

# Trim Your IT Waste Line



There are various forms of waste that exist in nearly every IT environment. Learn how to identify and eliminate these forms of waste and gain from the real, measurable business outcomes.



# It seems that now, more than ever, IT professionals are faced with tough decisions: budget cuts, resources being stretched thin, and productivity sinking as employees struggle to maintain understaffed and underfunded operations.

How is it possible to manage all of these issues and continue to proactively transform your overall organizational efficiency and productivity? How can a business possibly grow under these conditions and in this environment? What if the answer was as simple as shedding a few pounds?

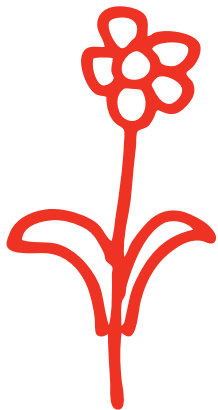
Confused? Don't be. You just need to take a moment to become familiar with Lean IT.

## **Lean It**

What exactly does "Lean IT" mean? And how does IT "Trim Its Waste Line?" How can an IT staff become more efficient simply by losing a few excess pounds? Can you imagine, IT managers flocking in droves to health clubs and gymnasiums, checking maintenance reports from their BlackBerrys with one hand and curling a dumbbell with the other? This may be a good image, but it is not Lean IT.

Lean IT is a set of practices for identifying and eliminating waste throughout a company's IT environment. It all starts with IT waste. It can be a number of different things—hardware infrastructure that takes up too much energy while underperforming, disparate systems replicating processes, human resources being overworked. IT waste is essentially any and every aspect of a business's IT environment that is not functioning efficiently and cost-effectively.

The principles for Lean IT are similar to those of the Lean Manufacturing process. A little more than a decade ago, the manufacturing industry closely examined its production process and identified key areas of waste that were reducing productivity and hurting the bottom line's profitability. Today, Logicalis has discovered that this process can easily correspond to the world of IT. Lean Manufacturing principles revolutionized the production and manufacturing industry; "Lean IT" has the capability to yield similarly powerful results.



And then there were three...forms of IT waste  
IT waste can be segregated into three distinct areas. The divisions are based on the lean production principles that make up the Lean Manufacturing model. These principles were first identified in Eastern culture. However, Japanese businessmen conceived of the idea only after visiting an American grocery store, marveling at its organization and orderly flow of business.

Each of these forms of IT waste exists in nearly every IT environment, even the ones that appear to be operating smoothly and running efficiently.

#### **Non-Value-Added Work**

Non-Value-Added work refers to all of the mundane tasks that employees must complete in order to accomplish their actual “work” for a day. Every time employees are required to call multiple contact numbers (land line, mobile, etc.) to reach coworkers, log into multiple applications to accomplish a common task, scan through multiple locations in order to find data, review and compare reports or make calculations, manually pull data together, or enter data into multiple applications—this is Non-Value Added Work. Non-Value-Added Work wastes time, resources, and, ultimately, productivity. This translates into a loss in profitability.

Once this waste is eliminated, you can expect to see increases in Value-Added work. By freeing up resources that were once occupied by unnecessary tasks, organizations can refocus these resources on growing the company by:

- Adding new revenue streams, creating a competitive advantage across the entire business
- Giving sales managers more time to follow up with potential clients
- Providing marketing teams the ability to deliver more highly targeted messages
- Delivering management automated reporting so they can spend more time on strategic initiatives

When people are less tied up, they can engage more effectively with customers and help find, keep, and grow the organization’s client base. When people are more productive, there is enhanced collaboration within and outside the organization.

#### **Overburdened staff**

Overburdened refers to an IT environment where the staff is underfunded and lacking in the necessary resources to effectively operate an IT system. Budget cuts and resources that must be stretched in order to meet financial requirements can place an extra load on IT departments. A company might have to utilize multiple full-time human resources in order to effectively manage an asset. Even the best IT professionals will struggle to remain efficient when resources are cut. The more overburdened the staff, the more likely a business is to encounter human errors and lose valuable productivity.

When you unburden your resources throughout an IT environment, risk is minimized. IT is an invaluable part of any business as it drives change in the organization. Investing in resource efficiency pays dividends by helping businesses and organizations save on capital expenditures and reduce business costs. And when some businesses are running out of costs to cut, what could be a more timely business outcome?

### Unevenness

Unevenness refers to an IT environment with multiple disparate systems that do not work together efficiently. Every day technology is advancing at a faster pace than before—a data center that was state of the art a few years ago might not be able to handle today's requirements. This can make it difficult for different areas of a business to communicate and work effectively together. Part of being efficient is having everyone operating on the same page. Since an IT department typically touches every area of a business, this is the best place to develop cost-saving changes, which will encourage waste reduction in all areas. Unevenness in the workplace makes it nearly impossible to run a smooth operation with a focus on productivity, profitability, and efficiency.

Once an IT environment is evened out, technology professionals can expect to see more than just a smoothly running operation. Employee productivity is boosted, and the likelihood of new customer acquisition is increased. Additionally, reducing waste caused by unevenness leads to improved customer satisfaction. A well-integrated IT infrastructure provides for a better customer experience.

### Weighing IN – Business Outcomes You can Count ON

Adopting Lean IT practices is good for business—in the short term and throughout the long haul. Not only will these IT practices help businesses make better and more efficient use of today's technology equipment, but Lean IT will also help prepare them for the IT innovations that are just around the corner. Here are some of the business outcomes that adopting Lean IT will bring.

When a company adopts Lean IT practices across its business, one of the first and most notable outcomes the company can expect to see is growth: growth through new customer acquisition and growth through new revenue streams. This is especially important to younger businesses that need to experience growth quickly in order to compete with more established companies and brands.

As a new company formed in December 2004, by experienced executives in the life reinsurance industry, Wilton Re needed a robust IT infrastructure to support the launch and growth of the company. The executives at Wilton Re were hoping to implement the IT infrastructure and functions that larger, more developed corporations are able to support, but with limited resources. Although this seemed like a tall order, Wilton Re found the solution through adopting Lean IT.

Instead of building an IT department one employee at a time, Wilton Re contracted its IT operations and management—not as an interim measure during the company's start-up period but as a deliberate long-term strategy. The result was a fully integrated IT infrastructure running at a fixed monthly cost that left the executives at Wilton Re free to use their resources to grow the business. As Wilton Re grew its revenue streams and gained new customers, it was able to increase the IT infrastructure accordingly.

### “Even Out” IT for Instant Cost Savings

Cutting costs and lowering expenses are key elements to running a profitable business. However, many corporations remain unaware of the cost-saving potential that adopting Lean IT practices can bring. With companies all over the world looking for each and every way to save an additional dime as budgets tighten up, this outcome is as important as ever.

Valassis is a leading global organization offering media and marketing services to more than 15,000 advertisers. A pioneer of the newspaper coupon booklet and one of the largest media buyers in the US, Valassis delivers more than 10 billion media impressions a year. As in many large corporations, data centers had started to proliferate over the years as a result of mergers, acquisitions, and changing business needs.



#### Further Reading

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## Lean IT Spotlight

### Contract Maintenance

Maintenance contracts on your technology are supposed to give you peace of mind. Managing all those contracts, however, can be an administrative nightmare for an IT department. What is the Lean IT solution? Contract Maintenance. Contract Maintenance is a centralized view of all your IT asset information in a single, conveniently accessible repository.

#### Benefits of Contract Management:

- Saves you money. Contract Maintenance monitors your service coverage to fit your exact needs.
- Saves you time. Contract Maintenance coordinates all renewals and provides regular updates on service level status.
- Cuts your risk. Contract Maintenance helps you align your service coverage so it is appropriate to your needs.
- Eliminates complexity. Contract Maintenance provides a single point of contact for all moves, adds, and changes.

Rather than allowing the proliferation to continue, Valassis IT decided the time had come to act. Adopting Lean IT practices, Valassis conducted a comprehensive evaluation of the company's overall data center needs and implemented a strategy that would rein in the runaway operating costs, inefficiencies, and risks associated with the patchwork configuration that Valassis's IT infrastructure had become.

#### Get a "Leg Up" on the Competition

Everyone wants a competitive edge. Just as athletes train hard to shave off that fraction of a second, executives pour money and resources into market research and analysis in order to beat their competitors to the punch. Little do they know, Lean IT practices can help companies get that edge AND save money in the process. GridNetworks is one company that took advantage of the competitive edge that Lean IT practices can provide.

GridNetworks of Seattle is a leading provider of managed Internet television delivery services. Targeted primarily at media and entertainment companies, GridNetworks' advanced technology allows media companies to cost-effectively and reliably stream full-screen, HD-quality video content over the Internet. As a startup company in a rapidly growing market, GridNetworks needed to find a way to gain an edge on the competition.

To establish an advantage over the company's competitors, GridNetworks used Lean IT practices in establishing a flexible and user-friendly portal where customers could upload and manage video content, view network status, track trouble tickets, set up and control service options, and conduct ongoing analytics of viewer trends.

The implementation of Lean IT resulted in a considerable competitive advantage for GridNetworks, providing customers with a portal that takes full advantage of Web 2.0 capabilities. The portal also functions as a sales accelerator for GridNetworks, creating a platform that can be used to build an ecosystem with a variety of partners.

#### Get Your Team's Production Up to Speed

Managing resources is an important part of any business. From technology assets to capital investments, business managers spend a lot of time keeping a close eye on these resources in order to keep the organization profitable. However, there is another, even more valuable resource. Human resources are an invaluable part of any organization, requiring careful management and consideration. After all, happy employees are productive employees. One of the most attractive benefits that businesses can gain from Lean IT is that it makes everyone's job easier.



#### Further Reading

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Wisconsin-based Johnsonville Sausage is the number one bratwurst, Italian sausages, smoked-cooked links, and fresh breakfast sausage links in the United States. The company's products are available in 27 countries, including France, Canada, Mexico, Japan, and China. When Johnsonville extended its SAP implementation across the company's entire operation, the company looked for a way to provide efficient IT management without taxing current resources.

At first, the SAP implementation proved to be a strain on the company's IT department. Just keeping the infrastructure up and running was a daunting task; team members were on call throughout the night, getting several calls and then having to go to work the next day. Through adopting Lean IT practices, Johnsonville was able to unburden its IT department. Johnsonville turned to strategic outsourcing services for its IT infrastructure, allowing the company's resources to focus on core activities and adding new business functionality.

#### Increased Supply Chain Efficiencies

Perhaps more than any other area of a business, the supply chain can serve as a magnifying glass for scrutinizing business operations. The slightest efficiencies (or inefficiencies) in the supply chain will produce noticeable changes in production. The trick is knowing how to create these efficiencies. Lean IT practices allow organizations to maximize the full potential of the supply chain.

Border States Electronics is one of the largest independent electrical distributors in the United States. Headquartered in Fargo, North Dakota, Border States has distribution agreements with more than 9,000 product vendors to provide products and services to the construction, industrial, and utility industries. Lean IT practices, such as portal technology, have made it possible for Border States to offer a unique service to customers, providing an efficient and convenient way for them to order product and cut supply chain costs.

#### A Set of IT Tools

In order to combat IT waste in the workplace, it is necessary to possess the proper tools for the job. In the end, "Lean IT" is really an integrated set of tools that allow for the elimination of waste and the restoration of productivity and profitability. Once the specific forms of waste have been identified and isolated, IT professionals can then implement various IT tools in order to achieve the desired business outcome. Some of these tools work like an umbrella. These tools protect an IT environment from several forms of IT waste at the same time, allowing IT professionals to focus on different business outcomes that can be gained through the elimination of said waste. Other tools are fine-tuned, though still interchangeable, allowing IT professionals to extract valuable business outcomes from specific IT waste situations.



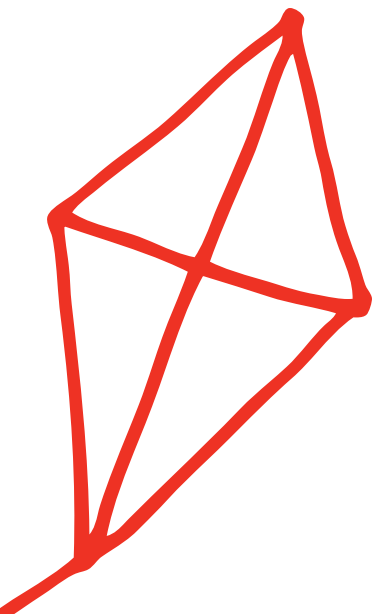
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No matter how large an IT environment, the elimination of each form of IT waste can yield specific business results.



### **Unified Communications**

It's the little things that build business relationships. And it's also the little things that, when not properly managed, add up to contribute to IT waste. Unified Communications is the combination of voice, data, collaboration, and video technologies, and makes it possible to respond more efficiently and effectively to customers in the thousands of small interactions that build lasting relationships.

### **Application Development, Integration, and Portal Solutions**

Today's applications are so much more than just repositories for data. Modern applications are able to increase collaboration, deliver accountability, and produce efficiencies within an organization, but only if the applications can all work together. When properly developed and integrated, applications can transform into services that link all the right people and data together, creating value and efficiency. Portal solutions are designed to make businesses easily accessible and deliver the security, collaboration, and personalization needed to leverage data throughout your organization. These tools result in additional flexibility, providing organizations with the ability to move faster and realize a positive return on investment. Additionally, this level of accessibility provides the kind of reliable and streamlined communications that keep clients happy.

### **Strategic Outsourcing**

It takes a strategically minded IT staff to identify and eliminate technology-related waste throughout a company. But most IT environments are administratively focused cost centers with neither the time nor the resources to operate strategically. Strategic outsourcing is a way to take daily, standardized IT tasks and transfer them to a more cost-efficient delivery model. IT management and monitoring delivered as Managed Services brings resources, processes, and availability at a lower cost. This allows IT to add value to the core business, while certified professionals take care of the everyday infrastructure requirements.

### **Storage Services and Email Management**

Few people are aware of the large impact that data management can have on a company's bottom line. Email archiving alone can take up almost 80 percent of a company's storage capacity, limiting the remaining IT resources. Storage services, such as email management, provide businesses with the right technology and the right team of professionals to design, configure, implement, and support your critical IT server and storage infrastructure. Using smarter server and storage solutions, Storage Services can help businesses decrease costs while improving levels of service throughout IT environments.

### **Server, Storage, and Application Virtualization**

Virtualization can represent many different areas in the world of technology. From platform and hardware to network and application virtualization, almost every area of an IT environment can be made to run smoother and more efficiently. For a typical IT executive, 80 percent of the IT budget is most likely spent supporting uneven legacy applications and infrastructure. The cost savings that can be gained from eliminating this waste is significant.

### **A Solution that Fits**

There is a set of tools for every form of IT waste: for retaining existing customers or finding new ones, for uncovering new revenue streams or growing existing ones, for reducing business costs, or for boosting employee productivity. Implementing the IT practices outlined here can bring measurable results like these to nearly every organization.

All it takes is a little "Lean IT."



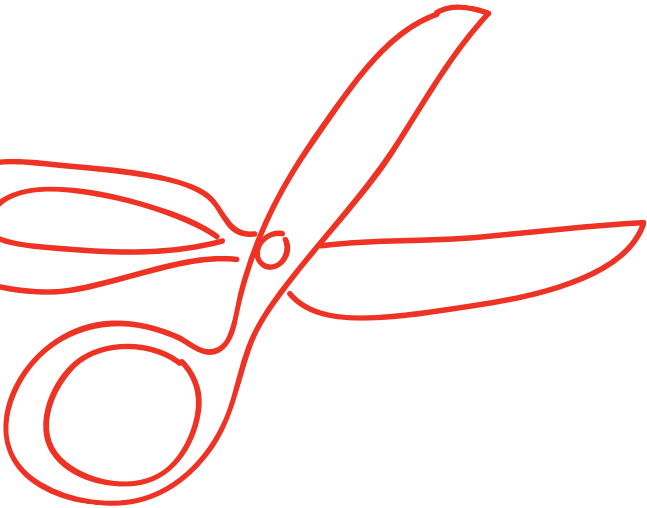
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#### **Further Reading**

##### **Visit**

Read the full case study at [www.us.logicalis.com/BorderStates](http://www.us.logicalis.com/BorderStates)

“IT can reduce costs, increase productivity, and get rid of waste when ‘Lean IT’ practices are adopted.”



#### About Logicalis

Logicalis is an international provider of integrated information and communications technology (ICT) solutions and services founded on a superior breadth of knowledge and expertise in communications & collaboration; data center; and professional and managed services.

The Logicalis Group has annualized revenues of \$1 billion, from operations in the UK, US, Germany, South America and Asia Pacific, and is fast establishing itself as one of the leading IT and Communications solution integrators, specializing in the areas of advanced technologies and services.

The Logicalis Group is a division of Datatec Limited, listed on the Johannesburg and London AIM Stock Exchanges, with revenues in excess of \$4 billion.

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