Straight Talk from the Corner Office

Spotlight on Strategic Technology Support

Welcome again to "Straight Talk", a new way for Coranet to share perspectives on important issues and opportunities in business communications. For this Fall spotlight, we'll be looking at the important – but oftentimes underappreciated – connection between sustained business success and a company's approach to technology support.

Opportunity and Challenge: *Two Sides of the Same Coin*

For many business leaders, the non-stop changes in communications technology over the past ten years have brought opportunities on one hand, and challenges on the other.

It's clear that the mainstream adoption of Voice over IP networks and availability of powerful IP-based applications have given smaller companies affordable access to business-enhancing tools that had been largely restricted to big enterprises. We have seen this 'leveling of the playing field' in action with many Coranet customers who have leveraged this new technology to expand their markets and successfully take on larger competitors.

The graphic below depicts how this has played out for most of the businesses we work with. The top scale shows the general timeline as executive spending priorities have evolved from modernizing the company's underlying network technology, to subsequently deploying the IP business applications that make use of that foundation infrastructure.

The lower scale exposes the flip side of the business opportunities that come with IP. As much as we would all like to see this powerful, potentially game-changing technology be straightforward to implement and simple to manage, the truth is usually a very different story.

Not only is the technology itself more inherently sophisticated and complex, but much of the business power of IP comes from its ability to seamlessly interoperate across multiple platforms, systems and applications – typically a challenging environment for even the most skilled technical resources.

Add to that shorter and shorter release intervals for solution updates and upgrades, increased multi-vendor diversity in most customer networks, and higher performance expectations of increasingly vocal end-users, and it's no wonder that most IT Teams feel overwhelmed.

And to top it all, the business stakes have never been higher. For more and more companies, communications technology is becoming a mission critical enabler for attainment of the business strategy, internal productivity gains and marketplace differentiation. Clearly, the decisions on how best to support your technology are important ones and will play a key role in maximizing the business contribution of your communications assets.

Using a Shared Responsibility Approach

The specific approaches that business leaders employ to choose, implement, maintain and manage their network installation are as varied as the individual businesses themselves.

For some (particularly very large businesses), the right approach is to handle many aspects of communications technology using internal resources, using outside partners on large projects and to level their work volumes. For CIOs making that decision, the time and money invested in on-going training and skills development is offset by the sense of control they gain by utilizing a mostly employee-only model.
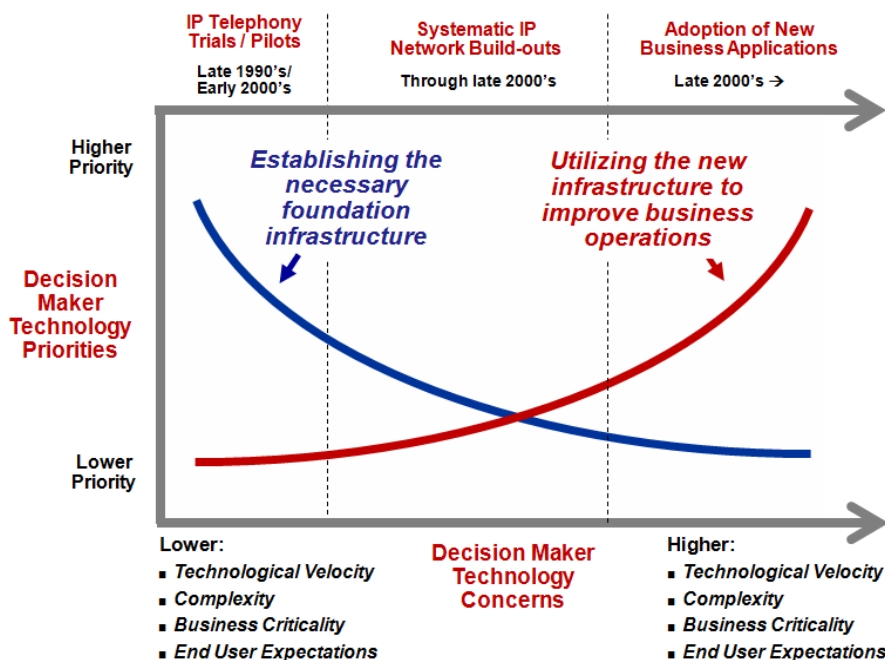
Small businesses that are resource-constrained typically fall on the other end of the spectrum, and tend to engage external expert resources for nearly all network project management on a contractual or as-needed basis.

The simple fact is that every business is different and needs to decide for itself whether to in-source or seek an external partner for each of the five key areas of technology support, below, that span the entire asset lifecycle.

An Individual Business Decision: *Handle Internally or Engage Outside Experts?*
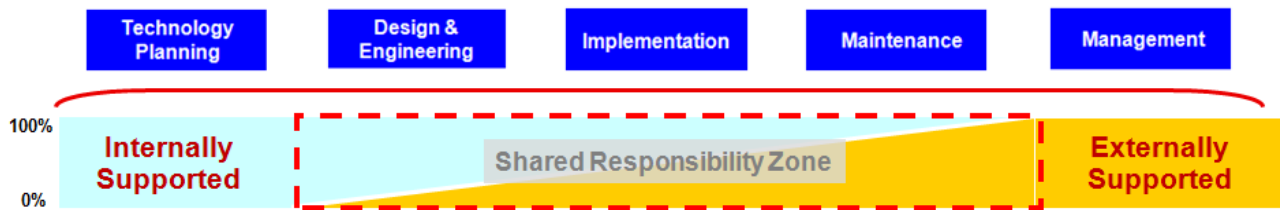
Our experience with customers has shown us that although most businesses opt for a shared responsibility model with some mix of self support and use of external resources, there is no single "right answer" – every business is different.

A Few Things to Keep in Mind

Gartner has studied business leadership views on technology support for many years, and the top reasons for engaging external resources have remained fairly constant, with <u>lowering IT expense</u>, <u>gaining access to the needed specialized technical skills</u> and <u>improving service to end users</u> being consistently among the top drivers.

When coupled with careful selection of an outside resource partner, a well-thought-through shared services approach that takes objective stock of your technical strengths and gaps can make solid and sustained contributions to your company's strategy and operational goals.

A recent study of 400 business and technology professionals by IT industry association CompTIA found that <u>over 70%</u> of companies using a shared services approach were pleased with the support they received from their external partner. As a concrete indicator of the success of shared services, <u>more than half</u> indicated that they intended to expand their use of outside resources going forward.

Although the CompTIA findings mirror our own experience, the feedback we have received from customers underscores three particularly important considerations in choosing an external partner that can make the difference between a shared support arrangement that meets the need of your business vs. one that falls short:

1) Make sure that they have proven technical skills and experience supporting the specific solutions in use by your company. Check their references by speaking to other customers that have similar infrastructures to your own.

2) Ensure that they have a genuine 'shared skin-in-the-game' commitment to your business success. Support providers that operate in that mode will readily offer performance Service Level Agreements (SLAs) that 'have teeth' and will also give you a clear and effective procedure for escalations.

3) Make sure that the "business chemistry" feels right. In addition to their demonstrated technical competency, put heavy weighting on their flexibility, availability, responsiveness, proactivity and open communications style.

One final thought about the future of support. Although this discussion has been focused on premises technology that is located at your company locations, going forward customer infrastructures will increasingly incorporate so-called cloud solutions that are hosted at a trusted provider's data center. In this model, all forms of needed support are typically bundled together with the solution. Since many of these hosted providers are still 'working out the kinks', we have been encouraging a 'go slow' approach to our customers. We expect 2013 to be a tipping point in this regard, and you can look to Coranet for a selection of robust hosted solutions that fully include our expert support.

Thank you for joining me in this look at the business considerations around shared support. I welcome you sharing your reactions, questions and experiences, as well as suggestions for other topics you would like to see covered.

If you have any questions, please reach us at questions@coranet.com.

Margaret