

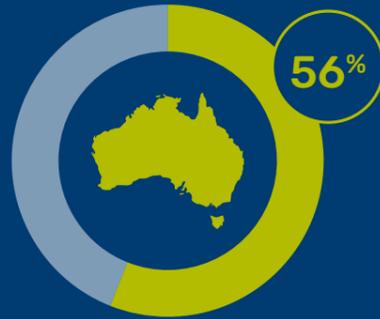
DO MORE WITH IT

HOW MID-SIZED BUSINESSES
CAN STRETCH THE IT BUDGET



INSIGHTS FROM AUSTRALIA'S #1 RANKED
MANAGED SERVICE PROVIDER

INCREASED IT BUDGET IN LAST YEAR:



IT budgets at large enterprises (5000+ employees) are the most likely to increase.

SPICEWORKS 2019 STATE OF IT

STRETCH YOUR IT BUDGET

More and more, mid-sized organisations are being challenged to stretch their IT budgets and embrace technology to compete in a dynamic, digital world.

According to Gartner, overall IT investment is forecast to increase by 3.1% in Australia in 2019 and by 2.3% in New Zealand, with growth set to accelerate through to 2022. However small and mid-size businesses are struggling to keep pace with enterprise fuelled IT.

Innovation based on IT is changing industries worldwide by improving the customer experience, creating capacity and driving growth. But to participate, businesses need to fund spending on new high value initiatives, including enhancing the customer experience, improving business processes and increasing operational efficiencies.

For organisations that are unable to aggressively expand their IT budget, finding new efficiency measures to allow investment elsewhere doesn't have to mean cuts to staff, services or reducing service standards.

LET'S DISCOVER A **SUCCESSFUL STRATEGY** TO MAKE THE MOST OF YOUR IT RESOURCES, AND SOME OF THE MOST LIKELY **AREAS WHERE SAVINGS CAN BE FOUND.**

TEST YOUR IT PARTNER

To identify new efficiency measures, the best approach can be to share the problem with a trusted IT partner.

Take a relationship often built on functionality and support, and turn it into a mutual financial partnership designed to maximise the IT budget.

For this approach to be successful, your key contacts at the IT partner must have a commercial mindset, not just a technical one. They must also be capable of looking at your bigger IT picture and be prepared to adapt the mix of services they offer, not just look to sell you more.

If you don't already know whether your IT services firm can be a true partner or is just a provider, put them to the test. Ask for alternative solutions to existing services, to free funds to invest in new areas.

IF YOUR IT PARTNER CAN'T OFFER ALTERNATIVES, **FIND SOMEONE ELSE WHO CAN.**



Are you paying a premium for a brand without receiving or requiring a premium service?



Are you over-spending on unnecessary capacity in certain areas?



Are their more cost effective ways to receive the same or similar services?



What else could be outsourced to free up other internal resources?

HIGH VALUE INITIATIVES



Enhancing the customer experience



Improving business processes



Increasing operational efficiencies



IT'S ESSENTIAL YOUR **IT FOUNDATIONS ARE SOUND** BEFORE YOU EMBARK ON MORE AMBITIOUS TECHNOLOGY PROJECTS. THEN YOU CAN FOCUS ON **ALIGNING YOUR IT PRIORITIES WITH YOUR BUSINESS GOALS**

SHIFT IT SPEND TO HIGHER VALUE AREAS

The key to maximising your IT budget is to spend it in the right areas, and then ensure you extract the full value from each investment. It sounds simple, but many organisations get the balance badly wrong, which limits their opportunities.

The objective should be to increase investment in high value initiatives that promote business growth, competitive advantage, risk reduction, cost savings and productivity improvements.

Prioritise your IT spend by determining where technology can best support the business goals.

For some organisations it could mean spending first on consultants to develop a comprehensive IT strategy.

For others it could mean creating an improved online experience for customers, or training to ensure that the return from existing software tools is fully realised.

There are two ways to fund important new initiatives – through a clear return on investment to justify additional investment, or by freeing funds from existing services.

WHERE TO FIND SAVINGS?

There is no simple check list of savings measures. The different needs of organisations and their IT environments mean specific examples can vary as widely as replacing physical telephone handsets with software based 'soft' phones, to creative accounting such as amortising labour within project costs.

However some of the biggest areas where savings can be made, without materially impacting service delivery, can be found in your organisation's **CONNECTIVITY, INFRASTRUCTURE AND SUPPORT** arrangements.

TOP IT PRIORITIES FOR BOARDS GLOBALLY



Source: Harvey Nash/KPMG CIO Survey 2019



EFFICIENCIES AND SAVINGS AREAS



CONNECTIVITY



INFRASTRUCTURE

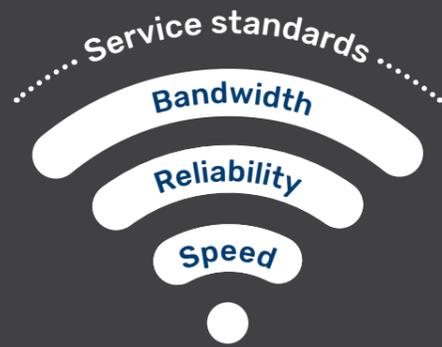


SUPPORT

CONNECTIVITY

The digital 'highways' that connect your voice, internet and data between your locations, datacentre and with the outside world are known as a **WAN or wide area network**.

Just like consumer plans, business telecommunications pricing varies significantly, for what can be a very similar service. Bigger suppliers often use brand power to justify higher price points. Pricing offers often benefit new client's more than loyal ones. Which means large savings can be achieved month after month, just by switching from 'brand name' providers. Moving to a more competitive offer can also provide increased bandwidth, performance and a fast return on investment.



SWITCHING PROVIDERS CAN INCREASE PERFORMANCE FOR LESS



SAVE ON WAN SERVICES



Price differences between suppliers



Consolidate your suppliers



Right mix of technology



How redundancy is provided

BEST VALUE TECHNOLOGY MIX

A vendor independent IT partner can help you assess whether a different mix of suppliers, and/or a different technology approach, can provide the service you need for less. Finding the answer to the best value technology mix is complex, for example do you need a private MPLS or SD-WAN? Fibre or Wireless? But the question is worth asking, particularly if you've had the same technology approach for some time.



INFRASTRUCTURE



THE BEST STRATEGY IS TO REGULARLY REVIEW YOUR INFRASTRUCTURE, RATHER THAN SET AND FORGET.

Infrastructure includes your **IT architecture, server environment and back-up services** – whether on-premises, cloud based or using a hybrid model.

In 2018 IDC coined the term ‘Public Cloud Repatriation’ to highlight the number of organisations planning to move some of their processing off public cloud providers, mostly back into a private or hybrid cloud arrangement. Often for the same reasons of cost, performance and security that drove their adoption of public cloud in the first place.



Boutique providers using sophisticated wholesale industry datacentres and high-grade data links can provide a high quality private cloud services for significantly less than large public or private cloud operators. They can also be more willing to tailor the services required, so you only pay for what you need.

If your business has undergone expansion or a merger, you may have multiple datacentres and WAN providers. Consolidating and simplifying these service providers can be an easy win. The same can also be true if different line of business units have adopted new technology independently from the IT department.

Likewise, consolidating your services under the one roof, for example by using an experienced Managed Service Provider to provision and support your Connectivity and Infrastructure solution, can save time and money with one point of contact and clear accountability.

CASE STUDY - CLOUD VS ON-PREMISES

One of the most common infrastructure questions you may be facing is whether to upgrade ageing hardware and operating systems or to move to the cloud. In one recent example a business had been quoted \$500,000 to upgrade their internal hardware. Our proposal involved a \$10,000 project cost to move to the cloud, with some on-going cloud charges. In terms of freeing the budget to invest in other higher value areas, even if financing the hardware, moving to the cloud in that case was a compelling argument.

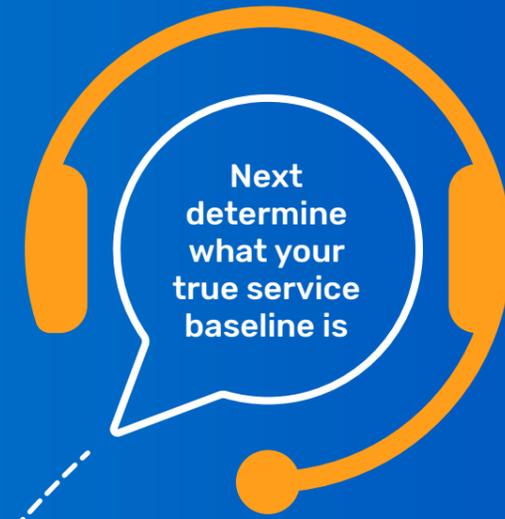
SUPPORT

Finding savings with your support costs doesn't have to mean accepting lower or slower service levels.

There are many considerations when looking to save on support costs. Indeed investing in improved response times and proactive servicing can create efficiencies through less downtime and more productive staff, so it's important to find the right balance.

By outsourcing internal IT roles to specialist providers, you can gain access to a wider skill set, advanced support tools, and resources at a lower price point than internal roles. Some internal IT roles may be essential as they are business specific. But other more generic or highly specialist IT roles may be very suitable for outsourcing.

CAN EXISTING SERVICES BE OUTSOURCED TO FREE UP INTERNAL RESOURCES?



- Do you need improved service levels and response times?
- Can you accept lower service levels without unacceptable consequences?
- Can more services be delivered remotely, through self-service or via automation?
- Can existing outsourced services be delivered at a lower price point?



SERVICE DESK SAVINGS

One increasingly popular go-to-strategy is to shift from full local support to a lower cost model of an international-based service desk combined with local presence. Operating from countries such as India, and more frequently now from the Philippines, they provide English speaking, IT literate technicians in a similar time zone.

Support providers that offer a choice of both international and local service desks can utilise the same systems, processes and escalation options to provide a standardised service. While providing a budget friendly, international option at a lower price point.

RENEWALS AND OFFICE MOVES

Unexpected events can lead to an immediate, un-budgeted IT investment. Rather than cutting back on services, look for triggers throughout the year to absorb any additional spend.

Take the opportunity to review your options, not just during the IT budgeting process, but also in advance of key renewal periods. Examples include renewals for software licences, support agreements, infrastructure or connectivity agreements. Other date dependent factors such as end of vendor support can also influence the timing, choice and cost of alternatives.

If you don't have a current list of when your renewals are coming due, make one and discuss your options with your IT Partner well in advance. Better still, rather delegating such a task to junior staff who may not know what to look for, ask your IT partner to compile a complete list of key renewal dates, so you can focus on core business activities.

Office moves can also present an opportunity to re-evaluate how suitable your IT infrastructure is for your budget and performance needs. Consider whether the cost of setting up new or existing hardware in the new location could be saved by moving straight to the cloud.

The period pre-move can be the perfect time to transition some or all of your services in advance to the cloud (e.g. email or hosting) to assist with business continuity and minimise disruption during the move, while the preventing future cost duplication.



ENSURE YOU HAVE A COMPLETE LIST OF RENEWAL DATES.



ASK WHAT WOULD BE INVOLVED TO PERFORM A THOROUGH ASSESSMENT AND YOU MAY BE PLEASANTLY SURPRISED.

PROFESSIONAL CONSULTING OR A SALES PROCESS?

Detailed assessments involving highly technical options can involve a significant amount of work for an IT Partner. Especially if they are not the existing provider with an intimate knowledge of your environment.

To ensure you receive thorough independent advice, discuss the research process with your IT Partner. For complex investigations a consulting engagement may be necessary, otherwise the alternative may be a superficial sales process.

SOLVE YOUR BIGGEST PROBLEM

Get started with a 5-step approach to making the most of your IT spend.



01

BUSINESS ISSUES

To get started, pick a key business issue that might be addressed with an IT solution. You don't need to know the answer, just the high value issue that if fixed, would make a major difference.



02

TRUE SPEND

Next identify your true cost of IT and where it is being spent. Ensure you consider all of the costs from inside the official IT budget and all of the IT related spending in other departments or business units.



03

SHARE PROBLEM

Involve your IT partner and share with them both the problem and the need to fund the solution. Expect to pay for complex investigation of different technical solutions if required.



04

INDEPENDENT ADVICE

Consider if you'd benefit from outside advice from a consultant or VCIO. If needed, bring in external expertise and relevant experience to fast-track a solution and save on expensive trial and error.



05

RIGHT SOLUTION

Identify the right solution to the key issue and justify the funding from either outside or within the current IT budget, including considering alternative ways of providing existing IT services.

NEED A SECOND OPINION?

If your IT provider isn't a true partner, find someone who can offer the right experience and independent advice.

WE HELP PEOPLE USE TECHNOLOGY TO MAKE A DIFFERENCE

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