Application Usage Management Survey

Consumerization of IT: Opportunities & Risks

Sponsored by

FLEXERA® SOFTWARE

IDC
Analyze the Future

Contents

Survey Background 3

Methodology and Sampling 4

- Survey Demographics 4
  - Location of Respondents 4
  - Respondents' Vertical Markets 5
- Consumerized IT is Dominating the Enterprise Landscape 6
- Enterprises Already Benefitting from Consumerization of IT 7
- Enterprises Identify Consumerization of IT Challenges 8
- Risk Awareness – Compliance, Shelfware & Software License Optimization 9
- Organizations Implementing Enterprise App Stores Are at Risk of Software License Noncompliance 11
- Infographic 13

Software Licensing and Provisioning Research at IDC 14

About Flexera Software 14

2013 Application Usage Management Report

Consumerization of IT: Opportunities & Risks

Sponsored by Flexera Software

Survey Background

The *2013 Application Usage Management* survey was conducted by Flexera Software with input from IDC's Software Pricing and Licensing Research division under the direction of Amy Konary, research vice president - software licensing and provisioning at IDC. This annual research project looks at application usage management trends and best practices. The survey reaches out to executives at application producers (Software vendors and intelligent device manufacturers) and enterprises who use and manage software and devices. This is the first year this survey is being conducted.

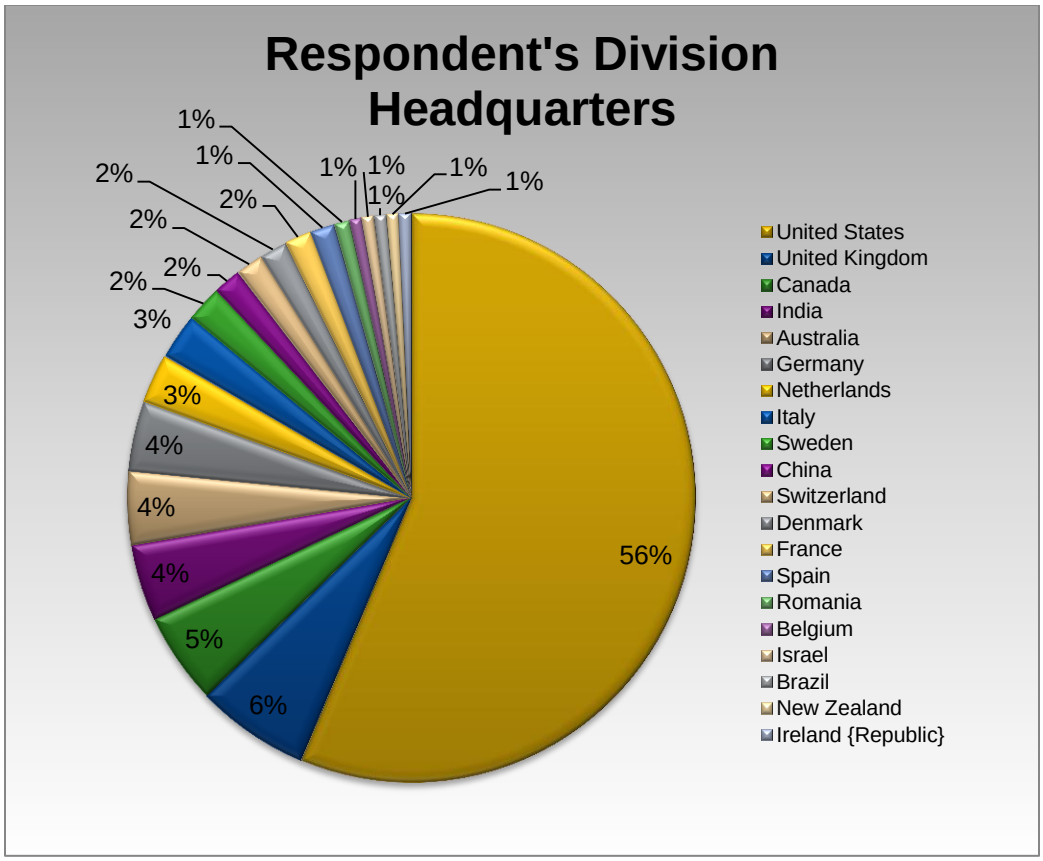
Methodology and Sampling

The data contained in these Application Usage Management reports is compiled from three separate surveys, one targeted for software ISVs, one for intelligent device manufacturers, and one for end-user organizations that consume enterprise software. More than 750 respondents participated, including executives and IT professionals from 455 software ISVs, 127 intelligent device manufacturers and 169 enterprise organizations.

Survey Demographics

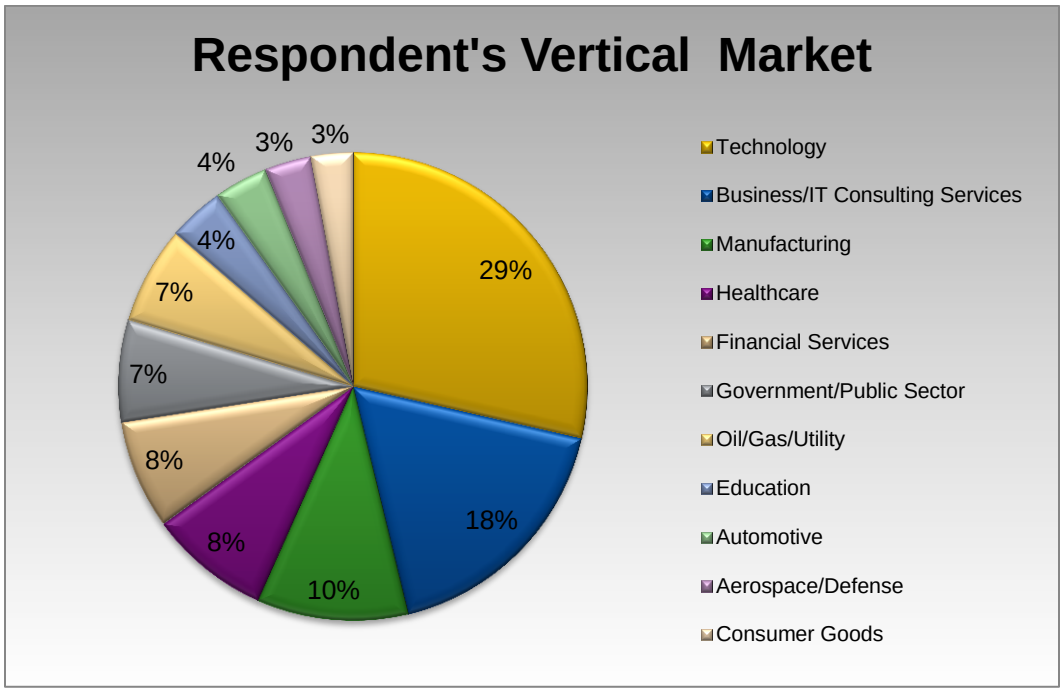
Location of Respondents

Of the 750+ respondents to the survey, 56% reported their division headquarters as being located in the United States. 6% were from the United Kingdom, 5% from Canada, and 4% were from India, Australia and Germany.



Respondents' Vertical Markets

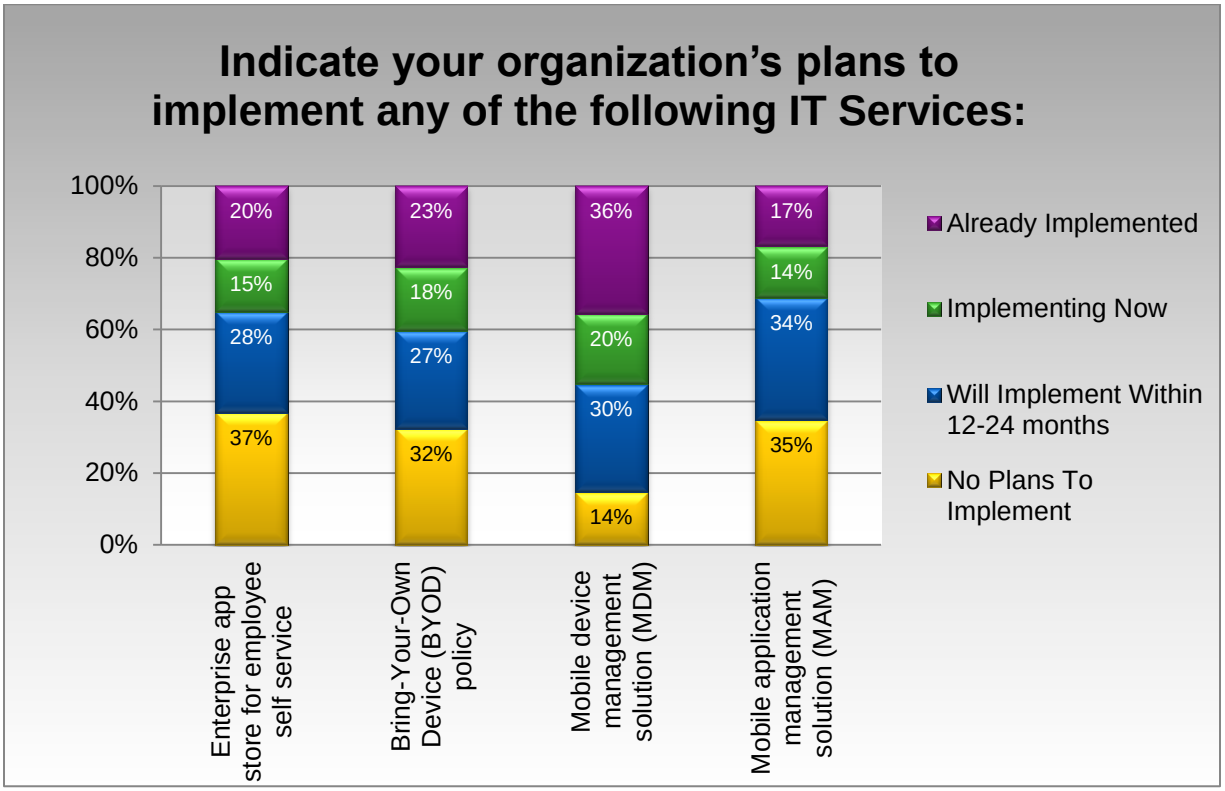
Respondents of the Application Usage Management Survey fell across a wide array of vertical markets. 29% were from technology companies, 18% were from business and consulting services, 8% each from healthcare and financial services, and 7% each from government and financial services.



Consumerized IT is Dominating the Enterprise Landscape

There is no doubt that a consumerized IT landscape is here to stay. Employees are more sophisticated about technology given the plethora of devices they rely upon in their daily lives. And they demand that their IT experience at work be as friendly, flexible and productive. Previously, roadblocks at the office to ease-of-use and productivity were met by frustration and hand-wringing. Now, with so many ways to end-run around unwieldy IT departments, employees can create 'shadow IT', bringing in the tools and apps they need to do their jobs if IT won't.

Consumerization of IT is bringing employees' needs and expectations in closer alignment with the enterprise. IT departments are rising to the challenge, implementing the programs needed to enable the tech-empowered employee. We asked respondents and learned that the vast majority of enterprises either are currently or plan on implementing some sort of Consumerization of IT program. For instances, within the next two years 86% will have implemented a Mobile Device Management (MDM) solution. 68% will have implemented a "Bring Your Own Device" (BYOD) policy. 65% will have implemented a Mobile Application Management (MAM) solution. And 63% will have implemented a self-service, enterprise app store.

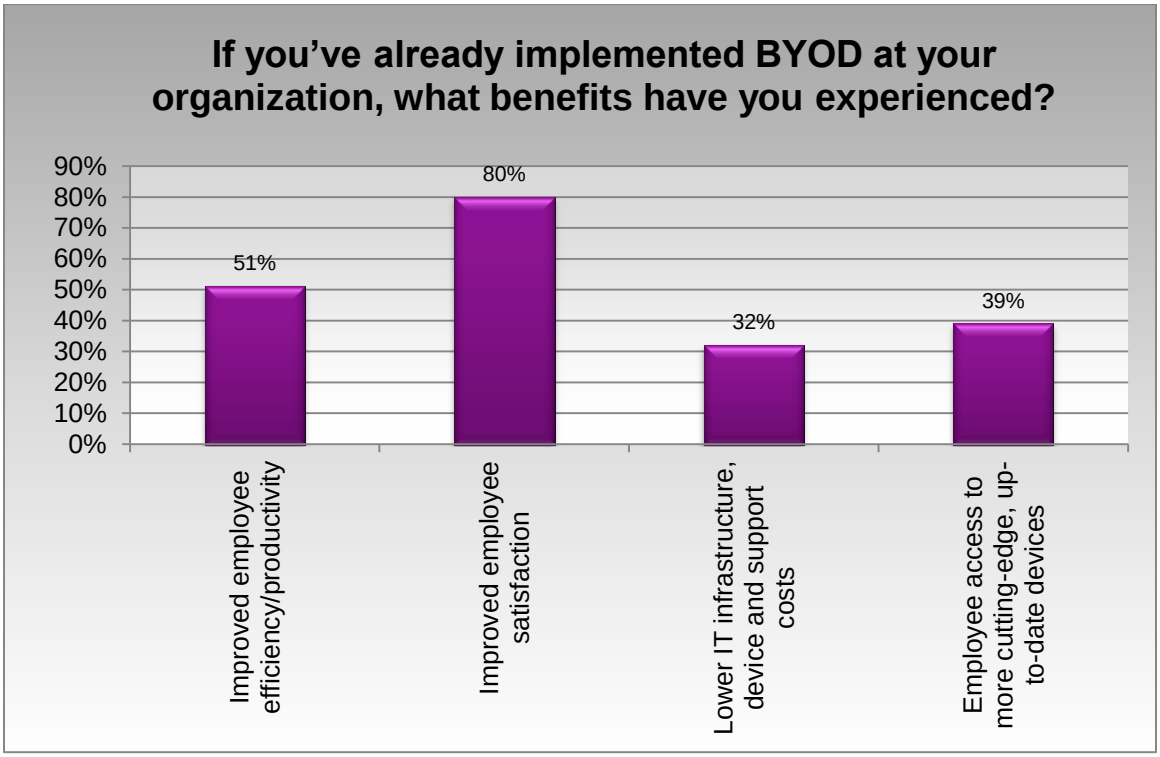


Enterprises Already Benefitting from Consumerization of IT

Organizations clearly are enjoying benefits from implementing Consumerization of IT programs. Consider “Bring Your Own Device” (BYOD) – letting employees use their own smartphones, tablets, laptops and other devices for work-related activities. Just a few years ago – BYOD ran counter to most corporate policies and, in fact, was often considered grounds for dismissal. Today, enterprises not only support the practice, but are actually encouraging it. And, according to the survey, for good reason.

For instance, of the survey respondents who have implemented a BYOD policy, 80% report higher employee satisfaction as a result. More than half – 51% -- report improved employee efficiency and productivity. 39% say they benefit by giving employees access to more cutting-edge, up-to-date devices. And almost a third – 32% -- report lower IT infrastructure, device and support costs.

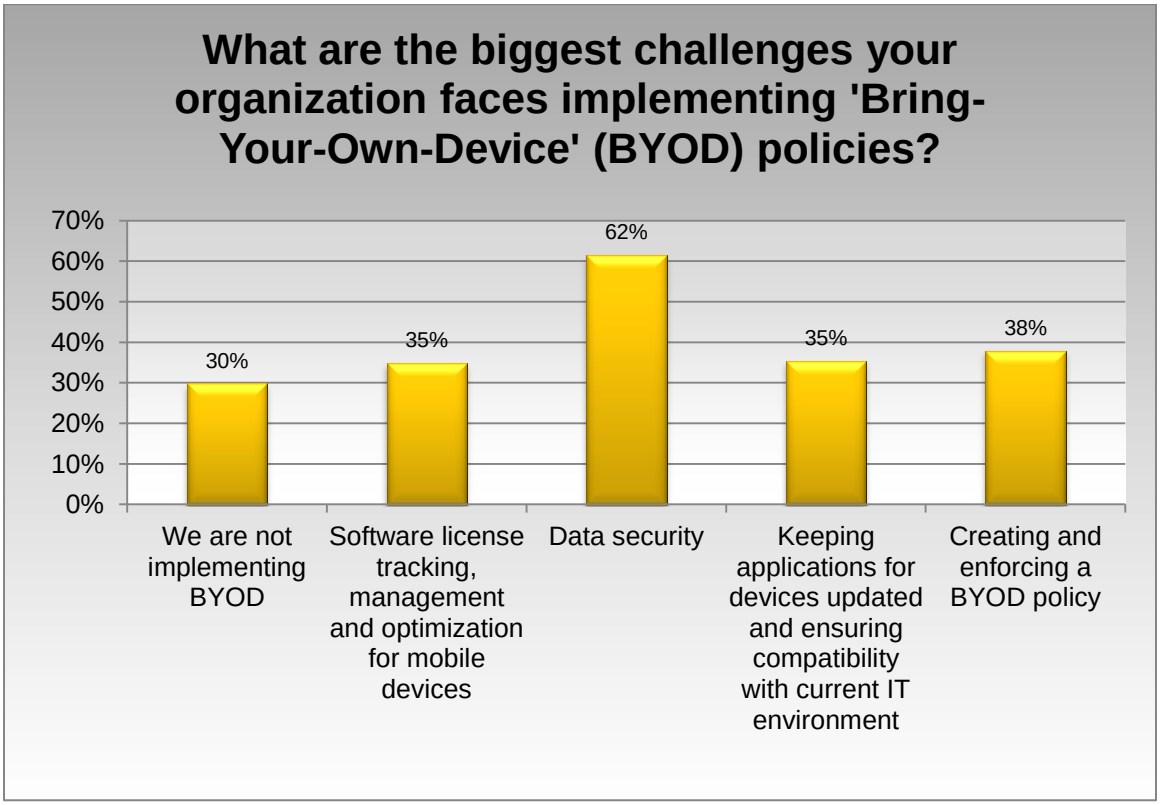
If BYOD is an indicator of the larger Consumerization of IT trend, then the survey data supports the conclusion that enterprises are already enjoying its benefits. But, challenges remain.



Enterprises Identify Consumerization of IT Challenges

Enterprises surveyed for this report are not naïve about Consumerization of IT – they recognize there will be obstacles to success. For instance, 62% of respondents cite data security among their greatest challenges implementing a BYOD policy. 38% say creating and enforcing a BYOD policy is a hurdle. 35% say software license tracking, management and optimization for mobile devices is a challenge. And 35% also say keeping applications for devices updated and current is challenging.

Closer examination reveals that all the challenges around BYOD relate to the tension between giving users what they want, and the need of IT to maintain accountability and control over corporate data and business applications. Employees just want things to work on their devices of choice and are less concerned about how that impacts the organization. But enterprises understand that without back-end controls and management – the risk associated with Consumerization of IT would be unacceptable.



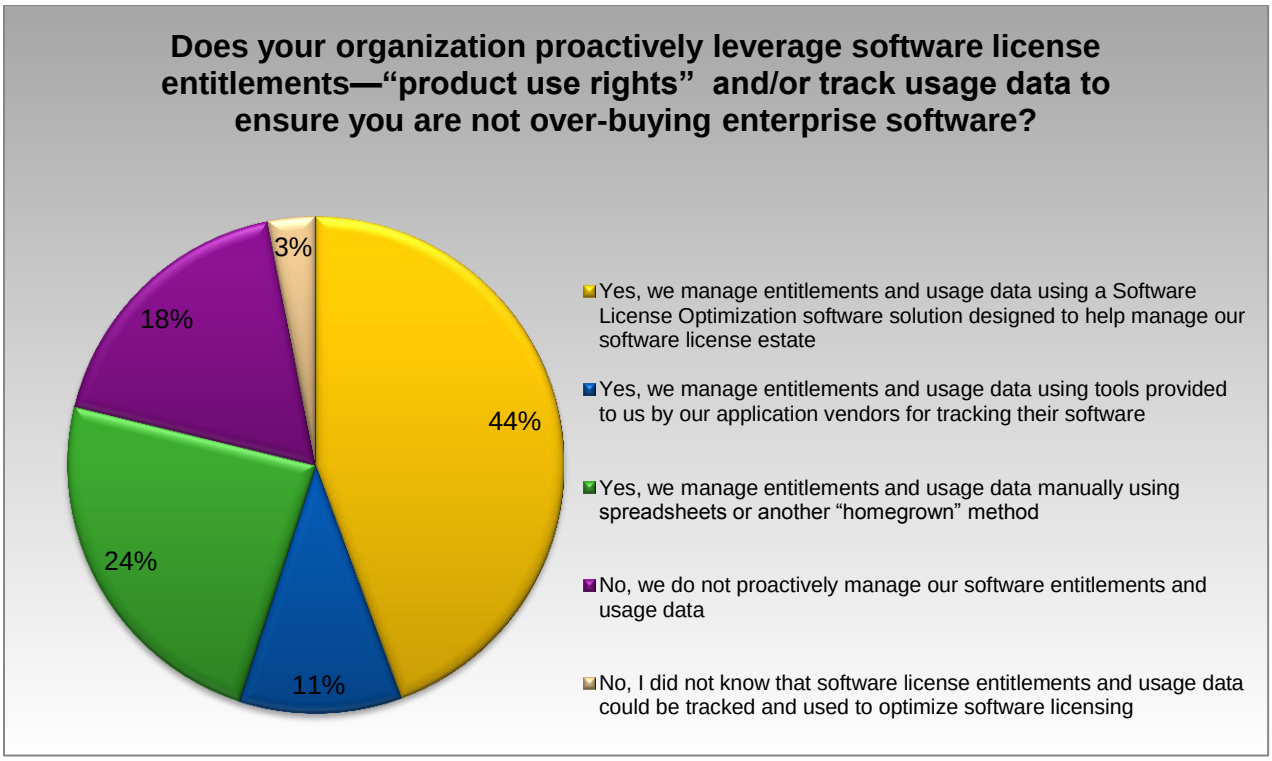
Are organizations looking beyond the challenges at the risks – and taking the necessary measures to protect the enterprise?

Risk Awareness – Compliance, Shelfware & Software License Optimization

Awareness of corporate risk goes beyond overcoming challenges. It reflects an understanding that failure to mitigate a particular threat could lead to financial penalties and/or corporate reputational damage. Many of the challenges identified by organizations certainly speak to difficulties they recognize they'll encounter implementing Consumerization of IT. But are organizations aware of the strategic risks – and acting to alleviate those risks?

To answer that question, we wanted to understand how respondents are generally handling a particular corporate risk area to determine if appropriate measures are being taken to handle those risks as they present themselves in a Consumerized IT environment. Software license management is a good example. For instance, if an organization proactively manages and optimizes its software license estate – arguably among the most strategic assets corporations have – are they also taking into account the Software License Optimization impacts that Conumerization of IT will have?

To answer that question, we first wanted to know what respondents generally do to manage their software license entitlements. According to the survey, the vast majority of respondents – 79% -- are aware of software license management and are doing at least something proactive to manage the software estate. For instance – 44% of respondents are taking the most proactive and strategic steps to manage their software license entitlements by implementing a Software License Optimization solution. 11% are using the tools their vendors provide to track their software. And 24% are attempting to manage their licenses the old-fashioned way – using spread sheets or another 'home-grown' method.



So, while methods used for software license management – and accordingly the results – vary widely among respondents – one can conclude that respondents are at least generally aware of the important need to proactively manage this strategic asset.

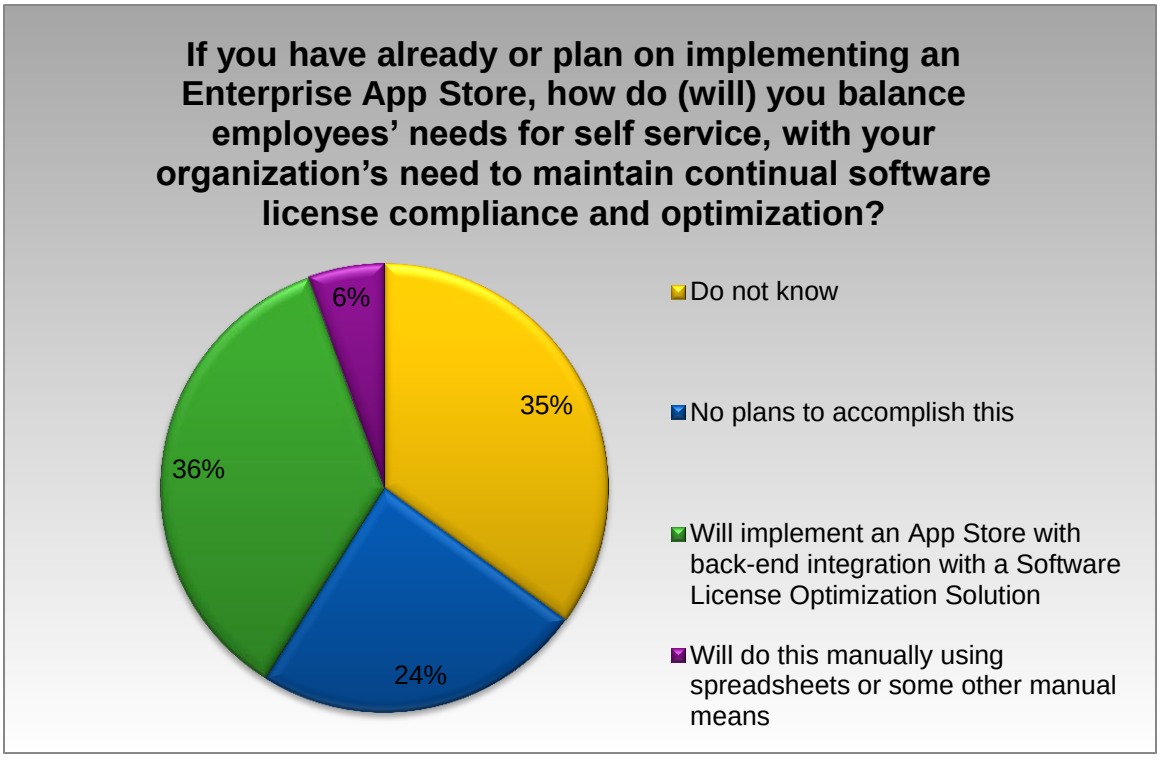
The final question, then, is whether organizations are connecting the dots – and understand the impacts of Consumerization of IT on software license management – and whether they are proactively mitigating those risks to the same degree as the larger software estate.

Organizations Implementing Enterprise App Stores Are at Risk of Software License Noncompliance

As noted earlier in the survey, 63% of enterprises will have implemented enterprise app stores – one of the hottest trends in the Consumerization of IT movement. Enterprise app stores let companies give employees the ability to self-serve, and download enterprise apps with the same ease they're already used to downloading apps for their personal devices from a public app store. However, we wanted to know if enterprises really understand one of the greatest risks of enterprise app stores – the loss of control over the software license estate that could result in non-compliant software use and vendor penalties at software license audit time.

As already noted, respondents are, to some degree or another, tracking their software entitlements. Does that practice extend to their enterprise app stores? Alarmingly, the answer is no.

We asked how respondents will balance employees' need for self service, with the organization's need to maintain continual software license compliance and optimization. More than half of organizations simply don't have a plan: 35% do not know how they'll accomplish this balancing act, and almost a quarter of respondents – 24% – have no plans to do so.

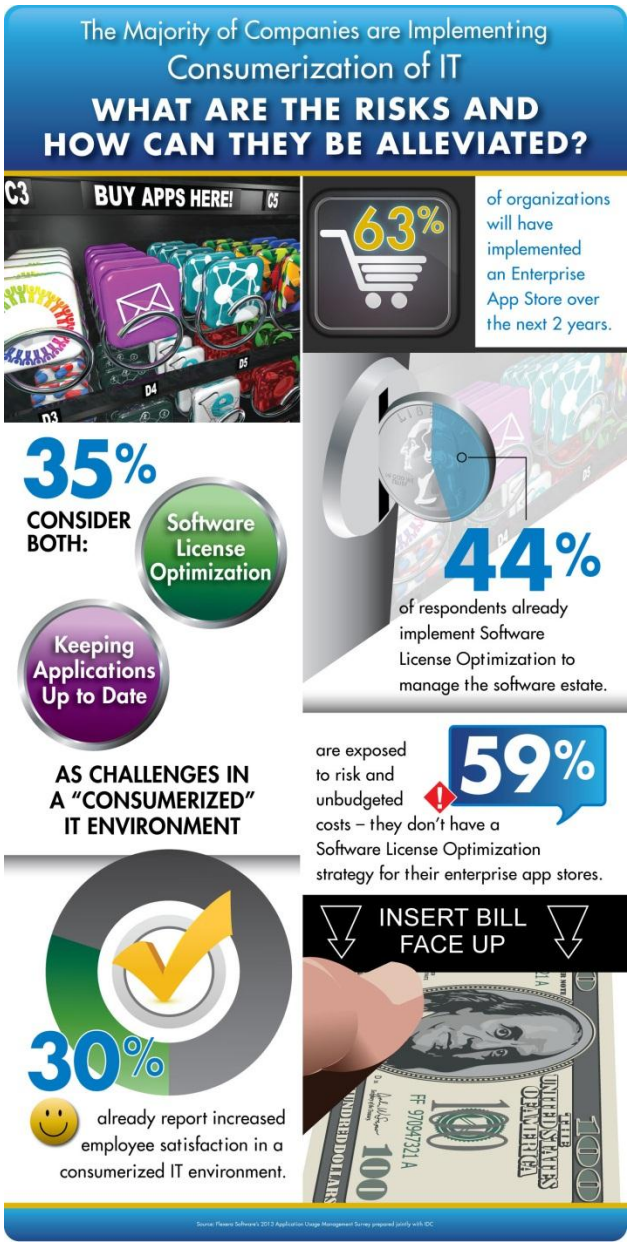


This statistic should serve as a wakeup call to all organizations implementing enterprise app stores as part of their Consumerization of IT plans. As we've seen in a previous Flexera Software/IDC Software

Pricing & Licensing Report, Software Vendor Audits Are on the Rise, vendors are auditing their customers more and exacting higher penalties for non-compliant software use. Opening up employee access to enterprise software via a self-service enterprise app store, while providing employees great access to the applications they need, will also exasperate the license compliance problem. It will also increase the corporate and financial risk of non-compliant software use uncovered during software vendor audits.

Therefore, it's incumbent upon enterprises to understand the connection between implementing an enterprise app store and software license compliance risk – and proactively mitigate that risk. The only way this can be done is by implementing an enterprise app store that is tightly integrated with the Software License Optimization solution the organization is using. And if the app store is not tightly integrated with that solution – the enterprise must build manual processes and safeguards to ensure that licenses are available for the employees to use – before the applications are downloaded and used.

Infographic



Software Licensing and Provisioning Research at IDC

IDC's global Software Licensing and Provisioning research practice is directed by Amy Konary. In this role, Ms. Konary is responsible for providing coverage of software go-to-market trends including volume license programs, evolving license models, global price management, and licensing technologies through market analysis, research and consulting. In her coverage of software maintenance, subscription, electronic software distribution and licensing technologies, Ms. Konary has been instrumental in forecasting future market size and growth. Ms. Konary was also the lead analyst for IDC's coverage of software as a service (SaaS) for eight years prior to focusing exclusively on pricing, licensing, and delivery. International Data Corporation (IDC) is the premier global provider of market intelligence, advisory services, and events for the information technology, telecommunications, and consumer technology markets. For more information about IDC, please see www.idc.com

About Flexera Software

"Flexera Software helps application producers and enterprises increase application usage and the value they derive from their software. Our Application Usage Management solutions are essential to ensure continuous licensing compliance, optimized software investments and to future-proof businesses against the risks and costs of constantly changing technology. Over 80,000 customers turn to Flexera Software as a trusted and neutral source for the knowledge and expertise we have gained as the marketplace leader in licensing, installation and compliance for over 20 years and for the automation and intelligence designed into our products.

Flexera Software, LLC
(Global Headquarters)
+1 800-809-5659

United Kingdom (Europe, Middle East Headquarters):
+44 870-871-1111
+44 870-873-6300

Australia (Asia, Pacific Headquarters):
+61 3-9895-2000

Beijing, China:
+86 10-6510-1566

For more locations visit:
www.flexerasoftware.com