Spending smart

How to determine where your IT budget should be spent   **Interviewed by Chelan David**

Having the proper information technology (IT) infrastructure in place should be a priority for any business. But the selection of computers, servers and ancillary equipment can be overwhelming. The key is to invest in the technologies that bring stability and security to your environment, and get the most bang for your dollar by avoiding unnecessary expenditures.

Of course, a product or service that may be essential for one company might not be for another.

"Every business has different needs," says Hormazd Dalal, president of Castellan Solutions. "One company's frivolous purchase could be another company's need."

Smart Business spoke with Dalal about distinguishing between the frivolous and the essential, what types of warranties should be purchased and the importance of network security.

What advice would you give to business owners about making efficient IT equipment purchases?

For computers themselves, buy from one reputable manufacturer. Try to buy servers and work stations from the same manufacturer so that you build a relationship with that manufacturer, and across the board, you have the same hardware.

The concept is generally not the same when you are purchasing network infrastructure items like switches, firewalls, spam appliances, network storage, etc. ... In those instances, one manufacturer may make a great firewall but a horrible switch.

I would recommend finding a reputable IT solution provider to get advice before purchasing network infrastructure equipment. Getting the right mix of infrastructure equipment can be crucial to both stability and expandability, which is where your IT provider becomes an invaluable partner.

What types of warranties should be included?

On servers, which are normally mission-critical, always buy the best. Buy a four-hour response time. Typically, if you have a mail server go down in a 100-person company, that means 100 people can no longer communicate with each other or the outside world.

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On the other hand, if a workstation breaks, then only one person is affected, not the entire company. So a lesser warranty is adequate, like a next-business-day response time.

If you have an IT department or work with an IT support company, you generally don't need to buy the software support warranties.

These typically cover the operating system, which is configured and maintained in-house.

If you buy software that's proprietary or custom-made, then you want to buy a support warranty. These contracts become invaluable in the event of a higher-level configuration issue providing support to your IT department.

How can business owners distinguish between the frivolous and the essential when spending their IT budgets?

Decision-makers need to break down the employees' habits, look at the work flow and determine what is really a need and what is just a want.

There may be somebody who says that they need to have the latest version of Microsoft Office. It turns out that this person just uses e-mail and barely knows how to use any of the advanced word-processing features. That would be a frivolous purchase.

Every business will face several needs, however. Security patches need to be delivered automatically to all computers. The best anti-virus and anti-spyware protection available is crucial.

The most important need of all, however, is a proper backup solution with off-site storage capabilities that you utilize on a regular basis.

How important is it to update products to keep up with competitors?

You should update your products to stay on the cutting edge of security patches, vulnerabilities and, in some cases, just so you can continue to get support. If you're running an old piece of software that keeps crashing, then go ahead and spend the money to upgrade because it will bring you back productivity returns.

On the other hand, if your software is doing what it is supposed to, it meets your business needs and is doing so in a stable manner, then don't spend the money just for the sake of upgrading.

Do the overall savings associated with avoiding breaches outweigh the upfront costs of improved network security?

Absolutely. The argument against this question is that people say, 'My intellectual property is valuable to my company, but if someone steals it, it doesn't really matter.'

What these business owners miss is that if a competitor wanted to get in and get your intellectual property, then basically you're at war. Who wouldn't want protection in a battle?

What they also fail to realize is that they need to be protecting themselves from the kiddie hackers, the people who aren't interested in the data. They're just interested in the challenge of breaking in and bringing a system down.

They wouldn't even know what to do with your data, but the harm that they could cause in nuisance value is what you need to protect yourself from.

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