



Business Management Brief

In association with



# A higher impact approach to IT investment

Some ideas to discuss with your IT team

October 2015

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### About this Inside Track

The insights presented in this document are derived from independent research conducted by Freeform Dynamics. Inputs into this include in-depth discussions with IT vendors and service providers on the latest technology developments, along with intelligence gathered from mainstream enterprises during broader market studies.

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## In a nutshell

You may have doubts about the value for money or level of service you are getting from IT. You may also feel that your current systems are holding back business progress. Infrastructure modernization could be the answer, but before going down the usual route, it's worth looking at the 'as a service' option. This can avoid capital outlay, minimize overheads and risks, and free up IT resources to deliver more value.

## Clues to the need for change?

Pretty much every business relies on information technology nowadays, and yours is probably no exception. When it's working well, you hardly notice it - your systems do what they should, they perform quickly and reliably, and when you approach whoever looks after them and ask for something new, it's delivered on time and with no fuss. Overall, you feel like you're getting value for money.

If the picture we've painted is familiar to you, then you probably don't need to read on. If, however, your business is like many others, you may recognize one or more of the following issues and frustrations:

- Performance is unpredictable and, sometimes, things seem to run very slowly
- Your systems are unreliable, and go down more often than you would like
- When failures occur, it takes a long time to recover, and sometimes you might even lose valuable business data
- Your ability to access company information while away from the office, e.g. from a mobile device or PC at home, is very limited
- It's hard to get meaningful information out of your IT systems, even though they seem to suck in a lot of data
- Some of the software you rely on has capability gaps, or generally feels old-fashioned or out of date
- When you ask the IT team to do or fix anything, they always seem too busy taking care of technical stuff you don't understand
- IT is generally costing you a lot, but all the money seems to go on just keeping things running rather than delivering anything new or valuable

These are all clues to things not being quite right with your IT infrastructure, and if you can relate to at least two or three of them, the chances are that your company could benefit from making some changes.

A decade ago, the kind of challenges we've listed would have been considered normal, and would also have taken significant time, resource and money to fix. However, IT and associated services have moved on considerably over the past few years, and nowadays it is not necessary to live with the same constraints and frustrations. And the good news is that you don't have to change everything to create a more modern technology-enabled working environment. A lot can be achieved by addressing some key elements and getting your IT systems onto a firmer footing.

However, before considering what this translates to in practice, it is probably worth taking some time to understand why things in IT are often not as they should be.

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## A peek under the covers

One of the challenges with IT systems is that inefficiencies creep into them over time. Components get added, replaced or upgraded reactively in an unplanned or ad hoc manner and things gradually get more tangled and disjointed. IT staff do their best to keep multiple generations of technology working together smoothly, and are pretty good at coaxing old hardware and software into handling new requirements they were never designed for. But it all takes time and effort, and when those responsible for working their magic leave the company, things get even more challenging.

This ongoing burden is why you often meet resistance when you ask for something new. It also doesn't leave much room for IT staff to explore new ways of doing things that could save them time, help maintain service levels and free up resources for development work. And the truth is that you may have unwittingly perpetuated the challenges when you rejected that last request for budget to modernize something because the business impact wasn't obvious.

So how can you help IT to help you?

## Applying some familiar ideas

We tend to think of IT as something special because it seems more complex and harder to understand than other parts of your business infrastructure. However, there are many elements of IT that you can think about in the same way as you would any other type of asset. This opens the door to applying some familiar ideas to remove overhead, uncertainty and distraction.

In other parts of your business, you are likely to have financial and service contracts in place with various suppliers, e.g. you might lease vehicles, buildings, telephone systems, machinery or even pot plants for your reception area. This allows you to minimize capital investment, preserve cash, and offload the headache and overhead of maintenance, support, and replacement when things fail or become out of date.

Cost savings and higher service levels are possible because the firms providing the services have economies of scale - your vehicle, air conditioning system and yucca plant on the receptionist's desk are all essentially the same as everyone else's under contract, so providers know how to deal with them quickly and optimally.

It has traditionally been harder to apply this kind of approach to IT because every setup has tended to be different, with its own unique set of complications and dependencies. The need to handle each system in its own special way makes it harder to get those economies of scale. Even if you do have special managed services contracts in place for IT, the chances are that they are quite bespoke.

But things are changing. Recent developments have made it easier to unravel many of the dependencies, standardize components, and ultimately allow big parts of your IT infrastructure to be treated as standard assets. The door is now open to driving the same kinds of cost-effective, contract-based services in IT that deliver benefits in so many other areas.

## Introducing Hybrid-IT as a Service

Having just read that heading, you may be thinking that we're about to descend into lots of jargon and technical detail. Don't worry, we're not, but it's hard to discuss IT

*It's about an alternative approach to procuring, operating and maintaining core IT capability.*

without getting into at least some industry terminology. So what does the phrase 'Hybrid-IT as a Service' actually mean?

Essentially, it's about an alternative approach to procuring, operating and maintaining core IT capability based on:

- Re-seating your IT systems onto a more modern, standard foundation
- Integrating elements of so-called 'cloud computing' to improve data protection
- Paying for technology, cloud access and managed services on a subscription basis

The 'hybrid' part of the term stems from the fact that the approach is based on blending the best of 'on-premise' computing, in which equipment resides on your site, with the best of 'cloud computing', in which data storage and processing takes place in a large shared IT environment operated by someone like Microsoft, Amazon, Google or similar. In effect, you end up with a cloud/on-premise hybrid.

Let's take a look at each of the three aspects of Hybrid IT as a Service in more detail.

*The service provider you contract with installs a standard IT 'platform' on your site.*

### Re-seating your IT systems

Based on the principles we have been discussing, the service provider you contract with installs a standard IT 'platform' on your site. This platform will contain all of the components needed to provide computing power and data storage capacity for your business applications, by which we mean things like your email, accounting package, customer management system, and so on.

*There are huge benefits in getting all your applications running on the same standardized platform.*

The business applications themselves are not included in the contract as it's hard to standardize on this part of the equation – all businesses run a different blend of solutions and it's important that you retain the flexibility to mix and match at this level in your organization. However, whatever applications you use, there are huge benefits in getting them all running on the same standardized platform. Right now, for example, each one may be underpinned by its own 'hand crafted' foundation of hardware and software, and this is the source of much of that expensive complexity.

*Hybrid IT as a Service lets you benefit from cloud computing, but in a selective way and on your terms.*

Furthermore, a lot of foundation technology may be aging and lacking in modern capability, which may be constraining what your business applications can do for you, and how quickly and cost-effectively changes can be made when necessary. A modern platform is not just more efficient, it also delivers much greater flexibility.

### Taking advantage of 'the cloud'

Cloud computing has been likened to utility services. The basic idea is that you draw computing power, storage capacity, etc, over an internet connection in the same way that you do electricity from a socket, or water from a tap.

*While you have the choice to keep your core data on-premise, you also have a safe off-site facility for backing up and archiving your data.*

It's a nice idea, and it is possible to use it in some circumstances as a total substitute for traditional systems. However, it's unlikely that any one provider will be able to meet all of your needs, and getting multiple services working together while avoiding runaway costs and managing security, privacy and compliance as your data spreads off-site creates a whole new set of challenges.

Hybrid IT as a Service lets you benefit from cloud computing, but in a selective way and on your terms. So while you have the choice to keep your core data on-premise, you also have a safe off-site facility for backing up and archiving your data. Everything

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is built into the platform to enable this in a convenient and seamless manner for IT staff, and for peace of mind, all data is encrypted before it is sent to the cloud. In the unlikely circumstance that the cloud provider suffers a security breach, none of your information will be readable.

The other risk management benefit is that a disaster in your computer room, e.g. a fire or a flood, can be recovered from more easily, swiftly and reliably. The platform is standard, so that can be quickly replaced by the provider, then it's just a case of recovering your applications and data from the cloud backup. This is a lot better than having to buy and install new hardware, then have IT administrators configure it all from scratch, rummage around for backup tapes, and hope everything will load as it should. The provider may even be able to run your systems in the cloud while the new on site hardware is delivered and got up and running.

### Consuming IT as a service

One part of the 'as a service' approach is the commercial model – it's just like leasing a vehicle with all of the maintenance costs covered by the contract you sign. In the IT context this translates to a monthly fee, which covers the cost of the platform plus all of the integrated cloud services.

Also included in the contract is remote administration. The provider leverages the fact that you are running a standard platform, the same as or very similar to that installed with all of its other customers, to provide maintenance and support services with the economies of scale we discussed earlier. This includes periodic tuning and upgrade of key components to keep everything up to date and optimized, and typically the kind of round-the-clock technical assistance and troubleshooting services that are required in today's 24x7 business environment.

A good service provider will also have friendly terms in the contract to allow for cost-effective and hassle-free expansion as your business grows. This avoids those highly expensive and disruptive major upgrades and migrations every few years that have traditionally been associated with IT.

### The bottom line

The world has moved on. If you're currently experiencing high costs and less than optimal IT service levels, a big contributing factor is likely to be your systems falling behind, and whoever is looking after your IT infrastructure having to spend excessive time on administration and day-to-day firefighting.

Hybrid-IT as a Service doesn't address every aspect of your IT systems environment, but it does represent a much better way of dealing with that critical hardware and software platform element. Adopting a services-based approach can represent a good first step towards turning IT from a troublesome cost into a key business enabler.

## About Freeform Dynamics

Freeform Dynamics is an IT industry analyst firm. Through our research and insights, we aim to help busy IT and business professionals get up to speed on the latest technology developments, and make better informed investment decisions.

For more information, and access to our library of free research, please visit [www.freeformdynamics.com](http://www.freeformdynamics.com).

## About Zynstra

### Our Vision

We believe that all businesses and organizations, regardless of size, be they on one site or many, should be able to enjoy enterprise class Hybrid IT which is simple to buy, deploy and use, and paid for on an affordable, no Capex, subscription model.

### Our Pedigree

Zynstra is a software company, with highly experienced technology entrepreneurs. We have a proven track record of anticipating the crucial developments in information technology that can be leveraged to deliver innovative, game changing business software, and delivering it with partners into some of the most complex and rigorous IT organizations in the world.

We believe that our hybrid IT platform leverages the latest developments in distributed virtualized infrastructure to deliver IT as it should be.

Zynstra is backed by Octopus Investments, one of the UK's leading investors in fast growth companies that can scale explosively to create, transform or dominate an industry

For more information, please see [www.zynstra.com](http://www.zynstra.com).

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