3 Tips for Reducing Network Infrastructure Costs

We know how it is. You're managing IT resources over many locations and now you're being asked to do more with less. Most of the people we know in this industry are looking at budget cuts of 30 percent or more this year. Here's the problem: While your budget is getting smaller, your responsibilities are getting larger.

Based on Datatrend's 20-plus years in the business, we've pulled together three tips to help you reduce your network infrastructure costs.

Tip 1: Consider Consolidating Circuits.

We have many clients with 100s of stores. In many of these cases, they have stores in the same mall under a different brand. Not that long ago, these stores used to have separate store managers, but with the pressure to improve margins, many of them now share one store manager for multiple stores. The concept is being applied across the board.

In similar fashion, each of these stores would have their own, dedicated network circuit. Is there a reason they need to have their own network? If they can share a store manager and save money, they can certainly share a network connection or two, and save even more.

The concept works even if you don't have multiple stores to manage. If you have multiple lines coming into one store, there's a pretty good

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chance that you can apply the same thinking. You'll save hard money right away because you won't be paying for lines you don't need, and in the long run it will save even more on soft costs because you'll have less infrastructure to manage.

One potential issue is working with the phone companies. You know how difficult it is to negotiate a simple task like moving a line. We recommend using a highly experienced partner. You'll save

time and money using a provider who's been in the business for years and knows how to navigate the phone companies on your behalf. Which leads us to tip 2…

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Tip 2: Experience and project management go a long way

When you can't do it all, you have to focus on the important stuff – the big picture stuff. To illustrate what we mean, let's play out a familiar scenario: You have everything planned out for an infrastructure job; all the arrangements are made and you're on a tight schedule…. then the phone guy doesn't show up. With limited project management, that one little misstep cascades and the entire schedule is off, and every day you're delayed could result in thousands of dollars of lost revenue or potential savings.

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This is where excellent project management comes in. Ideally, your project managers have a relationship with different parties involved in a project. They know how to make the most of everyone's time. They know how to recover if things don't go as expected. The really good project managers move things along quickly and keep your project on time and under budget.

You can then focus on designing and building the best infrastructure to meet your needs.

Tip 3: Think about total cost

When you have a network change, even something as minor as installing a new wireless router or moving an access point can have a big impact. How much does it cost you to send one of your people to a location? Think in terms of time, travel expense, and the opportunity cost of pulling them away from more important projects. When you add it all together, it's pretty overwhelming. Why not consider leveraging a partner who has the right resources across the country that can be dispatched at a moment's notice for these tactical changes/updates? You'll have one maintenance contract that covers the actual work – no travel expenses, no hotel bill and no per diem – and you pay for the provider only when they're actually working for you. Not to mention your highly skilled, internal resources stay focused on the projects that make the biggest impact.

It's best to structure a maintenance contract that covers all of your locations, specifies your corporate standards, and meets the timelines you require. You can then achieve greater efficiencies, keep your overall resource costs down, and maintain the consistency in the work that you need.

Usually, long-term contracts get you better rates, but a lot of IT managers don't want to lock into a long-term contract because there's a risk that they could get a better deal if the market gets more competitive. To mitigate that risk, we always recommend negotiating a contract that gives you a win/win: allowing you to take advantage of long-term pricing and a competitive marketplace. If you meet resistance, you probably have the wrong partner.

Is Datatrend right for you?

It's hard to say until we know a little more about your needs, but a little time is usually all it takes to know if we can help. Plus, look at it this way, you'll know right away if you want to work with us, so give us a call for a free, no-strings-attached assessment.

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