



THE TOP 5 MISTAKES COMPANIES MAKE WHEN TRIMMING THEIR IT BUDGET

Even when times are tough, it's important to take the long view—and sometimes the smartest savings can come from the cuts you don't make. Take some of the sting out of your shrinking IT budget by avoiding gaffes that could come back to haunt you later.

In a year when worldwide IT spending is expected to drop significantly, the close relationship between IT and the overall corporate budget means that CIOs are under more pressure than ever—but sometimes cuts designed to produce quick savings can result in long-term headaches. Sidestep these common pitfalls to avoid the consequences of budget cuts that may plague your IT infrastructure—and compromise your ability to respond to changing business conditions—for years to come:

- 1. Not making the most of what you already have.** When times get tough, it's natural to fall back on choices that have worked before. Scaling your data center by adding small servers each time you need to support a new application may have been the lowest-cost choice in the past. But


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before you allocate that money, see what virtualization can do for you. Chances are, there's extra processing power and storage space available on the servers you already have. Transitioning to a virtualized environment now can be significantly less expensive and more flexible than scaling your hardware infrastructure, and you'll be better informed when the time comes for purchasing new servers and storage.

- 2. Leaving inefficient equipment in place.** The easiest way to save is simply to stop spending

money, right? Wrong. A major part of most IT budgets goes toward simply keeping the data center running—so the equipment you choose has a huge impact on your power and cooling bills. That's why energy-efficient features are designed directly into Dell™ PowerEdge™ server and blade solutions. Dell also helps companies optimize the office IT environment through desktop and mobile client power management and efficient desktop computing.

- 3. Skimping on security and disaster recovery.** Safeguarding your systems and preparing for the worst isn't a big deal—until it is. A single security breach can lead to regulatory fines, damaging press, and the loss of shareholder confidence. For some enterprises, even a short service outage can cost millions in lost revenues. Don't get caught rolling the dice: calculate your potential downtime losses, define your recovery objectives, pinpoint your primary risks, and then design and size your disaster recovery systems accordingly.
- 4. Investing in new projects rather than existing ones.** It's tempting to look at a difficult business climate as a good time to try out completely new strategies. However, continuing to invest in existing projects is more likely to produce long-term gains. Why? Because when IT professionals stop deploying technology as an end in itself and start applying it creatively as a tool for solving critical business problems, they become more integral to the success of the company—which is good for both employee morale and your bottom line.
- 5. Not establishing a social media strategy.** As one of the most effective and least costly channels for building customer relationships, social media

is poised to transform marketing in dramatic fashion. Social networks can also change how employees relate to each other within your company, helping to make them more productive by sharing information in new ways. Don't delay because social media is unfamiliar; make a small investment now to position your company for benefits down the road. 

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