



Optimize to Innovate

IT Portfolio Management

Managing your IT Portfolio as a Strategic Advantage



IT portfolios: From costly overhead to business advantage

Technology was supposed to solve business problems, not create them. Yet for many organizations, IT investments have slowly transformed from enablers into obstacles.

What was once a nimble set of tools has often become a sprawling, costly overhead that consumes resources rather than creates value. Applications multiply, technical debt accumulates, and costs spiral upward. Meanwhile, business leaders demand both innovation and cost control—seemingly contradictory goals.

The numbers tell a sobering story. Technical debt now consumes 20-40% of the average technology estate's value¹. Nearly a quarter of global IT leaders have paid more than \$5 million in audit costs over the past three years². And organisations waste a third of their SaaS spend on unused or underutilised applications³.

These aren't just empty statistics: they represent real money that should be funding fresh innovation instead of going to waste.

This reality creates a painful paradox for IT leaders like you. You're expected to drive digital transformation while simultaneously reducing costs. You need to innovate rapidly while maintaining legacy systems. And you must secure everything while enabling flexibility.

These contradictions are widely recognized. A recent SoftwareOne study⁴ found that 92% of CIOs believe digital transformation will drive new revenue in the year ahead, but 72% say technical debt will adversely impact their transformation efforts.

Meanwhile, the discipline of IT Portfolio Management (ITPM) has evolved specifically to address these challenges and realize such opportunities. Modern ITPM isn't merely about tracking assets—it's about strategically managing your entire IT estate to maximize value and minimize waste. Done well, it transforms your IT portfolio from a costly overhead into a genuine business advantage.

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82% of organizations acknowledge that lack of IT visibility is a major hurdle to overcome in ITAM⁵.

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¹IT Asset Management, Global Survey 2022 -2023, Deloitte, 2023

²Flexera State of ITAM Report, 2023

³Flexera State of ITAM Report, 2024

⁴Driving business outcomes through cost-optimized innovation, SoftwareOne, 2025

⁵Deloitte ITAM Survey 2022-2023

IT portfolios: Recognizing—and rising—to the challenges

How do sleek, efficient IT portfolios turn into a tangled web of systems that drain budgets and block innovation? The answer: gradually, then suddenly.

The most fundamental challenge in this incremental process is often lack of visibility. That means the first time you notice anything amiss, a big problem may already be unfolding. A striking 82% of organizations acknowledge that lack of IT visibility is a major hurdle to overcome in ITAM¹.

When you can't see what you have, where it is, who's using it, and how much it costs, strategic management becomes almost impossible.

In addition, this lack of visibility has direct and painful financial consequences. The costs—and consequences—come from many directions.

41% of respondents in a recent survey said wasted SaaS spend increased in the last year, while 37% reported wasted IaaS/PaaS had increased as well². With cloud sprawl becoming a reality in many businesses, duplicate resources are created by different teams, and often these resources aren't decommissioned when no longer required.

Stories of businesses receiving crippling bills from software publishers after license audits also abound today. No wonder 60% of organizations cite reducing financial exposure from vendor audits as a key driver of investment in ITAM¹.

And while shadow IT may have enabled a degree of agility, it has also resulted in numerous compliance risks that are only coming to light as businesses receive their bills. Organizations can unwittingly come to depend on applications which start as shadow IT and when these applications stop, malfunction or surface in an audit they can severely damage the business.

Security concerns compound these challenges with inconsistent patching and updates across shadow IT applications increasing vulnerability to breaches, data leaks, and reputational damage. Unverified SaaS can introduce cybersecurity vulnerabilities and risk IP theft through built-in AI/cloud sharing. This has led to a situation where a minimized security risk is the #1 way some organizations measure the success of their ITAM programs³.

And, of course, none of this is happening within a vacuum. The turbulent global economy continues to put extra pressure on businesses, making cost efficiencies and competitive innovation more critical than ever.

Rising to these challenges can't be done with quick fixes or point solutions. It requires a comprehensive combination of good governance, expertise, and effective tools to create a structure of integrated IT Portfolio Management that treats your IT estate as a strategic business asset rather than just another cost center.

¹ Deloitte ITAM Survey 2022-2023

² Flexera State of ITAM Report, 2023

³ ServiceNow: A business view of ITAM, 2023

The optimization blockers: What's standing between your IT portfolio and innovation?

Challenge	Scale	Impact
Lack of visibility	82% of organizations cite IT visibility as a major ITAM hurdle	Strategic planning compromised; resources wasted
Financial waste	41% report increased SaaS waste; 37% see IaaS/PaaS waste grow	Unnecessary spending; reduced budget for innovation
Audit exposure	60% cite reducing audit exposure as key driver for ITAM investment	Unexpected financial penalties; compliance nightmares
Security vulnerabilities	Security risk reduction is #1 metric for many organizations to measure ITAM success	Data breaches; reputational damage; regulatory penalties; attack vector through IP leakage
Cloud sprawl	Duplicate resources created by different teams go untracked	Redundant services; mounting costs; governance gaps
Economic pressure	Global economic turbulence intensifying cost-cutting demands	Tension between innovation needs and budget constraints



Getting technical debt under control starts with awareness. When people in your organization understand what technical debt is and how it can hurt the business, they can better focus on managing it¹.



¹ Escaping the technical debt trap, John Duque, SoftwareOne

IT portfolios: The ITPM Toolkit

Today, ITPM represents a mature discipline that integrates strategic business alignment, financial optimization, and risk management, supported by advanced analytics and automation. This evolution reflects a fundamental shift in how forward-thinking organizations view IT: not as a necessary cost, but as a strategic enabler of business value.

A well-designed ITPM approach is now likely to comprise several integrated components, each addressing specific aspects of portfolio management.

The essential components of modern ITPM

IT Asset Management (ITAM)

ITAM provides visibility and control over all IT assets throughout their lifecycle. Effective ITAM:

- Tracks all assets from purchase through retirement
- Ensures license compliance and optimizes usage
- Reduces unnecessary spending on underutilized resources
- Creates a reliable foundation for decision-making

Heightened visibility and control can lead to well-informed, highly effective cost optimization initiatives.

Application Portfolio Management (APM)

APM provides a strategic framework for assessing and rationalizing your entire application landscape. It helps you:

- Map applications to specific business capabilities
- Spot redundancies where multiple applications serve similar functions
- Identify applications ripe for retirement or modernization
- Systematically reduce technical debt by addressing outdated systems

For many organizations, APM reveals surprising insights that deliver long-term competitive advantage by gaining the visibility that's needed to take control.

Publisher Advisory

Software licensing has grown increasingly complex, with each major publisher using different models and terms. Publisher advisory services provide the specialized knowledge needed to:

- Navigate complex licensing metrics and rules
- Understand the implications of contract clauses
- Minimize compliance risks during audits
- Put the client in control during any commercial contact with the publisher

Strategic license management regularly produces measurable savings as organizations optimize their software deployments to align with contractual terms and conditions.

Sourcing and Demand Management

This lays the foundation for cost-effective and efficient software management ensuring that software investments align with real business needs, prevent unnecessary spending, and reduce long-term complexity. At the core of many ITPM implementations, this function brings discipline to procurement processes and helps organizations:

- Align software investments with business requirements
- Negotiate better vendor agreements
- Optimize software spend by benchmarking costs, managing renewals, and reducing unnecessary purchases
- Reduce admin burdens through proactive transaction management by centralizing demand requests and implementing approval workflows, this discipline can help organizations achieve savings.

FinOps

As cloud spending continues to grow, FinOps has emerged as a critical discipline that helps organizations:

- Bridge traditional gaps between technology, finance, and operations teams
- Gain clear visibility into cloud usage and spending
- Control rapidly escalating cloud costs
- Maximize return on cloud investments through rightsizing and optimization

Mature FinOps practices deliver marked improvements in cost predictability as forecast accuracy increases compared to conventional cloud financial management.

Integration

The real power of ITPM comes not from implementing individual components but from integrating them into a cohesive approach. Working together, these components can create a virtuous cycle:

- APM identifies opportunities to streamline your application landscape
- ITAM ensures optimal asset utilization and compliance
- Publisher Advisory provides strategic guidance on vendor relationships
- Sourcing and Demand Management secures cost-effective procurement
- FinOps optimizes cloud spending and resource utilization

This integrated approach provides the visibility, control, and strategic insight needed to transform IT from a cost center into a value creator.

While ITPM offers powerful capabilities, a crucial question remains: how can organizations fund these initiatives when budgets are already stretched thin?

A better way forward is needed for funding—one that creates a self-funding flywheel of innovation through strategic cost optimization.

¹ Evolution and Organizational Information Systems: An Assessment of Nolan's Stage Model, ACM Digital Library, May 1984

Conclusion: Your Flywheel Starts Here

The journey from IT overhead to business advantage isn't just possible—it's already happening. Organizations worldwide are discovering that the key to funding innovation lies not in finding new budget, but in unlocking the value already trapped within their IT estates.

The flywheel of cost-optimized innovation represents more than a funding strategy—it's a fundamental shift in how forward-thinking organizations approach IT portfolio management. By treating cost reduction and innovation as complementary forces rather than competing priorities, you create a self-sustaining cycle that gains momentum with each turn.

This isn't theoretical. The "Optimized Innovators" identified in our research have proven that this approach works. They prioritize cost optimization at nearly four times the rate of their peers while achieving faster time to value, higher profitability, and greater business agility. Most importantly, they've escaped the traditional budget constraints that trap other organizations in cycles of maintenance rather than growth.

SoftwareOne's "Optimize to Innovate" approach has earned industry recognition precisely because it delivers these results. Our five consecutive years as a Leader in Gartner's Magic Quadrant for SAM Managed Services, Flexera Partner of the Year status for eight years running, and ServiceNow Elite Partner status reflect our proven ability to help organizations implement this flywheel effectively.

The evidence is clear: when organizations implement integrated ITPM with the right expertise and approach, they don't just reduce costs—they convert those savings into sustainable competitive advantages. Your IT portfolio can become the strategic asset it was meant to be.

Your flywheel is waiting. The question isn't whether this approach works, but when you'll start turning it.

Ready to begin?

Contact SoftwareOne today and discover how we can help you optimize to innovate with all your IT investments.

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