

Optimizing ServiceNow license costs, minimizing audit risk

CLAYTON STARKO, DIRECTOR, SOLUTIONS ARCHITECTS AND ADVISORY

JOHN SUEHR, SOLUTION ARCHITECT

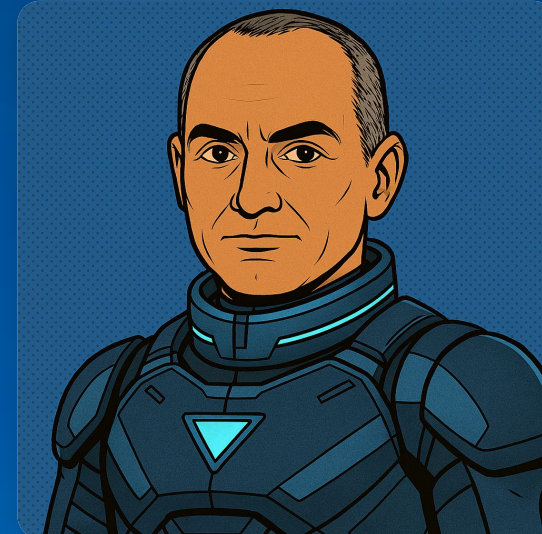
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Intros



Clayton Starko

Director, Solutions Architecture and
Advisory



John Suehr

Solution Architect

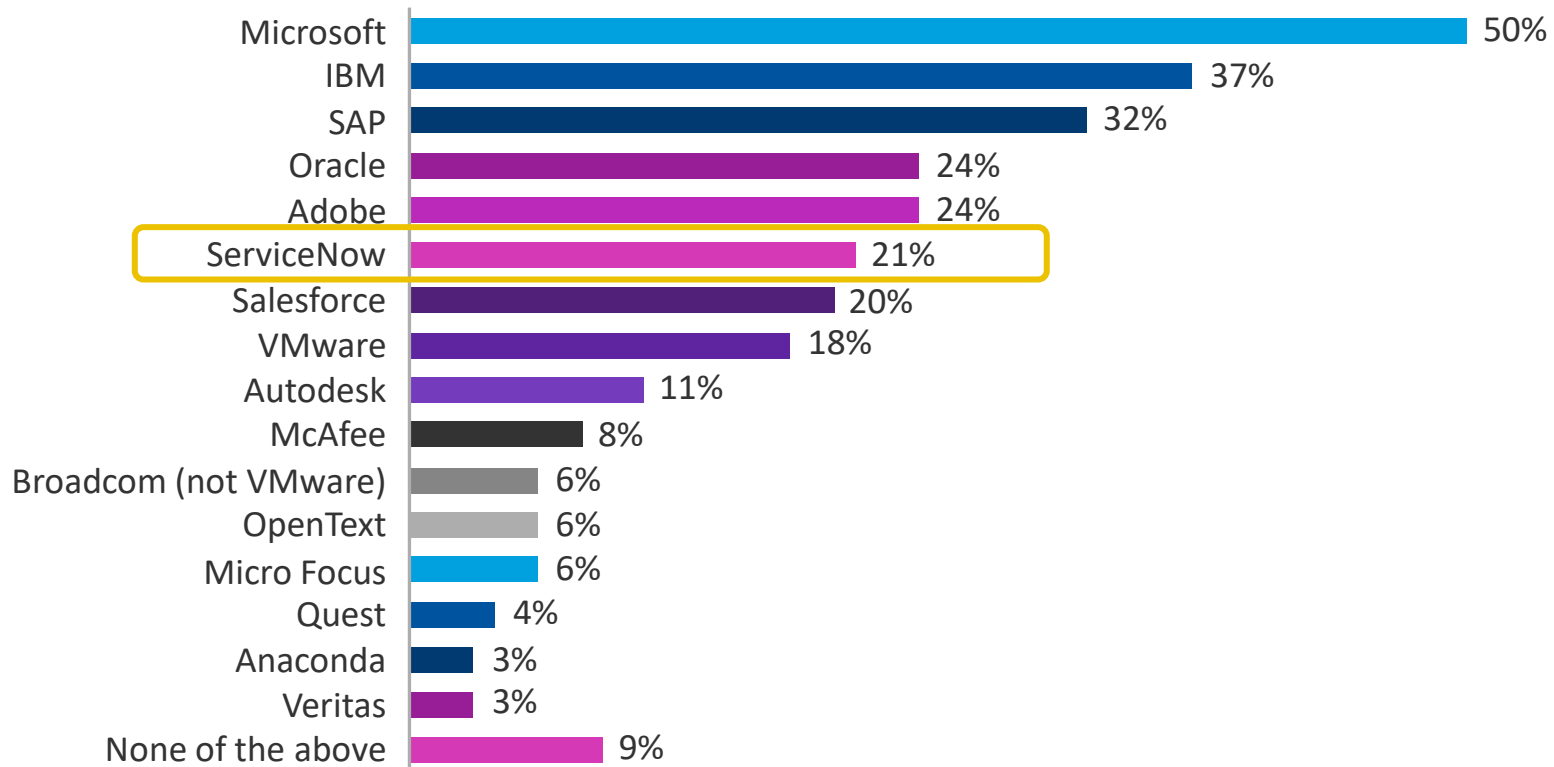


Agenda

- 1 Intros
- 2 Setting the stage
- 3 Licensing Models
- 4 Maintaining and Optimizing Compliance
- 5 Summary

Why is ServiceNow license management important?

Which vendor have audited your organization in the past 3 years?



N= 506

Flexera 2025 State of ITAM Report (Figure 25)

Differences between On premises audits vs SaaS vendor audits

On-Premises Audit (Traditional)

Vendor relies on customer-supplied data

Penalties = financial
(negotiated settlements)

Audit is a point-in-time exercise

Some flexibility in interpretation

Customer must collect/manage audit
evidence manually

SaaS Vendor Audit (e.g., ServiceNow)

Vendor already has your usage data

Risk = service disruption (can shut off access)

Ongoing monitoring, not just point-in-time

Consumption metrics can
spiral without governance

Vendor provides audit evidence (less debate)

Key Risk with SaaS: Uncontrolled consumption → escalating costs + compliance risk

ServiceNow License Models

What can you buy

Traditional User-Based

Still dominant for ITSM, HRSD, CSM, Sec Ops, Etc.

Based on the role (fulfiller, approver, requester)

Relatively simple but sometimes inefficient for orgs with variable workloads

Capacity Based

Here you buy a pool of capacity (like transactions, cases, or assets) and usage is drawn down against the pool. This is newer and aligns with SaaS industry trends

- Ex. Virtual Agent/Chat – licensed by the number of conversations or interactions
- Ex. Automation Engine – often licensed by the number of transactions
- Instead of buying fixed users, you pay for how much you actually use.
- Ex. Integration Hub (number of integration transactions)
- Ex. Observability & AIOps (licensed by monitored nodes, CIs or events processed)

Hybrid

Most ServiceNow deployments today are Hybrid and can consist of:

- User Licenses for fulfillers/approvers
- Unrestricted licensing supporting HR
- Consumption packs for automation, AI, or data-driven packs

ServiceNow User Models

Rights-based and Unrestricted

Rights-Based Model



Requester

Requests items

Submits tickets, ideas, demands

Does not require a subscription



Business Stakeholder v4

Approves items

Stakeholders are Requests and can approve requests, views reports and records, can update comments to incidents or requests on behalf of other users

Business Stakeholders belong to ITSM, DevOps, SPM/ITBM, CSM, TSM, PSDS, TPSM, HCLS-SM, Appengine Products



Fulfiller

Works on items

Fulfillers are everyone else. Users fulfilling requests work on, manage or participate in a process

Fulfillers are subscribed per product package Full Rights Subscriptions are needed



Unrestricted User Model

Subscription for all users

Unrestricted Model

Every Employee has to be licensed



Capacity Based Examples

Now Assist Add-on SKUs

Integration Hub Pool

Security Operations

ITOM AIOps

**Storage Considerations*

Time for a poll

Now Assist on the ServiceNow Platform

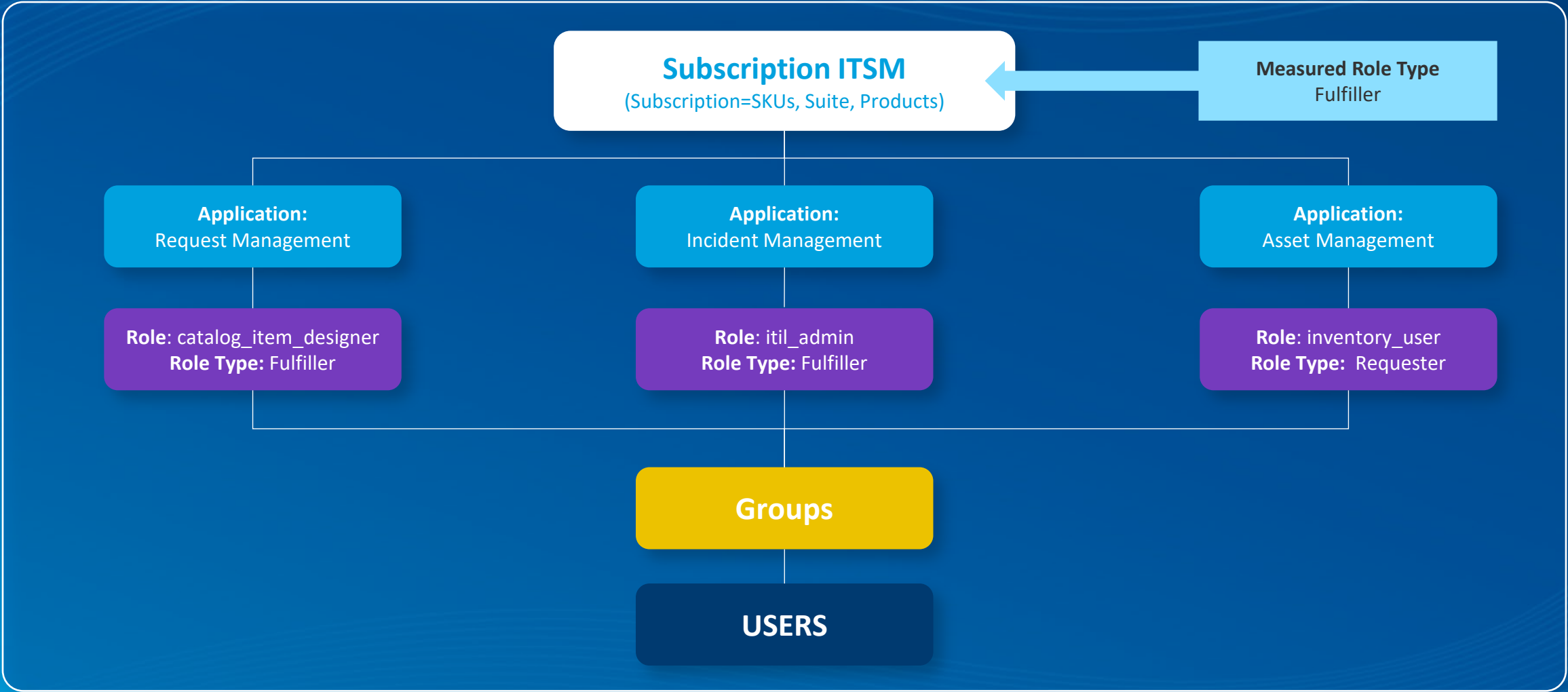
Licensing Overview

Gen AI SKUs sold as per user...Gen AI usage is limited by entitlement...Additional entitlement can be purchased

Assists	Skills	Actions
Think of them as usage tokens that count toward a pool	Consume different numbers of assists based on what they deliver	They are the number of steps required to complete an assist

Product	Action and Skill	Assists Consumed
ITSM Pro/Ent Plus	Agent generates case/incident summary	1
ITSM Pro/Ent Plus	Customer executes an agentic workflow (using AI agents)	S 20 (up to 4 actions) M 50 (5-8 actions) L 150 (9-20 actions)

ServiceNow Table Relationships



Data needed for accurate product use reporting

Subscriptions

Applications

Roles

Role Types

Maps the entitlement chain:

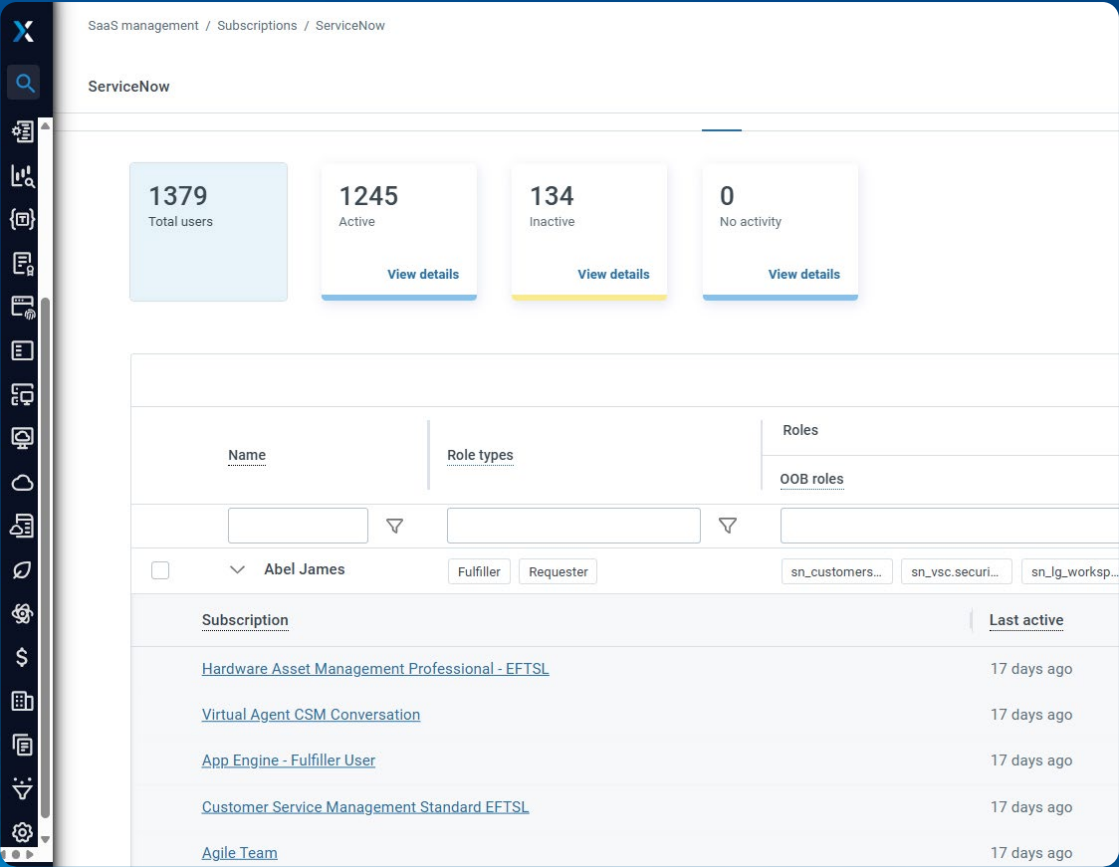
Subscription → Application → Role → Role Type

Shows “who uses what” in a single view

Identifies OOTB vs Custom roles assigned to each user

Relies on three core tables:

license_role, sys_user_has_role, sys_group_has_role



What does ServiceNow offer?

Subscription Management & Use-Verification Report

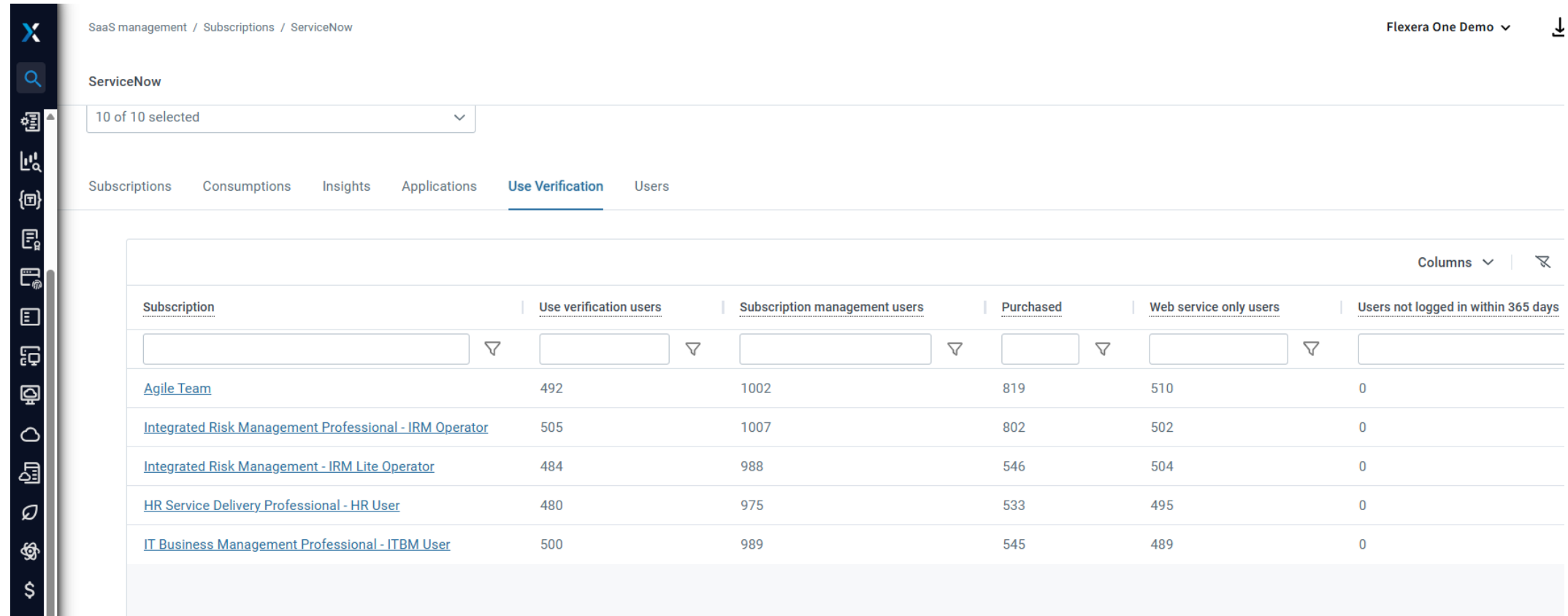
Subscription Management

- Manages and tracks licenses via group assignments. **Unrestricted User and Capacity** subscriptions are reported correctly (no group mapping needed)
- Users inactive over 365 days and web service only users are counted, possibly leading to **over-allocation**. (Direct Role assignments not recommended and missing)
- Subscription Management can report Subscriptions that are **commercially irrelevant** (e.g. Third-party Plugins)

Use-Verification Reports

- **Direct role assignments are included**, and **automatically** analyses rights-based subscriptions, excluding inactive and web service only users for a leaner license footprint.
- The report provides a more immediate **reflection of compliance**, making it a preferable tool for many administrators, procurement managers and the ITAM staff.
- Use-Verification report is **only reporting Subscriptions that are rights-based with a measured role type**

See purchases, actual usage and subscription management users in one view



The screenshot displays the Flexera One Demo interface. On the left is a vertical sidebar with various icons. The main header shows the breadcrumb 'SaaS management / Subscriptions / ServiceNow' and the text 'Flexera One Demo' with a download icon. Below the header, the 'ServiceNow' section is active, showing '10 of 10 selected'. A navigation bar includes tabs for 'Subscriptions', 'Consumptions', 'Insights', 'Applications', 'Use Verification' (which is selected), and 'Users'. The main content area features a table with the following columns: 'Subscription', 'Use verification users', 'Subscription management users', 'Purchased', 'Web service only users', and 'Users not logged in within 365 days'. Each column has a filter icon. The table lists five subscriptions with their respective user counts.

Subscription	Use verification users	Subscription management users	Purchased	Web service only users	Users not logged in within 365 days
Agile Team	492	1002	819	510	0
Integrated Risk Management Professional - IRM Operator	505	1007	802	502	0
Integrated Risk Management - IRM Lite Operator	484	988	546	504	0
HR Service Delivery Professional - HR User	480	975	533	495	0
IT Business Management Professional - ITBM User	500	989	545	489	0

Time for a poll

Optimization tip: Identify overlapping subscriptions

Detect license overlap when two subscriptions grant the same application (e.g., ITSM Pro vs. CSM).

Then decide which subscription to count the users towards

Did you know?

Flexera One SaaS Management analyzes license usage and provides an ideal license balance

ITSM Pro

1,000 Total Licenses

800 Assigned

200
Available

Currently Assigned

800

★ Available to Use

200

Customer Service
Management Pro

500 Total Licenses

350 Assigned

150
Available

Currently Assigned

350

★ Available to Use

150

User with Overlapping Eligibility

350

These users qualify for **either** ITSM Pro Customer Service Management Pro licenses.
The optimization tool will intelligently allocate them to your available licenses.

Optimization tip: Finding downgrade opportunities

Analyze
Usage

Identify
Over-Licensed Users

Find Cheaper
Role

Recommend
Downgrade

Example:

User A123 has a Fulfiller role but has 0 writes in 90 days and only reads data. A cheaper role, Requestor, exists in the same app family.

User	Current Role	Suggested Role
A123	Fulfiller	Requester

Downgrading reduces costs without impacting productivity.

Key takeaways

Maximize License Efficiency:

Understand ServiceNow's licensing models to manage entitlements effectively and avoid compliance risks.

Reduce Costs & Audit Exposure:

Maintain clean entitlement data, enforce role hygiene, and reconcile across tools to control spend and minimize audit vulnerabilities.

Governance is key for renewals and AI use:

Use external benchmarks and third-party verification to optimize license usage and prevent surprises.



- Inventory and map entitlements across subscriptions and usage
- Maintain role and group hygiene
- Analyze consumption including API, Integration Hub, and Now Assist
- Reconcile usage across multiple instances
- Conduct mock audits to identify gaps
- Develop renewal strategies focused on rightsizing

Questions?

Learn more about Flexera One SaaS Management

<https://www.flexera.com/products/flexera-one/saas-management>

Next Steps!

Let's minimize your audit risk

Register now for Flexera's
Vendor Audits Readiness
Workshop

In this workshop, up to 3 people on your team will meet with Flexera's solutions advisory team (previous audit defense practitioners) and obtain:

- Best practices for preparing for an audit
- Advice for determining your rights in responding to a vendor audit
- Guidance on what data is required to effectively meet audit requirements
- A documented playbook on how to navigate each phase of the audit process