

Best Practices for Governance and Compliance using an Enterprise App Store



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Introduction

Easier access to business apps through an enterprise app store delivers clear benefits for employees. That alone is a compelling reason for embracing this technology. However, the self-service model also offers major benefits for the enterprise. If implemented following best practices, enterprise app stores can reduce license compliance risks and license fees, while increasing the ROI of the application portfolio. Reducing software spending and maintaining proper governance and compliance of software licenses is an imperative for organizations of any size. Defining and implementing a strategy for an enterprise app store following a few best practices will make a huge difference with a very meaningful ROI, but without the right solution, an app store can compound existing problems.

IT organizations in many enterprises are establishing enterprise app stores to respond to shifting user demands and the need to understand software usage and optimize spend. About 19 percent of enterprises report having some sort of app store initiative in place. Gartner, Inc. estimates that by 2017, 25 percent of enterprises will have an app store for managing corporate-sanctioned apps on PCs and mobile devices.¹

Enterprises must take care that the enterprise app store does not exacerbate the problem of maintaining software license compliance. IT has to ensure that sufficient software licenses are available to meet the needs of the business. Another important consideration is that the app store must help ensure that the software installed on users devices is actually being used and not sitting idle. Without proper

oversight and governance, these problems can quickly compound and result in license compliance audits and fines as well as overbuying of software licenses. An enterprise app store can help find the right balance between too many licenses that drive up costs and too few licenses that increase compliance risk.

App stores not only address the business need for control of software licensing, but also meet modern employees' expectations for a consumer-driven experience when it comes to accessing IT services in the workplace. The benefits in terms of higher employee productivity and improved satisfaction are compelling. In addition, by automating one-off software requests and enabling self-service operating system deployments and migrations, an enterprise app store saves many hours of expensive IT staff time, driving down costs substantially. Here are a few real-world examples of the tangible results realized:

- At Avnet, Inc., wait times for applications that don't require approvals dropped from two days to just a few minutes, and IT no longer has to physically install applications on desktop computers.
- For Kuoni, Inc., an enterprise app store has eliminated routine service desk calls in which users request applications to be pushed out to them. The result is reduced help desk staffing requirements and costs.
- At Providence Health, applications are now delivered without IT intervention, saving hundreds of hours of staff time. Instead of taking four days, software requests are fulfilled in two hours or less.

¹ Enterprise App Stores Can Increase the ROI of the App Portfolio ,Gartner, Inc., February 2013.

The challenge for IT is to offer users a consumer-like experience while still maintaining control. That requires establishing best-practice processes for implementing and managing the app store, and supporting and automating those processes with the right technology.

This paper presents seven best practices that have been identified based on the experiences of early adopters and research from independent firms such as Gartner, Inc., and Forrester Research. It also describes how the right app store solution can support these practices. By applying these best practices, you can ensure success and maximize the value that your enterprise app store delivers.

Why Build an Enterprise App Store?

Compared to the consumer market, enterprise software request and fulfillment processes continue to be manual, labor intensive and highly inefficient, resulting in higher licensing costs, lack of governance, and longer service delivery times. A properly implemented enterprise app store addresses these issues.

Reduce Costs

Software licenses account for a significant portion of total IT spend. Consequently, it's important to ensure that licenses are purchased and allocated in the most cost-effective manner. Unfortunately most enterprises lack visibility into and control of their software licensing and this results in either of two outcomes: license overbuying or license underbuying.

In license overbuying, the enterprise purchases more licenses than required to satisfy the application needs of the business. Due to concerns about breaching contract terms as well as lack of visibility into license position and application usage, many enterprises simply "play it safe" and overbuy licenses. As employees leave or move to new positions, applications licenses are lost tack off and as a result, many of these licenses sit idle and soak up money unnecessarily.

In license underbuying, the enterprise has not purchased enough licenses to cover its application usage. Underbuying often occurs because, software is installed without checking for license availability. At audit time, enterprises that underbuy often face substantial true-up costs. According to a recent survey on software pricing and licensing, the norm for these true-up costs is in the six- or seven-figure range.² These true-up costs are typically unbudgeted, so IT has to take dollars from other programs to pay the bill, which may mean passing up opportunities for business innovation.



Figure 1 Application Usage Management Survey of more than 750 respondents

A 2013 study indicated that 80 percent of enterprises say that overbuying and underbuying are important concerns yet only about 33 percent were satisfied with how they were handling them.

A well-implemented enterprise app store that works in concert with a Software License Optimization solution can help mitigate both outcomes and drive down costs substantially. For example, the solution can reclaim and reuse idle licenses based on application usage data provided by the Software License Optimization solution. This process mitigates overbuying by making full use of existing licenses before triggering the purchase of new ones. The app store can also eliminate the true-up costs caused by underbuying by ensuring that a license is available before fulfilling a user's request for an application.

Additionally, the labor-intensive manual software request and fulfillment process in many enterprises is highly inefficient. Each request involves not only a help desk agent, but also a technical specialist who may have to travel to the requester's site to install the software. That inefficiency drives up costs. By automating request and delivery and enabling user self-service, the app store minimizes the need for IT staff intervention. The result is a dramatic reduction in costs.

Speed Service Delivery

In 75 percent of enterprises, users have to submit a help desk ticket to request software and then wait for delivery, which can take anywhere from a day to weeks, even months (*in many cases, the help desk views these requests as low-priority items*). Meanwhile, users have little or no feedback regarding request status. Consequently, they often view the help desk as a black hole when it comes to software requests.

The long delays mean users don't have the applications needed to do their job, which drags down employee productivity and results in user dissatisfaction. To satisfy their need for speed, some line of business owners go around IT and order what they need from external service providers. This phenomenon is known as shadow IT and can be a major factor in losing control of the enterprise application estate.

An enterprise app store empowers users to serve themselves in requesting software and automates the request and delivery process. It provides a single place where users can go to request services from multiple providers.

The results are compelling. Application requests that don't require review and approvals can be delivered in minutes. Applications that require approvals can still be delivered quickly, in a matter of hours, depending on corporate policies and approval processes. In addition, by working in concert with an application readiness solution, the app store can reduce the time to bring new applications to the app store shelves to meet the needs of the business.

Seven Practices for Success

In implementing an enterprise app store, it's important to consider both the needs of users and the needs of IT. Users want a consumer-like experience in obtaining digital services. IT wants to provide that experience without jeopardizing control. The following best practices will help you ensure wide adoption of your enterprise app store by balancing effective control with high-quality service delivery.

1. Always Know Your License Position

Complying with software license contract terms is a burdensome but necessary job. Noncompliance can be costly. True-up costs as a result of an audit can run in the hundreds of thousands, if not millions of dollars. In the **Application Usage Management Survey: Consumerization of IT: Opportunities & Risks**, more than half of organizations indicated that they don't have a plan to balance the need for self-service with the ability to maintain continual software license compliance: 35 percent do not know how they'll accomplish this balancing act, and almost a quarter of respondents—24 percent—have no plans to do so. Ensuring that each application delivered through the app store is properly allocated and licensed eliminates excess spending.

If you have already or plan on implementing an Enterprise App Store, how do (will) you balance employees' needs for self service, with your organization's need to maintain continual software license compliance and optimization?

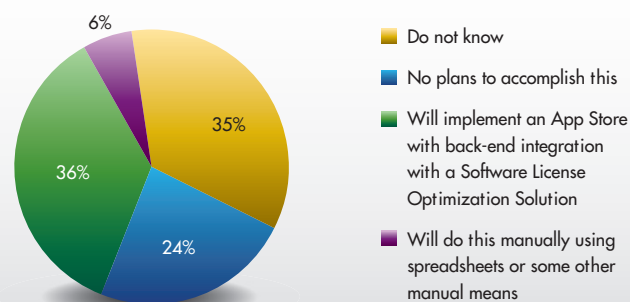


Figure 2 Application Usage Management Survey

To maintain continuous license compliance, the enterprise app store needs accurate license position data that includes how many licenses the enterprise owns, how many are allocated, how many are in use and how many are available globally or by group. When a user requests an application, the app store must check license availability. The check must be made in real time so as to avoid delays in delivery. If a license is available, the app store should reserve that license so it cannot be allocated to another user requesting the application later (*there's no cutting in line*). If a license is not available to fill the request, the app store should trigger a process that engages the procurement team to acquire additional licenses.

Figure 3 illustrates how the process can be automated through integration of the app store with a Software License Optimization solution. Here's how it works:

- Applications are packaged and deployed simultaneously to the software deployment system and the enterprise app store.
- The user requests an application through the app store.
- The app store requests the software license optimization solution to reserve a license for the requested application.
- If a license is available, the app store initiates the approval and delivery process, and forwards the application to the enterprise deployment system for deployment to the user's device.
- When delivery is accomplished, the license status is updated from reserved to consumed.
- If no license is available, the solution alerts the procurement team to review the license impact of the request.

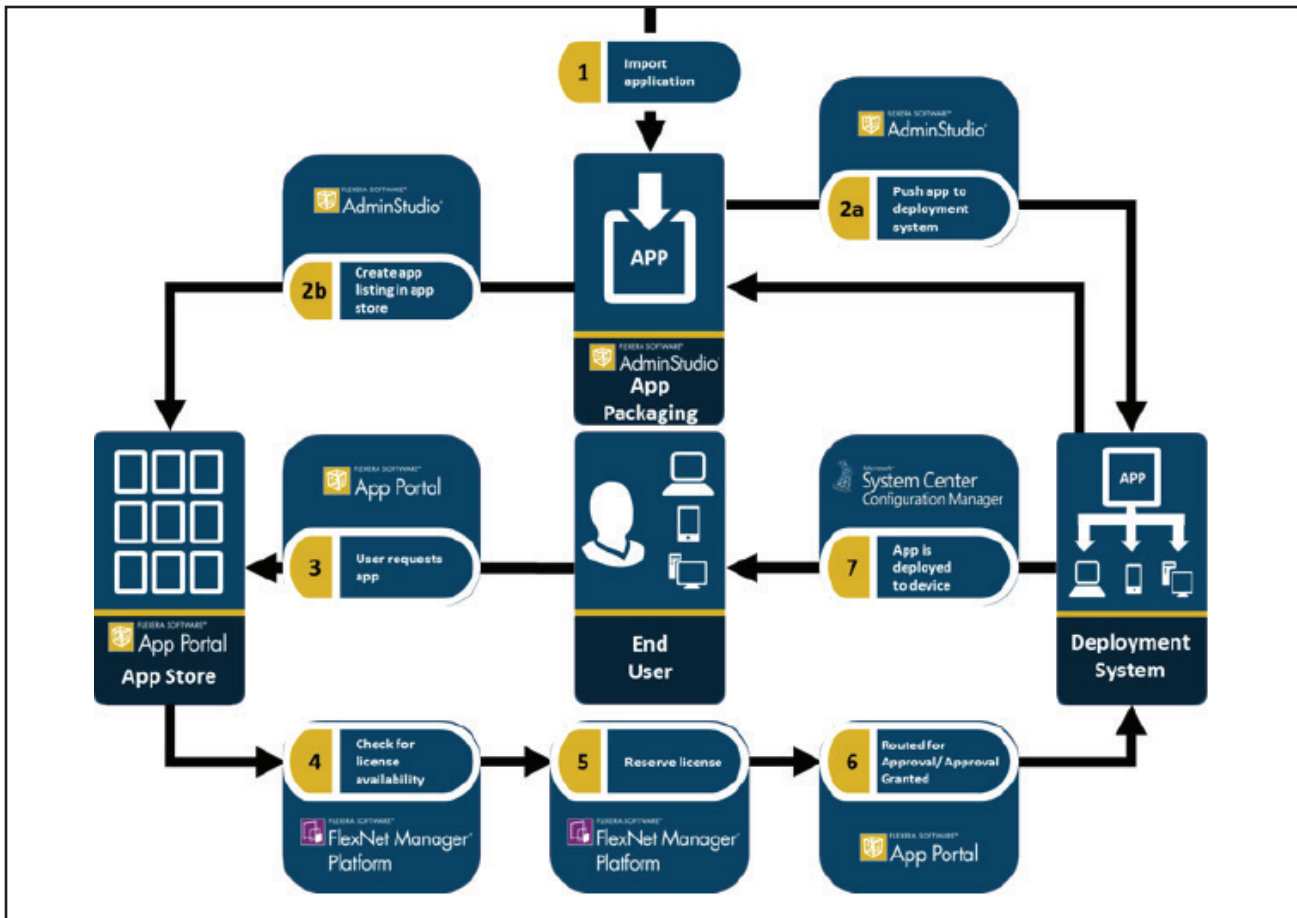


Figure 3. Automatic checking of license position and license reservation at request time optimizes software usage and eliminates costs associated with overbuying and underbuying of licenses.

It's a good idea to get users involved in software license compliance by providing feedback on their level of compliance such as with a license compliance score. If an application is out of compliance, the app store can alert the user and solicit information from the user to prove that an application has been acquired legally, such as by submitting proof of purchase.

2. Reduce, Recycle and Reuse

In most enterprises, a number of software licenses are allocated but are lying dormant for a number of reasons. The employee who was assigned the license might have changed jobs within the company or left the company entirely. The licenses for these applications remain allocated even though they are no longer in use. In the **Key Trends in Software Pricing and Licensing Survey**, 56 percent of enterprises say that 11 percent or more of their application spend is associated with applications that are underused. Moreover, at a recent Flexera Software webinar, 60 percent of the participants said they do not have a process in place for reclaiming unused licenses. Consequently, idle licenses present an opportunity for significant cost recovery.

There are two approaches to minimize the number of idle licenses. You can implement software leasing or you can reclaim and reallocate idle licenses. With leasing, licenses are assigned for a specific time period and then returned. Leasing is a good way to handle expensive applications and applications that are used by temporary contractors. You could also use leasing for software needed for short-term projects, such as by leasing Microsoft Project.

App store solutions can automate both approaches to license conservation based on policy. In automating a reclamation and reallocation process, the app store gathers and maintains application usage data on all users to provide visibility into who is using what applications and how frequently. The app store notifies users with idle licenses of IT's intent to reclaim the licenses. The users can optionally relinquish the license or provide justification for keeping it.

Enterprises typically get better results from software license conservation programs by engaging users. To get users involved, the app store must provide them with feedback, such as what applications are installed on their devices, the cost of the applications and which applications are unused

or infrequently used. Also, if you let users know they can get a surrendered application back very quickly if they need it, they will be more willing to relinquish applications they don't use very often.

It's also important to provide cost transparency to users such as through chargeback or showback. Cost feedback sensitizes users to the high cost of software and encourages them to be more prudent in requesting applications and relinquishing applications they no longer use.

3. Stock the Store and Keep It Current

Successful app stores offer a rich selection of applications that are ready for immediate deployment. Those applications should be kept current with the latest patches and updates. They should also be available for all the operating environments and devices that users have: desktop and laptop computers, virtual desktops and mobile devices.

Keeping items current is a tough job because the application environment is continually changing. In the typical enterprise, over 30 percent of the applications have to be updated, repackaged and redeployed annually. A major problem in enterprises is that IT has maintained standardization of applications well beyond the time the applications have been upgraded. For example, some enterprises have maintained Office 2007 well beyond the introduction of Office 2013. Many of them have put off updates because of the huge effort involved in update processes.

Integrating with an Application Readiness solution helps ensure that the app store catalog is automatically stocked with applications that have been prepared consistently with IT standards and are compatible with the end user's devices, this ensures reliability and supportability of the applications available to the end user community. The store should house the current versions of those applications with the apps packaged for all the operating environments and devices users have. The Application Readiness solution streamlines the updating of existing applications in the store as well as streamlining the addition of new applications.

Application Readiness solutions offer the advantage of automating compatibility testing and packaging of new or updated applications. They also automate application remediation and conversion to accelerate migration of applications to new operating systems such as Windows 7 and 8, as well as to new technologies such as desktop and application virtualization. The Application Readiness solution ensures that the applications will operate reliably in the new environments while minimizing the time and effort required to repackage the applications.

As Figure 3 illustrates, some Application Readiness solutions automatically publish new applications to the app

store at the same time they publish them to the enterprise software deployment system such as Microsoft System Center Configuration Manager (SCCM) or the Symantec Altiris Client Management Suite.

4. Focus On the User Experience

The quality of the user experience is a critical factor in the success of an enterprise app store. The more positive the user experience, the faster the adoption rate. According to Gartner, Inc., "IT organizations must place user experience at the forefront of the IT self-service strategy. Before design, the IT organization must first determine the appetite, aptitude and expectations for IT self-service in the business. Surveys, focus groups and workplace anthropology can be an effective start, in addition to other forms of engagement."³

Successful enterprise app stores must offer users a choice of applications. Unlike consumer app stores, however, choice and selection must be limited to some degree in the enterprise app store. You must confirm that any apps available through the store are compatible with the overall IT and business strategy, and with the IT environment.

Successful stores also offer rapid fulfillment. Business people are accustomed to the immediate delivery available through consumer app stores and they expect the same level of service for business apps. Users can't always plan ahead with respect to which apps they might need. For example, a business user may suddenly realize he or she needs an application to open and review a critical document. The user doesn't have time to submit a request to the help desk and wait for someone from IT to show up with CD — or even to wait for IT to use remote access to install the software. So the ability to respond quickly is paramount.

Be sure, however, to permit users to indicate whether they want immediate or delayed delivery. In some cases, such as an operating system upgrade, a user may wish to postpone delivery to a time that is more convenient.

Users should also be able to request new applications that are not already available in the app store. The app store should then present the user with a form to fill out, gathering specific information about the new application. This information should be passed on to the procurement staff and the application readiness team that prepares and packages the application. Procurement acquires the application and the application readiness team handles compatibility testing and packaging of the application in all required formats (*MSI, virtual, mobile and others*).

5. Balance Choice and Convenience with Control

In the consumer world, there's no problem with delivering \$.99 apps unconditionally and with a single mouse click. But for enterprise apps, which cost a lot more, IT must control what users see and do in the app store. Bottom

line: You have to limit user choice to some degree to ensure control. Here are some limitations to consider:

- Present business users with only the apps they are authorized to use based on job role, region and other factors.
- Present only those apps that are compatible with the user's environment, that is, apps that run with the user's operating system(s) and device type(s).
- Ensure that all apps are fully tested for compatibility with other apps in the user's environment so that the requested apps will not cause conflicts.

In addition, you should strive to rationalize and consolidate the application portfolio wherever possible to remove redundant applications that serve the same function. In this way, you can reduce the size of the portfolio to contain costs and simplify management while still satisfying user demands.

Be sure you have an efficient review and approval process for requests that require approval. The process must capture any information required, such as business case and cost center names and numbers. The request is automatically routed to the appropriate business approvers and the approval process must maintain an audit trail.

To eliminate risk, the request and fulfillment process must incorporate license validation. First, the store must ensure that a license is available before delivering an application. If not, the enterprise app store should provide a mechanism for new software requests that are not listed in your current software catalog. You should have a process in place that reviews new requests and a group that evaluates whether one of your current standard applications meets those needs, or if the new software should become part of the standardized list. If it becomes part of the standardized list, it will go through the purchasing and packaging process and gets added to the catalog once the process is complete.

It's also important to control the timing of deployments so as not to degrade network performance or interfere with business operations. This is especially important in large scale rollouts such as an upgrade to Microsoft Office. Administrators need to be able to specify installation controls such as identifying blackout dates, offsetting scheduling and setting volume constraints.

6. Increase Insight through Data and Analytics

Savvy retailers strive to gain insight into their customers' preferences, in-store behaviors and buying habits. They also keep close watch on the quality of their service to customers — for example, monitoring the time spent in checkout lines.

Likewise, you need insight into your users and your performance. It's important, therefore, that the app store gather application usage data across the enterprise. This data should include what applications people are requesting and how they're using them. You can also employ user reviews and ratings to obtain user opinions. When multiple applications are available for the same purpose — for example, multiple compression utilities — you can use this data to determine which is the most popular.

The information you gather gives application managers needed insight into which applications to keep in the portfolio, which applications to eliminate and which new applications to add. You can also utilize usage data to negotiate favorable vendor prices and terms and maintain better control over the budget.

It's also important to establish and track app store performance metrics such as:

- Number of application requests received by the app store per defined time period
- Percentage of total application requests made through the store
- Percentage of app store application requests fulfilled successfully
- Time from app store request to successful delivery
- Percentage of app store requests requiring an incident

You can leverage these metrics to calculate key performance indicators (KPIs) for measuring success and presenting proof points to senior management. For example, by combining performance metrics with costs you can determine the costs savings realized from the app store.

7. Don't Operate in a Silo

The best practices discussed previously create the need to integrate the app store with other related business processes and systems. For example, always knowing your license position requires integration of the app store with a **Software License Optimization** solution. Stocking the store and keeping it current requires integration with an **Application Readiness** solution.

In addition, it's advisable to integrate the app store with back-office systems. For example, independent analyst and research firms strongly recommend integration with procurement solutions. As Gartner notes, "Where a new app store is required, integrate it with internal software asset management and IT procurement systems."⁴

Integration with an IT Service Management (ITSM) solution such as BMC Remedy ITSM, ServiceNow or Microsoft Service Manager is also highly beneficial. For example, the app store can automatically generate tickets in the help desk system to record requests and provide continuity with the help desk staff. The automated routing of requests for approval can be performed by either the app store or the ITSM solution depending on business needs and corporate policies.

The benefits of integration with an ITSM solution are many. If installation of the requested software fails, the ITSM solution can escalate the ticket to alert the IT staff and route the ticket to the appropriate group for resolution. By enabling automatic ticket creation, integration ensures that every software change to user devices is tracked. In addition, integration with an ITSM solution provides users with a single convenient place to request a wide variety of IT services, ranging from application requests to requests for technical support.

Conclusion

A number of enterprises are already realizing major gains in terms of operational efficiency, reduced costs, continual compliance, and improved service quality by implementing an enterprise app store to manage licenses and automate software requests. Through experience, these enterprises have learned valuable lessons with respect to what practices deliver the best results. Research from independent research firms validates what these companies have learned.

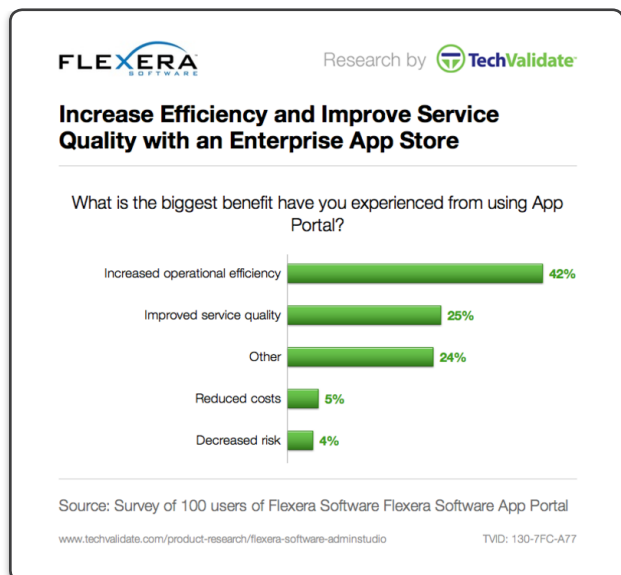


Figure 4: Survey of 100 users of Flexera Software App Portal

In a recent Flexera Software/IDC survey of enterprises that have implemented app stores, 42 percent of participants stated that increased operational efficiency was the biggest benefit realized from the enterprise app store and 25 percent stated that improved service quality was the biggest benefit.⁵

7 Proven Best Practices

The best way to ensure success and value of an enterprise app store is to follow these seven proven best practices:

1. Always know your license position
2. Reduce, recycle and reuse
3. Stock the store and keep it current
4. Focus on the user experience
5. Balance choice and convenience with control
6. Increase insight through data and analytics
7. Don't operate in a silo

These best practices ensure success by enabling you to create an app store that not only meets expectations for a consumer-driven experience for accessing IT services in the workplace but also maintains IT control over the enterprise's valuable software assets.

About Flexera Software

Flexera Software helps application producers and enterprises increase application usage and the value they derive from their software. Our next-generation software licensing, compliance and installation 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 25 years and for the automation and intelligence designed into our products. For more information, please go to:

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