

# Cashing in on Cost Reductions

## Five Surefire Tips for a Better Bottom Line



### Executive Summary

**In these competitive times, there's pressure to conserve cash and operate in the lean. But at the same time, data growth and innovation call for continued IT investment. These conflicting forces are driving creative spending within IT organizations. Toward this end, MSDI offers five surefire ways to improve one's bottom line—without sacrificing the user experience.**

**Worldwide IT spending has been on a rocky road as of late.** Amidst economic crisis in 2009, Gartner reported that worldwide IT spending declined 4.6 percent. The analyst firm revealed an uptick in 2010, when that spending hit \$3.4 trillion. Now, it's expected to total \$3.6 trillion in 2011, according to the firm's latest outlook.

So what does all this mean to IT organizations? Essentially, the downturn put them in survival mode. "Businesses have taken a hard look at their spending and have implemented stringent procurement policies and reduced budgets," says Bryan Champagne of MSDI, a leading IT consulting firm based in Pembroke, Mass. "Those businesses operated on lean budgets and put a lot of focus on 'keeping the lights on.' Not to mention, there's been little discretionary spend, forcing folks to get very creative in maintaining their infrastructure."

Still, a down economy didn't stop the digital world from marching forward with data storage requirements increasing exponentially. In fact, according to IDC's 2010 Digital Universe report, the amount of digital information created and replicated worldwide will grow to 35 trillion gigabytes by 2020—that's 44 times the data in 2009. With that growth, of course, expectations around performance and availability will rise as well. That leaves stressed IT organizations trying to deliver more with less budget, says Champagne.

Fortunately, the economy is stabilizing now. But that doesn't give anybody free rein on spending. "IT organizations have become very smart buyers and will continue to scrutinize spending and maximize savings," Champagne explains. Their top priority is in identifying new ways to economize. That near obsession with cost savings is due, in part, to their desire to maintain smaller budgets. After all, most IT organizations have fully embraced their newfound efficiency and have proven successful. But more importantly, many prefer to funnel budget dollars into innovation and growing the business. ▶

## The MSDI Difference

MSDI is a solutions consulting firm that helps organizations reduce IT costs. We fully immerse ourselves in your business, lending expertise in SAN and network consulting with specialties in data storage, virtualization, business continuity, disaster recovery and performance tuning. We'll help uncover untold savings by architecting for cost minimization and extending the life of legacy infrastructure. Most important, MSDI provides a single point of contact for support and accountability — everything you need from a single source.

So, what will it take to continue advancing infrastructure and operating at peak performance, while resuming innovation efforts—all without breaking the bank?

### Cost Cutting by the Numbers

MSDI's Champagne says IT organizations need to get “savings savvy” and offers five surefire cost-cutting measures to help make that happen:

- 1 **Do it right the first time.** The best way to conserve budget is to make sure every project—no matter the size—is done right. Mistakes can be costly and can have a snowball effect on budget. Be sure to leverage proven designs and framework, relying on experts to avoid expensive learning curves and even more expensive errors.
- 2 **Virtualize, virtualize, virtualize.** Consolidation of server and storage infrastructure is one of the fastest routes to savings. Collapsing to a fraction of servers allows for cost reductions on everything from physical footprint to maintenance. According to research by Forrester, every 1,000 watts of IT load costs roughly \$12,000, so virtualization is definitely a quick hit for savings.
- 3 **Go green in IT.** A green IT environment leads to considerable savings as well. But virtualization isn't the only way to go green. Many vendors are making energy-efficient products available that help reduce power consumption. Some options include low-wattage systems, solid-state drives and drive spin technology.
- 4 **Reconsider “rip and replace.”** Many seem to think that the only way to innovate is by replacing aging infrastructure altogether and all at once. But in reality, IT organizations can rearchitect by revitalizing and repurposing legacy equipment at a fraction of the cost—and realize many of the same benefits of a full-scale upgrade.
- 5 **Zero in on maintenance costs.** IT organizations can consolidate support and maintenance through a third party to lower their costs—to the tune of 40 percent, per Champagne. What's more, using specialty companies that focus on an organization's unique business needs can lead to unexpected benefits, such as reduced downtime and repair time for soft-dollar savings.

### Cost-Savings Ingenuity Pays Off

IT organizations are really cashing in with exactly that kind of cost-savings ingenuity. Making the right cuts at the right time is game-changing for these organizations. “But those savings can't be at the expense of the user experience,” Champagne warns.

Just consider one Northeast architectural firm that engaged MSDI to clean up and update its data center. Not surprisingly, budget was an overriding factor, but still, “we were able to rearchitect their environment while cutting costs with aggressive savings in operating expense and conservation of power and cooling,” says Champagne. In addition to the savings, the firm now enjoys improved performance and recovery time as well as greater security—all of which helped them grow business.

Getting to that payoff can be pretty straightforward. Start, Champagne advises, with a full understanding of the business needs. What are the use cases and Service Level Agreement (SLA) requirements? Assess the technology environment, too, with a complete inventory of what's in place and what isn't. Then align the technology needs with the business needs and create a roadmap.

Seeking counsel along the way is always recommended, says Champagne. Every day MSDI works with companies across the nation, so tap into that expertise and make the most of precious budget dollars. •

### Jump-Start Your Cost Savings

If you're ready to cash in on savings, MSDI offers a variety of special incentives for new customers. To see if you qualify, please call 781-829-0140.