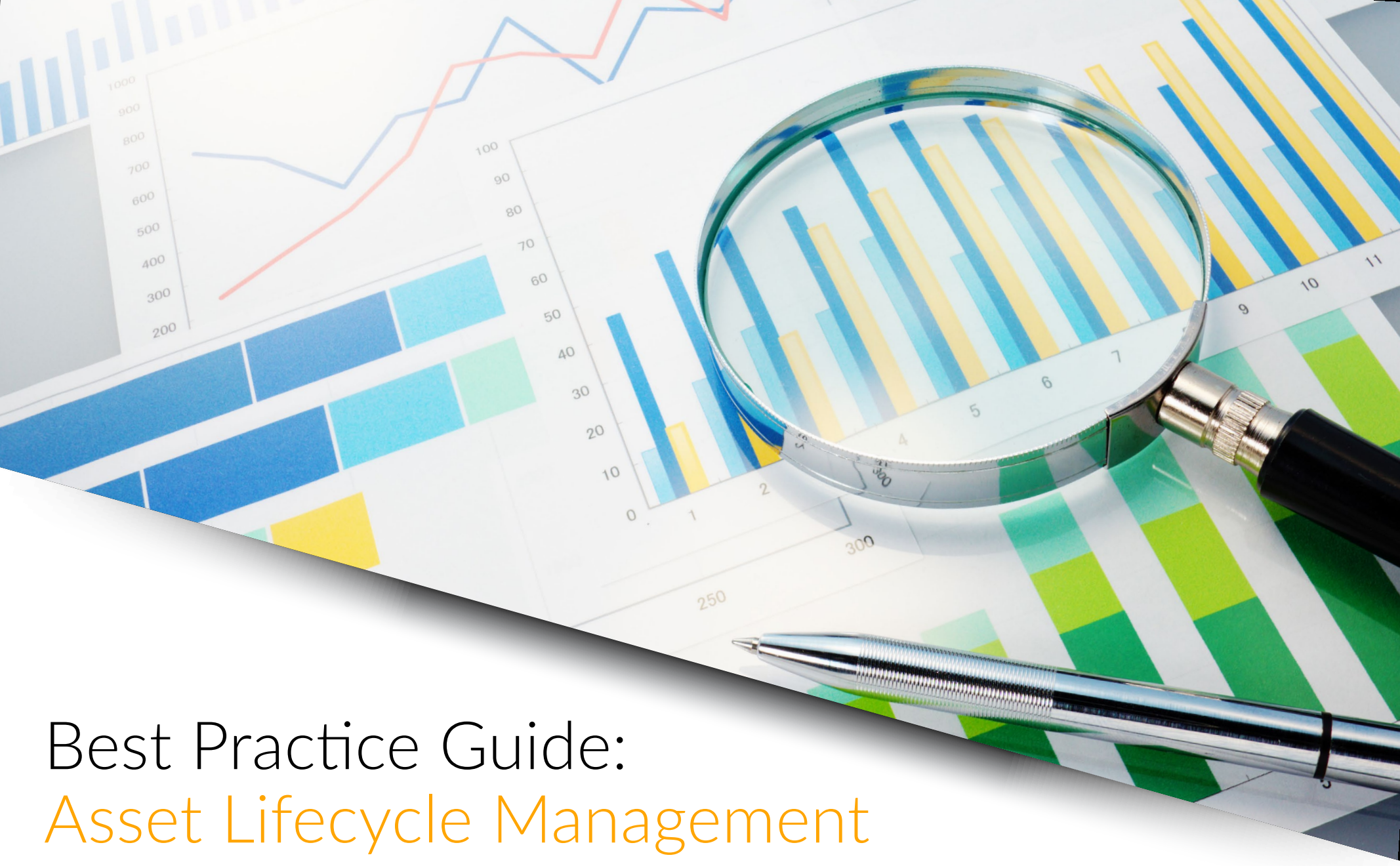

Best Practice Guide:
Asset Lifecycle Management

MILESTONE
Strategic IT • Enabling Success

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Executive Summary

Regardless of industry, size, or location, every organization shares the need for operational efficiency. A strong Information Technology (IT) infrastructure should support business-critical operations by enforcing a system for deploying, monitoring, maintaining, upgrading, and retiring assets in a cost-effective manner – also known as **Asset Lifecycle Management (ALM).**[1]

An established ALM system is a fundamental necessity for effectively managing assets and gaining visibility across your IT environment, resulting in greater accountability, maximized value, and optimized inventory. As a crucial component of almost any business, it's important to implement an ALM system that is efficient and scalable. Understanding and adhering to the following best practices can help position your organization for successful asset management.

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Best Practices for Asset Lifecycle Management

#1 Enable Service Scalability

Using the right baseline tools when establishing your ALM processes can help your organization accommodate a high-growth model. Perhaps the most crucial element to consider when enabling scalability is the use of a **configuration management database (CMDB)**, which tracks and logs information about your equipment. Even implementing a rudimentary system, such as manually inputting information into an Excel spreadsheet, can position your business for longevity. For example, a startup without a CMDB would not have insight into the owners of the deployed assets and their useful life, which may lead to wasted resources or outdated technology. This approach may work at a small scale, but if that business grows from 20 to 200 employees in a short period of time, they will not only waste time and resources tracing the history of its equipment, but will also struggle to enact a CMDB once other processes have been established.

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Best Practices for Asset Lifecycle Management

#2 Track Your Equipment Thoroughly

The best way to enable service scalability is to monitor your equipment meticulously and comprehensively. Whether you're logging a device by user profile or site tag, it's important to track relevant information throughout its entire lifecycle rather than just at installation and decommission. Ongoing tracking of each device is crucial for your IT department, who will draw relevant data from each stage in the lifecycle of an asset to make substantiated decisions, such as when to provision replacement equipment or transition to a new version of software. Having thorough knowledge of your equipment can also help extend the life and maximize the effectiveness of your assets. Examples of some critical data points you should track for each device are:

- User information
- Asset function and location
- Model and serial numbers
- Leasing and contract information
- License compliance
- OS systems
- Expiration, upgrade, or replacement dates
- Impact to business

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Best Practices for Asset Lifecycle Management

#3 Establish Clear Roles & Responsibilities

There are multiple key parties involved in the lifecycle of every asset, and defining the roles and responsibilities of each participant will help your business maintain clarity and control over the moving parts of the ALM process. Some roles to consider include:

- **Asset Procurement**: Oversees purchasing of equipment, coordinates with vendors, and keeps track of leases and contracts.
- **Corporate Legal**: Determines which equipment is considered intellectual property or can be transported internationally.
- **Financial Manager**: Manages the invoice and billing process.
- **Inventory Manager**: Tags equipment and maintains an updated log of relevant device information.
- **IT Department**: Installs, uninstalls, or transitions equipment to end-user environment or back to inventory.
- **Security**: Ensures that all devices match their corresponding descriptions and crosschecks for legal holds before release.
- **Transportation**: Executes safe and accurate transportation of assets.

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Best Practices for Asset Lifecycle Management

#4 Automate Your Processes

When it comes to asset management, automation has multiple applications, such as isolating incidents, monitoring noncompliant activity, tracking consumption rates of different devices, and identifying underutilized assets. But the areas where it can have the greatest impact are procurement and inventory management. Every time a device is removed or added to inventory, an automated CMDB should update the corresponding data in the asset log. By setting min/max levels for inventory, you can automate purchase orders to be generated when inventory is running low rather than waiting for supplies to run out. Of course, IT teams should analyze each request and forecast for strategic changes that may impact certain assets. But automating certain processes will allow technicians to perform these duties while less intensive operations remain ongoing.

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Best Practices for Asset Lifecycle Management

#5 Perform Rigorous Cost Analysis

Effective asset management should reveal the overall value of each asset to your business, enable you to prioritize resources, and make decisions substantiated by data. To determine the value of an asset, it's important to calculate the total cost of ownership (TCO) of the device through its lifespan. An in-depth understanding of TCO can have multiple long-term effects on your business, including increased bottom-line profitability, longer device lifespan, improved accountability for services, and consistent implementation of processes. Some components that can factor in to an asset's overall TCO include:

- Software and hardware
- Implementation and deployment
- Data migration
- Licensing
- Training
- Customization and enhancements
- Maintenance and user support
- Security and insurance
- Power and space consumption

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Best Practices for Asset Lifecycle Management

#6 Set Parameters for Evaluating Your Equipment

Considering the ongoing advancements in today's software, how often should your organization refresh its hardware? In order to process more complex programs, most businesses replace their hardware every one or two years. But these businesses come to this decision by evaluating the lifecycles of their assets and setting parameters accordingly. Ask yourself: When is a device considered "used" or "new"? A device that has been commissioned for only six months may be more cost-effective to assign to a new hire. It's also important to consider the needs of the end-user by ensuring that the right resources are allocated to the right people. For example, a graphic designer may not benefit from using the same equipment as a coder or an engineer. However, when making these decisions, it is still crucial to evaluate the incurred costs of reassigning, upgrading, or replacing assets through thorough TCO analysis (see #5).

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Your Approach:

Work with an MSP

Today's IT environments are constantly shifting, and managing all of the moving parts is an essential part of building a successful foundation for your business. As enterprises continue to recognize IT as a crucial business enabler rather than an expenditure, ALM is becoming a top priority for achieving operational stability and business continuity. A robust ALM system can increase the longevity of your equipment, provide cost visibility, and ensure reliable day-to-day functionality. Selecting the right partner to manage your assets can insure that the processes and operations within your business are seamless and efficient.

Managed Services Providers (MSPs) help organizations align their operations and infrastructure to help achieve long-term business goals. As part of a Managed Service partnership, MSPs take a hands-on approach to asset management, providing not just the personnel, but the delivery model, training, processes, and tools required to sustain business growth and productivity.

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About Milestone

At Milestone, we've been transforming IT since 1997, when President and CEO Prem Chand founded Milestone Technologies, Inc. Back then, Prem's goal was to solve a growing problem for Silicon Valley businesses: IT relocation. Nearly two decades later, we are growing as quickly as the high-tech industry, with more than 1,700 employees serving a substantial client base—currently over 200 companies in 18 countries. Today, Milestone's goal is to shape the way technology is delivered. Every solution we provide is driven by experienced people who are determined to understand your business goals and align your network to help you achieve them, ultimately streamlining your path to success.

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