

10 Hidden ITAM and SaaS Waste Signals Every CIO Should Review Before Renewal Season

Executive strategies to reduce technology waste, improve renewals, and maximize IT investment value.

SaaS Sprawl

Duplicate tools and unmanaged subscriptions

Renewal Risk

Auto-renewals, true-ups, and weak leverage

AI Spend

Copilot and GenAI seats without measured value

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1.

Letter from the Founder

CIOs are entering renewal season under a different set of conditions than they faced even a few years ago. Software portfolios have expanded, SaaS buying has become decentralized, cloud consumption keeps growing, and AI subscriptions are entering the budget before many organizations have a mature measurement model.

The result is not simply overspending. The larger issue is decision opacity: leaders often cannot see which tools are creating value, which contracts are limiting flexibility, which users are over-licensed, and which AI investments are generating measurable outcomes.

Operational ITAM exists to help technology leaders turn asset data into operational intelligence. My view is that modern ITAM is no longer only a compliance or inventory discipline. It is a business performance capability that connects IT operations, finance, sourcing, security, architecture, and executive decision-making.

This executive brief is intended to help your leadership team identify hidden waste signals before they become locked-in renewal costs. Use it as a pre-renewal conversation guide, a portfolio review checklist, and a starting point for a more disciplined ITAM operating model.

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2.

Executive Summary

The largest technology savings opportunities are often not found in the obvious places. They are hidden inside license assignments, product tiers, dormant accounts, usage patterns, decentralized purchases, renewal terms, cloud consumption, and AI adoption that has outpaced governance.



Key Findings:

- Waste is frequently obscured by assignment-based reporting instead of usage-based evidence.
- Premium tier creep compounds quietly because upgrades are easier than downgrades.
- SaaS sprawl is a governance problem, not only a procurement problem.
- AI licensing creates a new measurement challenge: excitement must be converted into documented business value.
- Renewal readiness should be treated as a 90-day operating cadence, not a last-minute sourcing event.

Operational ITAM recommends approaching renewal season through four executive lenses: financial exposure, operational necessity, user value, and contract flexibility. When these lenses are combined, CIOs can challenge the assumption that all assigned software is needed, all premium licensing is justified, and all AI spend should renew unchanged.

3.

Market Context: Why Renewal Discipline Matters Now

Technology leaders are managing a portfolio environment where growth, decentralization, AI adoption, and subscription pricing intersect. This creates a practical CIO problem: technology spend can rise even when headcount, business value, or actual usage does not rise at the same pace.

IT Spending Pressure is Accelerating

Gartner forecast worldwide IT spending at \$6.31 trillion in 2026, with software and AI infrastructure among the primary drivers. This puts more executive scrutiny on every renewal and expansion request.

Cloud and SaaS are Now Board-Level Financial Disciplines

FinOps has expanded beyond infrastructure cost control into broader technology spend accountability, including SaaS and other technology costs.

AI Changes the ITAM Scope

Copilot, GenAI assistants, coding copilots, AI meeting tools, and AI-enabled SaaS features introduce new licensing, data protection, adoption, value measurement, and governance questions.

The executive implication is direct: CIOs need an ITAM model that is continuous, data-driven, and closely aligned with finance, sourcing, security, and business ownership. Renewal season should be the output of that operating model, not the starting point.

Source notes: Gartner newsroom, Flexera State of the Cloud, FinOps Foundation Framework, NIST AI RMF, Microsoft Copilot enterprise data protection, OpenAI business data privacy. Full URLs listed in Research Notes and Sources.

4.

The Operational ITAM Point of View

Operational ITAM treats asset management as an operating intelligence discipline. The goal is not only to maintain an inventory. The goal is to understand what the organization owns, what it uses, what it owes, what it risks, and where it can convert spend into measurable business value.

CORE PRINCIPLE

Every technology asset should have a business owner, financial owner, operational owner, lifecycle state, usage signal, renewal date, risk profile, and value hypothesis. If any of these elements is missing, renewal decisions become opinion-driven instead of evidence-driven.

Evidence over Entitlement	Assigned licenses are not proof of value. Actual activity, feature use, persona fit, and business outcomes should drive renewal decisions.
Ownership over Orphaning	Every application should have an executive sponsor and operating owner. Unowned technology is almost always under-governed technology.
Governance over Cleanup	One-time reclamation projects help, but recurring governance prevents waste from reappearing after the engagement closes.
AI with Accountability	AI tools should be governed like high-value SaaS investments: approved use cases, data protection, adoption metrics, cost controls, and measurable outcomes.

5.

The 10 Hidden ITAM and SaaS Waste Signals

Each waste signal below includes the executive concern, warning indicators, recommended actions, and consulting opportunity. Use these pages as a structured pre-renewal review guide.

01

RISK: HIGH

License Utilization Below 70%

■ WARNING INDICATORS

Inactive accounts, low login counts, no feature activity, former employees with assigned licenses, and bulk seat assignments made during onboarding.

✓ RECOMMENDED ACTIONS

Reclaim inactive seats, downgrade low-use personas, align licensing to role-based need, and establish monthly reclamation governance.

→ CONSULTING OPPORTUNITY

Rapid data review, renewal risk assessment, usage-to-entitlement analysis, business owner validation, savings business case, and executive recommendation pack.

02

RISK: HIGH

Premium Tier Creep

■ WARNING INDICATORS

E5 vs. E3 mismatch, advanced analytics licenses with no active reports, premium security features assigned to broad populations without persona validation.

✓ RECOMMENDED ACTIONS

Build premium-tier personas, require justification for upgrades, review premium usage quarterly, and set downgrade workflows before renewal.

→ CONSULTING OPPORTUNITY

Rapid data review, renewal risk assessment, usage-to-entitlement analysis, business owner validation, savings business case, and executive recommendation pack.

03

RISK: MODERATE

Duplicate Applications

■ WARNING INDICATORS

Teams and Zoom, Slack and Teams, Asana and Monday.com, DocuSign and Adobe Acrobat Sign, multiple password managers, duplicate diagramming tools.

✓ RECOMMENDED ACTIONS

Create a functional taxonomy, identify overlap by capability, compare adoption and integration value, then consolidate where business impact is low.

→ CONSULTING OPPORTUNITY

Rapid data review, renewal risk assessment, usage-to-entitlement analysis, business owner validation, savings business case, and executive recommendation pack.

04

RISK: HIGH

Fragmented Renewal Dates

■ WARNING INDICATORS

Contracts owned by departments, inconsistent notice periods, missing renewal calendars, late sourcing involvement, and no enterprise negotiation bundle.

✓ RECOMMENDED ACTIONS

Build a 12-month renewal calendar, tag critical notice dates, assign renewal owners, and review major renewals 90 days in advance.

→ CONSULTING OPPORTUNITY

Rapid data review, renewal risk assessment, usage-to-entitlement analysis, business owner validation, savings business case, and executive recommendation pack.

05

RISK: MODERATE

SaaS Without Executive Ownership

■ WARNING INDICATORS

Unknown business owner, no budget sponsor, no clear system of record, weak support model, and no executive prepared to defend renewal.

✓ RECOMMENDED ACTIONS

Require owner-of-record fields, map applications to business capability, and sunset or consolidate applications without accountable ownership.

→ CONSULTING OPPORTUNITY

Rapid data review, renewal risk assessment, usage-to-entitlement analysis, business owner validation, savings business case, and executive recommendation pack.

06

RISK: HIGH

Inactive Integrations and Automation Platforms

■ WARNING INDICATORS

Unused connectors, dormant workflows, retired APIs, inactive service accounts, excess transaction capacity, and integration tools with no operating owner.

✓ RECOMMENDED ACTIONS

Inventory workflows, validate active data flows, remove stale connectors, rightsize capacity, and assign technical ownership.

→ CONSULTING OPPORTUNITY

Rapid data review, renewal risk assessment, usage-to-entitlement analysis, business owner validation, savings business case, and executive recommendation pack.

07

RISK: HIGH

Cloud Resource Growth Without Governance

■ WARNING INDICATORS

Idle VMs, unattached storage, oversized databases, development environments running 24x7, and backup retention that exceeds policy.

✓ RECOMMENDED ACTIONS

Integrate ITAM and FinOps, rightsize resources, automate shutdown schedules, and connect cloud spend to products and owners.

→ CONSULTING OPPORTUNITY

Rapid data review, renewal risk assessment, usage-to-entitlement analysis, business owner validation, savings business case, and executive recommendation pack.

08

RISK: HIGH

Orphaned Software After Organizational Change

■ WARNING INDICATORS

Tools tied to former teams, redundant systems after consolidation, subscriptions with no active users, and contracts inherited through acquisition.

✓ RECOMMENDED ACTIONS

Trigger ITAM reviews after reorganizations, connect HR and identity changes to asset review, and reconcile software against current org structure.

→ CONSULTING OPPORTUNITY

Rapid data review, renewal risk assessment, usage-to-entitlement analysis, business owner validation, savings business case, and executive recommendation pack.

09

RISK: HIGH

Contract Terms That Prevent Optimization

■ WARNING INDICATORS

Auto-renewals, long notice periods, non-cancelable minimums, bundled SKUs, unfavorable audit language, and penalties for reducing seats.

✓ RECOMMENDED ACTIONS

Review commercial terms as a governance control, not only a sourcing activity. Prioritize flexibility, termination rights, and downgrade mechanics.

→ CONSULTING OPPORTUNITY

Rapid data review, renewal risk assessment, usage-to-entitlement analysis, business owner validation, savings business case, and executive recommendation pack.

10

RISK: HIGH

AI and Copilot Licensing Without Measured Value

■ WARNING INDICATORS

Assigned AI licenses without use-case mapping, high prompt activity but unclear outcomes, no data protection review, no department-level ROI metrics.

✓ RECOMMENDED ACTIONS

Measure adoption, use cases, outcomes, data exposure, and persona fit. Renew or expand AI licensing only where value can be demonstrated.

→ CONSULTING OPPORTUNITY

Rapid data review, renewal risk assessment, usage-to-entitlement analysis, business owner validation, savings business case, and executive recommendation pack.

6.

ITAM Maturity Assessment

The purpose of maturity scoring is to identify the organization's current operating capability and the next best investment in governance. A mature ITAM program is not measured by how much data exists. It is measured by whether leaders can use that data to make better financial, operational, security, and sourcing decisions.

OPERATIONAL ITAM 5-LEVEL MATURITY MODEL

1	2	3	4	5
REACTIVE	MANAGED	OPTIMIZED	STRATEGIC	PREDICTIVE
No reliable inventory; renewals are event-driven.	Core inventory and contract records exist.	Usage, entitlement, and renewal data are integrated.	ITAM influences sourcing, finance, and architecture.	AI-assisted insights forecast risk, demand, and savings.

7.

Renewal Readiness Scorecard & Self-Assessment

A readiness scorecard gives leadership a concise way to see whether the organization is prepared to negotiate, rightsize, consolidate, or renew. Operational ITAM recommends reaching a readiness score of at least 75 before major renewals enter final negotiation.

Assessment Area	Industry Avg.	Your Score (0–100)
We have a complete 12-month renewal calendar with notice dates.	72/100	_____ / 100
Major SaaS applications have named executive and operational owners.	58/100	_____ / 100
Usage data is available for the last 90–180 days for major renewals.	65/100	_____ / 100
Contract terms are reviewed for flexibility, true-ups, and auto-renewal risk.	61/100	_____ / 100
Cloud spend is mapped to owners, products, environments, and business value.	70/100	_____ / 100
All licenses have defined use cases, adoption metrics, and data protection controls.	36/100	_____ / 100
SaaS governance — ownership, renewal tracking, and waste monitoring.	64/100	_____ / 100

Target: Reach 75+ before major renewal negotiations begin. Industry averages shown above reflect common benchmarks across mid-market organizations.

8.

SaaS Waste Calculator

Use this model to frame the business case before a renewal. It is intentionally conservative and works well in executive discussions because it connects usage improvement to annualized dollar impact.

Input	Example	Your Number	Formula / Note
Assigned Licenses	2,500	_____	Seats currently assigned
Active Users	1,750	_____	Users active in the last 90 days
Potential Reclaim	750	_____	Assigned licenses minus active users
Monthly Unit Cost	\$38	_____	Blended or average monthly cost
Annualized Opportunity	\$342,000	_____	Potential reclaim × monthly cost × 12
Expected Capture Rate	40–70%	_____	Conservative estimate after exception handling

Important: Savings estimates should be validated against contractual constraints, minimum commitments, growth bands, business exceptions, and operational risk. The best business case separates gross opportunity from realistic, contractually actionable savings.

9.

AI Governance Checklist for ITAM Leaders

AI subscriptions should be governed as high-value, high-visibility technology assets. ITAM should work with security, legal, privacy, finance, sourcing, architecture, and business teams to define an operating model for AI acquisition, use, measurement, and renewal.

Control Area	Executive Question	Evidence Needed
Approved AI Use Cases	Define which departments, personas, and workflows justify AI licensing.	Policy, owner, data, report, workflow, or documented business case.
Data Protection Review	Validate contractual protections, tenant boundaries, data retention, training use, and access controls.	Policy, owner, data, report, workflow, or documented business case.
License Persona Mapping	Map AI seats to roles that can demonstrate productivity, quality, speed, or risk-reduction benefits.	Policy, owner, data, report, workflow, or documented business case.
Adoption Metrics	Track active users, use cases, departments, frequency, prompt categories, and measurable outputs.	Policy, owner, data, report, workflow, or documented business case.
Outcome Measurement	Document business outcomes such as time saved, content cycle reduction, support deflection, or quality improvement.	Policy, owner, data, report, workflow, or documented business case.
Renewal Decision Rules	Create expand, hold, reduce, or retire criteria before the renewal conversation begins.	Policy, owner, data, report, workflow, or documented business case.

Framework alignment: NIST AI RMF and the NIST Generative AI Profile are useful references for operational AI risk identification and management. Microsoft and OpenAI publish enterprise data protection and business data privacy commitments that should be reviewed as part of vendor due diligence.

10.

90-Day Renewal Optimization Plan

Operational ITAM recommends a 90-day renewal readiness cadence for major software, SaaS, cloud, and AI renewals. This cadence gives leadership enough time to validate data, engage owners, model alternatives, and negotiate from evidence.

Days 1–15 **Portfolio Intake**

Collect contracts, renewal dates, vendor contacts, owners, assigned licenses, costs, usage data, and current pain points.

Days 16–30 **Data Normalization**

Normalize vendor names, SKUs, product tiers, owner fields, user lists, departments, and entitlement records.

Days 31–45 **Waste Signal Analysis**

Identify inactive users, premium mismatch, duplicate apps, orphaned assets, cloud waste, AI underutilization, and contract constraints.

Days 46–60 **Business Owner Review**

Validate business need, exception cases, critical workflows, roadmap dependency, security considerations, and reduction tolerance.

Days 61–75 **Business Case and Negotiation Strategy**

Separate gross opportunity from actionable savings. Build negotiation positions, alternatives, and executive recommendations.

Days 76–90 **Decision and Governance Handoff**

Approve renewal decisions, execute reclamation or consolidation actions, and establish governance cadence to prevent waste from returning.

11.

How Operational ITAM Helps

Operational ITAM helps organizations move from reactive renewal decisions to data-driven technology portfolio governance. The service model is designed for CIOs, IT leaders, finance partners, sourcing teams, and organizations that need practical executive outcomes without overbuilding bureaucracy.

Service	What It Delivers	Duration
AI ITAM QuickScan	Rapid proof-of-value assessment identifying highest-probability waste signals and building the business case for investment.	2 weeks
SaaS Waste Assessment	Usage-to-entitlement analysis, duplicate application review, premium tier review, reclaim/downgrade opportunity, and consolidation roadmap.	30 days
ITAM Maturity Assessment	Current-state process review, data quality scoring, lifecycle gap analysis, and a prioritized 90-day improvement roadmap.	2–4 weeks
Copilot / AI Governance Readiness	Data exposure review, permissions hygiene, AI acceptable-use policy, AI tool inventory, and NIST AI RMF-aligned governance before deployment.	30–60 days
Fractional ITAM Advisor	Ongoing ITAM leadership without a full-time hire. Monthly scorecards, renewal governance, vendor negotiation support, and executive reporting.	Monthly retainer

SCHEDULE A NO-COST EXECUTIVE BRIEFING

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12.

Engagement Path: From Briefing to Business Case

1 Executive Briefing

A 45–60 minute leadership conversation to identify renewal pressure, software waste concerns, AI licensing questions, and immediate business priorities. No charge.

2 Data Request and NDA

Operational ITAM provides a focused data request list covering contracts, renewal dates, license counts, user activity, ownership, costs, and known risks. NDA available before any data sharing.

3 Rapid Diagnostic

A short analysis identifies the highest-probability waste signals, maturity gaps, renewal risks, and business case opportunities.

4 Executive Findings Review

Leadership receives a concise findings pack with risk ranking, potential savings, recommended actions, and decision options.

5 Optimization Engagement

If the opportunity is material, Operational ITAM supports deeper analysis, owner validation, negotiation preparation, governance design, and execution tracking.

NEXT STEP: SCHEDULE AN OPERATIONAL ITAM EXECUTIVE BRIEFING

Ideal for organizations with major renewals, rising SaaS spend, AI licensing questions, cloud cost pressure, or incomplete ITAM governance.

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13.

Research Notes and Sources

This executive brief is informed by the Operational ITAM consulting methodology and current public sources relevant to ITAM, FinOps, cloud waste, AI governance, and enterprise AI data protection.

Gartner IT Spending Forecast, 2026

<https://www.gartner.com/en/newsroom/press-releases/2026-04-22-gartner-forecasts-worldwide-it-spending-to-grow-13-point-5-percent-in-2026-totaling-6-point-31-trillion-dollars>

Flexera 2026 State of the Cloud Report

<https://info.flexera.com/CM-REPORT-State-of-the-Cloud>

ISO/IEC 19770-1:2017 IT Asset Management

<https://www.iso.org/standard/68531.html>

NIST AI Risk Management Framework

<https://www.nist.gov/itl/ai-risk-management-framework>

NIST Generative AI Profile

<https://www.nist.gov/publications/artificial-intelligence-risk-management-framework-generative-artificial-intelligence>

FinOps Foundation Framework

<https://www.finops.org/framework/>

FinOps Framework 2025 Update

<https://www.finops.org/insights/2025-finops-framework/>

Microsoft 365 Copilot Enterprise Data Protection

<https://learn.microsoft.com/en-us/microsoft-365/copilot/enterprise-data-protection>

OpenAI Business Data Privacy, Security, and Compliance

<https://openai.com/business-data/>

OpenAI Enterprise Privacy

<https://openai.com/enterprise-privacy/>

IAITAM — IT Asset Management Best Practices

<https://iaitam.org/>

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Operational ITAM helps technology leaders optimize software, SaaS, cloud, AI, and IT investment value through data-driven asset intelligence.

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