

How Businesses Unknowingly Pass Up On Big IT Cost Savings



A new study from an independent research firm uncovers that businesses miss a big opportunity for significant capital (capex) and operational (opex) cost savings by prematurely upgrading networking infrastructure and insufficiently scrutinizing ongoing maintenance contracts.



1. High Pressure to Reduce Costs

“How concerned is your firm with the following business issues?”

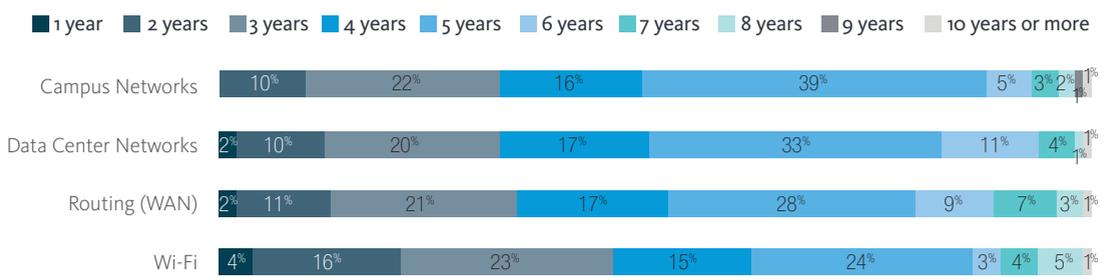


2. Refreshing Networks Too Often

Up to 79% of organizations refresh their wired networking infrastructure every 1 - 5 years guided by industry averages that originate from the vendors.



“When thinking about each technology, what is your refresh cycle?”

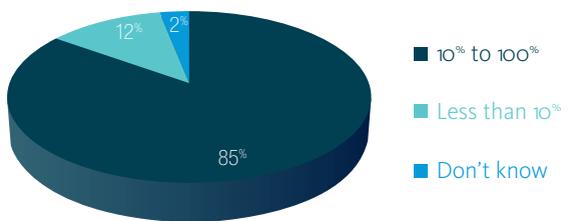


3. Disposing of Working Equipment

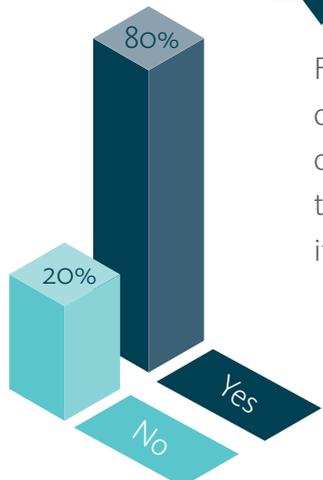


85% of respondents admitted they would have kept working equipment if continued vendor support had been available.

“What percentage of equipment would you have kept if the vendor continued to support it?”



4. Not Leveraging 3rd Party Options



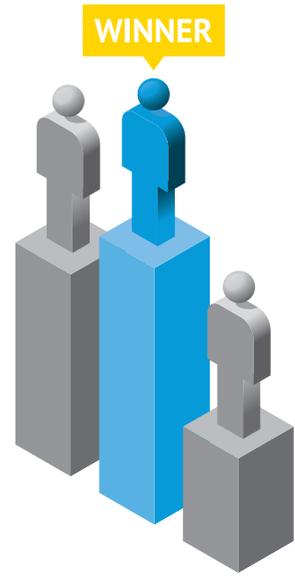
Few organizations know they have options: An overwhelming 80% of respondents say they would leverage third-party maintenance if they found it to be more affordable!

“If there was an option to purchase support and maintenance contracts from a third party, would you do it if the cost was lower?”



What You Can Do About It:

- **Keep what's working.** Organizations should take a pragmatic view of their infrastructure and do assessments of what services need to be delivered and which the infrastructure can handle.
- Be aware! **Don't pay for software updates** if there are none, or if they are available for free.
- Put maintenance contracts out for competitive bid. **Consider third-party options** in addition to those from other resellers.
- Put metrics in place to reward **value, quality, and longevity**, not just resiliency.



Source: *Challenging the Status Quo on Maintenance Contracts and Refresh Cycles to Lower Costs* - May 2013 – A commissioned study conducted by Forrester Consulting on behalf of Curvature. 304 IT decision-makers surveyed across 8 countries (USA, UK, Germany, France, Japan, Singapore, India and Australia) and conducted from Jan. – Feb. 2013.