## **GREAT LAKES** C O M P U T E R

# TEN TIPS TO SAVE ON YOUR IT BUDGET

Call us at 800.488.2587

## The Best Warranty in the Industry. Our Exclusive FREE 3 Year Warranty.

Our standard 3yr warranty is offered free of charge on every hardware purchase. From entry level parts to enterprise level systems and SAN architectures, the Great Lakes Computer Extended Warranty provides the security you need.

#### **1. VIRTUALIZE**

Virtualization is an affordable, highly scalable solution that reduces the number of physical servers in your environment. With the powerful servers and processors available today, more companies are utilizing virtualization technology to lower IT costs. Many servers are only utilizing 10% - 15% of their available processing power. This is a waste of energy, rack space and resources. With virtualization technology you will dramatically lower your operational costs, your hardware acquisition costs and increase the

utilization of your new and existing hardware. This can all be done without compromising the security and availability of your infrastructure.



### 2. INCLUDE REFURBISHED EQUIPMENT

More companies than ever are turning to refurbished computer equipment as a viable alternative to traditionally buying new. The savings available with refurbished equipment can be anywhere from 30% to 80% off MSRP. Those kinds of savings mean more IT projects get done on time and on budget.

Statistically speaking, the failure rates between new and refurbished equipment are insignificant. If you have concerns about putting refurbished equipment into a production environment, start with your test and development hardware to establish a comfort level. You'll quickly realize there is no real "risk" with integrating refurbished equipment into your production environment.

A little known fact is that all manufacturers offer surplus inventory, discontinued models, customer returns, and refurbished products. These products typically come with the same warranty as new equipment but the discounting can be well below manufacturer cost. Better yet, the selection of available refurbished products encompasses the manufacturer's entire product line. The refurbished market is huge. It represents \$180 billion in annual sales and encompasses more than half of the entire IT market for products.

#### **3. STANDARDIZE**

There are definite cost savings that can be realized through standardization. Standardization as it relates to hardware is when IT organizations choose one server manufacturer, model or generation and deploy it throughout their enterprise. Once that decision is made, real savings can be leveraged down to the component level including processor, memory, drives, options, etc. Additional savings can also be gained through a simplified and uniform spares strategy in lieu of on-site support agreements. This allows greater flexibility for components to be swapped easily amongst systems as business needs dictate; thus cutting down on the purchase of duplicate or un-needed hardware. In addition, further efficiencies can be realized through standardization of server deployment into a homogenous environment by way of less training and specialization amongst IT staff.

Traditionally, a perceived drawback of standardization is the costly technology refresh resulting from a discontinued product line. This risk can be easily negated by partnering with a company like Great Lakes Computer, which supplies new, refurbished and discontinued technology products.

## 4. EXTEND YOUR PRODUCT LIFE CYCLE

The concept of keeping your hardware around for as long as functionally possible is no different than owning any other piece of equipment. The longer you keep it, the better return on that investment. Sure manufacturers would prefer that you "refresh" your technology as often as possible. It's no coincidence that manufacturers discontinue their models and options every couple of years. It's also no coincidence that out of warranty maintenance contracts are traditionally very expensive. This serves as another way for manufacturers to "cost justify" (AKA ROI) new hardware purchases.

Consider going with just the standard warranty instead of costly 7x24 uplifts, or going with a 3rd party maintenance company. Your best option would be buying spare parts to keep on hand and maintain the hardware on your own. Don't worry about availability of upgrades or parts down the road. There will be plenty of after-market products available from companies like Great Lakes Computer that can keep your systems running for years to come.

## 5. REVIEW YOUR MAINTENANCE STRATEGY

If you have a manufacturer's maintenance agreement, you should review it regularly to make sure you still own everything you have on maintenance. It's not unusual to find "ghost" hardware that's long since been decommissioned but is still covered under your contract.

Also ask your IT organization some really hard questions. Do you really need 7x24x365 4hr response on everything? (By the way, that 4hr response only guarantees a call back, not that your problem will get taken care of within 4hrs). Would M-F, 9 to 5 coverage work for the less critical equipment? Could you drop hardware or software support all together and adopt an on-site spares strategy? Is a "technology refresh" really necessary just because the product isn't supported by the manufacturer any longer?

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If the answer is yes to any of these questions, then you owe it to your company to talk to a 3rd party maintenance provider. There are numerous reputable and established (regional and national) 3rd party maintenance providers that are more than capable of supporting any platform. Most 3rd party maintenance providers employ former manufacturer field engineers and are more customer centric than the OEMs. So not only is the support equal to or better than what you're currently getting, but the savings can be substantial. Great Lakes Computer offers hardware support agreements from every major 3rd party provider.

By implementing just a few of these strategies, you can see your annual maintenance expenses cut by at least 30% - 50%.

## 6. CHOOSE YOUR PARTNERS WISELY

Independent studies have shown that over time, choosing vendors based on price alone isn't a sustainable long term approach to equipment sourcing. Also, working with resellers based on their size or manufacturer recommendations does not mean you will end up with the best solution or the best price. Favoring a reseller that primarily represents one manufacturer also isn't necessarily the best way to guarantee an unbiased solution.

You are better off working with partners that offer multiple product lines and unbiased solutions that will meet your long term goals. The larger the reseller and the more heavily committed they are to one manufacturer, the more influence that manufacturer will have on the solutions they offer and the price you ultimately pay. Buying decisions based exclusively on price or soliciting blind RFQs doesn't foster loyalty and trust between the client and business partner.

It's the mutually beneficial relationships that everyone needs so when there is an issue or an emergency, you have a partner you know will do the right thing because of your long history of working together.

## 7. TRUST BUT VERIFY

You may not always be getting the great deal you think you are. Companies that have negotiated special discounts (Big Deal Pricing-HP, Bid Letters-IBM, etc.), sole sourcing agreements, or manufacture direct contracts based on buying volume are not always going to get you the "best price". Prenegotiated prices are often out of date because products experience several price reductions throughout their life cycle. Also, manufacturers will often run instant rebates, discounts or promotions through other channels that offer better pricing on the same equipment than large volume contracts do. There are also great deals available on surplus products that manufacturers either liquidate, heavily discount or market as remanufactured products.

Are you not quite convinced yet? On your next project, do a quick search on the web and compare prices. Or have a conversation with Great Lakes Computer and you'll be offered plenty of alternatives.

## 8. STAY CLOSE TO THE TECHNOLOGY EDGE

Products are never more expensive than when they are first introduced. That extra core or 200 MHz clock speed can cost you at least 30% or more than other models. You are better off standardizing on models that are one or even two steps back from the bleeding edge system. Don't worry about those parts not being available. End-of-life equipment providers like Great Lakes Computer will always be able to supply those parts. Finally, if you have to go with the latest and greatest, then wait a few months until demand has settled down and the prices have dropped.

## 9. LEVERAGE YOUR BUYING POWER

Organizations spend countless hours deciding how many projects need to get done and how to prioritize them for the year. In the end you should have a good understanding of how much capital you have to spend for the year. Why not consolidate some of your projects and put the company's money to work for your Datacenter? More times than not, manufacturers and resellers are more willing to negotiate on price when a large order is on the line.

## 10. GO GREEN!

Environmental responsibility has emerged as an important consideration for corporations today. The IT sector is becoming aware of the environmental and financial impact of issues such as increased power consumption, data center cooling issues and e-waste from IT operations.

Successful companies are focusing on buying energy efficient servers and storage as well as using virtualization techniques to reduce the number of physical servers required to combat rising costs. The average utilization rate for servers is around 10%, while companies are paying the energy costs to run data centers at 100% capacity. Those are wasted dollars. At the same time, as much as 70% of the information a company generates and stores may rarely or never be accessed again.

Several initiatives support a GREEN IT goal; virtualization and consolidation, information life cycle management and de-duplication. Great Lakes Computer can help in every aspect of your organization's Green initiatives.