

IT Analysis – Outrunning the bear – cutting costs not corners

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There is no doubt that many markets are facing challenging or at least uncertain times. Those predicting a falling market are known as “bears” and are often thought of as pessimistic.

The term is thought to originate from the inverse of the concept of “don't sell the bearskin before you've killed the bear”, known in trading circles as selling short. The other strategy in bear markets is to stay away, but that's not possible if you want to keep a company in business in a bear-ish economy.

A hunting story might indicate a better direction to take in a falling market. Two hunters out tracking bears suddenly encounter one and realise they have no ammunition for their guns. While the first hurriedly tries to drop rucksack and surplus weight, the second stops to put on running shoes. “You won't outrun the bear in those” says the first. “No, but I'll outrun you” is the reply.

In almost all industries except the stock market and gambling, the object is to stay ahead of the other participants, not the market itself. When times are hard, it's better to be more competitive than simply slashing budgets. This is particularly true in the area of telecommunications where companies have put useful or even vital tools in the hand of employees, only to now apparently say, use fewer of them and less often.

These capabilities were put in place for valid reasons, such as making the company more flexible, more customer-centric and competitive, or enabling employees to be more responsive, efficient and effective. So why would any company want to compromise these advantages by adopting blanket restrictions that might just put it in the jaws of the bear?

Communications costs are an easy target. They spread right across the organisation, can be identified to an individual, have been seen as growing rapidly in recent years and there is a general undercurrent feeling that the organisation is subsidising inappropriate personal, as well as legitimate business, use. Not

only does that raise an issue of potentially avoidable expense, it also brings in both personal and corporate taxation, most especially VAT.

Applying swingeing cuts across the board might seem right the right thing to do as it appears to be evenly unfair to everyone, but it doesn't tackle root causes and runs the risk of disabling functions that are important to the business. There are, however, a number of things that organisations can do to try to outrun the competition:

- First decide on policy. Will employees be charged for personal phone calls and will they have to pay for their broadband at home when it's partly used for business? What sort of restrictions will there be on making international calls, accessing the internet from the office, using Wi-Fi on laptops, or using premium rate services? Any or all of these may be supported by some technology, but first the rules have to be decided, then made clear to everyone, then enforced.
- Converge thinking on communications. Different technologies, mobile phones, desk phones, landlines, laptops with datacards – historically may have been the responsibility of different groups or individuals in IT, procurement, finance and facilities. Move the overall responsibility into one place, so that decisions are more strategic and less territorial. The technology is converging, so apply the same attitude to budgets.
- Find out what is already in use. Do a proper audit of the telecoms estate, and if internal resources or skills are in short supply, get outside help. Make sure this is not a one off exercise, as the portfolio of assets shifts as employees leave the company, or new services and suppliers are brought in. Mind the gaps and don't pay for things that are necessary or people who have left.

- Face up to personal usage. Measure it, manage it and bill for it. It not only does employees good to see and agree what they've used, it also makes managers able to sign it off as appropriate and allows the company to verify the suppliers bills are correct. Errors frequently occur, for many innocuous reasons.
- Take a longer view than simply negotiating a better deal with each supplier in turn. That only provides a short term boost to the budget, but doesn't address underlying issues or costs that could be avoided. The longer term view also has to take into account the broader goals and needs of the business, rather than the pressure on one individual to squeeze a budget to hit an objective.

Companies need to put in a little effort to optimise their current spending on communications and avoid unnecessary future expense.

Rather than simply lightening their loads, they need to invest wisely on ways to be nimble. To look in more detail at obtaining value from telecoms, download this free report from the Quocirca website, "[Total telecoms expense management](#)".

About Quocirca

Quocirca is a primary research and analysis company specialising in the business impact of information technology and communications (ITC). With world-wide, native language reach, Quocirca provides in-depth insights into the views of buyers and influencers in large, mid-sized and small organisations. Its analyst team is made up of real-world practitioners with first hand experience of ITC delivery who continuously research and track the industry and its real usage in the markets.

Through researching perceptions, Quocirca uncovers the real hurdles to technology adoption – the personal and political aspects of an organisation's environment and the pressures of the need for demonstrable business value in any implementation. This capability to uncover and report back on the end-user perceptions in the market enables Quocirca to advise on the realities of technology adoption, not the promises.

Quocirca research is always pragmatic, business orientated and conducted in the context of the bigger picture. ITC has the ability to transform businesses and the processes that drive them, but often fails to do so. Quocirca's mission is to help organisations improve their success rate in process enablement through better levels of understanding and the adoption of the correct technologies at the correct time.

Quocirca has a pro-active primary research programme, regularly surveying users, purchasers and resellers of ITC products and services on emerging, evolving and maturing technologies. Over time, Quocirca has built a picture of long term investment trends, providing invaluable information for the whole of the ITC community.

Quocirca works with global and local providers of ITC products and services to help them deliver on the promise that ITC holds for business. Quocirca's clients include Oracle, Microsoft, IBM, Dell, T-Mobile, Vodafone, EMC, Symantec and Cisco, along with other large and medium sized vendors, service providers and more specialist firms.

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