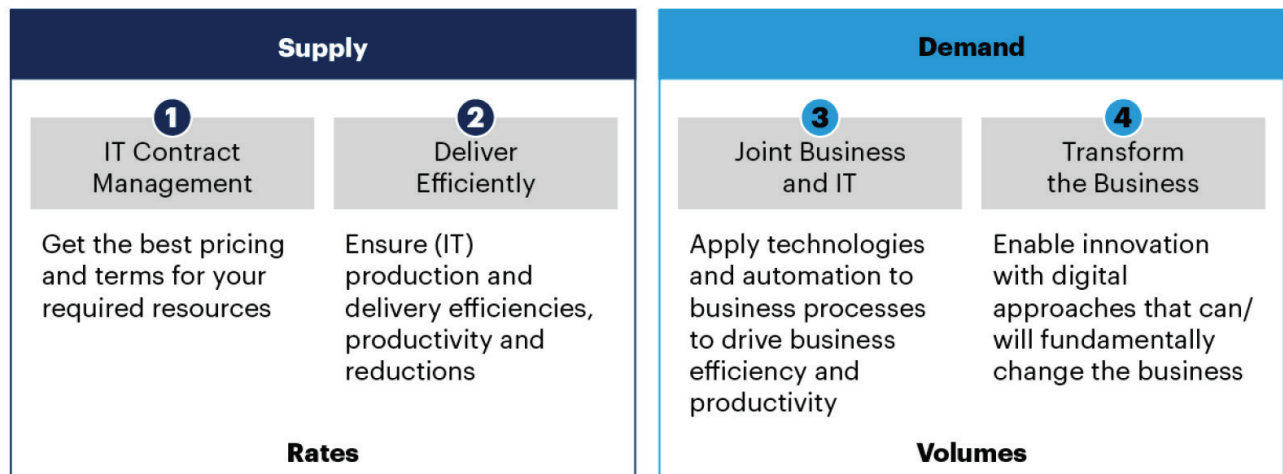
is managing IT teams to maximize delivery against IT demand

- **Strategic decision making:** Demonstrate the financial impacts of major strategic decisions taken within IT

Recommended activities providing evidence of success include:

- Set up and maintain a process to regularly identify and eliminate waste
- Implementing [software asset management](#) and [cloud management](#) tools
- Evolve pricing management on cloud usage (for example, use of spot rates where appropriate)

The Portfolio View of IT Cost Optimization



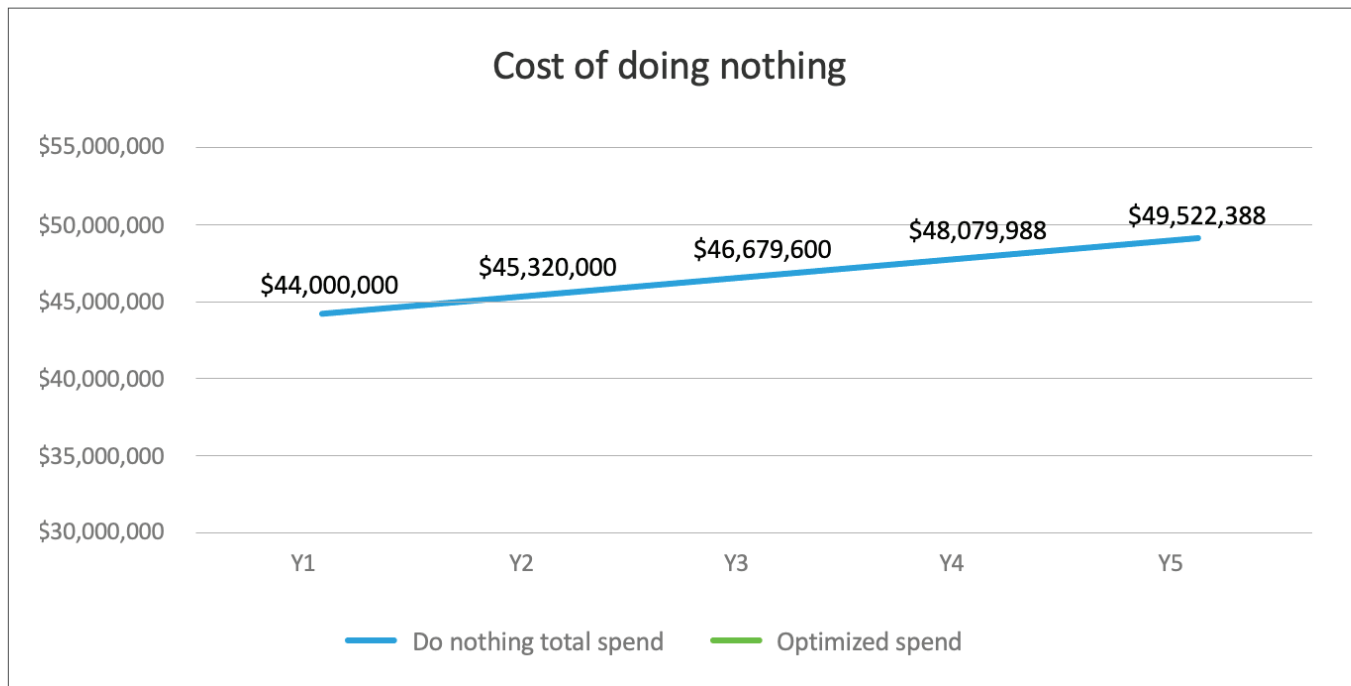
Source: Gartner
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Gartner.

The portfolio view of cost optimization splits IT activity into the supply and demand of IT, and then into two further subsections

The ROI of IT cost optimization—and the cost of doing nothing

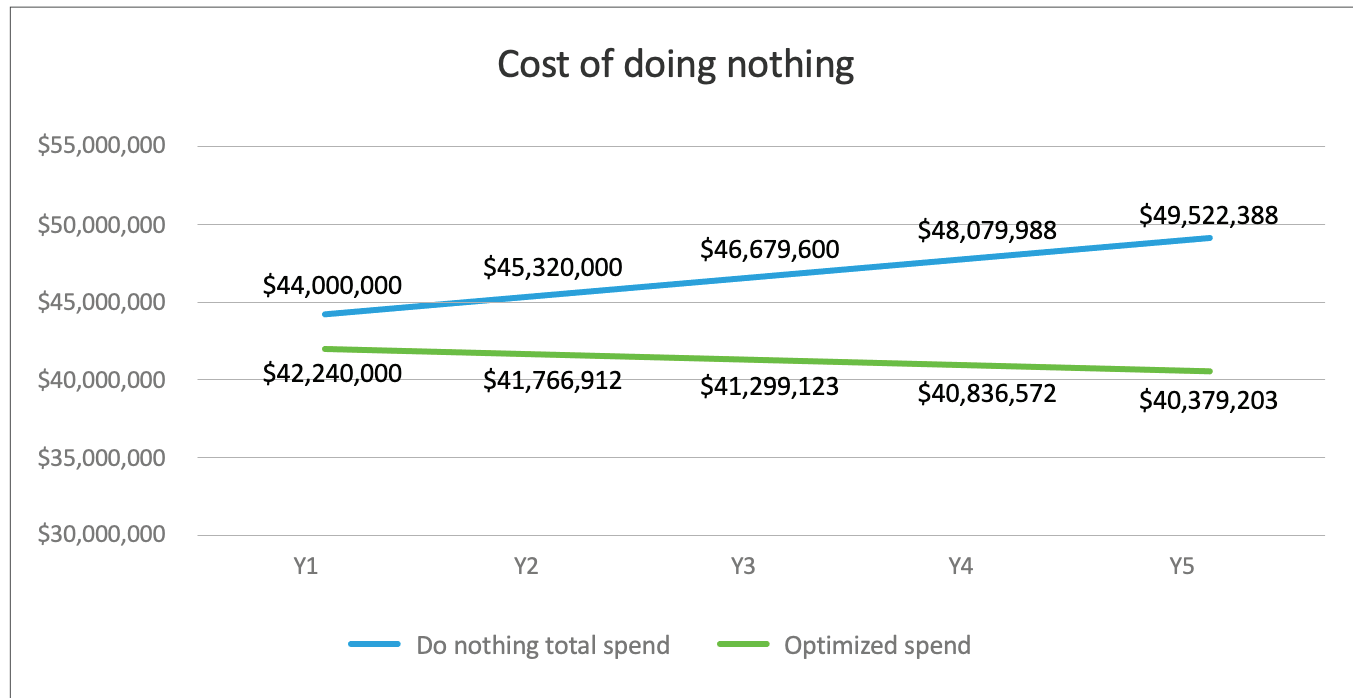
As your costs increase year over year, you'll face greater pressure to prove IT cost efficiency. Assuming you're spending \$44 million annually for software, SaaS and cloud services combined, and your costs are increasing at a conservative three percent per year, the total five-year spend across software, SaaS and cloud is \$234 million.



Example of total five-year spend across software, SaaS and cloud

Now apply a very conservative annual savings of four percent—achieved through the technology value optimization delivered by [Flexera One](#)—and that five-year spend decreases to \$207 million.

The cost of doing nothing is \$27 million over five years if you let your IT costs continue to increase with no intervention.*



Five-year spend decreases to \$207 million when TVO annual savings are applied

**Assumes 3 percent annual software, SaaS, cloud spend growth in current state and 4 percent annual savings with Flexera*

The bottom line

Just imagine if:

- You shaved a conservative five percent off your cloud spend with AWS
- You shaved a conservative three percent off your spending with Salesforce
- You shaved a conservative five percent off your expenses with ServiceNow
- You shaved a conservative four percent off your next Microsoft renewal
- You shaved a conservative six percent off your next IBM true-up
- You shaved a conservative two percent off your unoptimized expenses with Oracle

It's easy to see that those savings add up pretty quick. Now imagine all the advancements you could make with your cybersecurity, [cloud migration](#), digital transformation and customer experience initiatives with those reallocated funds.

It's all possible with Flexera One—the only IT management solution that allows you to visualize your entire estate from on-premises to [SaaS](#) to the [cloud](#). You'll be able to mitigate risk, rightsize your IT estate, reduce costs and maximize every technology investment.

NEXT STEPS

Get the IT visibility and control you need to change the game

[CONTACT US](#)

ABOUT FLEXERA

Flexera delivers SaaS-based IT management solutions that enable enterprises to accelerate the return on their technology investments. We help organizations *inform their IT* with total visibility into complex hybrid ecosystems, so they can *transform their IT* by rightsizing across all platforms, reallocating spend, reducing risk and charting the most effective path to the cloud.

More than 50,000 customers subscribe to our technology value optimization solutions, delivered by 1,300+ passionate team members worldwide. To learn more, visit [flexera.com](#)