

FLEXERA™

State of ITAM Report

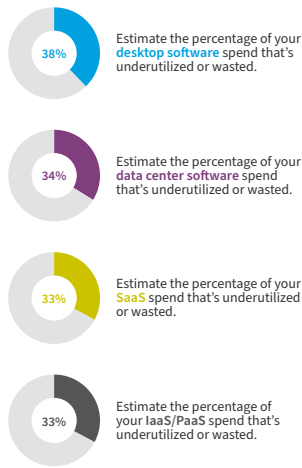
As digital transformation pressures increase, high-functioning enterprises are leaning on ITAM

flexera
Inform IT. Transform IT.™

Report highlights

Here's a sample of key findings from this year's report based on a survey of 500 IT executives from around the world. Scroll to find out more.

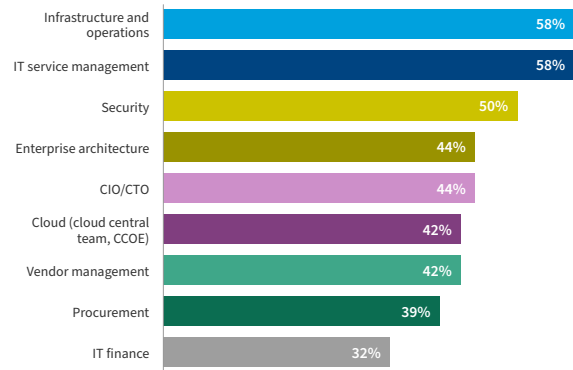
Estimated wasted spend remains significant across the IT estate



N=500
Source: Flexera State of ITAM Report (October 2022)

FLEXERA

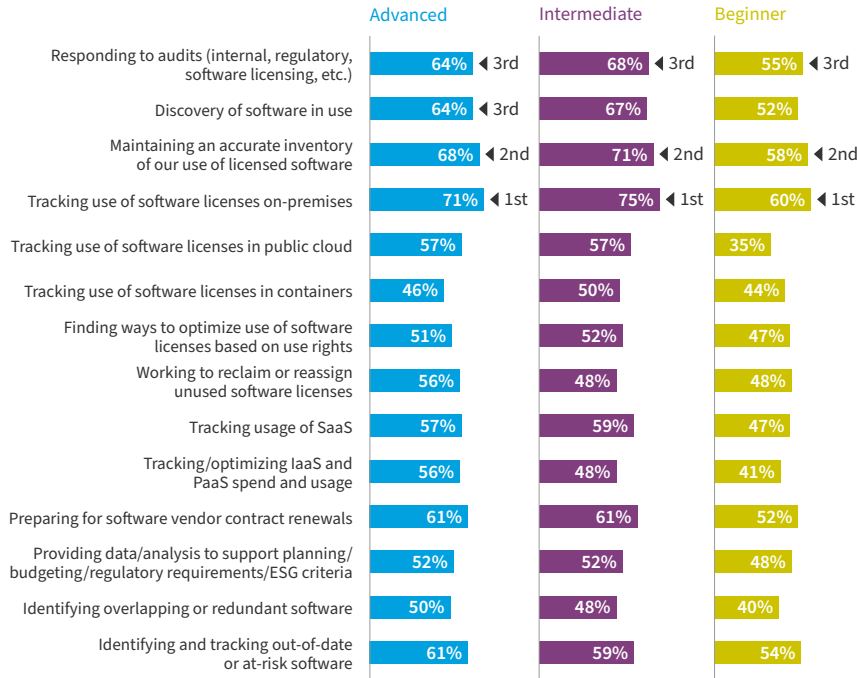
What's the level of significant interaction between your SAM team and the following teams?



N=500
Source: Flexera State of ITAM Report (October 2022)

FLEXERA

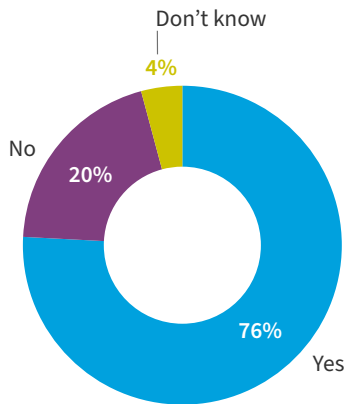
SAM responsibility by maturity



N=500
Source: Flexera State of ITAM Report (October 2022)

FLEXERA

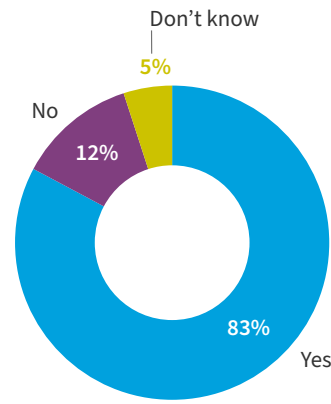
Does your organization have a defined sustainability policy or process for hardware assets?



N=500
Source: Flexera State of ITAM Report (October 2022)

FLEXERA

Does a member of your ITAM/SAM team participate in, or contribute to, your organization's CCOE/cloud central team?



N=346
Source: Flexera State of ITAM Report (October 2022)

FLEXERA

The technology landscape is changing, and digital transformation pressures are mounting. The highest-functioning enterprises are leaning on ITAM (IT asset management) practitioners who face new and evolving challenges. The *Flexera State of ITAM Report* provides insight into the makeup and focus of ITAM teams at enterprise-level organizations. The report offers commentary and advice on [ITAM usage statistics and trends](#). These are indicated throughout as Flexera POV (point of view). The report takes a high-level view of IT investments across public cloud, hybrid cloud and SaaS technologies.

The *Flexera State of ITAM Report* reveals:

- [ITAM is a critical and strategic function in the enterprise >](#)
- [Asset management challenges >](#)
- [Top initiatives for SAM teams >](#)
- [Relevance of vendors and audit activity >](#)
- [Cost of audits >](#)
- [SAM and HAM success metrics do not align with day-to-day activities >](#)
- [Role of CMDBs and the demand for greater visibility into IT assets >](#)
- [European Spotlight >](#)

Methodology

The survey tapped 500 global technology executives and leaders in the summer of 2022. They represent a broad cross-section of industries.

Reuse

We encourage the reuse of data, charts and text published in this report under the terms of this [Creative Commons Attribution 4.0 International License](#). You are free to share and make commercial use of this work as long as you attribute the *Flexera State of ITAM Report* as stipulated in the terms of the license.

This year's survey is weighted more heavily toward larger companies, with 70% of respondents in organizations with more than 5,000 employees, up from 51% last year. Ten percent of respondents have fewer than 2,000 employees and 10% have more than 100,000 employees (a new category this year).

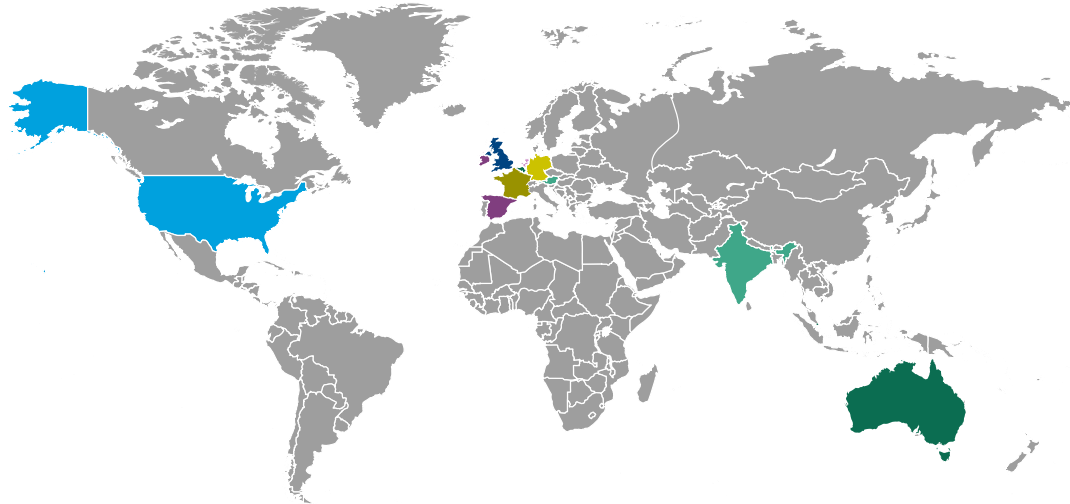
What size is your organization?



N=500
Source: Flexera State of ITAM Report (October 2022)
FLEXERA

More than half of the respondents were from North America this year and there was a significant increase in European respondents. One quarter of respondents came from the UK, Germany or France.

Where are your headquarters located?



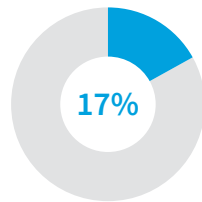
United States	59%	Ireland	3%	Australia	1%
United Kingdom	12%	Spain	3%	Belgium	1%
Germany	6%	Austria	2%	Singapore	1%
France	5%	India	2%	Other Asia Pacific	1%
Netherlands	4%				

N=500
Source: Flexera State of ITAM Report (October 2022)

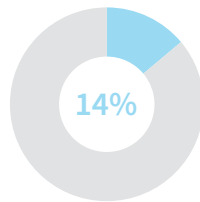
Flexera

Financial services (17%), tech: software (14%) and healthcare (13%) are the largest industries represented. The other category includes industries with less than 2% representation.

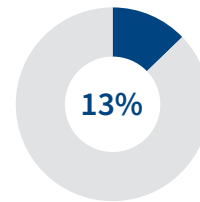
What's your company's industry?



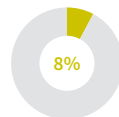
Financial services



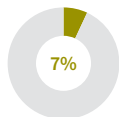
Tech: software



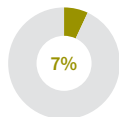
Healthcare



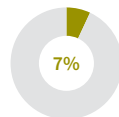
Industrial products



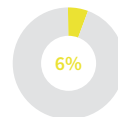
Consumer products and services



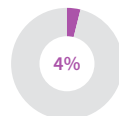
Retail and eCommerce



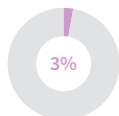
Tech: hosting/
cloud provider/
managed services



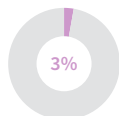
Transportation and logistics



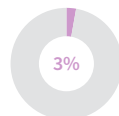
Other



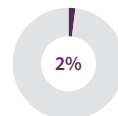
Tech: hardware



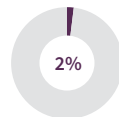
Education



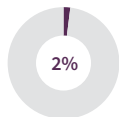
Telecom



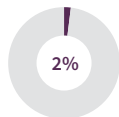
Business services



Tech:
other services



Government



Travel and hospitality

N=500
Source: Flexera State of ITAM Report (October 2022)

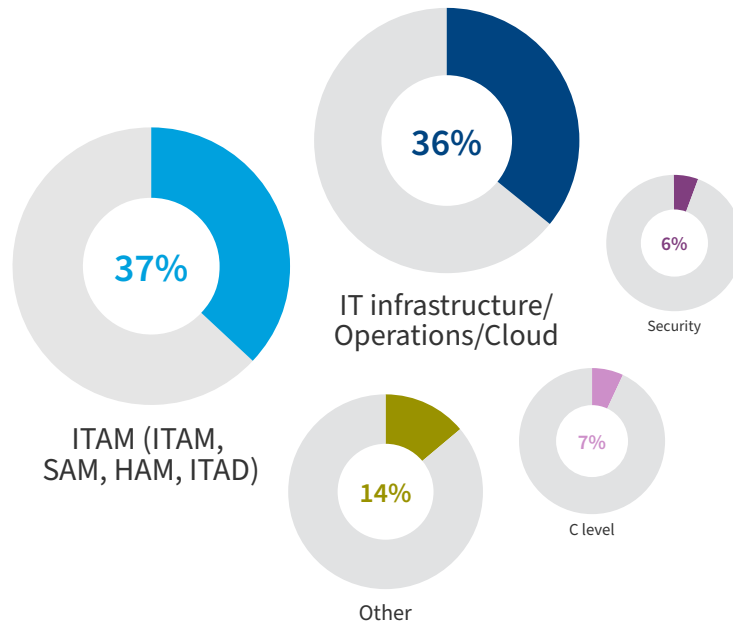
FLEXERA

ITAM is a critical and strategic function in the enterprise



The ITAM function continues to broaden in response to the growth of SaaS and cloud. Last year, 4% of respondents said cloud best described their function, and this year that number increased to 17%. And the increased focus on sustainability is placing more importance on ITAD (IT asset disposition)—safe, secure and environmentally responsible disposal of technological assets.

What best describes your function?

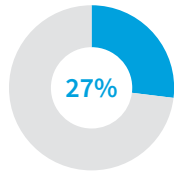


N=500
Source: Flexera State of ITAM Report (October 2022)

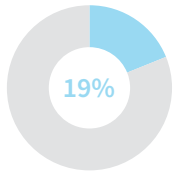
FLEXERA

73%

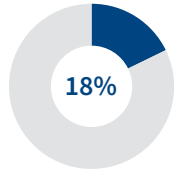
Nearly three-quarters of respondents work in ITAM (37%) or IT infrastructure, operations or cloud (36%).



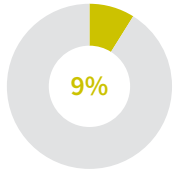
Manager/Sr. Manager



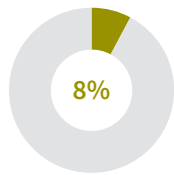
SAM/ITAM/HAM analyst or practitioner



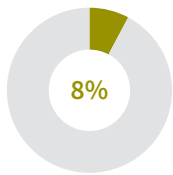
Director/Sr. Director



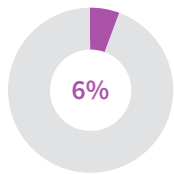
Architect



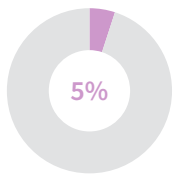
C level



VP/SVP/EVP



IT practitioner



President/
Managing director/
General manager

What's your role?

66%

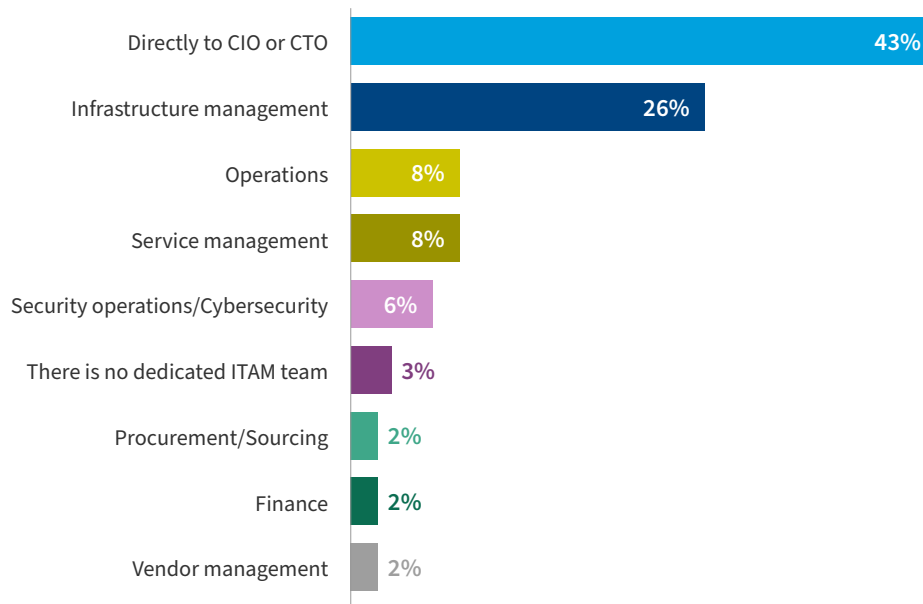
Two-thirds of respondents are manager level or higher

One-fifth (21%) of respondents are VP or higher.

N=500
Source: Flexera State of ITAM Report (October 2022)

FLEXERA

Where does your ITAM team report?



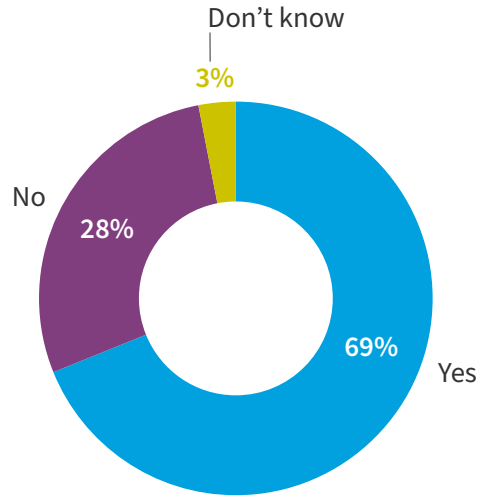
N=500
Source: Flexera State of ITAM Report (October 2022)
FLEXERA

Almost twice as many ITAM teams now report to the CIO/CTO

The ITAM teams reporting to the CIO or CTO went from 22% last year to 43% this year.

A cloud center of excellence (CCOE), a centralized way to manage an organization's cloud journey, is increasingly becoming the norm (69% of respondents).

Does your organization have a cloud central team or a cloud center of excellence (CCOE)?



N=500
Source: Flexera State of ITAM Report (October 2022)
FLEXERA

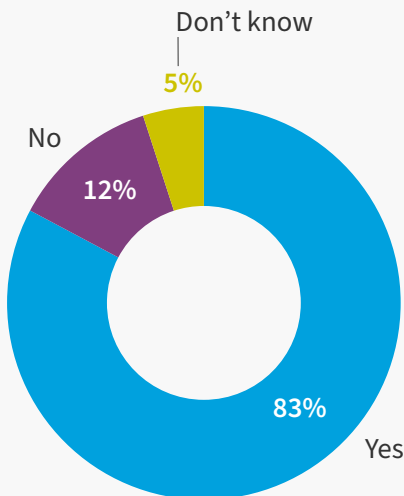
83%

of CCOEs have an ITAM/SAM member on the team

The CCOE will have the most exposure and influence on an organization's cloud journey.

FLEXERA POV

Enterprises should include ITAM practitioners in CCOEs.

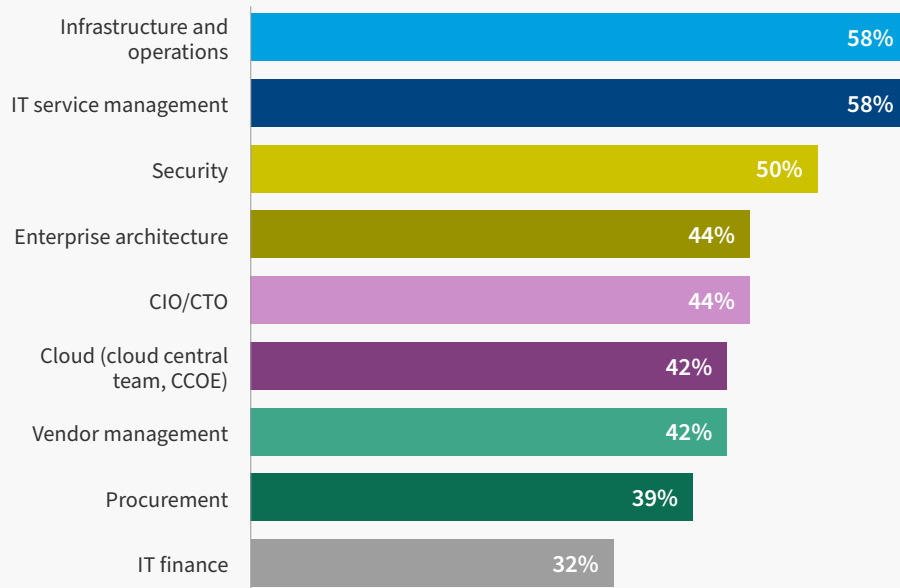


Does a member of your ITAM/SAM team participate in, or contribute to, your organization's CCOE/cloud central team?

N=346
Source: Flexera State of ITAM Report (October 2022)
FLEXERA

SAM teams are critical and interact with teams across an enterprise. This year, SAM teams interacted with a much broader set of enterprise teams than in years past. For example, interactions with *CIO/CTO* increased from 23% to 44%, *cloud* jumped from 26% to 42% and *security* from 35% to 50%.

What's the level of significant interaction between your SAM team and the following teams?

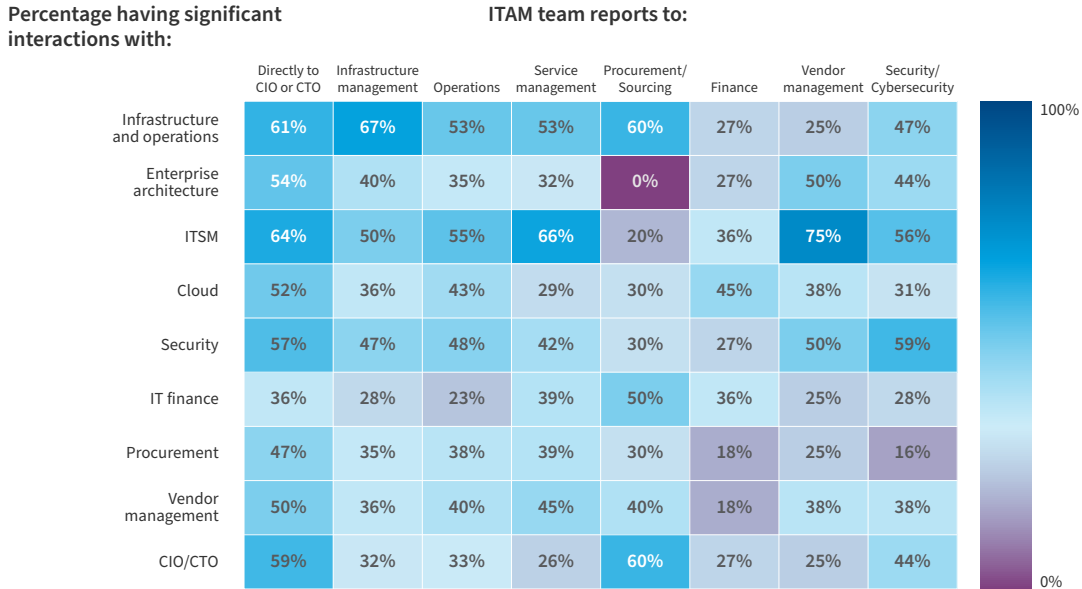


N=500
Source: Flexera State of ITAM Report (October 2022)

FLEXERA

ITAM teams reporting to the CIO/CTO have the highest level of significant interactions. We see an increase in ITAM teams' interactions with cloud teams compared to last year (the highest last year was 38% interacting with the cloud team, and the lowest was 16%).

ITAM teams' interactions by reporting structure



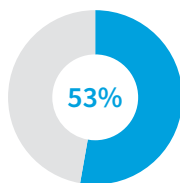
N=500
Source: Flexera State of ITAM Report (October 2022)

flexera

Asset management challenges

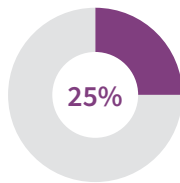


Which statement best describes where you are in implementing SAM in your organization?



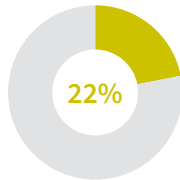
Advanced

Ongoing tracking, plus optimization of software licenses, beyond just audits/tracking SaaS and cloud usage



Intermediate

Ongoing tracking of our use of software licenses, beyond just audits



Beginner

Primarily audit response, just starting to develop SAM practice/processes

53%

reported advanced SAM practices, including *ongoing tracking, plus optimization of software licenses beyond just audits/tracking SaaS and cloud usage*

N=500
Source: Flexera State of ITAM Report (October 2022)

FLEXERA

FLEXERA POV

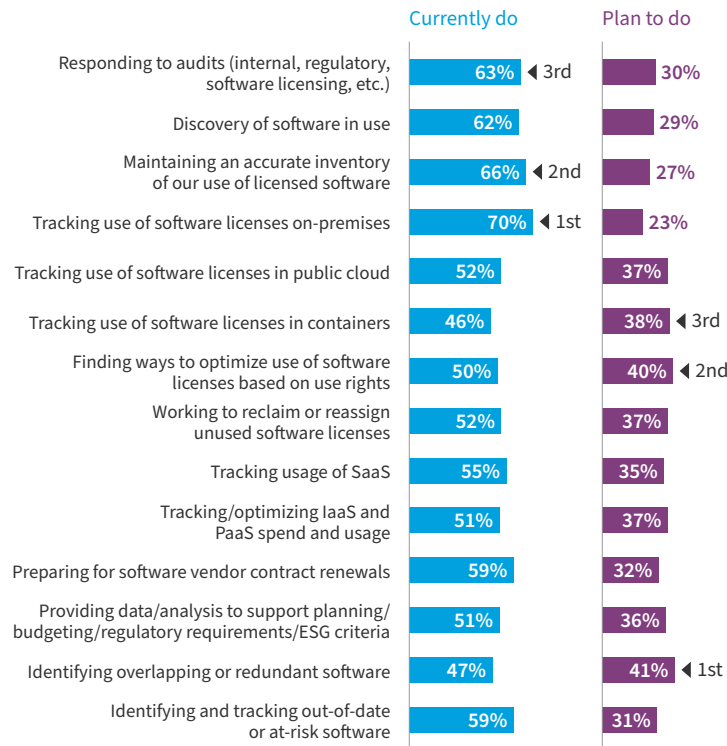
As SaaS and cloud usage and costs eclipse on-premises software, ITAM professionals should continue to increase their involvement in these areas.

Tracking the use of software licenses on-premises is currently the most common activity for ITAM teams. In the future, ITAM teams plan to focus on identifying overlapping or redundant software (41%), finding ways to optimize the use of software licenses based on use rights (40%) and tracking the use of software licenses in containers (38%)—this responsibility saw a significant increase year over year, from 28% to 46%, as did tracking use of software licenses in the cloud, from 42% to 52%.

FLEXERA POV

To keep up with their peers, ITAM and SAM professionals need to develop better processes to identify overlapping or redundant software, optimize software licenses based on use rights and track software licenses in containers.

What SAM-focused responsibilities does your ITAM team have?

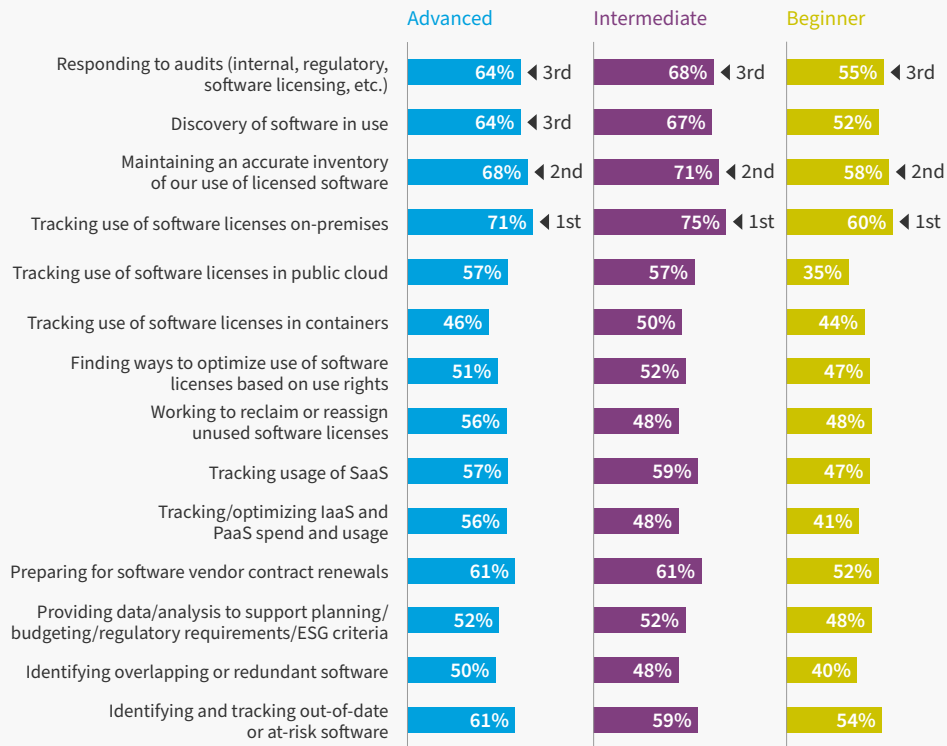


N=500
Source: Flexera State of ITAM Report (October 2022)

FLEXERA

SAM teams are maturing, and the gap between advanced and beginner SAM teams is closing. Last year, the difference in responsibility for *responding to audits* was 86% of advanced compared to 55% of beginners. This year, that gap is just 64% to 55%. Beginner organizations take on more responsibilities as SAM practices change and evolve to a more cloud-focused approach.

SAM responsibility by maturity



N=500
Source: Flexera State of ITAM Report (October 2022)

FLEXERA

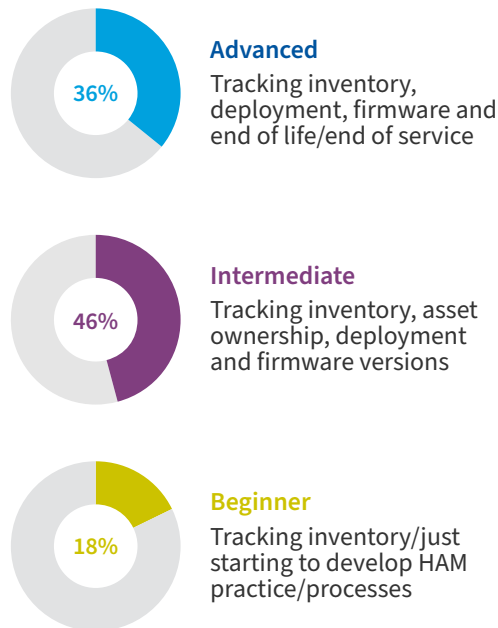
Hardware asset management (HAM) is less advanced than SAM. As previously discussed, 51% of SAM respondents are doing advanced activities, compared to just 36% of HAM respondents.

FLEXERA POV

There is a need for ITAM teams to mature HAM processes to catch up with the more mature SAM processes.

HAM will continue to evolve as it manages and tracks on-premises hardware, including servers, storage systems and network gear, as well as remote access devices employees use to access cloud resources, such as laptops, phones and mifi devices.

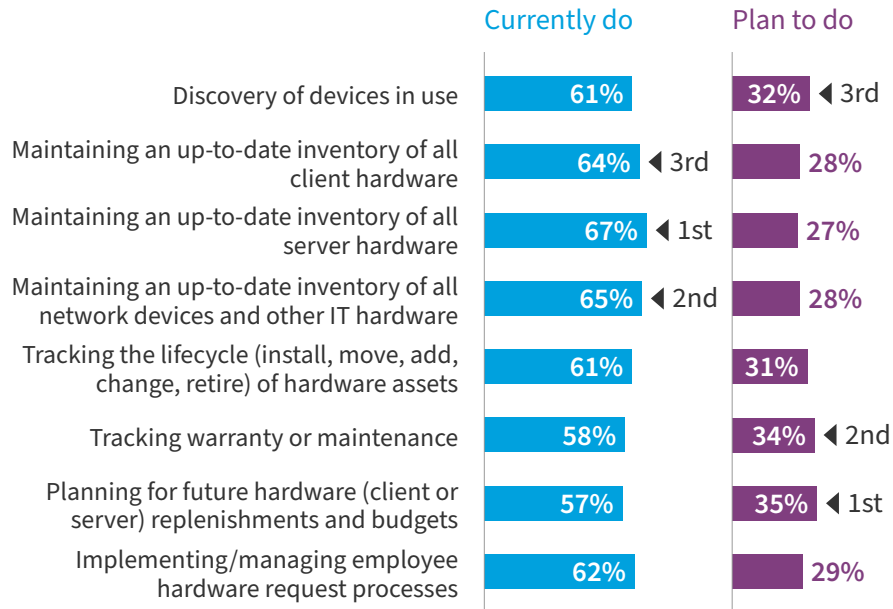
Which statement best describes where you are in implementing HAM in your organization?



N=500
Source: Flexera State of ITAM Report (October 2022)

Flexera

What HAM-focused responsibilities does your ITAM team have in your organization?

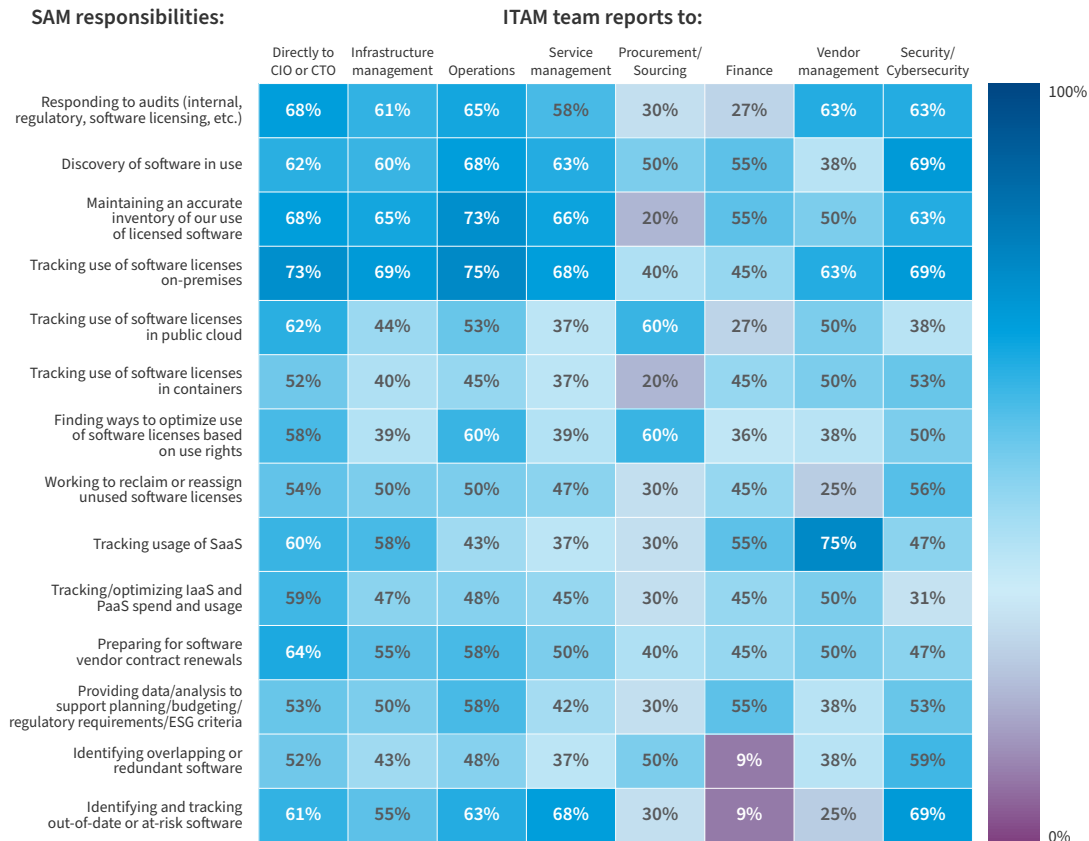


N=500
Source: Flexera State of ITAM Report (October 2022)

Flexera

Teams reporting directly to the C level have the broadest responsibilities. SAM teams have seen a significant increase in the *tracking use of public cloud* and *SaaS*. Teams reporting to security focus on security-related responsibilities such as *audits*, *identifying at-risk software*, and *maintaining an accurate inventory of licenses*.

SAM team responsibilities and where they report



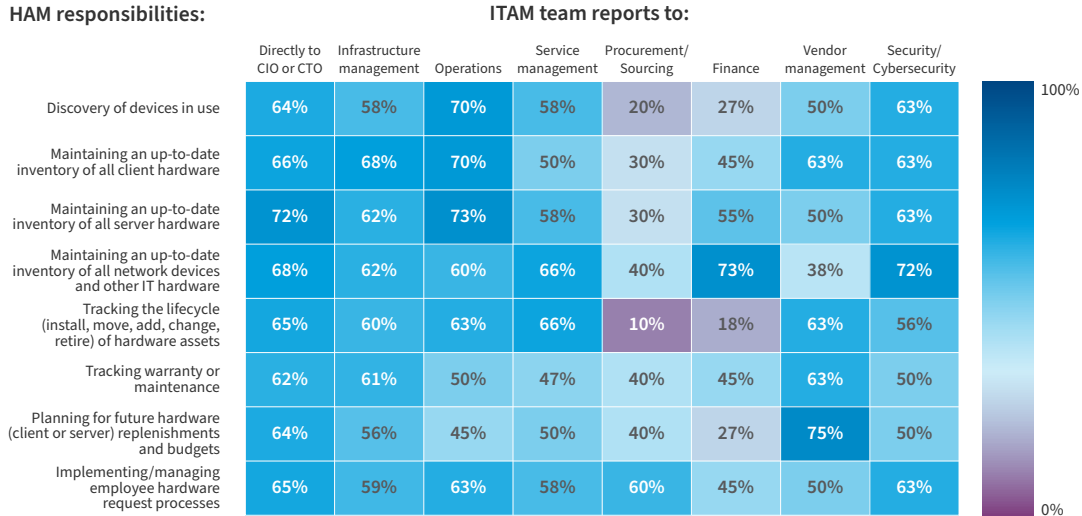
N=500

Source: Flexera State of ITAM Report (October 2022)

Flexera

For the second year in a row, we're seeing a flattening of the differences in responsibilities for ITAM (SAM and HAM teams) regardless of their reporting structure.

HAM team responsibilities and where they report



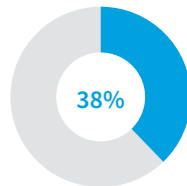
N=500
Source: Flexera State of ITAM Report (October 2022)

flexera

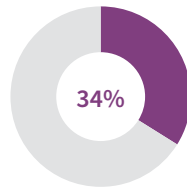
38%

Wasted IT spending remains a challenge: Respondents estimated 38% of desktop software spend, 34% of data center software spend, 33% of SaaS spend and 33% of IaaS/PaaS spend were wasted.

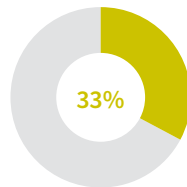
Estimated wasted spend remains significant across the IT estate



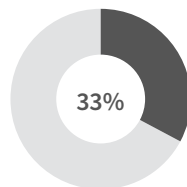
Estimate the percentage of your **desktop software** spend that's underutilized or wasted.



Estimate the percentage of your **data center software** spend that's underutilized or wasted.



Estimate the percentage of your **SaaS** spend that's underutilized or wasted.

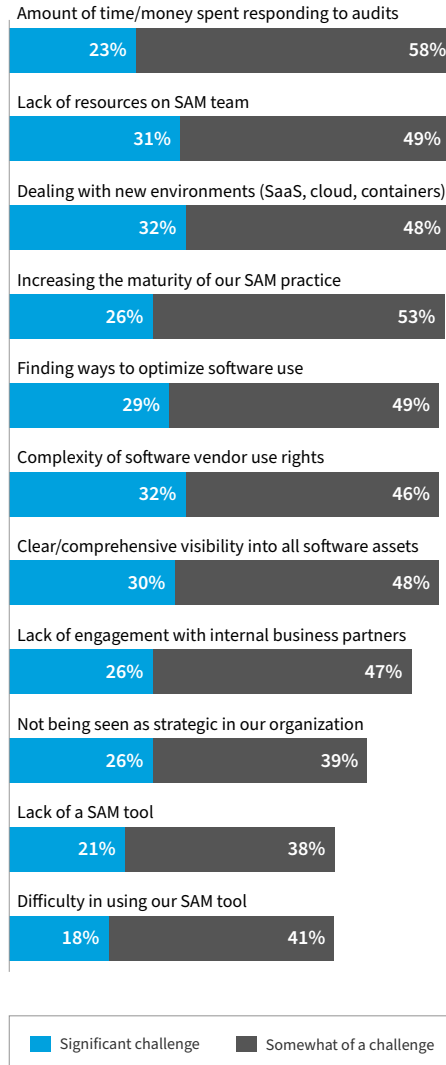


Estimate the percentage of your **IaaS/PaaS** spend that's underutilized or wasted.

N=427
Source: Flexera State of ITAM Report (October 2022)
FLEXERA

ITAM challenges hinder organizations from recovering wasted spend. *Dealing with SaaS, cloud and containers* is a significant challenge (32%), as is *complexity of software vendor use rights* (32%). The *lack of resources on SAM teams* is also a significant challenge (31%).

What are your challenges with SAM?

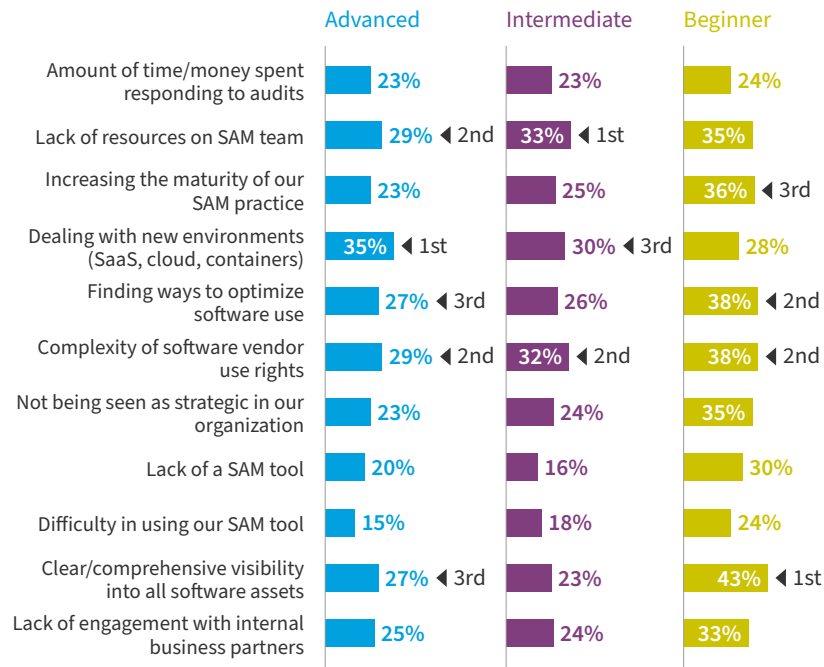


N=500
Source: Flexera State of ITAM Report (October 2022)

FLEXERA

Audits are a challenge, no matter the SAM team’s maturity level. However, beginners struggle more with *clear/comprehensive visibility into all software assets*. Dealing with new environments (SaaS, cloud, containers) is the biggest challenge for advanced users, presumably because they’re doing the most in these areas.

SAM challenges by maturity



N=500
Source: Flexera State of ITAM Report (October 2022)

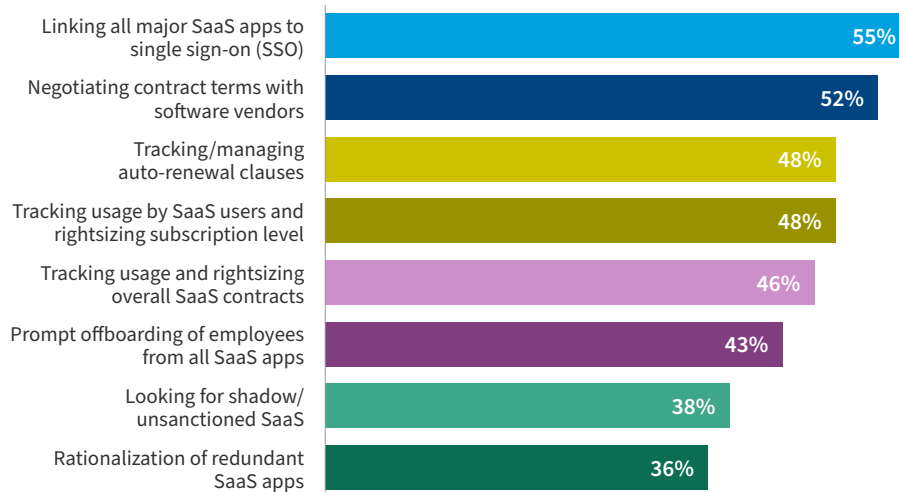
FLEXERA

Top initiatives for SAM teams



Respondents still struggle to implement best practices for governing the use of SaaS and optimizing SaaS spending, with less than half *tracking usage and rightsizing overall SaaS contracts* (48%). Year over year, the most significant gains were *rationalization of redundant SaaS apps* (19% to 36%) and *linking all major SaaS apps to single sign-on (SSO)* (43% to 55%).

What practices have you implemented for managing SaaS?

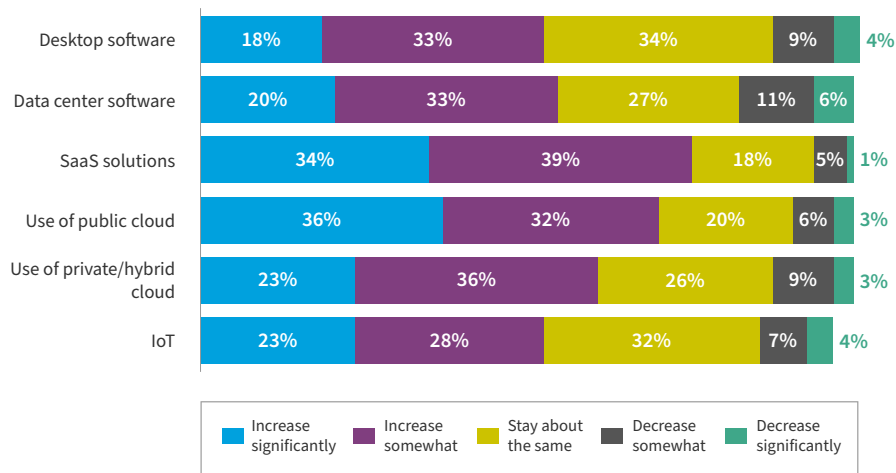


N=500
Source: Flexera State of ITAM Report (October 2022)

FLEXERA

SAM professionals expect SaaS and cloud computing to drive the biggest change in focus over the next three years. Almost three-quarters (73%) expect increased focus on *SaaS solutions*, compared to 61% last year. The expected change of focus on *public cloud* increased to 68% from 58% last year. *Data center software* and *desktop software* are down at 17% and 13%, respectively.

For your SAM practice, how do you expect your focus on the following areas to change in the next three years?

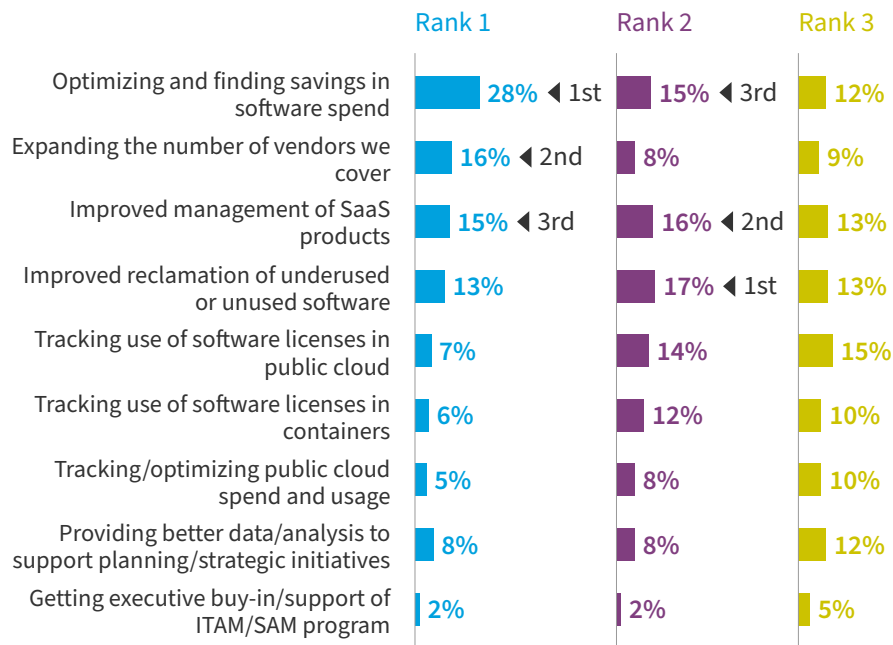


N=500
Source: Flexera State of ITAM Report (October 2022)

Flexera

Over the next 12 months, SAM teams indicate they intend to be more focused on cost-savings-related activities such as *optimizing and finding savings in software spend* (55%), *improved management of SaaS products* (44%) and *improved reclamation of underused or unused software* (43%).

On what SAM initiatives do you want to make progress in the next year?

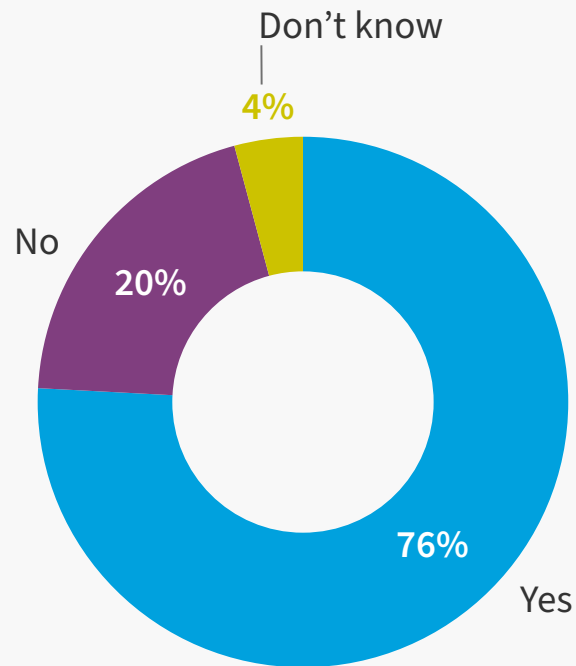


N=500
Source: Flexera State of ITAM Report (October 2022)

FLEXERA

More than three-quarters of respondents (76%) said they had defined sustainability policies or processes for disposing of hardware assets.

Does your organization have a defined sustainability policy or process for hardware assets?

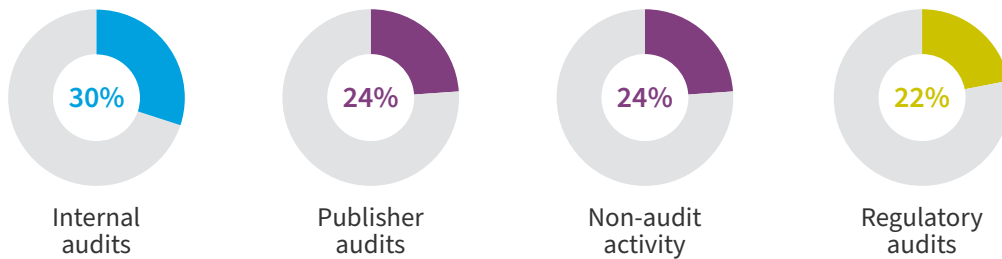


N=500
Source: Flexera State of ITAM Report (October 2022)

FLEXERA

Time spent supporting software publisher audits and regulatory audits is down slightly year over year (27% to 24%, and 26% to 22%, respectively). The time SAM teams spend responding to audits decreased slightly year over year. As a result, SAM practitioners are increasing the time spent on strategic non-audit activities (17% last year, 24% this year).

Estimate the percentage of your SAM team's time that's spent responding to audits



N=500
Source: Flexera State of ITAM Report (October 2022)
Flexera

FLEXERA POV

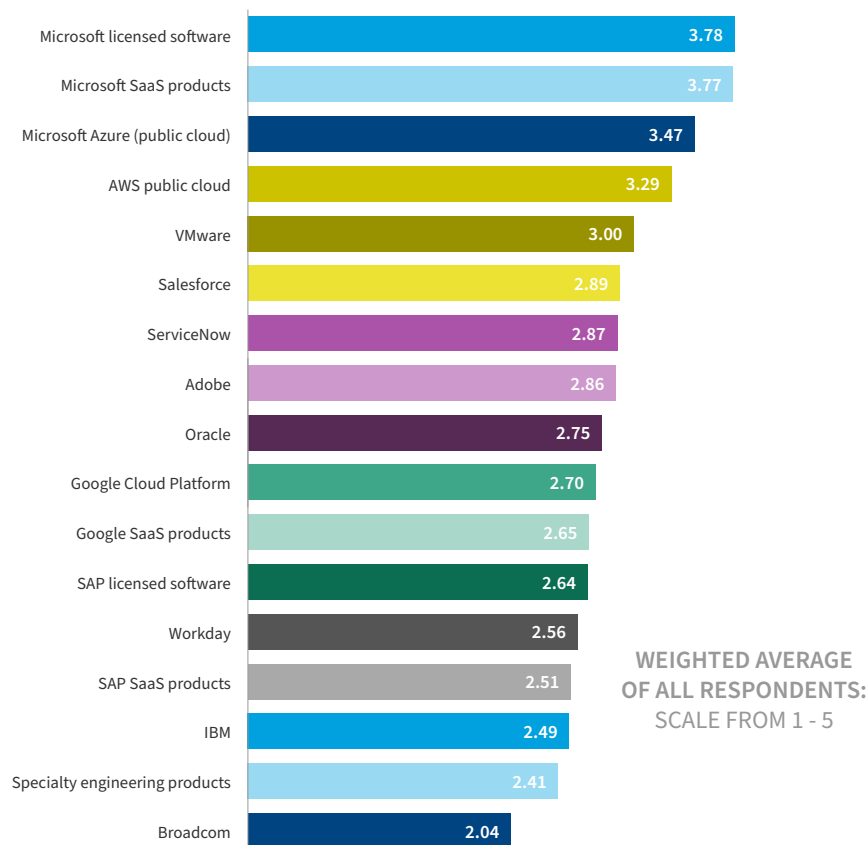
It's good that SAM teams are spending more time on strategic non-audit activities. SAM practitioners should continue to increase their focus on areas such as cost management and SaaS management.

Relevance of vendors and audit activity



When asked to rate, on a scale from 1 to 5, how relevant technology providers are to a SAM program, SAM professionals continue to increase their focus on cloud year over year, with AWS having the most significant increase from 2.52 to 3.29. VMware decreased year over year from 3.29 to 3.00. Microsoft had the top three spots with Microsoft licensed software (3.78), Microsoft SaaS products (3.77) and Microsoft Azure public cloud (3.47).

How relevant are these technology providers to your SAM program?

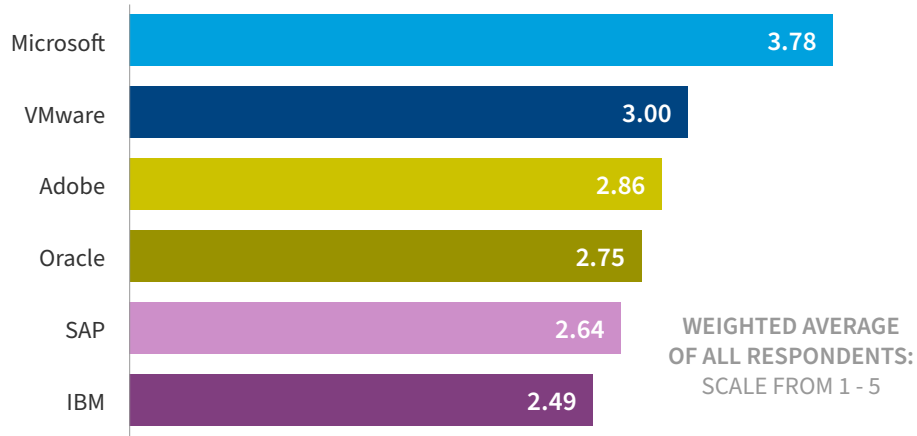


N=500
Source: Flexera State of ITAM Report (October 2022)

FLEXERA

SAM teams continue to focus holistically on Microsoft, driven by Microsoft's Enterprise Agreements.

How relevant are these software vendors to your SAM program?

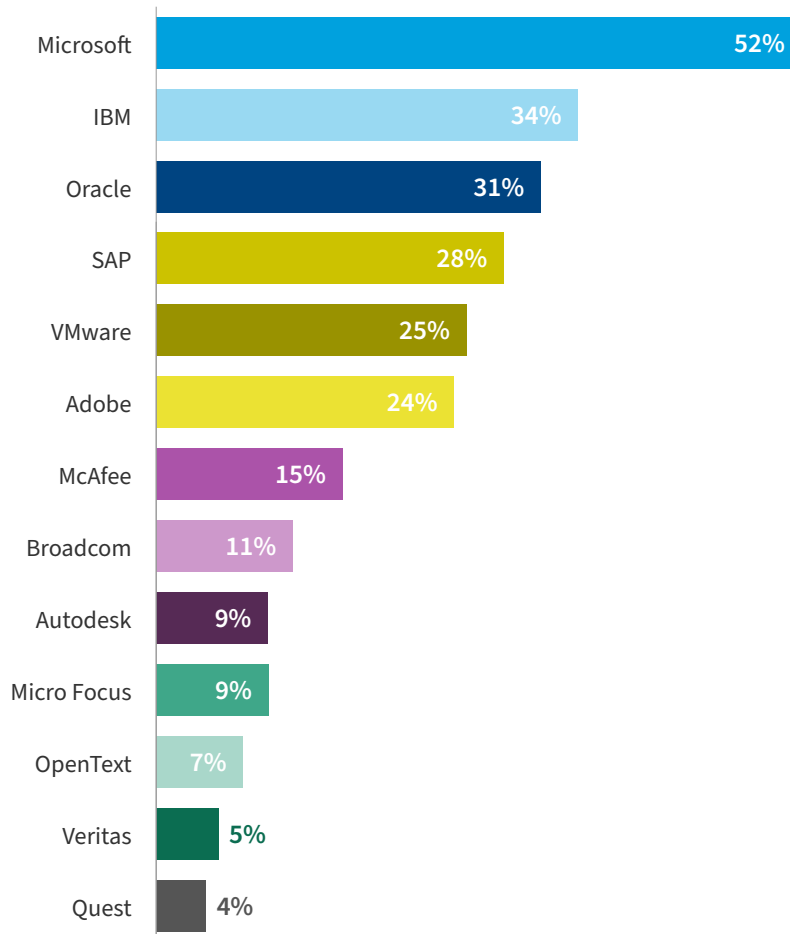


N=500
Source: Flexera State of ITAM Report (October 2022)

Flexera

Respondents reported an increase in the number of audits by Microsoft in the past three years (from 46% last year to 52% this year). During the same period, a significant number of respondents reported having been audited by IBM (34%), Oracle (31%) and SAP (28%).

Which of the following vendors have audited your organization in the past three years?



N=500
Source: Flexera State of ITAM Report (October 2022)

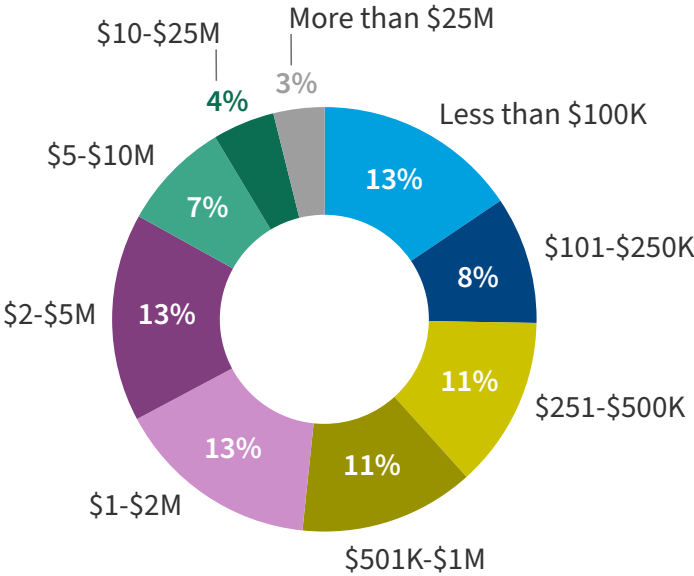
Flexera

Cost of audits



Software audits continue to be very expensive. Last year, 9% of respondents said they paid more than \$5 million in the past three years as a result of software vendor audits. This year that number grew to 14%. For the first time, this year’s survey broke respondents into three categories over \$5 million: 7% who spent *between \$5 and \$10 million*, 4% who spent *between \$10 and \$25 million*, and 3% who spent *more than \$25 million*.

Estimate how much your organization has paid over the past three years as a result of audits by software vendors



\$5M

14% of respondents reported paying more than \$5 million in software vendor audits over the past 3 years

INCLUDING PENALTIES OR UNBUDGETED TRUE-UPS

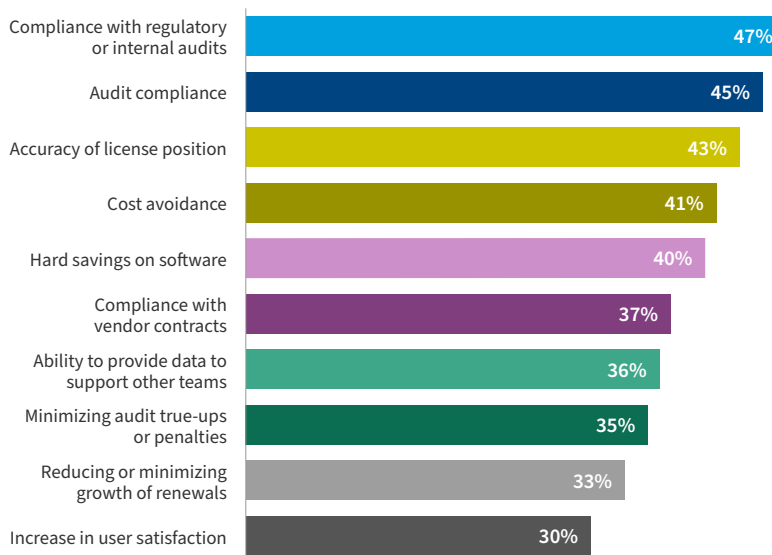
N=500
 Source: Flexera State of ITAM Report (October 2022)
 Flexera

SAM and HAM success metrics do not align with day-to-day activities



Despite growing pressures to optimize costs, SAM teams are predominantly measured on audit-related, rather than cost-related, activities. *Compliance with regulatory or internal audits* (47%) is the most common way to measure the success of SAM initiatives; *audit compliance* is second highest at 45%. *Hard savings on software* is 40% and *reducing or minimizing growth of renewals* is 33%.

What metrics are used to measure success of your SAM initiatives?



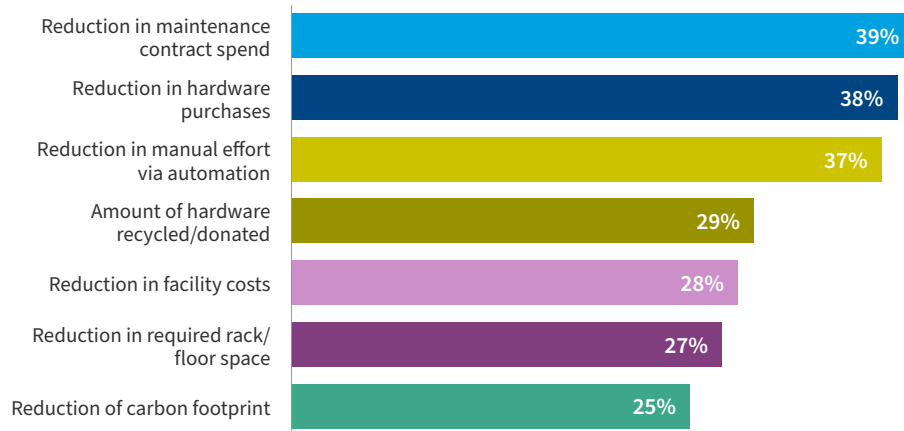
N=500
Source: Flexera State of ITAM Report (October 2022)

FLEXERA

The top three measures of success for HAM teams are *reduction in maintenance contract spend* (39%), *reduction in hardware purchases* (38%), and *reduction in manual effort via automation* (37%). Overall, it appears HAM teams are impacted by the move to the cloud.

Green initiatives such as *reduction of carbon footprint* (25%) and *amount of hardware recycled/donated* (29%) were also prevalent this year. Flexera expects more HAM projects to focus on sustainability initiatives in the coming years, as many organizations now have ITAD (IT asset disposition) teams.

What metrics are used to measure success of your HAM initiatives?

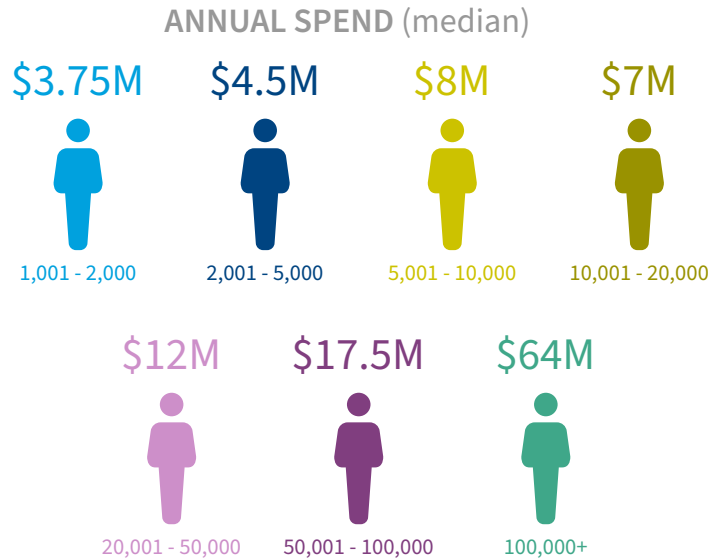


N=500
Source: Flexera State of ITAM Report (October 2022)

FLEXERA

Top analyst firms suggest SaaS spending has surpassed on-premises spending. We see that as well, with the vast majority of respondents spending more than \$100,000 per year on SaaS.

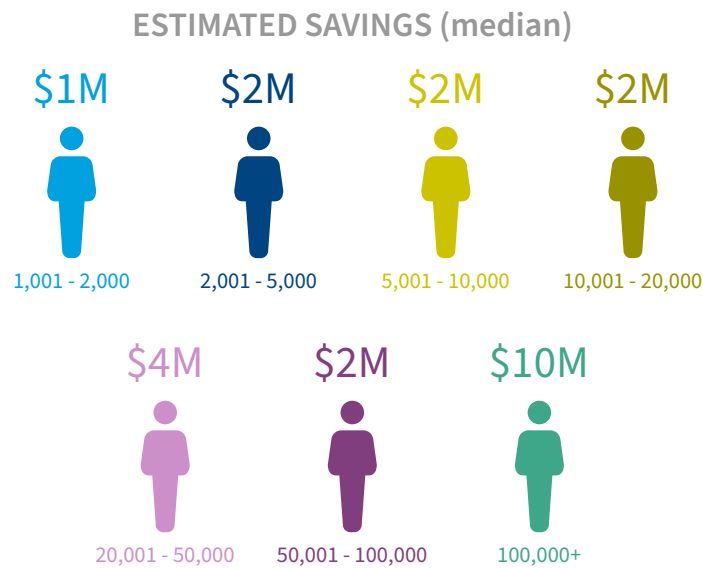
Estimate your organization's annual spend on software and SaaS in millions of US dollars



N=500
Source: Flexera State of ITAM Report (October 2022)

Flexera

Estimate the combined savings and cost avoidance you've realized from your SAM program in the past year in millions of US dollars

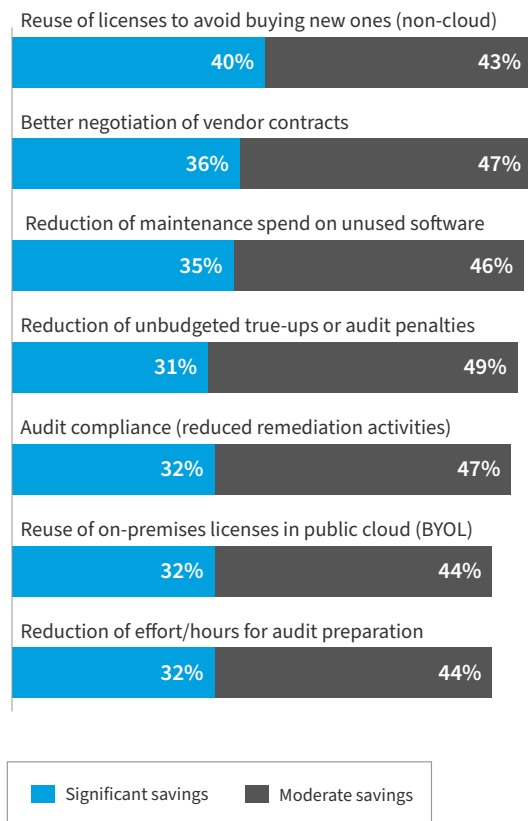


N=500
Source: Flexera State of ITAM Report (October 2022)

Flexera

SAM programs were most successful in realizing savings through *reuse of licenses to avoid buying new ones (non-cloud)* (83%), *better negotiation of vendor contracts* (83%) and *reduction of maintenance spend on unused software* (81%). Audit-related initiatives were less successful at realizing actual savings.

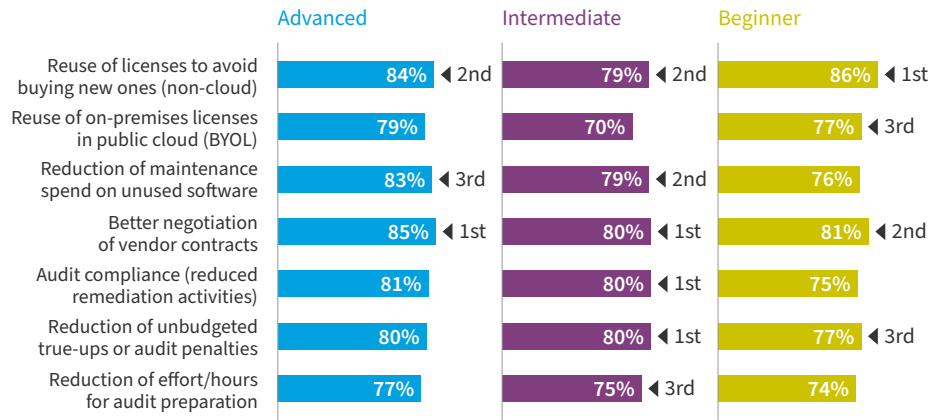
In what areas have you realized actual savings in the past year due to your SAM program?



N=500
Source: Flexera State of ITAM Report (October 2022)

FLEXERA

Savings from SAM programs tend to increase as programs mature



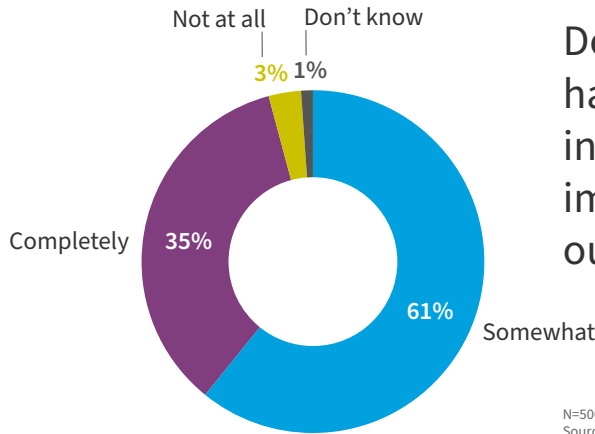
N=500
Source: Flexera State of ITAM Report (October 2022)

FLEXERA

Role of CMDBs and demand for greater visibility into IT assets



IT visibility remains limited as 65% of respondents said they don't have complete visibility into IT assets that impact business outcomes.



Does your organization have complete visibility into IT assets and their impact on business outcomes?

N=500
Source: Flexera State of ITAM Report (October 2022)
FLEXERA

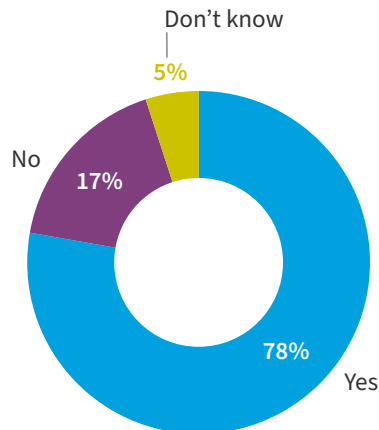
78%

of respondents use configuration management databases (CMDBs)

FLEXERA POV

As organizations increase their use of transient assets such as cloud instances or containers, they must reassess their IT asset tracking procedures to ensure their CMDBs don't become bloated with irrelevant entries.

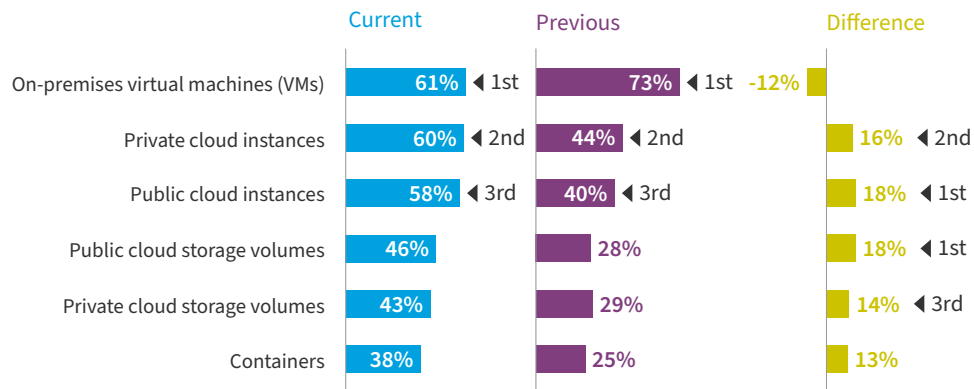
Do you use a CMDB in your ITAM practice?



N=500
Source: Flexera State of ITAM Report (October 2022)
FLEXERA

This year, CMDBs tracked a broader set of assets. *On-premises virtual machines (VMs)* tracking in a CMDB decreased 12% year over year. All other assets rose between 13% and 18%. Each of the cloud-based assets (*public, private, containers*) made significant gains.

What assets do you track in your CMDB?

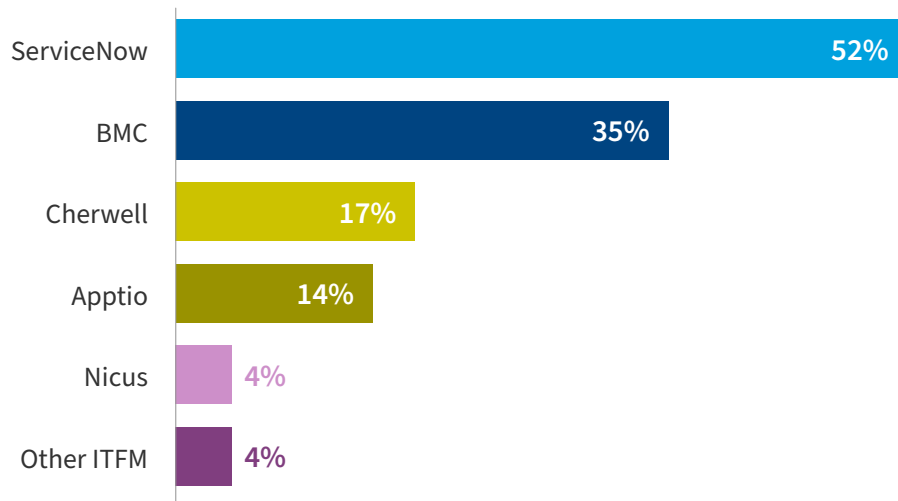


N=388
Source: Flexera State of ITAM Report (October 2022)

FLEXERA

Respondents are most likely to export data from asset management tools into enterprise systems or CMDBs such as ServiceNow (52%), BMC (35%) and Cherwell (17%).

Do you export data from your asset management tools into any of the following enterprise systems or CMDBs?



N=500
Source: Flexera State of ITAM Report (October 2022)

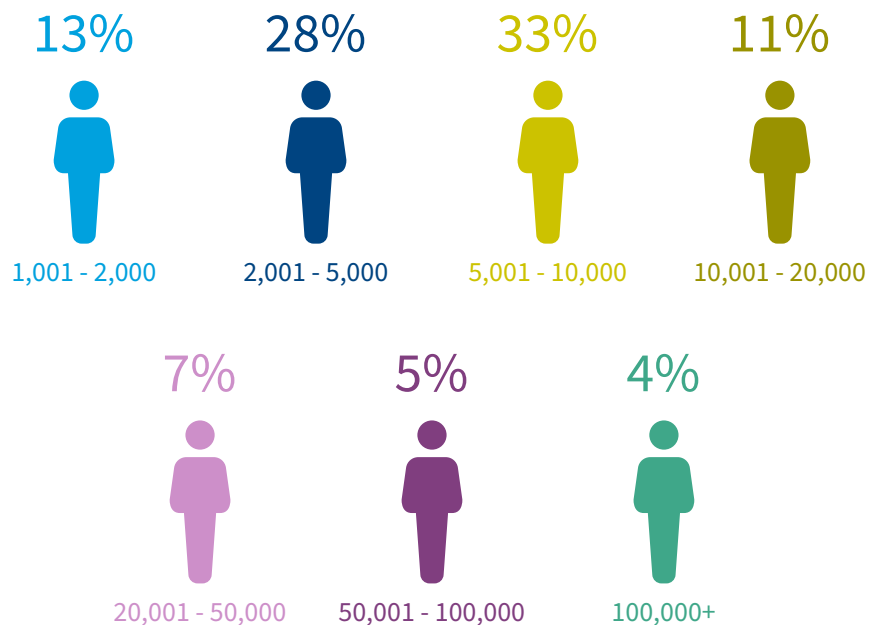
FLEXERA

European Spotlight



A high percentage of European responses came from large companies with more than 5,000 employees (60%). This compares to 70% of the global survey.

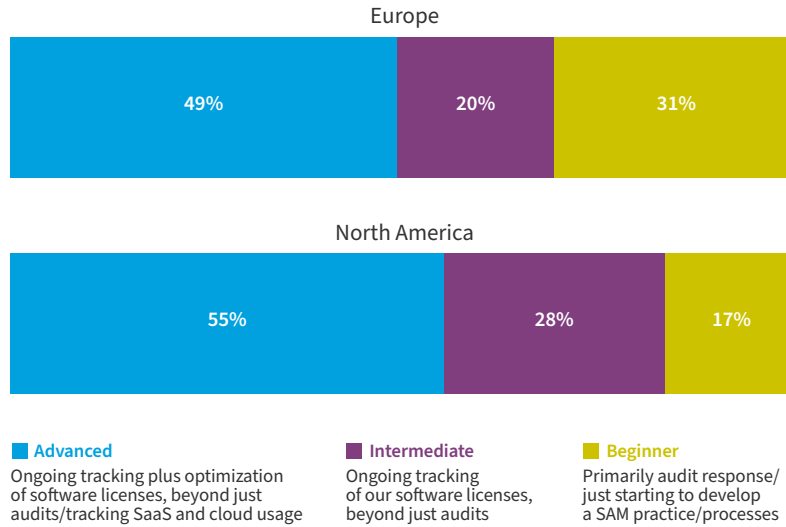
What size is your organization?



N=180
Source: Flexera State of ITAM Report (October 2022)
Flexera

In this year's survey, Europe has more *beginners* (31% compared to 17% in North America) but a similar number of *advanced* users (49% to 55%).

Which statement best describes where you are in implementing SAM in your organization?

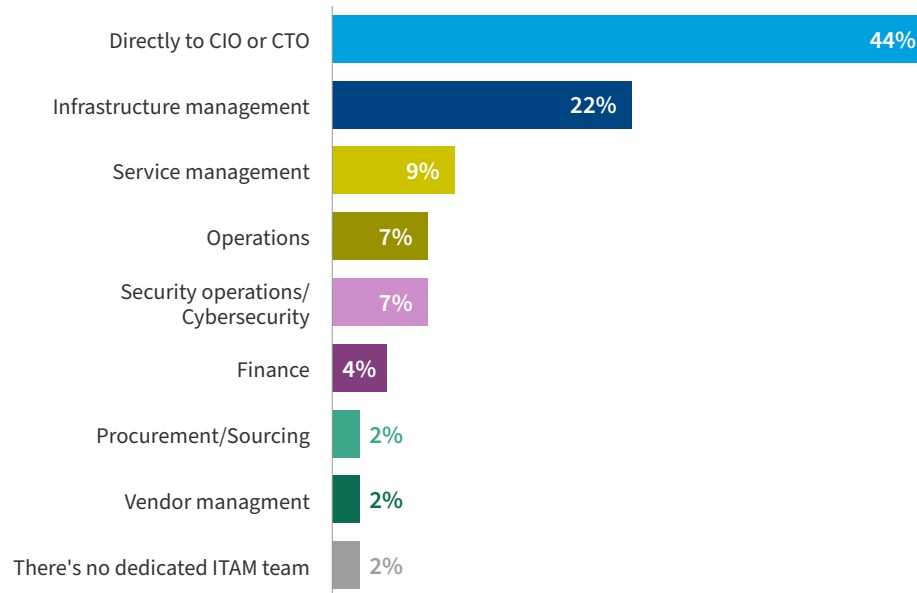


Europe: N=180, North America: N=295
Source: Flexera State of ITAM Report (October 2022)

FLEXERA

As with the global survey, there was a significant increase in ITAM teams that report *directly to the CIO/CTO*. In Europe, this number was 22% last year, increasing to 44% this year.

Where does your ITAM team report in your organization?

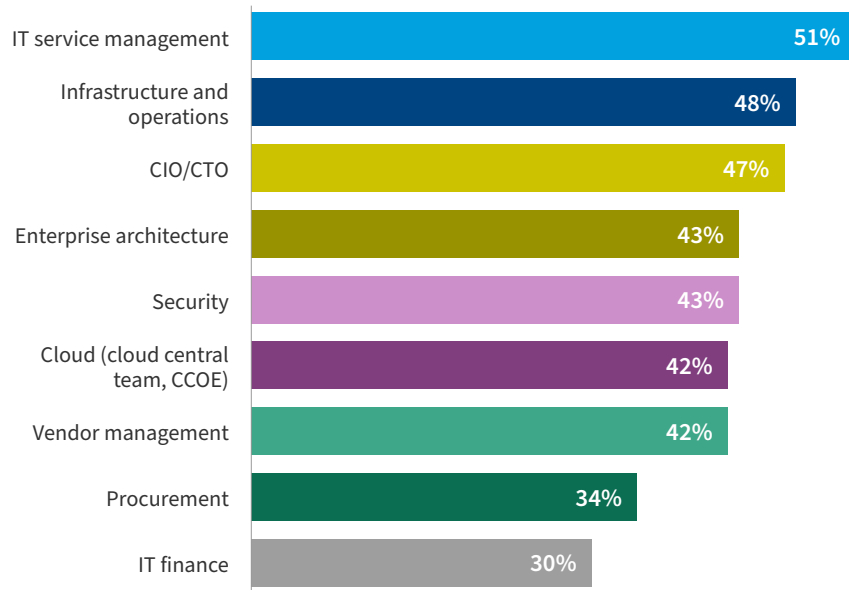


N=180
Source: Flexera State of ITAM Report (October 2022)

FLEXERA

European ITAM teams are most likely to interact with *IT service management* (51%), *infrastructure and operations* (48%) and *CIO/CTO* (47%). Also, ITAM interaction with *cloud teams* increased significantly, from 24% last year to 42% this year.

What's the level of significant interaction between your SAM team and the following teams?

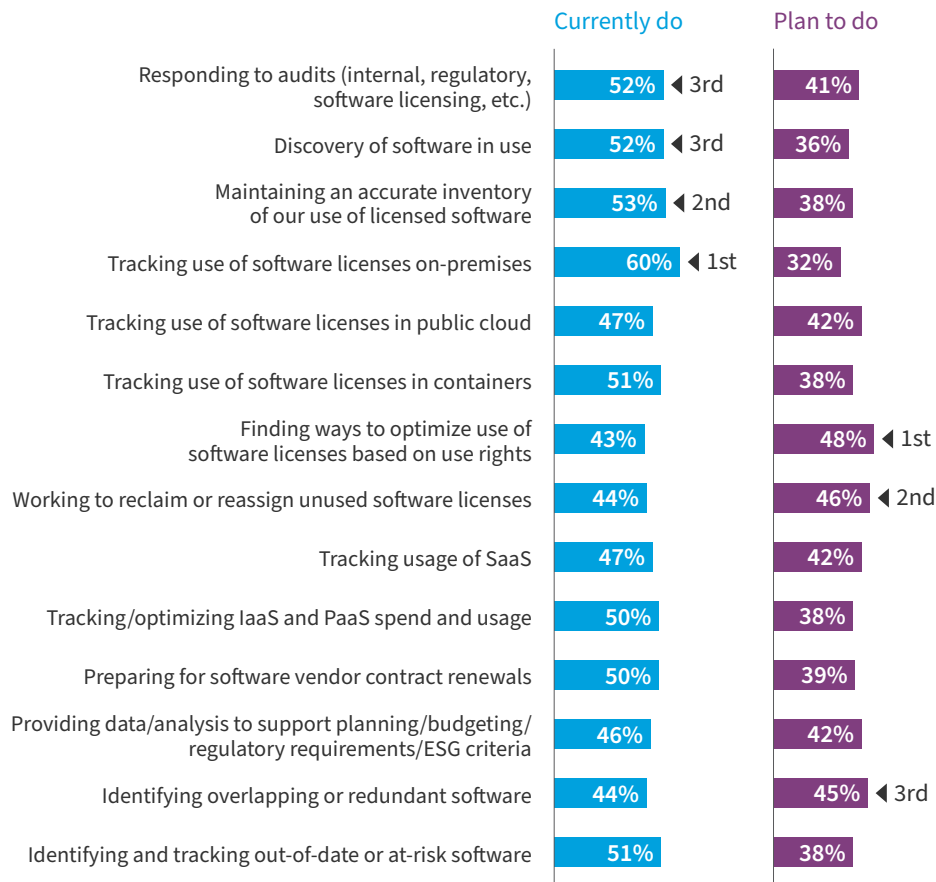


N=180
Source: Flexera State of ITAM Report (October 2022)

FLEXERA

Currently, *tracking use of software* and the associated licenses remains important (*containers 51%, public cloud 47% and on-premises 60%*), as does *responding to audits* (52%). This mirrors the global survey, so it appears the responsibilities are constant regardless of geography.

What SAM-focused responsibilities does your ITAM team have in your organization?

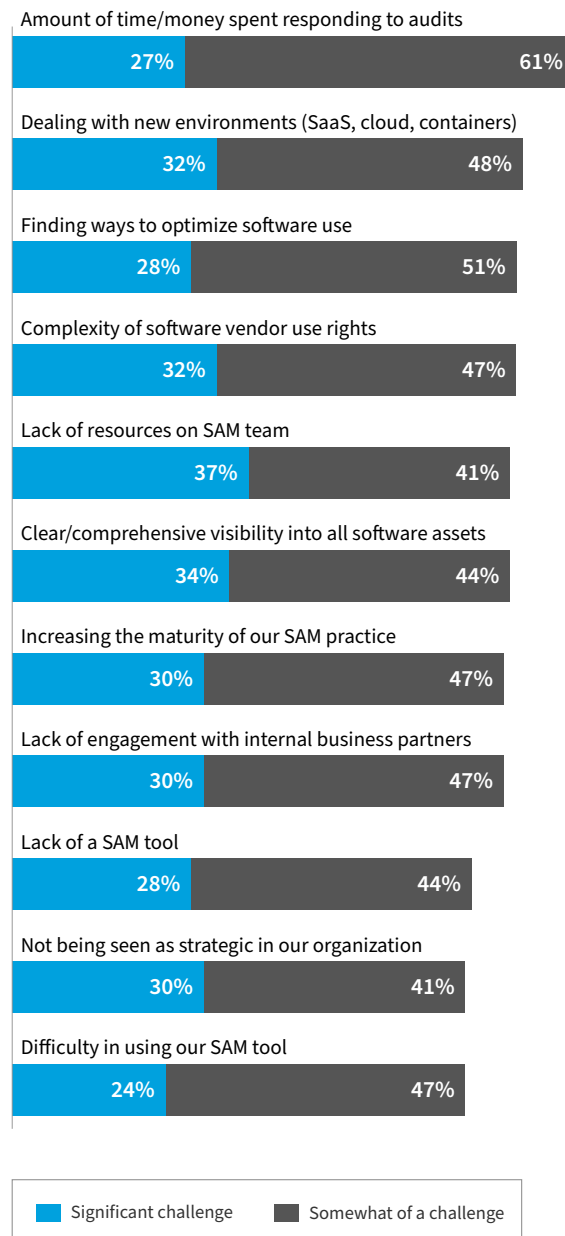


N=180
Source: Flexera State of ITAM Report (October 2022)

FLEXERA

SAM teams are more strapped for resources in Europe than in North America. More than three quarters (78%) in Europe name *lack of resources on SAM team* as a challenge (37% significant, 41% somewhat). More than four-fifths (88%) cite *amount of time/money spent responding to audits* as a challenge (27% significant, 61% somewhat).

What are your challenges with SAM?

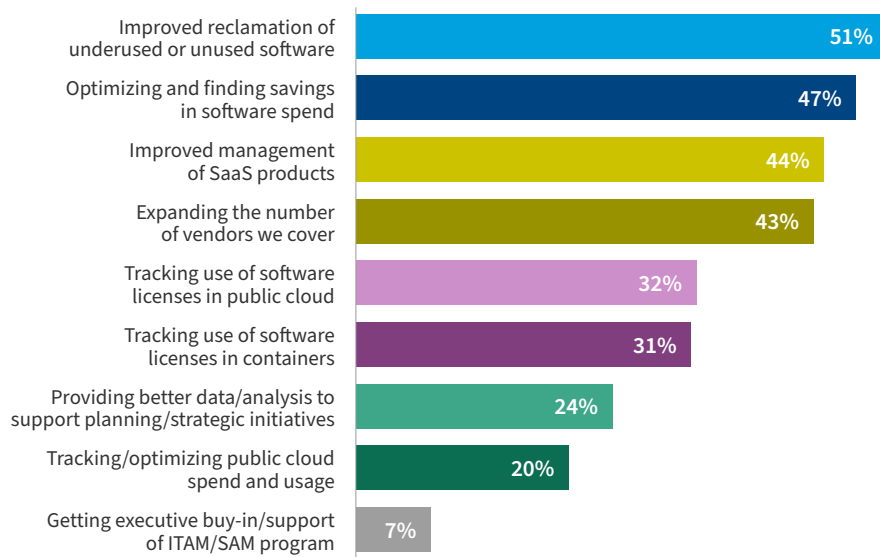


N=180
Source: Flexera State of ITAM Report (October 2022)

FLEXERA

In Europe, cost-saving initiatives are top priorities for the next 12 months. The top initiatives are *improved reclamation of underused or unused software* (51%) and *optimizing and finding savings in software spend* (47%). Audit-related activities are lower, including *tracking use of software licenses* (31% in containers, 32% in public cloud).

On which SAM initiatives do you want to make progress in the next year?

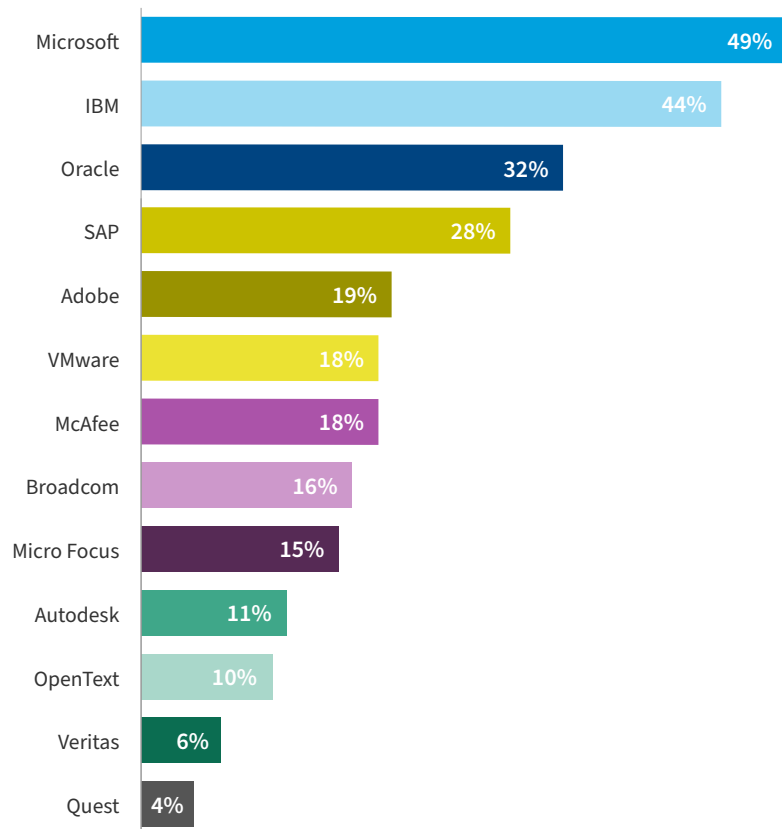


N=180
Source: Flexera State of ITAM Report (October 2022)

FLEXERA

Microsoft remains the leading auditor of software usage, as 49% of European respondents said the company audited them in the past three years. A higher percentage of European respondents say they have been audited by IBM (34% globally, 44% in Europe).

Which of the following vendors have audited your organization in the past three years?

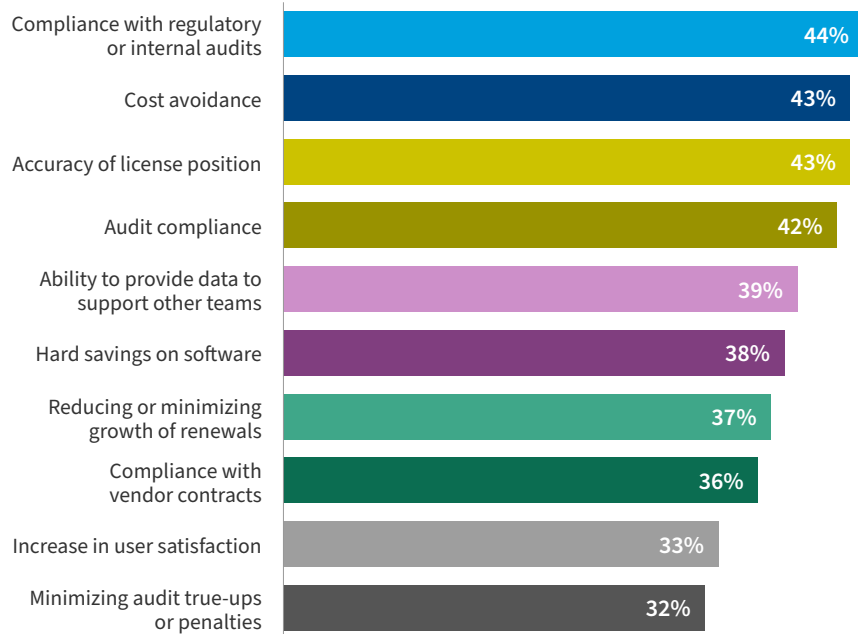


N=180
Source: Flexera State of ITAM Report (October 2022)

FLEXERA

As in the global survey, there's a misalignment between SAM metrics and SAM initiatives themselves. SAM teams are predominantly measured on audit-related activities—*compliance with regulatory or internal audits* (44%) and *accuracy of license position* (43%).

What metrics are used to measure success of your SAM initiatives?

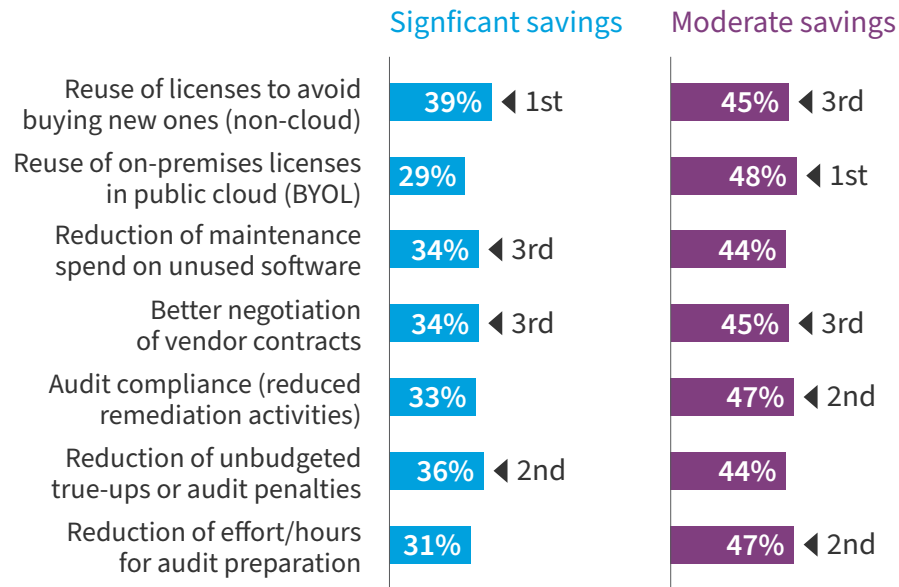


N=180
Source: Flexera State of ITAM Report (October 2022)

FLEXERA

Similar to the global survey, the top three areas where savings were realized are not audit-related. This contrasts with the SAM program metrics, which prioritize audit-related activities.

In what areas have you realized actual savings in the past year due to your SAM program?



N=180
Source: Flexera State of ITAM Report (October 2022)

FLEXERA

NEXT STEPS

Find out how we can help optimize your ITAM

[CONTACT US](#)

Flexera delivers SaaS-based IT management solutions that enable enterprises to accelerate digital transformation and multiply the value of their technology investments. We help organizations *inform their IT* with definitive visibility into complex hybrid IT ecosystems, providing unparalleled IT insights that allow them to seize technology opportunities. And we help them *transform their IT* with tools that deliver actionable intelligence across an ever-increasing range of dimensions to effectively manage, govern and optimize their hybrid IT estate.

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