

## WHITE PAPER

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# Improving IT Staff Efficiency, Reducing Costs, and Boosting User Productivity with Novell Identity and Access Management (IAM)

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March 2010

## EXECUTIVE SUMMARY

Today's economic uncertainty has created an atmosphere of almost zero tolerance for cutting-edge projects or technology for the sake of technology in organizations. IDC research shows that the majority of IT and C-level executives are looking for demonstrable cost/benefit analysis and compliance — all with an eye toward achieving greater security and economies of scale. Many companies have turned to identity and access management (IAM) software to achieve these goals. For this paper, IDC interviewed Novell customers and applied ROI analysis to determine the value and savings that can be derived from the Novell IAM technology.

## SITUATION OVERVIEW

Identity and access management can be defined as a comprehensive set of solutions used to identify users (employees, customers, contractors, and so on) in a system and control their access to resources within that system by associating user rights and restrictions with the established identity. Companies looking to deploy or enhance current IAM solutions have three primary goals: cut costs, increase security, and achieve compliance. This focus on cost, compliance, and security is due to:

- Economic climate of cutbacks and layoffs
- Constant change across corporations, organizations, and industries
- A need to demonstrate an actual business value case for IAM and IAM-related services
- A need for seamless integration and deployment of security and security management technologies

Other benefits IT customers now expect from IAM solutions are increased availability of out-of-the-box reports in order to more easily meet compliance; centralized management; and, most importantly, reduced complexity and time to value. With reference to the research presented in this paper, it is important to remember that enterprise deployment times vary by user depending on the size and scope of the particular deployment.

Identity and access management is a key factor in achieving compliance. Regulatory compliance demands such as SOX, PCI, GLBA, HIPAA, and JPIPA are increasing on a worldwide basis, and to meet many of these criteria, companies must implement an IAM architecture. Enterprises increasingly require a flowing automated system that allows for a strong security framework, and the technology must allow for easy implementation of new controls because the compliance landscape is always changing. The deployment of a proactive, automated system that does not permit an out-of-compliance action to occur is the goal for many organizations today.

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## **Novell Inc.**

Founded in 1983, Novell employs more than 3,200 people worldwide and is headquartered in Waltham, Massachusetts, with key facilities located in Provo, Utah, and Nürnberg, Germany. The Novell identity and security management business currently boasts a customer base of 6,000 companies around the world. Novell has built great momentum through its innovative identity-based security solutions and its expanded partner ecosystem — two key components for future growth. Every year standards are amended and refined, and organizations must continually scramble to keep pace with the evolving nature of regulations. Novell has architected its identity and security management products to respond to situations in real time. The goal is to allow customers to act/react in a matter of seconds versus a matter of days and to correct problems in real time, rather than on a reconciliation basis. This is a key differentiator in Novell's approach. The products that make up the vendor's current portfolio of IAM, security management, and compliance management solutions include:

- ☒ Novell Identity Manager (and Roles Based Provisioning Module)
- ☒ Novell Access Manager
- ☒ Novell SecureLogIn
- ☒ Novell Sentinel
- ☒ Novell ZENworks

Many companies worldwide use Novell technologies to address elements of their security and compliance needs, including Standard Life, California Highway Patrol, Toll Brothers, UMB Financial Corp., and a host of others.

## **BUSINESS VALUE OF NOVELL IAM**

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### **Demographics**

IDC conducted eight in-depth interviews with companies located in North America and Europe in order to assess changes in their IT organizations' experiences since deploying Novell IAM solutions. Companies in this study ranged in size from 4,000 employees to 100,000 employees. The average IT staff size was 533 employees, and an average of six professionals within those IT organizations worked directly with Novell IAM. All of the customers in this study have been using Novell IAM for at least a year and a half. Demographics are presented in Table 1.

**TABLE 1****Demographics**

Average number of end users	39,167
Average number of IT staff	533
Average number of staff supporting Novell IAM	6
Geography	North America, Europe

Source: IDC, November 2009

**Implementation**

Several customers mentioned that they selected Novell IAM based on the solution's maturity and strength in customer support. Since the deployment, customers have been able to:

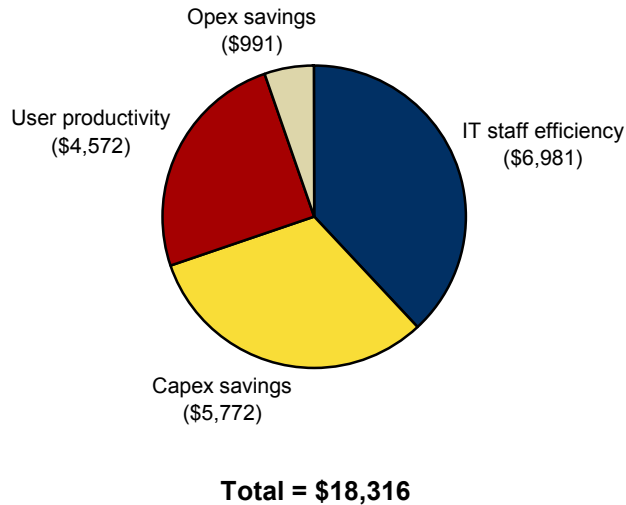
- Consolidate both physical and logical access controls at home and remote offices
- Use Novell IAM to expedite user provisioning and deprovisioning with greater transparency and security
- Improve security and compliance monitoring
- Create a single global process for identity and access management

**Benefits**

The interviews focused on the customers' experiences since the deployment and explored changes in IT staff efficiency, user productivity, as well as capital and operating expenditures. IDC found that the annual savings from these benefits averaged \$18,316 per 100 users. The specific benefit areas are displayed in Figure 1.

**FIGURE 1**

Average Annual Benefits of Novell IAM per 100 Users



Source: IDC, November 2009

### ***IT Staff Efficiency***

Customers were able to save IT staff time in a number of areas as a direct result of the Novell IAM deployment. The reduction in time required to make user account changes (e.g., making directory changes or applying new application rights) was the primary IT staff savings — each IT professional has saved an average of 2.52 hours per month performing these tasks. Since deploying Novell IAM, customers have found it easier to track people leaving or moving to different positions within the company. In addition, because identity information feeds into financial systems, customers avoid the need for manual updates. Help desk operations have benefited from the improved identity and access management. As one manager said, "Our help desk handles about 50,000 calls a month, and with accurate, up-to-date information, we can resolve questions about access problems in much less time than before. Given the number of calls we handle, these savings really add up." In addition to trimming the duration of help desk calls, customers are reducing the average number of calls per month related to account issues. Across all customers, the number of calls to the help desk has been cut by an average of 52% since the Novell IAM deployment. One Novell customer estimated that approximately 10% of all help desk calls were requests for password resets — a task that can now be performed directly by the users. Another manager said, "With the increased transparency, the help desk staff is now able to respond faster to calls about access, which account for about 10% of their workload."

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In developing a global process for identity and access management, one company integrated the Novell solution with its master HR system, eliminating the manual work previously done locally to provision and deprovision users while also tightening access rights. "We have about 15,000 people a year moving in or out of the company

or changing positions," a company manager said. "If we had continued with the previous approach, we would have needed to add as many as 50 technical people worldwide to handle the workload."

An aggregated analysis shows that the time savings for the IT staff results in a benefit of \$6,981 per 100 users annually. Novell customers reported an average staff time savings of 14% in this study.

### ***Improved Security and Compliance***

Identity and access management has made it easier for companies to respond to security threats and to gather security logs. As one Novell customer estimated, "We are definitely saving time collecting security logs — about 50% compared to before." Customers have reduced the risk of unauthorized access by former employees and contractors to proprietary company information — and, in many cases, access has been synchronized within several applications in the company. One manager said, "We wanted to be sure of revoking access by people who had left the company and contractors no longer working for us." Prior to the deployment, the organization relied on manual processes that were inherently subject to human error. The manager said about Novell IAM, "Now we're fully automated, so the process is more efficient and secure."

IDC research shows that IT customer demand for real-time security information and event management (SIEM) capabilities is increasing. This includes monitoring, event correlation, policy validation, auditing, reporting, and analyzing identity and access activities across enterprise systems. Manually approaching this issue is no longer adequate. The ability to automate functions to catch noncompliant actions is becoming a necessity for organizations, saving both time and money while significantly reducing the human error factor.

### ***Capex and Opex Savings***

Novell IAM customers are avoiding costs related to software licensing because they now have a more accurate picture of how many users require licenses at any given point in time. One manager explained, "The largest area of savings would be in the area of licenses. Since we have Novell in place, we know about users on applications and other users that are not using the apps. We found between 10% and 15% of our users were not using their software. In fact, some of those employees are no longer with the company! And we were paying for those licenses anyway." By resolving that issue, the company saved between \$2 million and \$3 million.

Customers in this study have saved an average of \$5,772 per 100 users annually in software license expense. According to one manager, the identity and access management solution is critical to the firm's accounting process in expediting information gathering needed for compliance. "If we were to gather this information manually, it would take an extra 10 to 20 days each year," the manager said. "Also, we couldn't risk the potential errors with a manual process because of the dire consequences of a failed compliance audit." This relates directly to remaining within Sarbanes-Oxley guidelines. Because Novell customers can gather information at the identity layer in addition to the application layer, they are saving time preparing for audits.

Some customers also estimated that automated user provisioning is saving administrators time. One manager said, "If we had continued with the old, manual process, we would have needed to hire at least 10 people full-time just to set up new users and revoke access."

By deploying the Novell solution, customers have shortened the time needed for resource provisioning and deprovisioning by avoiding cumbersome and time-consuming approval processes. Since implementation, approvals are gathered electronically and the provisioning and deprovisioning are automated. On average, the time to establish new user accounts was reduced from 3.1 hours to 48 minutes after the Novell IAM implementation. In addition to saving time, customers have cut the number of administrators needed for these tasks from nearly six to two, and as a result, the staff can take more business-enabling action.

Time saved in managing identity and access and in preparing reports equals an average annual savings of more than \$900 per 100 users.

### ***User Productivity***

Provisioning new users required more time with previous manual systems than with Novell IAM. As one manager said, "It would take three to four days, but now it only takes two to four hours. New users get access to resources the same day they join the company, so there is no longer any loss of productivity."

Further savings in time and productivity have come from using self-service for password resets. Another manager explained, "Password issues used to account for 10% of help desk calls, and we don't get these calls any more — and that is saving us about 10 calls a week." In the past, users may have taken several hours to resolve a password issue because there were many steps in that process. The user would send an email and receive a reply, and then an administrator would access the database and reset. That delay is nearly completely avoided, and users have more productive time because of the improvement in availability.

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Customers estimated that end users are saving, on average, 12.5 hours per year. The time value of those hours multiplied by the average enterprise user base results in an average annual benefit of \$4,572 per 100 users.

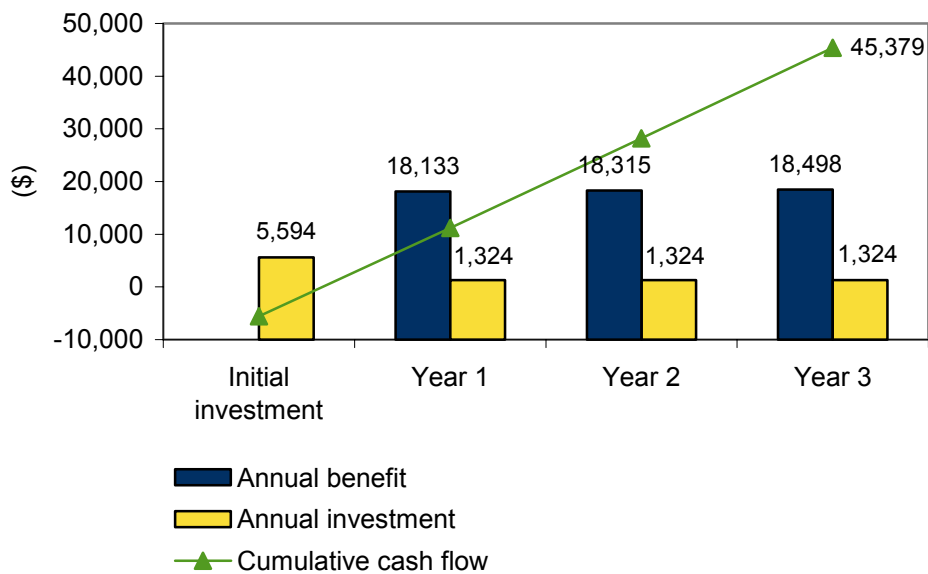
Companies are benefiting from improved transparency into identity and access status and from fewer user complaints. As mentioned in one interview, "Because of human error, some users would not have the access they needed. They would open a ticket, and while it was being resolved, they couldn't do their work properly." Novell customers also mentioned the importance of assigning appropriate access levels to users. One manager said, "At our company, it is a problem if we give users access to information they should not be able to see. This is a major concern since we could lose competitive advantage if our intellectual property were compromised because of this type of error." In addition, this type of violation puts companies at high risk for penalties for being out of compliance with industry regulations. Regulatory compliance has become a C-level issue because regulations now carry criminal penalties and/or civil penalties.

### Cash Flow over Time

Figure 2 illustrates the annual benefit, annual investment, and cumulative cash flow over three years. Benefits increase slightly over time as IT professionals become more familiar with all the solution can offer. Investments are highest in the year Novell IAM is purchased. Once the initial cost is accounted for, investment in the following years declines and levels off over time. Ongoing investment is based on standard hardware turnover rates and IT time required to maintain the hardware.

**FIGURE 2**

Benefit, Investment, and Cash Flow per 100 Users



Source: IDC, November 2009

### Novell IAM Return on Investment

The three-year IDC ROI analysis is based on initial and annual investments compared with the benefits over the three years. Based on the data gathered from Novell IAM customers, the solution offers an ROI of 401%, and payback occurs in six months. Table 2 displays the ROI results.

**TABLE 2****Three-Year ROI Analysis per 100 Users**

Benefit (discounted)	\$43,957
Investment (discounted)	\$8,774
Net present value	\$35,183
Return on investment	401%
Payback	6.0 months
Discount rate	12%

Source: IDC, November 2009

## CHALLENGES AND OPPORTUNITIES

### Challenges

Novell, like many other companies, must struggle with harsh economic realities on a worldwide basis for at least the immediate future. The number and strength of competitors in the IAM market adds to this challenge. Novell must count among its peers in this area powerful players such as IBM, CA, and Oracle Corp. (Oracle acquired Sun and its IAM offering in 1Q10), all of which offer software suites aimed at IAM and governance, risk, and compliance (GRC).

### Opportunities

IDC research has shown that Novell has performed consistently as an IAM market leader for the better part of a decade. The company has a significant customer base and solid and proven technology. Throughout 2009, Novell continued to build momentum for its security, identity, and compliance management software by expanding its partner ecosystem. We believe these are key components for future growth. As merger and acquisition activity slows in the traditional IAM software suite area, we anticipate that the ability to create and expand ecosystems will serve to gain market share as well as benefit customers. IDC also expects Novell to continue to leverage its relationship with SAP to the benefit of both companies and their respective customers.

## CONCLUSION

Risk aversion is high across all industries. As corporations and government entities search for ways to leverage their existing systems, vendors offering proven value, ease of use, and manageability are positioned to do well in the IAM market. Companies are increasingly more inclined to adopt proven technology solutions. During the 2008/2009 time frame, we saw more integration between traditional IAM technologies and SIEM and data loss prevention (DLP). We expect this trend to continue as companies build out secure identity and compliance platforms. Companies such as Novell, which can demonstrate both solid product offerings and proven customer ROI, are positioned to do well in this market.

## CASE STUDIES

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### **Diversified Financial Services Group**

This North American financial services group is a family of diversified financial services companies that provides life insurance, retirement planning, and investment products and services to help millions of consumers nationwide to plan and protect their futures. The organization reported in excess of \$30 billion in assets owned or managed as of December 31, 2009. This case study focuses on the deployment of Novell's identity and access management software to provide a foundation to help support the company's goals. The IAM software allows the organization to streamline IT functions, lower cost, increase security, and meet compliance demands.

#### ***Situation/Solution Overview***

The organization began implementing Novell's IAM solution in September 2007. The financial services provider maintains a variety of systems, including a mainframe, open systems, 750 servers, and databases. The company has over 4,000 employees and approximately 150 remote offices. Currently, there are two primary groups of remote IT consumers within the company: the home office force and the field force (the latter group consists of field agents as well as their clerical support staff and managers). Approximately 2,000 employees are classified as "in the field" today. The field force is very mobile, while the home office force is connected to the central office systems via a LAN. One of the primary reasons for installing an IAM solution was to make life easier for these users by eliminating the need for different password links and different password expirations across the multiple systems. Once Novell Identity Vault password synchronization was deployed (which took about 60 days), help desk calls dropped by 45%. Requests for automatic password reset went from literally thousands of calls per year to approximately 500 calls, resulting in immediate and significant time savings for both field and remote employees and help desk personnel.

Another area of savings is currently being realized with Novell's provisioning system. Installed in June 2008, Novell Identity Manager is connected to the ADP payroll system. The total installation process is estimated to have taken six months. Now when any home office associate is hired, the event is automatically flagged through Novell Identity Manager so that new hires are automatically provisioned with both network and email accounts. This is accomplished in a matter of minutes, replacing the former time-consuming, manual process. Eliminating manual provisioning processes reduces both human error and time requirements while providing a mechanism for automated tracking and reporting purposes. Name changes, transfers, promotions, and terminations can all be done almost instantaneously via the Novell Identity Manager software. This is a significant step toward tightening security, reducing cost, and maintaining compliance in an industry with an average 50% field employee turnover per year.

#### ***Summary***

In addition to the cost/compliance benefits and increased security, the IAM software has made the overall user administration task much easier by establishing a very standardized, automated process. Further, from a security standpoint, tighter

provisioning and stronger password management and synchronization have helped to reduce the number of intrusions and access violations by 10% to 15%. Another plus is that the typical user is saving 15 minutes per day formerly spent logging in and out of different systems. Overall, the company noted that the following benefits have been derived directly from the deployment of Novell's IAM software solutions: increased focus on compliance; increased agility; better centralized management; better streamlining of operations to prove compliance; elimination of other, older IT tools; and reduction of maintenance costs.

The financial services organization also reported that the IAM deployment process has not resulted in any downtime, performance degradation, or need for significant investment in additional contractors and vendors. Further, the business units involved in this deployment have provided "very, very positive" feedback. The company is also currently deploying a Roles Based Access Control (RBAC) solution with Novell, a project it estimates will be complete within another 2.5 years. According to one executive, the company is on track to finish the entire project for less than \$3 million over four years — an impressive accomplishment by any standards.

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## **European Telecommunications Managed Service Provider**

### ***Situation/Solution Overview***

This major European telecommunications managed service provider currently uses Novell Identity Manager and Novell Access Manager. The company is also using Novell Sentinel and Novell ZENworks. The Novell software resides on between 10 and 15 servers located onsite. The service provider also uses IBM systems. It is responsible for processing about 100 new users per month and approximately 2,000 user changes. These changes are mostly directory changes or new application rights. Prior to the Novell software installation, changes of this sort would take 10–20 minutes. Now they are done in half that time. It is estimated that without the Novell IAM software at the managed services site, customers would have needed to hire 1–2 people to perform the user change tasks. Across the 32 companies, this translates into about 40 additional employees at a cost of \$50,000 to \$60,000 per employee. Overall, this translates into \$2.2 million in immediate labor savings per year.

As impressive as this number is, the largest area of savings is related to software licensing. The identity management software lets the customer know exactly how many users are registered actively on the system. This revealed that on average, 10–15% of registered users, in fact, were not utilizing their software access privileges. Other registered software users were immediately identified as individuals who are no longer with the company. Using the IAM software, it was easily determined which users were truly qualified for software licensing and access, and which were not. This ability to automatically determine who was no longer with the company, but still receiving access privileges, was critical not only to security but also to achieving compliance. User account reconciliation is essential, and prior to the IAM technology it was a very painstaking and time-consuming manual process.

The telecommunications managed service provider also utilizes Novell's self-service password capability for its many clients. It is estimated so far that the company receives 24,000 fewer calls per quarter since the implementation of this technology. In the area of compliance and audit, the IT services provider is just beginning to utilize Novell Sentinel for reporting. The provider expects it to help with meeting compliance issues, but so far in Europe, the mandates for compliance regulations have been much less of an issue than elsewhere in the world (e.g., the United States, Canada, and Japan). However, this will change over the next several years as international companies and regulatory boards demand that compliance initiatives be upheld by divisions, subsidiaries, contractors, and partners, regardless of location. When this happens, the telecommunications managed service provider will be well positioned to address these mandates.

### ***Summary***

According to representatives from the telecommunications managed service provider, customers are deriving both cost savings and security benefits from the deployment of Novell's IAM and ZENworks software, including:

- ☒ Centralized management capabilities
- ☒ Secure access management across multiple applications
- ☒ Streamlined process compliance
- ☒ Improved security and manageability during mergers and management turnover
- ☒ Enhanced security monitoring capabilities
- ☒ Superior endpoint security management
- ☒ Significant savings from password management
- ☒ Improved risk management processes

The telecommunications managed service provider views the Novell software deployment as a highly significant contributor to its ability to retain clients and attract customers. The company does not foresee any reduction in staff resulting from the Novell product implementations; it is in growth mode and will be hiring to accommodate a larger customer base and the needs of those customers.

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