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Avoiding the 'Hidden Costs' of IT: Infostreet Explains



By [ebizQ](#) on January 14, 2010 12:32 PM [Vote 0 Votes](#)

Listen to my podcast with Siamak Farah, the Founder and CEO of [InfoStreet](#), an IT and productivity Software-as-a-Service company. In this podcast we discuss something that has to be at the top of every enterprise's to-do list: lowering costs and getting the most from IT in 2010.

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---TRANSCRIPT---

PS: You've been quoted as saying that operating systems are irrelevant in today's work environment. Can you elaborate on this?

SF: Yes, absolutely. If we look at any technology trend throughout the history, as a technology becomes more advanced, the infrastructure portion of the technology becomes the underlying transparent part of the system. If we go back to the earlier years of the cars, our great grandfathers or grandfathers needed to have intimate knowledge of how the pistons work and how to hand crank and how that would work. Our fathers could probably rebuild a carburetor or know how to the transmission work in and out. But for us, its electronics, and gobbledygook, and we just turn on the car and it goes from "A" to "B".

So the reality of it is with the availability of the internet and with the populus at larger, no longer being tied to one machine, to one desk, and being untethered and mobile with every aspect of their workday and social life. Then it's absolutely irrelevant what operating system they're using because to the average person the infrastructure is transparent and its behind the scenes and it just works the same way when you pick up your phone and you make a phone call. We don't think about how this goes from our phone to the local CO, from there to the long distance place, and the other side, and then back to the local. We just know that we dial the phone and the other person picked it up. So the infrastructure and the operating system are no longer relevant.

Now, for companies looking to get a grip on their IT expenses in 2010, exactly how can enterprises afford hidden costs as well as other IT costs?

Sure. The IT managers are very good at looking at the regular costs and budgeting and perhaps have already budgeted parts of 2010. But in every given company, the hidden costs is what really gets people. And nothing is more of a culprit for hidden costs than emergencies. Emergencies are the most expensive cost for any organization whether -- think about emergencies in a hospital or whether you're talking about servers down in an IT infrastructure.

So the IT managers need to look at their equipment, their personnel, and their operations to see how they could reduce emergencies and therefore, they would reduce hidden costs. And this is not just hardware, this is also staff and everything, and looking at how volatile the staff is, how permanent they are, how dedicated they are, and the hidden costs come from the emergency actions that are taken and everybody has to drop whatever they were doing to take of emergency. Meanwhile, people are just waiting as opposed to doing their normal day-to-day work.

ebizQ Managing Editor Peter Schooff gives a daily dose of Web happenings for the business technology industry; the industry that builds, powers and ensures business success.



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One of the best ways to reduce emergencies is look at areas where it doesn't really need to be under your control; therefore, you have less moving parts by moving it out there. For instance, in the very early days, people used to have their own generators in their own offices just to maintain the power for their plant or for their office building. But now they plug in the wall and they have outsourced that to the city and they're confident that there's enough scalability or redundancy built into that that is one less thing for them to worry.

Now the same thing is happening with software and with Software-as-a-Service. You could go with providers that have multi-depth redundant scalable solutions and this is one area where you know they staff that are just for this purpose and it is one less thing to worry about and one less emergency; therefore, one less hidden cost.

Now, I think everybody is aware that connectivity is the key to competition in today's marketplace. What are your thoughts on this?

Well, I would beg to slightly differ and that is that connectivity perhaps was the key to the competition in the past few years but in these days it's the key to survive. If you're not fully connected on all angles, at all hours, at all locations, you're either losing market share or you're losing momentum or both. And as we mentioned, with the OS being irrelevant because it becomes infrastructure, connectivity is also somewhat of becoming an infrastructure and has to just be working in the background the same way as your electricity is, your phone, and your internet connection has to be there. And those who are not connected are absolutely falling behind in this marketplace.

What are your thoughts on customer relationship management tools and services?

Well, in one phrase I could say that we are living in an attention deficit world. And in general, people are doing more and more things at the same, multitasking, and we do have a very short attention span. If you look at the number people watch Headline News or read the little headline and assume the rest of the story versus people who listen to NPR for ten minutes to get the depth of the story. It would kind of give you a picture that we are basically living in a culture of impatience. And because of this, there is a ton of things that we're doing at the same time.

And what that means is that if we don't have an assistant that keeps track of everything and keeps track of the follow-ups or the promises, the actions we made, that we would absolutely either look disorganized or worse it like as if we didn't care. Yet, nowadays, the way to do that is have that all automated with customer relationship management tools, with other tools such as workflow systems and whatnot, where you have all these actions come in there, and the system sends you e-mail reminders, or other ways of notifying you so you could keep up the multiple things that you're doing at the same time.

And this is true pretty much for every facet of the society in every industry that there are so many multitasking things that are happening that people absolutely need this automated system and automate -- and in fact, an automated tool to keep them in line.

What is a common mistake that you see companies making that if changed could make them much more efficient and better protected in this current environment?

Well, the number one of them is status quo. People are resistant to change and yet the environment is moving so fast that if people are living the status quo its analogist to them standing still on a treadmill. They will fall off of that treadmill very, very quickly. The market is moving incredibly quickly and people have to look at what are some of the things that they're comfortable with and in their status quo today. And those are things that while they get them by today, are they the most efficient systems and are they keeping up and making them competitive and are they their competitive advantage towards their competition?

And if people aren't asking those questions and they're just kind of living with what they got, then they in effect they will fall behind the marketplace. The biggest nemesis to any solution is the people's resistance to change. But yet, the market drags everybody along and eventually people feel that they got to rush and catchup. So instead of being the lagger to rush and catchup, if people don't want to be way up in the forefront of early adopters, they should at least reexamine what they're doing and see if status quo is the right solution for them. For most people, it's not.

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