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Recognize IT Legal and Asset Management
Needs When Planning an Enterprise Grid

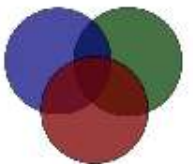
Solid Policies and Procedures -
Essential for a Successful
Enterprise Grid

Donna Johnson Edwards

Consultant

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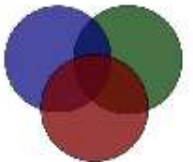


IT Asset Optimization Enables Effective Grid Computing

Two Areas of IT Asset Optimization:
IT Compliance
Asset Cost Control

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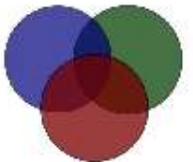
Areas of IT Asset Optimization:

IT Compliance

**Leads To
Asset Cost Control**

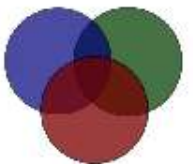
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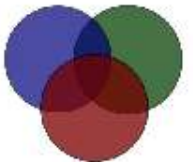
IT Legal Compliance

- Licensing & Use of Copyrighted Material
- Use of Internet & Email
- Data Protection & Privacy



Legislation

- Copyright Act of 1976
- Trademark Act of 1946
- Digital Millennium Copyright Act 1998
- No Electronic Theft Act 1997
- Electronic Communications and Privacy Act 1986
- Patriot Act
- Computer Fraud and Abuse Act 1986
- UCITA (United Computer Info Transaction Act)
- Child Porn Prevention Act 1996
- Transmission of Wagering Information

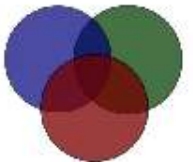


Legal Penalties

Over 25 Federal Laws with Tough Penalties

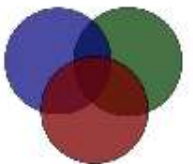
- Damages
- Hefty Fines
- Statutory Damages
- Attorney's Fees
- Criminal Charges (even if not for financial gain)
- Impoundment of Materials

Individual State Laws and Uniform Laws (multi-state)



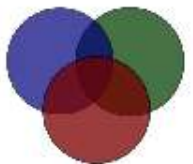
Commercial Penalties

- Loss of Reputation
- Possible Seizure of IT equipment
- Internal/external Security Breach
- Loss of business - downtime
- Remediation at MSRP not negotiated rates

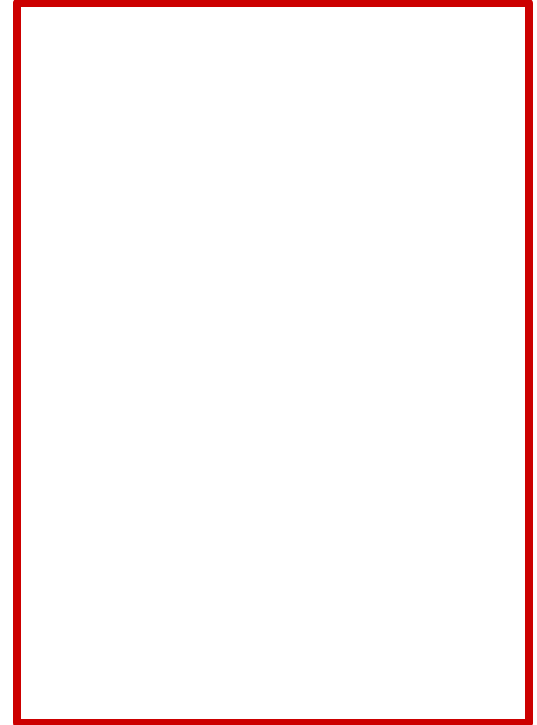
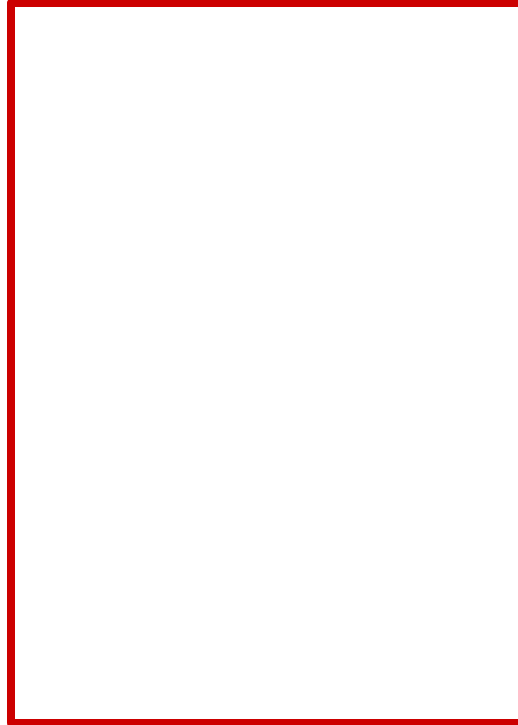


Your Organization & The Law

- Where Is Your Organization With Respect to IT Compliance?
- Does Your Organization Understand Current Legal Requirements?
- Has your Organization Made These Practices Operational?
- How Do You Know That What You're Doing is Robust Enough to Protect You?

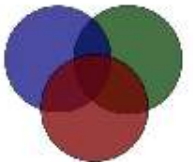


What Is Your Perspective?

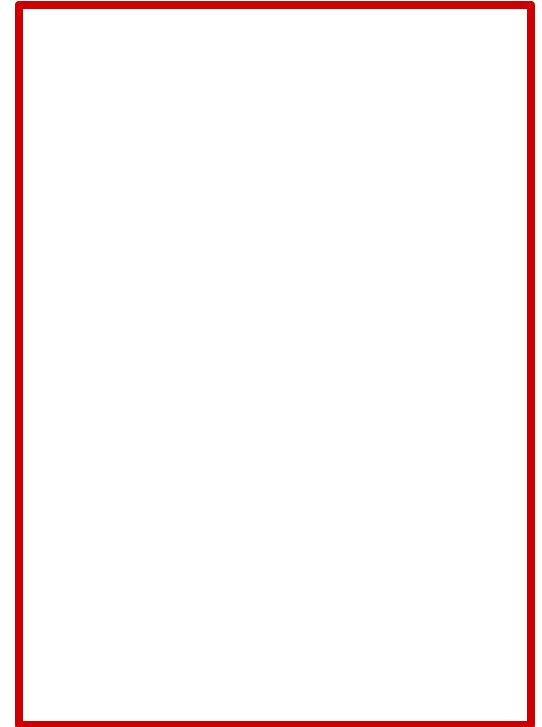


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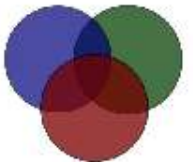


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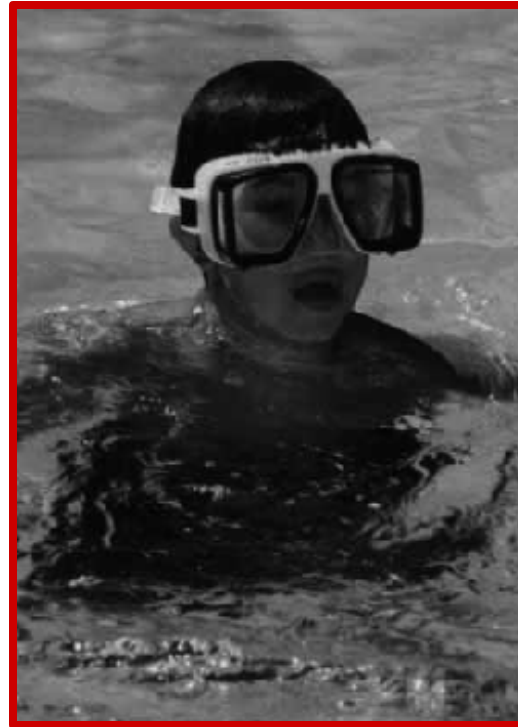


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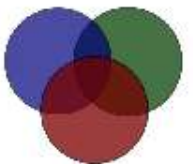


What Is Your Perspective? Are you Competitive?



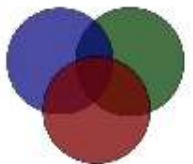
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Your Organization & The Law

- Is Your Organization Competitive?
- How Do You Know?
- Would An External Source Agree?
- Could Your Practices Provide A Defense In A Court Room?
- What Percent Of Your Organization's Software Is Illegal?

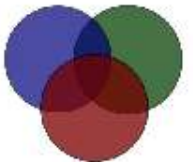


Corporate Software Piracy Statistics

Location	Business Piracy Rate	\$ Revenue Lost
China	92.0%	1,662,404,000
Vietnam	94.0%	32,246,000
United States	25.0%	1,807,709,000
Mississippi	48.7%	38,794,803
Virginia	18.8%	25,297,845
Connecticut	14.1%	15,296,119

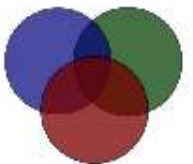


Reference: 2002 BSA Piracy Study Results



Compliance Control

- How Do You Define Copyrighted Material?
- Is Software Access, Purchase, Installation, Movements and Disposal Controlled?
- Do Your Employees Have Internet Access?
- How Do You Control the Downloading of Copyrighted Material?
- How Do You Know If Your Controls Are Effective?

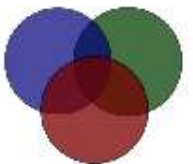


“Spot The Problem”

In response to a management inquiry, the IT department hired some temporary staff to go to each workstation and look for installed software.

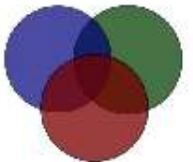
Each computer was checked against a list of company approved software. When one of the software packages was found, a check mark was ticked on the inventory control sheet.

All sheets were collected and the information compiled into a management report.



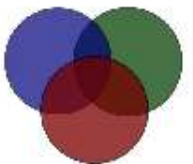
The First Big Question:

“What Evidence Could Your Organization Provide **Today** To Demonstrate **ALL** Resident Software and Copyrighted Material Is Properly Licensed?”



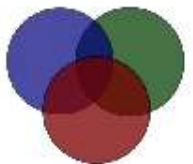
Internet Compliance

- Does Your Staff Have Internet Access?
- Do You Have A Workable & Legal Policy For Appropriate Use Of The Internet?
- Have You Covered Sexual Harassment In Your Internet Policies?
- Could You Defend Your Policies, Procedures and Implementation?



E-mail Compliance

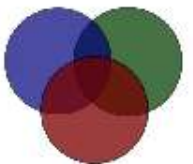
- Do Your Employees Have E-mail?
- What Are Your Organization's Policies for Appropriate Use of E-mail?
- Do You Archive E-mail? - For How Long?
- Do You Monitor E-mail?
- Have Employees Been Disciplined For Inappropriate E-mail Use?



“Spot The Problem”

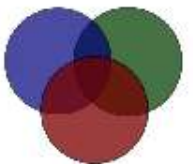
The sales department has found it productive to allow members of the sales staff to use their PDAs to improve effectiveness.

The PDAs allow the sales representatives to take their account list with them and to access E-mail while on the road.



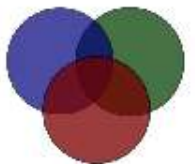
Data Protection & Privacy

- Do You Have A Data Protection & Privacy Policy in Place?
- What Drove That Policy?
- When Was The Policy Last Reviewed?
- Does It Meet Safe Harbor Standards?
- Is The Policy Properly Addressing New Technology?



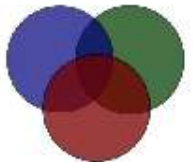
Tenax Survey Findings 2002

- 76% Have software policy
- 58% Have had to discipline for abuse
- 26% Have had to dismiss staff
- 82% Give Internet to all staff
- 70% Have high non-compliance risk
- 67% Believe IT legally responsible



Formalizing Compliance

- What Is Your Source For IT Compliance Information?
- How Often Does Your Organization Review Compliance Issues?
- How Does Your Organization Document Its Compliance Program?
- What Compliance Standard Is Used?
- What Regular Outside Validation Is Used?

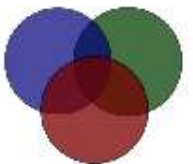


Goals Of Compliance

- To Create A Sustainable, Economic And Legal IT Environment.

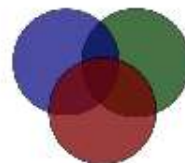
Key Stages

- Benchmarking
- Policies and Procedures
- Electronic Audit
- Reconciliation
- Certification
- Ongoing Management



Policies and Procedures

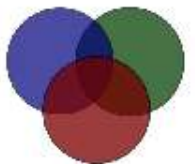
- CEO Opener
- Acquisition
- Movements
- Disposal
- Internet Use
- E-mail Use
- Auditing
- Remote Users
- Data and Privacy Protection
- Disciplinary
- User Awareness Program



Auditing

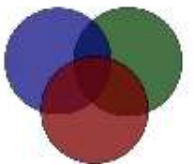
Discover, and identify all of the products on all company systems

- Asset management
- Grid Computing Solutions
- Disaster recovery
- Maintenance contracts
- Software upgrades
- Helpdesk Efficiency
- Merger/acquisition
- Legal Compliance
- Reduce Cost of Asset Ownership



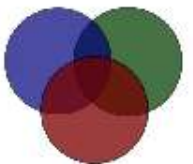
Reconciliation

- Begins prior to audit
- Proof
 - » Licence
 - » Invoice
 - » Reseller confirmation
 - » Payment
- Rectify
 - » Purchase
 - » Delete
 - » Reallocate
- Certification by Outside Party



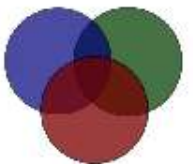
Ongoing Management

- Review and Revise the Policies - Check Procedures
- Regular audits/Random audits
- Asset register/Licence library Up-to-date
- Use discrepancies to drive controls
- Exploit IT Assets through Grid Computing
- Advise Management of Increased Efficiency Levels
- Maintain external compliance appraisal



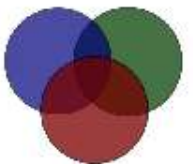
The Second Big Question:

“Why Isn’t Every Organization Addressing IT Compliance Issues as a Top Priority?”



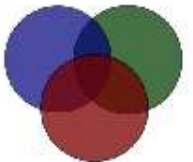
Hurdles To Compliance

- Ignorance of Risk
- Availability of Funding
- Time Resources
- “It Won’t Happen To Us”
- “We’ll Do It Next Year”

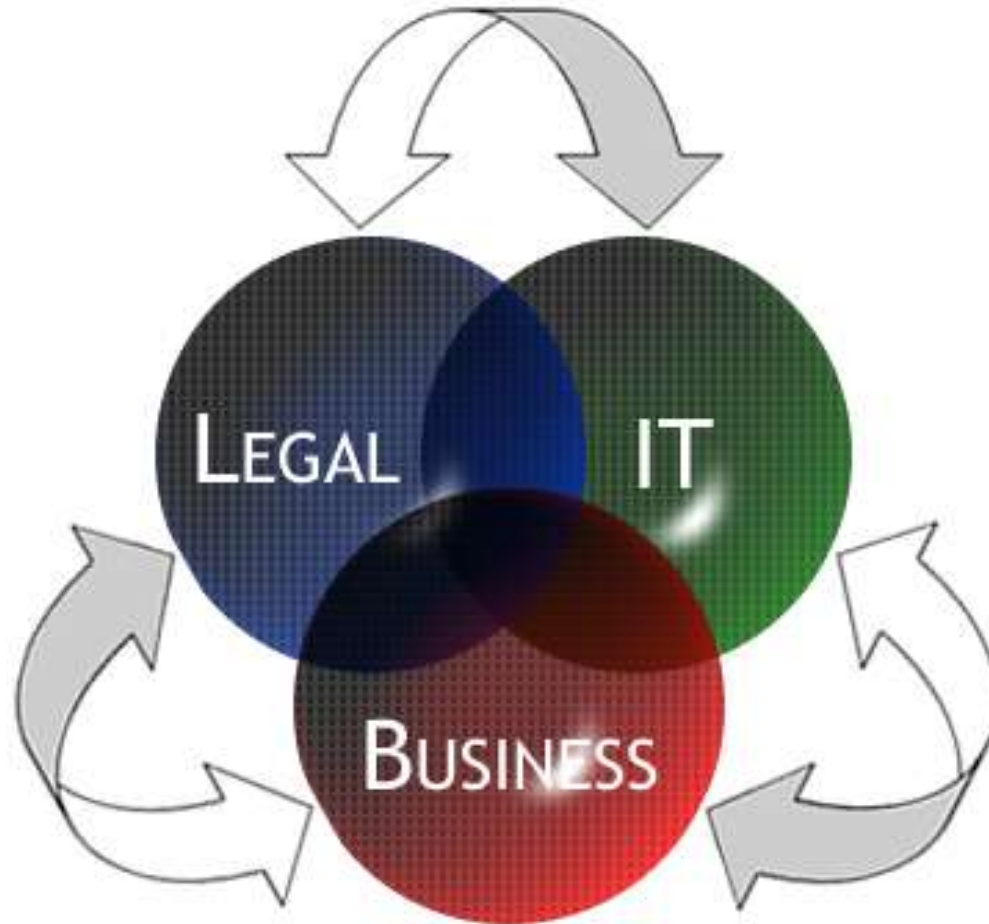


Ignorance of Risk

- 67% of executives believe IT is legally responsible
- Organizations mistakenly believe they are compliant because they don't intend to do business illegally
- Ignorance is NO DEFENSE

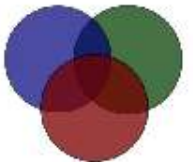


Tenax Model



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Areas of IT Asset Optimization:

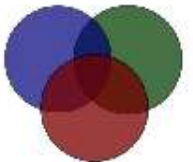
IT Compliance

Leads To

Asset Cost Control

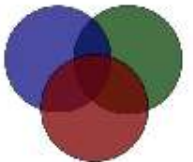
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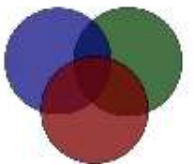
The Third Big Question:

**“How Does Your
Organization Control &
Optimize Its IT Assets?”**



Asset Control

- Hardware Asset Control
 - » Able to Use in Grid Computing Solutions
 - » Reduce Theft of PCs & PC Parts
 - » Accurately Plan Hardware & Software Upgrades
 - » Proactively Address Virus Threats
 - » Improve Help Desk Service Level
 - » Ensure Accuracy of Financial Statements
 - » Disaster Recovery Plan

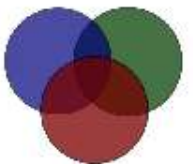


Asset Management

- Cost to run Desktop = \$5,000 per year
- Proper Asset Management/IT Compliance

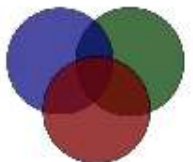
Savings 10% - 30%

- A modest savings of 10% = \$500
- 100 PC's x \$500 each
- Saving \$50,000 a year!



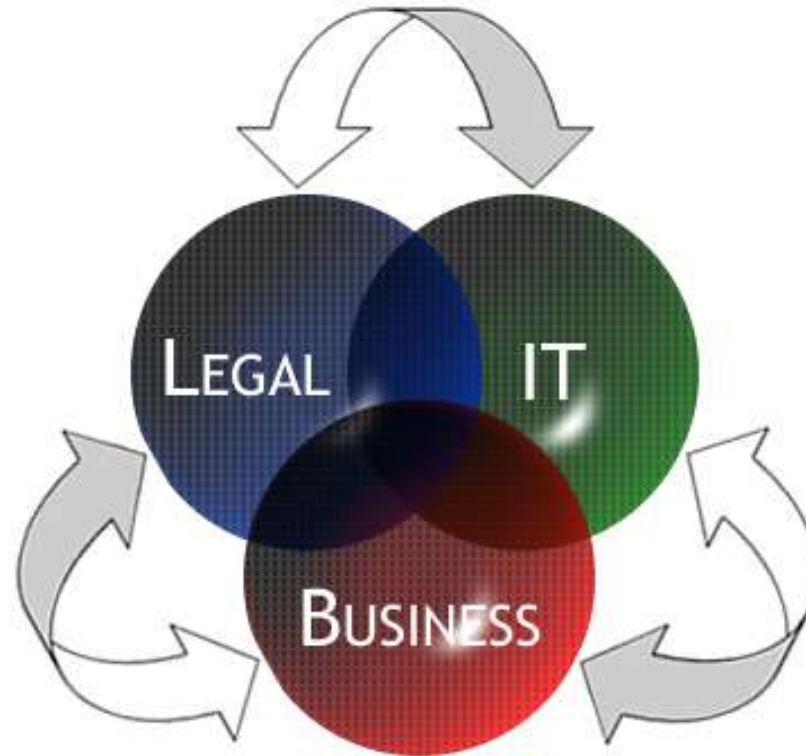
Reducing Cost of Ownership

- Gartner reports that without usage and inventory management of software, companies will overbuy licenses for 60% of their portfolio & be non-compliant on 30% of their software
 - » Encouraged by Licensing Agreements
 - » Fear of Under Licensing
 - » Downsizing Creates Unused Licenses
 - » Poor Understanding of What is Being Used
 - » Poor Asset Management - Inability to match licensing to installation and/or use



Tenax Solution Model

IT Compliance/IT
Asset Optimization

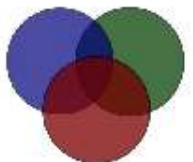


Management
Understanding
Benchmarking

Reduce Cost of
Ownership
Effective Use of
Assets through Grid
Computing
Solutions

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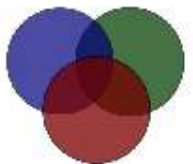


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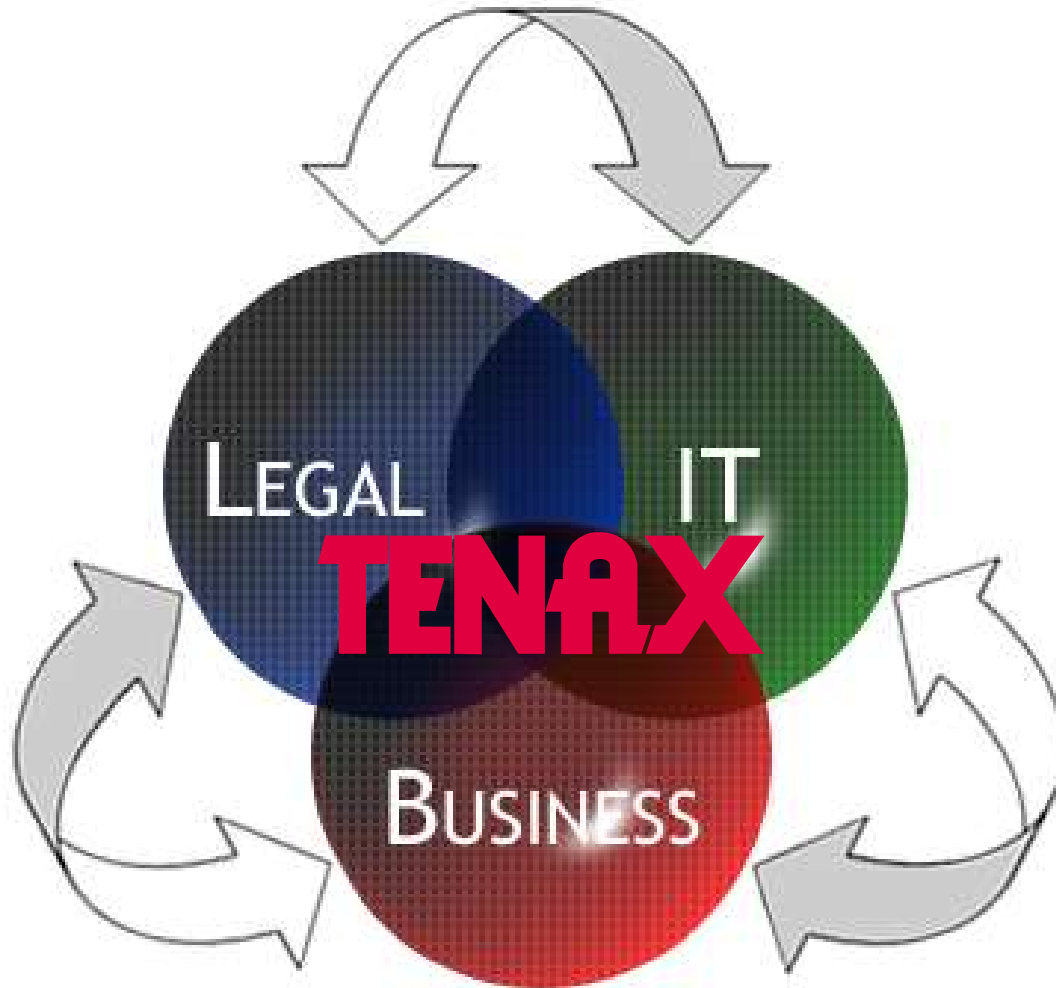
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Key Stages

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- Reconciliation
- Certification
- Ongoing Management

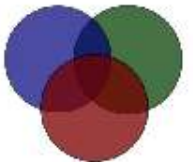


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It's Your Turn to Ask Questions

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