

IT-Budget-Friendly System Management

Reducing hardware maintenance costs can save money through a number of means.

By Scott Campbell

Midsized companies should pay more attention to reducing maintenance support costs and lowering their networking spending, said Terrence Cosgrove, senior research analyst at Gartner, during a Breakout session Monday.

Reducing enterprise costs is the second-most important business expectation for midsized companies this year, according to Gartner's 2009 survey of 1,500 midsized CIOs. In a sign of how the economy has changed CIOs' priorities, reducing enterprise costs finished only the ninth-most important expectation in last year's survey.

"A CIO thinks IT has to do everything better, faster, cheaper and become more aligned with the business. The concept of doing more with less has been the anthem of IT operations for the last 10 to 15 years. What's unique now is that fiscal constraints are so much greater and pressure from business is so much stronger. It puts you in the position that IT has to change its way of thinking with respect to infrastructure and operations," he said.

Organizations, first of all, should create cost-cutting teams that include representation from all major platforms as well as a financially qualified professional, Cosgrove said.

"A finance person will help because sometimes if you reduce costs in one area, you can increase costs somewhere else. We also recommend someone with a legal background, especially

for renegotiated contracts," Cosgrove said



Reducing hardware maintenance costs can save money through a number of means, Cosgrove said. Gartner has found that the cost of hardware maintenance has increased 5.5 percent over the last year, but the providers' ability to meet service-level commitments has decreased 4.5 percent.

"A lot of clients find support cheaper on a time and materials basis than a subscription," Cosgrove said. He cited one example of a midsized company that saved \$10,000 per year by discontinuing maintenance on four-year-old switches, scanners and some printers. The company moved from a 24x7 support contract to a 9-to-5 maintenance window, he added.

Elsewhere, networking, which represents 10 to 30 percent of IT spending, is rife with cost-cutting opportunities. "One midmarket company cut their WAN [costs] by 30 percent by moving to broadband VPN," Cosgrove said.

