

WHITE PAPER

Top 10 Ways to Increase IT ROI Without Adding Staff

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Introduction

Tough economic times are upon us, and no one knows how long they may last. As usual, corporate managers will look to IT departments for cost savings. “Many clients can expect to receive mandates from senior executives to cut IT costs as part of an enterprise cost-cutting program,” IT advisory firm Gartner wrote recently.

Historically, IT managers opted to delay purchases for IT infrastructure, particularly hardware. That’s been a decent strategy since hardware costs have declined over time. Today, however, IT managers are looking for alternative strategies that don’t leave them with a huge backlog of hardware needs when the economy turns around.

The first principle is: Simplify operations. Complexity produces cost, so IT departments may choose to standardize on a handful of preferred technologies or vendors. The biggest line item in IT budgets is people, so staffing must be addressed. That could mean hiring freezes, cutting back on use of consultants, replacing employees who leave with automation technologies (not another person) and similar measures to limit spending on people.

IT managers should plan proactively for spending cuts before they are mandated. That may involve rebalancing IT initiatives to focus on projects with near-term benefits while keeping momentum on longer-term, strategic projects. They also may need to align IT more closely with the business priorities, which are likely to focus on revenue.

Within IT, those big-picture considerations can help guide how companies adjust the management of their IT operations. The next section of this white paper outlines 10 specific strategies for shrinking IT cost, which are summarized in the table that follows.

Top 10 Ways to Increase IT ROI Without Adding Staff

Best Practice	Financial benefits
Go Green Telework Power management Power-efficient hardware	Save money and reduce carbon footprints. Lower utility cost, greater productivity, less office space required. Lower utility costs. Lower utility costs, less need to add new data center space.
Standardize	Lower labor costs resulting from fewer configurations to manage.
Virtualize	Lower costs for hardware, space and utilities.
Track assets	Software: Reduce licensing costs for unused licenses. Hardware: Find lost assets. Timely patches reduce costly outages.
Best Practices from community	Lower costs for paid vendor technical support. Lower costs for training, especially with travel.
Remote management	Reduced travel costs, including personnel time.
Automate systems management tasks	Lower personnel costs. Better compliance reduces cost of outages.
Integrated systems management	Lower personnel costs. Lower utility costs.
Vendor financing	Conserves cash by spreading purchase cost over time.
Appliances	Lower labor costs to maintain, lower utility costs.

Top 10 Strategies for Systems Management

1. Go green, save green

Corporate concern for environmentally friendly practices has risen in the past several years and fortunately, for both the environment and individual companies, many “green” practices are also friendly to the company checkbook.

For example, telecommuting by IT staff and other employees can save companies money by reducing the need for office space and utility costs, not to mention carbon emissions. IT workers may even be willing to take a pay cut to work from home. In a June 2008 survey, IT job site Dice found that 37% of IT workers say they'd accept up to a 10% lower salary to work full-time from home. Telecommuting is such a prized job perk that both parties benefit, employers by saving on salaries or other costs and workers by saving on personal commute expenses.

Companies also may gain a competitive edge by hiring better talent because they offer telecommuting as a job perk. In a May 2008 online survey, the Telework Coalition found that 87% of respondents would limit a job search based on potential commute costs. Indeed, 28% said they're already looking for a new job because of the cost of commuting.

To help the company realize the benefits of telework, IT may need to implement new technologies (if they are not already in place): Remote management so IT can be sure home-based PCs comply with corporate policies, secure remote access and new collaborative technologies such as VoIP (voice over IP) and Web conferencing to make telework more appealing and cost-effective for both workers and employers. If your company evaluated telecommuting in the past, things have changed. Higher penetration of residential broadband today makes possible the fast connections desirable for worker productivity.

Telecommuting pinches plenty of pennies for employers. In 2005, Sun Microsystems reported saving \$255 million in real estate costs over four years by eliminating or

Don't Forget to Power Down Computers

Beyond telecommuting, enterprises can cut power consumption by turning computers off at night or for other extended periods of no usage. For maximum benefit, that strategy must extend to remote locations, which requires centralized remote management capabilities including wake on LAN for after-hours patching and updates and remote control for general maintenance. Some utilities offer cash incentives for power-saving technology—in California up to \$15 per computer.

The U.S. Environmental Protection Agency (EPA) estimates that putting unused PCs into hibernate mode saves \$25-75 per PC annually, plus \$5-10 per PC for reduced cooling loads. See the link below for an online calculator:

<http://www.energystar.gov/>

A related tactic is to replace energy-hogging older hardware with new power-efficient machines. Hardware manufacturers have boosted efficiency in recent years.

For example, Intel has moved from seven-year refresh cycles in its data centers to four-year replacement cycles. The main driver was more compute power, but Intel also achieved greater energy efficiency, avoided costs from not expanding data centers and other factors—not to mention TCO savings of at least \$200 million over eight years.

One other way to boost energy efficiency is to buy those with the Energy Star designation. In July 2007, the U.S. EPA tightened Energy Star requirements, calling for an 80% or greater power supply efficiency.

After identifying inefficient assets, don't stick them in storage, which you pay money to lease. Reuse the hardware elsewhere in the company, refurbish and sell, or get rid of it to a charity or recycler.

avoiding the need for 7,700 cubicles and workstations. Nortel Networks saves \$22 million per year in real estate and energy costs as a result of telecommuting employees. Lexis-Nexis, which started a telecommuting pilot in 1995, saved \$6 million in the first year, and the program continues to run profitably.

At Hewlett-Packard, 70% of employees telecommute at least occasionally and nearly 13,000 employees work exclusively from home offices. In 2006, HP's full-time teleworkers saved almost 2.5 million round trips, avoided 85 million miles of road travel and almost 28,000 tons of CO₂ emissions. At IBM, more than a third of its 100,000-plus employees participate in work-from-home or mobile employee programs.

2. Standardize

Adopt corporate standards for different categories of software and systems. Gartner calls it "rationalizing your applications portfolio, especially if you've been through mergers and acquisitions." For applications, companies get more bang for their buck when they negotiate with a single vendor than if they spread purchases over multiple vendors. They also can shrink the cost of help desk support by concentrating expertise on fewer applications. License management software can collect the baseline data of what software an enterprise is currently running so executives can implement a standardization program knowing exactly what they have at the start.

For systems, use policy-based management to enforce standard configurations for desktops, laptops and servers. Standards simplify the IT environment by reducing the number of configurations that must be maintained. Simpler environments translate to cheaper maintenance. To sustain those savings, policy-based enforcement keeps users from accidentally or intentionally altering their configurations.

3. Virtualize

Many companies have initiated server virtualization projects, but managing "virtual sprawl" from too many virtual machines isn't always easy. An October 2008 survey of mid-sized companies by King Research found that 68% of respondents had deployed server virtualization.

Cost savings from virtualization, particularly of server virtualization, include buying fewer physical machines, reduced space requirements and lower power consumption. The King survey found 55% of mid-sized companies cited hardware, power and space cost savings as their most important considerations to justify virtualization expenses.

Many enterprises have not yet exploited application or desktop virtualization, but both are on the radar of medium enterprises—30% in the King survey have adopted application virtualization, with 34% planning to do so in the next 12 months.

Further, application virtualization makes software applications easy to distribute and manage because applications are no longer installed on end user machines. Isolated in "virtual containers," applications do not need regression testing, and application conflicts are eliminated. Multiple versions of the same application can be used simultaneously, and application upgrades are deployed easily, significantly lowering IT management costs.

4. **Keep a close eye on software and hardware assets**

Many companies buy too many seats when they initially license software as a way to ensure they are not out of compliance. Then they “forget,” about the extra licenses and continue to overpay. A software inventory reveals what your company has licensed and how much it’s being used. With that information, IT managers can stop paying for unused licenses or redeploy them for new employees instead of buying new licenses.

Hardware inventories serve other purposes. First, companies need to know what they own, difficult without a formal program. A complete hardware inventory should locate “lost” computer equipment that may have been plugged in a closet and forgotten about.

Once all the hardware is accounted for, the enterprise can plot an asset management strategy for what to do with aging equipment. For example:

- A high-end server in the data center being replaced with new hardware might be repurposed as a desktop machine rather than buying a new desktop.
- A “ghost” asset that exists on the books but is never located in the hardware inventory might have software licenses associated with it. Stop paying for those licenses.
- Move obsolete PCs out of storage—which the company pays for and where the computers are losing value over time—and refurbish, reuse, sell, recycle or donate them. In Europe, IT manufacturers are required by law to take back old equipment for recycle, and similar rules may be coming to the U.S. Proper handling of end-of-life PCs is also a Green best practice.

5. **Leverage the power of the community.**

You can’t know everything about every issue that comes up in your work life. Reach out to colleagues at other companies informally, through user groups or discussion boards and community sites such as Appdeploy.com.

In a June 2007 survey of IT professionals, King Research found that 93% of participants believe they do their jobs more efficiently and save time by using online IT communities. Clearly efficiency and saving time carry cost benefits. The King survey, which elicited 203 responses from IT workers in a broad range of job functions, found these estimates of time saved by using online IT communities:

- 43% save 1-3 hours per week
- 37% saved 3 hours or more each week
- 13% less than an hour per week

Community-based support and learning come cheaper than formal training courses, especially those that require travel, or the use of paid support. The point is not to avoid all training—Web-based training eliminates travel costs, but to supplement where it makes sense.

6. **Enable remote management**

Without remote management, managing machines at branch or home offices can be expensive. Systems managers need a way to service and manage remote computers that don’t require an IT employee to touch them. Without remote management, productivity plummets for systems managers. Remote management is most useful for fixes such as

software deployments and patch updating, which when combined with Wake-on-LAN can be done at after hours. This is true as well for simple fixes such as changing settings or helping users with issues that would normally require an IT professional to be physically in front of a machine.

Remote management is useful in many scenarios such as the city government in Franklin, Tenn. The city uses 10 FTEs in IT to support 500 employees across 12 departments and locations. That includes about 50 systems for its critical 911 communications application. "With automation, updates now take about 10 minutes each, versus 2-3 days for getting around to all the locations," said Jason Potts, network administrator for the City.

7. Automate common systems management tasks

Daily tasks such as software deployment, inventory, and patch management can all be automated with the right systems management solution. Systems managers don't want to devote limited IT staff to routine activities. Their goal is to free administrators to pursue higher-value activities that can improve the bottom line, not just deploying and keeping the desktops running.

Research by Enterprise Management Associates (EMA) in 2006 demonstrates how automation can save even more for patch management and other aspects of systems management. In a survey of 200-plus companies with mixed operating environments (85% with fewer than 100 servers), EMA documented these savings for automated vs. manual administration:

- **Operating systems provisioning:** Manual process took as much as 200 minutes vs. 65 minutes with automation.
- **Application deployment:** Manual process took up to 260 minutes vs. 130 minutes with automated tools.
- **Patch management:** Manual process took as much as 31 minutes per system per week vs. 16 minutes with automated tools.
- **Virus and spyware management:** Manual process as much as 23 minutes per system per week vs. 4 minutes with automated tools.

8. Adopt an integrated approach to systems management

Piecemeal purchases of point products—one for inventory, one for asset management, another for patch management, another for trouble tickets, etc.—cost too much and take too much of an IT administrator's time. Too often point products result in "swivel-chair integration," meaning that someone, most often a systems admin, takes data from one point management product and rekeys (or pastes) them into another software application. It's the antithesis of automation.

With an integrated approach to systems management, data moves easily from one application to another, eliminating the swivel-chair approach. That's far less labor-intensive (and thus cheaper) and less error-prone than relying on people to move the data. With an integrated solution, systems managers can reduce both license costs and management time.

9. **Seek vendor financing on favorable terms**

Systems managers may not focus on vendor financing, but it could help get the purchase approved by the finance department. With tight credit, vendors still want to sell products. In fall 2008, SAP and others (including Microsoft) announced 0% financing deals for purchases, although that rate is available only to their best customers. Don't be afraid to ask your vendors about help with financing—they want to sell products, so let them know that financing will help their cause.

10. **Leverage appliances**

Using virtual or hardware appliances simplifies deployment of new software tools. Appliances surfaced first in the network security market, where they are common way to deliver security applications. Market research firm IDC, in its September 2008 Western European Quarterly Security Appliance Tracker report¹ notes that appliances “can lower costs, ease administrative overheads, facilitate management, consolidate support, scale efficiently and integrate multiple technologies into a single platform.”

Appliances are also often available as a virtual appliance, as pure software, a dedicated virtual machine (VM) that runs under a virtualization technology, most often VMware. With either kind of appliance, the software application runs without conflicts with the hardware or the operating system. Some ISVs even update appliances remotely for their customers, going beyond reducing application management time to eliminating it.

How KBOX™ Increases IT ROI

The KACE™ Family of Systems Management Appliances is a key tool for systems administrators at medium enterprises who are seeking to streamline their operations. From power management, to policy based enforcement, KBOX helps medium enterprises save their IT administrators time and their company's money.

For example, KBOX can help systems managers to “go green” environmentally and save money. KBOX makes remote management extremely easy, making it easier for companies to offer telecommuting as an option to reduce costs for both companies and employees. In addition, its power management features allows system administrators to turn off machines when they're not in use, reducing utility costs. In some regions, utilities offer rebates of up to \$15/managed PC managed by the KBOX power settings.

KBOX asset management capabilities keep inventories of hardware and software up-to-date, avoiding underutilized software licenses and “lost machines.” KBOX software asset management monitors usage of software licenses. Systems administrators can reassign unused licenses to new employees or other users or stop paying for licenses not in use.

In addition, KBOX makes it easy to enforce standard configurations on all machines to simplify systems management. KBOX provides comprehensive and easy to use configuration management and policy enforcement using scripts. Leveraging scripts, IT

¹ See (<http://idc.com/getdoc.jsp?containerId=prUK21441308>).

administrators can ensure that “ideal” end node configurations are in place and constantly enforces. This goes a long way to preventing maintenance on machines, saving significant time for both end users and the IT team.

KBOX also has many virtualization features. First, KBOX allows system administrators to manage both physical and virtual environments from the same Web-based console. Next, KACE application virtualization simplifies distribution and management of applications because applications are no longer installed on end user machines. KACE Virtual Containers eliminate regression testing and application conflicts, simplify application upgrades, and allow simultaneous use of multiple versions of the same application.

How KBOX Maps to Best Practices and IT Savings

Best Practice	KBOX delivers
Go Green <ul style="list-style-type: none"> ▪ Telework ▪ Power management ▪ Power-efficient hardware 	Tools to save money (and reduce carbon footprints): <ul style="list-style-type: none"> ▪ Remote management to support/control configurations on telecommuters’ machines, saving travel time. ▪ Ability to turn unused machines off overnight or in other times of no usage, saving utility costs. ▪ All-in-one bundle of systems management applications removes need for separate hardware for each application, saving capital costs.
Standardize	Ability to enforce configuration standards on PCs eliminating manual enforcement and preventing costly changes by end users.
Virtualize	Ability to manage virtual or physical machines from a single console significantly reduces management overhead and saves on labor.
Track assets	Software license, usage tracking to identify underused licenses to right-size for saving license costs. Hardware tracking to find lost assets, redeploy them for other uses to avoid new purchases.
Best Practices from community	With AppDeploy Live , users can directly access systems management information from AppDeploy.com , the leading online desktop software management community. Through seamless AppDeploy Live integration, significant time is saved, including time previously spent hunting through multi-site user documentation, knowledge bases and user forums
Remote management	Remote management for branch offices or telecommuters saves on IT travel to fix problems at remote sites.
Automate systems management tasks	Through automation IT managers can move people to higher-value tasks. Timely, automated patching for better security and better compliance to reduce cost of outages are also benefits.
Integrated systems management	Multiple applications managed from a single integrated Web interface avoids manual “swivel chair integration.”
Vendor financing	Available from KACE. Visit www.kace.com for details
Appliances	Available as a standalone hardware appliance or as a virtual appliance that runs in a VMware environment. Appliances save on management overhead.

For help when problems arise, the KACE AppDeploy community site offers peer assistance to systems administration problems aid via message boards, Knowledge Bases, downloads, FAQs, etc. AppDeploy.com is accessible directly through the KBOX administrator's interface, making it easy to address issues as they arise.

Overall, KBOX automates deployment, inventory, asset management, patch management, help desk and other systems management tasks—unifying multiple systems management applications through a single Web-based interface. Systems administrators can manage their routine responsibilities through the KBOX interface, making them more efficient and freeing them to pursue higher-value activities. KBOX core functionality boosts productivity both in IT and more broadly throughout a company's workforce. Increased productivity is a critical way for companies to survive and even thrive in tough economic times.

KACE also eliminates “swivel chair” management. No longer will IT administrator's needs to move from inventory to software distribution to help desk to do their jobs: Its all in the appliance! Further, via integration, administrators become even more efficient. For example, with KBOX Help Desk and inventory are directly integrated, so administrators can click on a help ticket for a particular machine and instantly see that computer's history of problems, instantly giving the administrator all the information they need to solve the problem.

Finally, KBOX comes as both a physical appliance and a virtual (or software-only) appliance that plugs into a VMware virtualization scheme. For the corporate bean-counters, KACE offers financing for KBOX purchases on attractive terms not to mention pricing that has the lowest total cost when compared to software-only systems management alternatives.

KBOX by KACE is a great way to stretch your systems management budget in difficult times. Be it hiring avoidance, hiring more development personnel (rather than more administrators) or the measureable impact that KBOX preventative maintenance will have on your end users, one thing is clear: KBOX allows companies to do more with a tight IT budget. In fact, KACE's 2008 customer survey showed that more than half of KBOX users stated that KBOX paid for itself in less than three months!

To learn how your organization can save with KACE, register today for a complimentary ROI assessment at www.kace.com/ROI

Corporate Background

KACE™ is the leading systems management appliance company. The award-winning KBOX™ family of appliances delivers easy-to-use, comprehensive systems management capabilities. KACE customers usually install in one day and enjoy the lowest total cost compared to software alternatives.

KACE is headquartered in Mountain View, California. To learn more about KACE and its product offerings, please visit <http://www.kace.com> or call **1-877-MGMT-DONE**.

Helpful Links:

- [KBOX Systems Management Appliances](#)
- [KBOX Systems Deployment Appliances](#)
- [Virtual KBOX Appliances](#)

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The logo for The FactPoint Group features the text "the FactPointgroup" in a serif font, with "the" in lowercase and "FactPointgroup" in title case. A small red triangle is positioned below the letter "P" in "Point".
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