

# IT isn't what it used to be.

Businesses don't operate like they used to. We don't work how used to. The way we use IT has changed. So should how we pay for it.

Our trading environment isn't as solid as it used to be, and organisations are needing to focus on their core business and avoid unnecessary distraction which can drain resources. Essentially, this is a time to get our house in order, and a considerable part of that is effective IT to allow for flex and scale. These are critical for small/mid-sized businesses to thrive in the current economic environment: cash flow management, positioning for rapid adaptation and enable cost predictability are key to success.

## Old money

Traditionally, capital expenditure has been favoured over operating expenses because amortisation and depreciation of "investments" in infrastructure over an extended period of time is more palatable – and familiar - to organisations.

In this model, IT departments are often having to work around outdated kit and legacy applications that cost a fortune to buy originally and which the company insists on holding on to in order to "sweat" existing assets. That means being tied in to a particular vendor, plastering over the cracks and making do with patched-together systems or the inability to integrate new beneficial applications, leaving you frustrated, users dissatisfied and the business stagnating.

There's a whole new approach to IT spend can keep everyone happy.

### Traditional IT spend model requirements:

- Heavy upfront cash investment
- Accurate long term forecasting of future IT needs
- Lengthy and difficult budget approval process
- Vendor /technology lock-in

## Paradigm shift

A change in perspective can breathe new life into not only IT but into the business too. And that makes sense within the context of the rapid rate of change that tech brings to our working lives.



With changes in the way we work – multiple devices, multiple locations – we expect, as users, to be able to access all the tools and applications we rely on to do our jobs wherever we are. Tech itself isn't (or doesn't have to be) delivered in the same way it used to be. Now we have the option to ditch all or at least some of the dedicated real estate requirements and the costs associated with maintaining legacy systems, the need for multiple skilled employees and the time implications of running an infrastructure that rapidly becomes out of date and unable to sustain further change as the organisation develops.

Technology developments are occurring incredibly rapidly and it takes an agile company to reap the rewards of those which will keep them ahead of the market. We're not talking technology for technology's sake here; just putting ourselves in a position where we can act quickly and embrace enhancements as and when they're appropriate.

## New money

If capital expenditures are generally meant for static investments and operating expenses are intended for fluctuating costs, it only makes sense that rapidly changing technology should be considered as operating expenses. IT procurement, therefore, is turned on its head: instead of purchasing technology based on long-term projections decided years ago, the company pays only for the IT services it needs, when it needs them and can scale as needed.

We now have far more choices: we don't have to do it all ourselves. We can choose when to rely on dedicated expertise from outside the company, so freeing up time and headcount, and when to keep resources inhouse. This new way of consuming IT avoids having to find large pots of cash for upfront tech costs, allowing us to invest in projects which drive revenue and growth by focusing on our core competencies as a business.

## IT as a service

Think of IT as a utility, a commodity that is consumed by the business. You only pay for what you use, capacity can flex as you need it (no more unused and wasted capacity! No more site crashes when you have a surge in visitors!) and you don't have the headache of supporting multiple formats or keeping it up to date and compliant.

This approach requires a significant change in mind set and company culture. No, it's not right for everyone across the board, but it's likely that there are elements of it which will benefit your organisation's ability to scale and quickly respond to market drivers. It means not always being held back by inherited kit that can't support new applications, systems that can't integrate with each other, running out of capacity at peak times and supporting and maintaining outdated infrastructure to which you're tied. And it means not having to go cap in hand to the FD every time you need to make a purchase.

It's not a case of working around or being held back by the IT you have, it's a matter of thinking, "this is what we need, let's do it."

Here are some elements to look out for when considering a shift to IT as a Service:

### Platform as a Service

Integrate all your analytics, computing, database, mobile, networking, storage and web by delivering them from a private or public cloud or as a hybrid solution. Look out for solutions which support a broad selection of operating systems, programming languages, frameworks,

#### Approaching IT as an operating expense allows you to:

- Pay only for capacity as it is needed
- Scale as requirements change
- Simplify budgeting as short term spending requirements are fewer
- Invest across the business as capital isn't tied up in large upfront costs
- Fund expenses quickly without having to divert funds from other areas /projects
- Smooth out cashflow over time without large outlays



tools, databases and devices, and which can be scaled up and down as needed.

## Security as a service

Always make sure any cloud provider you select is recognised by the European Union's data protection authorities for rigorous commitment to EU privacy laws and has adopted the new international cloud privacy standard, ISO 27018.

## Hardware as a service

Responsibilities such as staffing, licensing, depreciation, maintenance and back-up become the service provider's concern, leaving the internal team to concentrate on the constancy of the data flow backed up by the service level agreement (SLA). It offers the opportunity to tear down and build new systems without impacting on internal hardware, resources can be re-routed quickly and you don't have to worry about managing underlying physical assets.

## Back up as a service

Instead of performing backup with a centralised, on-premise IT department, you can connect systems to a private, public or hybrid cloud managed by a trusted supplier. This means you don't have to rotate and manage tapes or hard disks at an offsite location. This is useful if you have run out of space and /or want to avoid a costly upgrade.

## Disaster Recovery (DR) as a service

DR isn't just for the large Enterprise. SMBs can adopt it as a service, avoiding having to spend the time, allocating the resources and budgeting for duplicating the company's infrastructure within a DR facility. It also means you don't have to implement the standardisation of procedures so your own employees understand how to invoke backup processes and make up to date information available to workers should an outage occur.

## Applications as a service

With the right solution, developers and IT professionals can enjoy improved productivity using integrated tools and pre-built templates to make it easier to build and manage enterprise, mobile, web and Internet of Things (IoT) apps faster, using skills they already have and technologies they already know. The use of a sandpit encourages innovation and inspires talented staff to come up with new ideas to benefit the business.

And you don't have to choose between using your data centre and the cloud. Check for solutions which easily integrate with your existing IT environment through secure private connections, hybrid database and storage solutions, and data residency and encryption.

# Conclusion

When companies decide to adopt an IT as a Service approach, additional benefits become apparent. The company no longer needs to dedicate the same resources, time and space for the hardware and software. Many processes are automated and standardised, improving efficiencies. Services, features and options can be purchased as needed and used on demand, so companies aren't paying for underutilised elements.

The shift towards IT as a Service is actually the buyer shifting the responsibility for actual results and service availability to the provider. It's a combination of pay-as-you-go, the reduction or elimination of capital equipment, and shorter-term commitments. With so many capabilities provided as a service, companies may see their capital expenditures decline as their operating expenses increase, altering the appearance of their balance sheets forever.



If you're considering moving to an IT as a Service model – whether completely or in part, talk to one of our experienced consultants. We deliver IT as a Service to small and medium sized businesses across the UK, underpinning this delivery method with the strategic consulting, professional services, and software development required to provide exactly what organisations need from IT at any given time, enabling the flexibility, agility and cost efficiencies vital to running business effectively, all through a single trusted provider.





A D E P T 4

T: 01925 398255

E: [servicedesk@adept4.co.uk](mailto:servicedesk@adept4.co.uk)

W: [www.adept4.co.uk](http://www.adept4.co.uk)

7750 Daresbury Business Park, Daresbury Office Village  
Warrington, Cheshire, WA4 4BS

