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White Paper

Strategy vs tactical IT
initiatives - what's your
priority?

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By Marcus Cowles, dsp

When it comes to considering long-term IT strategy, many managers and decision-makers find they simply don't have the time they need. But what's the answer, particularly when budgets and resources are tight?

Marcus Cowles from IT specialists dsp weighs up the options.

It's a familiar scenario in many IT departments. IT leaders and their teams weighed down by every-day maintenance, and often fire fighting tasks, while those long-term strategic initiatives you know are vital to your organisation's prospects linger at the bottom of the to-do list. This coupled with the increasing demands from the C-Suite for IT initiatives to be strategically aligned to corporate level objectives means that IT managers are in a constant battle in juggling the urgent vs important. But what's the best way to escape the quagmire?

Negative impact

Based on our experiences at dsp, we estimate that those in senior

IT positions only spend around a fifth of their time on longer term thinking. The reasons are fairly obvious: a lack of time, money and / or resources. Even if you are lucky enough to have a decent budget or extra manpower, there's often an overwhelming amount to consider.

The impact of not working on those bigger issues, whether that's hardware consolidation, software and hardware upgrades or system enhancements, can be widespread and result in:

- recurring issues never being fully resolved
- inefficiencies not being addressed
- staff becoming demoralised
- a lack of strategic alignment between IT and the corporate strategy
- friction between IT and the business

- your own career progression being hindered
- downtime to your database and systems, leading to a loss of customers

Around 52% of businesses just don't know the financial impact of data platform downtime¹. In the event your IT issues do bring a data platform down, the average business cost has been estimated at £87,000 per hour. It's on the increase too, with downtime costing companies nearly 40% more year on year².

So what are your options?

Often, when you're very close to a situation and focused on fighting daily fires, it can seem there isn't really a viable solution: you just need to ride it out and hope for the best. But take a step back and there are a number of things you can do to make a proactive change:



1. Outsource the strategic projects

If you know you can never get on to these projects or give them more than a few minutes' thought, you could bring in the specialists. By hiring an external company you can ensure expert, dedicated resources tackle the project. And because they're external, you're getting a fresh perspective and a service-led approach; that means deadlines should be less likely to slip, as they won't get distracted by your team's usual day-to-day activities.

That's all great, but consider the downsides. The first of which is cost. Large, complex projects often demand large budgets. High-level consultants don't come cheap and often involve a lengthy tender process.

Secondly, while bringing in experts can raise a project's profile within an organisation, the most effective companies don't see strategic projects as a one-off, but something that becomes embedded in the company's operations. Plus, what happens when the project's over? You're still not going to have the time to work on the next big project, storing up problems for the future. Finally, how happy will you be to never

really get hands on with these engaging initiatives? Will your team members feel they're being overlooked?

2. Hiring permanent resource

Why use an expensive consultancy when you can directly employ expert professionals and have them all to yourselves? After all, it's bound to be cheaper. New senior talent can inject energy and insight into a team, revitalising morale, offering innovative ideas and enhancing your strategic capabilities. As part of the team, they are more likely to have an emotional investment in your company's future, while their knowledge will be retained within the team even after the initial project is finished.

However, when it's over, will there be enough 'big projects' to justify the big salary your new senior resource commands? Will you be able to keep their interest or will they, like you, soon slip into the more mundane tasks you have struggled to avoid?

The process of hiring and inducting senior members can be time consuming and expensive and they may well have a substantial notice period. And as with option 1, your current staff

may quickly feel their development opportunities are suddenly stunted.

3. Outsourcing the day-to-day activities

As we've discussed maintenance tasks such as database administrative tasks, E-Business Suite functional admin and general break-fix can take up large chunks of your day. So why not hand some of these off to an external company, giving you the time and space to concentrate on the bigger picture?

Outsourcing, for example, database administration and other routine elements has many benefits. Firstly, it's cheaper than outsourcing your strategic projects or hiring permanent staff. It's also much easier, quicker and more cost-effective to bring someone up to speed with what you need. Outsourcing allows you to speedily plug existing skills gaps, scaling up or down at short notice, while giving you the peace of mind that you have dedicated resource for vital, yet routine tasks.

As with the other options we've looked at, there are some apparent cons. However, in my opinion, these are very much based on perception rather than reality. What about security? Will I have the same level of control



as I have with permanent staff? Is it really cheaper than hiring permanent staff?

These perceptions are common and may even be founded on a previous bad experience. In truth, the salary, benefits, recruitment and HR cost of hiring, for example, an in-house database administrator (DBA) or an E-Business suite functional support consultant, far outweigh the cost of outsourcing.

Meanwhile, a good managed service provider has a commercial interest in meeting your predefined service level agreements, giving you full control over what they achieve.

The way forward

No doubt there are other solutions and more pros and cons not covered here. Regardless, one thing is clear: without unlimited time and money there is no perfect solution. And since few companies have the luxury

to lavish money on IT projects, particularly given the current economic climate, outsourcing your daily database administration presents an attractive option worth consideration.

Case study

When one of Europe's leading bus operators needed an Oracle E-Business Suite upgrade, dsp was chosen not only to manage the upgrade, but also to provide continuous support services for the new environment.

Thanks to dsp, the client accessed the expertise of specialist support DBAs who were familiar with the upgraded environment without having to commit to employing them full time.

The team of DBAs offered proactive automated monitoring and alerting, which proved essential in maintaining and

supporting the environment post go-live. The client had real peace of mind that their E-Business Suite was being supported by a team of experienced professionals, who shared best practices from the industry and applied it to their business.

Since this initial engagement, dsp has become the support partner of choice. This has allowed the client's internal technical experts to focus on further strategic developments, including successfully progressing through two upgrades, and in doing so developing their skills for future projects.

For more case studies visit www.dspmanagementservices.co.uk.

1. ITC Corporation - Mid Term Survey, August 2011.
2. Aberdeen Group - Datacentre Downtime: How much does it really cost? June 2012.