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Data Centre and Virtualization

When Myopic Vision can Blindside a Business

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Biography

Eran Brown is EMEA & APJ Chief Technology Officer at Infinidat (https://www.infinidat.com). He has extensive experience in the storage sector, combined with detailed knowledge of the data infrastructure ecosystem. As EMEA & APJ Chief Technology Officer, Eran engages across organizational functions to get customers what they need to grow their business.

Prior to this role, he was a Senior Product Manager at Infinidat, during which he led the launch of the company's NAS and iSCSI capabilities, as well as networking, compression and security features. Before joining Infinidat, Eran worked as a Pre-Sales Engineer for NetApp for eight years, where he covered multiple verticals and territories.

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Abstract

Responding to changing market conditions as markets rebuild in the aftermath of COVID-19 continues to challenge both IT and business leaders. For IT leaders the need to actively minimize risk when making IT investments continues, whilst for business leaders, financial uncertainty is often cited as the top concern. As the author of this article explains, it's often 'flexibility' of IT infrastructure that holds the key to helping to solve the challenges faced by IT and business leaders alike.

Introduction

In the aftermath of COVID-19 financial uncertainty is, for most, among the top concerns of both IT and business leaders and the lasting impact is likely to affect decision-making processes and priorities for the coming years. As markets rebuild, and review processes going forward, IT leaders must be sure to now actively minimize risk when making IT investments, in order to ensure that the business can both adapt and evolve in rapidly changing market conditions, whilst also up against significant resource constraints. This is especially true for storage already paid for as storage is often harder to repurpose than compute resources.

De-risking a business amidst financial uncertainly means avoiding sinking any cost into infrastructure you are not yet using, as tomorrow your priorities might change.

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It becomes critical to remove risk from all technology investments as well as reviewing and reconsidering what you keep on premises, versus what you choose to push out to the cloud. Within the IT department, the manager, within the infrastructure team, holds a budget to be considered.

Outside of IT, it is about strategic procurement management – minimizing upfront costs and delaying expenses. These procurement reviews become the IT headache too as the department is forced to downsize, seeing budgets frozen or reduced, whilst still carrying the expectation to "keep the lights on" and support new projects. Though possibly these projects will be fewer in number they will become more strategic to the revenue of the organization. As business units start to work tactically without a long-term strategy, the risk of inadvertent costs grows.

Herzliya, Israel - The Infindat QA Lab

What are the pros and cons of different tactics to address this dilemma?

1. **Tactic 1: Avoid large upfront cost** – The pitfall here is that small, tactical purchases often result in silos being created. Slower times to market for new products and services is likely to be experienced.

2. **Tactic 2: Avoid long term commitments** – This tactic may lead businesses to shift more resources to the cloud. This will enable additional agility while spreading the cost over a longer period of time, instead of committing to one large up-front payment. However, it will also add a substantial premium to the cost of infrastructure, as cloud services are more expensive for enterprises. It also forces the organization to opt for heavier OpEx spending over time – public cloud CapEx solutions lack the ability to scale down, which is a core value of the public cloud.

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Kelly Steckelberg, Chief Financial Officer for Zoom was recently quoted on her intention to rein in cloud spending by investing in the company's own data centre or co-location infrastructure. This followed a period of rapid reactive growth, during which Zoom's perceived 'fastest' route to increased capacity was deemed to be provisioning additional cloud services which were available quickly, albeit at a higher overall cost.

3. **Tactic 3: Reduce costs anywhere possible** – This tactic runs the risk of systems becoming solely about short-term operational demands and investments to future-proof systems being ignored.

   This increased investment in short term solutions will result in higher administrative overhead, at a time when IT teams are expected to be smaller, resulting in a direct impact on the responsiveness of the IT organization.

   For the savvy IT team, however, this could also present the ideal opportunity to proactively go out into the market to review vendors and offerings.

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4. **Tactic 4: Avoid discretionary purchases** – Whilst this can appear to make sound business sense, it often really means that the bare minimum level of investment is made, with a lower priority placed on features and functionality preventing the systems from reaching operational efficiencies. Hidden costs usually increase the actual TCO, when critical features are treated as 'nice to have' resulting in cost increase in other projects to compensate.

5. **Tactic 5: Avoid controllable risk –** When considering skill shortages in the market, controllable risk may impact any willingness to change vendors, resulting in inertia. But inertia, plus fewer IT staff, means a decrease in throughput, which is a higher risk to the business's ability to serve its customers.

   There are, however, alternatives that allow businesses to both react and control the risk, whilst ensuring agility and being cost conscious.

   From an Infinidat perspective, the value of flexible on-premises consumption models is a compelling solution. The immediate benefit is that customers don't have to pay the 'cloud tax' as workloads spike. They also remove associated costs of deploying across multiple clouds quickly. Equally appealing, is the fact that further procurement processes are minimal as the system is already in situ and the requirement to draw down additional capacity only needs to be requested. The business is only then charged for what is used, similar to the public cloud consumption model. As demand eases off and capacity decreases accordingly, as in other utility models.

In conclusion

To ensure businesses benefit from 20/20 vision on long term success, IT leaders must now drive better cost efficiencies from their infrastructure. My advice – sacrifice nothing! Focus on reducing storage costs, whilst driving additional savings over time through greater automation, consolidation and operational efficiency. Equally, continue to prepare for uncertainty and avoid vendor lock-in deals where feasible.

Instead of doing capacity planning, which never really works, demand your storage vendors de-risk that aspect, and always have unused and unpaid capacity that you can scale into, using CapEx or OpEx as you prefer. This will enable you to quickly address changing market conditions without worrying about capacity shipments, supply shocks or other disruptions

In short, tomorrow's IT leaders must strive for elasticity today.