



**As an IT executive in a mid-size business today, life should be great.** Never has there been so many increasingly affordable tools, across the spectrum of technologies, at your disposal. Solutions that could only be acquired by large enterprises, you can now easily obtain. You now have ready access to solutions for applications, IT/network infrastructure, and facilities infrastructure that, historically, were only available to large enterprises. You also have your choice of various IT consumption models to leverage. Now mid-sized companies have the ability to compete with enterprises many times their size. Finally, the playing field is leveled! What could be better?

However, as mid-size business IT evolves, so have customers. **Customers have grown smarter and more demanding.** The “there’s an app for that that I can download it in 20 seconds” attitude has permeated expectations of all business relationships - from B2C and B2B. Sophisticated customers demand more from our business delivery models. Might we be left behind?

The obstacle for mid-sized businesses is that they need better applications and business processes to keep up. This challenge exacerbates further by the trend of enterprise competitors growing through acquisition assuming scale will lower costs and gaining market share. Mid-sized business then bears the brunt in terms of margin/share pressure. Challenges are further intensified by having to maintain sufficient and proficient IT staff.

Herein lies the conundrum:

**The vast and various options in IT are clouding our ability to sift through what makes sense in your business context.** Your focus must be grounded in company specific, fact-based requirements rather than general industry targeted white papers.

The temptation is to maintain current strategy and tactics only now at less cost. Leverage the fact that IT applications and infrastructure are getting less expensive and more feature-rich. Simply just keep commoditizing to stay ahead of the game.

What this fails to achieve, though, is the strategic innovation that comes from utilizing the entire range of offerings from the IT marketplace. Think of your IT delivery system in the same manner as your investment portfolio. What do you consider? Expertise, diversification, costs, risk management and opportunities.

**Expertise.** It is incredibly challenging to maintain an IT staff that can keep up with current trends. The first issue is staff retention. The second is maintaining relevant skill sets. Consider the lack of time, or funding, available for continuing education. Then consider the breadth of skill sets that are required and understand that this is not only technical skills. What about skills to manage initiatives both from project management and a financial management perspective? Smart companies are looking to third-party firms to augment staff for specific initiatives or on an-going basis.

**Diversification.** Traditionally there were two options for IT: in-source or out-source. Now there is a continuum and the opportunity to choose multiple options along it. Think of best of breed solutions that meet current needs. Take low reward IT applications – like email and exchange – and leverage SaaS and services. Email is important but it is not a business differentiator. So why have staff spend time maintaining it? Are there other applications that are in a similar position? Possibly leverage IaaS for development or seasonal needs?

**Costs.** Are all costs of running your IT operations identified? Hard costs such as utilities? Training? Others? Soft/hard costs such as rent? As with investments, define all fees/costs that affect earnings.

**Risk Management.** The number one cause of data center downtime is human error. Should staff spend time addressing the continual care and feeding of a data center? Are they professionally trained to do so? Is that adding a strategic advantage? If the answer is no, then consider colocation. What about IT infrastructure? If staff availability or skill set is lacking in process and procedures, then consider managed services, either on premise or in a third-party data center.

**Opportunities.** Finally, think outside the box. Availability is expected. What can be accomplished to improve performance and innovation? Start small and keep progressing. Consider a hybrid strategy of IT delivery based on segmented silos – non-value-add | low-cost mature | seasonal (if applicable) | development – and leverage different delivery models. Be creative and impactful.

Changes in the IT landscape enabling mid-sized businesses to compete with enterprises have been underway for quite some time. These changes, coupled with an increasingly demanding customer base require IT leaders to find innovative technology consumption models. **Given the overwhelming options available, the key to creating business value and accelerating business outcomes lies in the ability to develop a best-fit IT consumption model that not only meets current business needs but also has the ability to support ongoing innovation and differentiation.**



### About the Author

Tad Davies is a 32-year veteran of the data center industry. He advises clients nationally on Business Centric strategy issues such as consolidation, provider selection, and build vs. buy and Facility Centric strategy issues such as risk assessment, conceptual planning, and owner's representation. Tad is President of Fodere which provides data center guidance. [Tad.davies@FodereConsulting.com](mailto:Tad.davies@FodereConsulting.com)