Reduced OPEX Through Good IT / ICT Hygiene

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ICT/IT Infrastructure Financial Issues

• 50% to 70% of network problems are related to inadequate or underperforming cabling infrastructure (RealDecisions, Gartner, Yankee)
• 5% of the spend on cabling infrastructure is resulting as much as 10x the percentage (50%) of incidents and escalations
• IT Managers do not have visibility to installed cabling infrastructure and can’t plan or make decisions without significant delay and expense-Layer 1 infrastructure is only about 5% of the IT spend, so budget and control are pushed to the remote site or campus
• Lack of management has created clogged pathways and inability to change/grow without major cost
• Corporate standards are +/- 30% compliance
• IT staff or contractors make multiple trips to the same sites and closets each year and never gather information that could be used in more efficient planning and reduce future visits
• Centralized management of cabling infrastructure could result in up to 30% savings in Opex
Good Financial Hygiene

- Manage vs. Buy New
- Make Real-Time, Informed Decisions
- ITSM Best Practices
- Better ROI (Capex and Opex)
- Cascading Impacts
Technology Stone Age

• Era of the Single Purchase Order (IBM, DEC, Big Iron)
• Deregulation & “Downsizing”
• Distributed Computing & Ethernet
• Commoditization of Technology
• Data Center Sprawl
• Data Center Virtualization
• Clouds
• Infrastructure Gridlock
Manage vs. Buy New
The Circular Economy

- Google Data Center Case Study (2017)
- 2015 – 75% of components in spares were refurbished inventory
- Google custom builds its own servers from refurbished parts
- 2015 – 19% of Google servers deployed were remanufactured
- 2015 – Google sold 2 million IT assets into secondary market

Consider
- IT Assets (hardware and software have shortest lifecycle of any capital asset class)
- Financial savings of proper management is enormous
- Emerging best practice is Manage vs. Buy New
Make Real-Time, Informed Decisions

• Focus on the business outcome, not the work
• Stop solving problems the hard way and let trusted data do the work for you
• Avoid – “Don’t confuse me with the facts, I know what I believe!”
• Accept that bottoms up may be the best approach
Cost-Benefit of Real Time Decisions

- CIO wants to implement VoIP across enterprise
- 92 Campuses in 60 countries, 282 data centers
- Managed services contract in place that ignored infrastructure documentation
- Could not budget for VoIP rollout
- Required $6M spend for audit and gap analysis
- Spreadsheet containing audit data – 3.5 TB
- Total time to create VoIP budget took 20 engineers, 9 months and $6M
- Led to strategy to capture ITAM data during ITSM process – centralized, updated Asset Mgmt. Database
- Reduced visits to closets from 5 per closet per year down to 2 per closet, per year
IT Service Management (ITSM) Opex Impact

• Standardize - Reduces cost
  – Technical and administrative standards

• Control contractor output
  – Standardize across all contractors
  – Manage data collection (construction and MAC’s)

• Manage Service Level Agreements (SLA)

Service Measurement
Availability
Capacity Management
Knowledge Management
Change Management
Problem Management
Event Management
Configuration Management
Incident Management
Supplier Management
IT Service Management (ITSM) Opex Impact

- 2008 – Global Service Provider signs largest IT outsourcing deal in history
- 1,500 sites – 66 countries – 475,000 data points
- Consists of 10 areas of managed services
- Module 10 SLA was to clean up and document closets and small data centers
- Modules 1-9 met SLA requirements
- Module 10 triggered the maximum SLA penalty every month for 4 years
- 2012 – Client advised MSP that contract would not be renewed because of Module 10
- 2013 5 Year Renewal Signed – ITIL compliant processes and database implemented (ITAM, CMDB and ITSM Deliverables)
Better ROI (Capex and Opex)

• Use trusted data to reduce Day 2 Opex
• More efficient tickets in multi-site, multilingual environment
• Eliminate Cost of Reverse Engineering
• Reduced technician travel
• 30% Lower Opex through Corporate Standard compliance
Cascading Impacts

• Solve the right problems
• Solve them one time
• Congested pathways
• Reverse engineering
• Down time during failure
Impact of Bad Hygiene Decisions

• Increased capital costs
• Increased operational cost
  – No visibility to capacity
  – No visibility to dependencies
  – No Lifecycle information
  – Poor change management
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This week I’ll be:

• AssetGen Booth #925
• Dura-Line Booth #422