Storage Strategy Development
Part 2
Randy Kerns
Evaluator Group
Topics

- Review
- Selling the strategy
- Budgeting
- Economic measures
- Executing
Strategy Overview

Information Strategy

- Current Operations
- Best Practices
- Requirements
- Process
- Implementation Plan
- Tactical Plan
- IT Strategy Planning Team
- Business Strategy
Review Process

- **Internal team review after strategy elements in place**
  - Refine
  - Get concurrence
- **Review with constituents that participated**
  - Explain reasoning and outcome
  - Take feedback and respond
    - Changes or agreement regarding best path forward
Selling the Strategy

- Sell to executives in IT chain
  - Economic justification
    - Overall based on TCO
    - Rolled-up value across projects
    - Materials – collateral
  - End point values – what is ultimately achieved
    - Increase / remain competitive
    - Add value to organization
  - Process to deliver
Selling the Strategy

✿ Sell to groups served
  ✿ Value delivered
    › Interest in when – need timeline, detailed schedule
    › Show how this fits with overall corporate / business strategy
  ✿ Checkpoints – part of communication plan
    › Regular updates – personal
    › Visible tracking
Selling the Strategy

Economic overview

- Projects where funding is included
- ROI driven projects - <12 month view
- Funding alternatives where projects not covered
  - Develop possibilities
  - Leasing / deferrals / pay as grow
  - Be creative
ROI – Return On Investment

- Calculated on a per project basis
- Assessment of return on investment money for savings or gains from project implementation
- Will include
  - Cost of solution (hardware and software plus implementation costs)
  - Savings in administration / operations
  - Gains in increased business, productivity, customer service etc.
- Usually expressed as a % of gain with a payback period of time
ROI – Return On Investment calculation

- Identify infrastructure components and their characteristics
  - Costs
  - Operational issues
  - Growth rates (infrastructure and staffing)

- Hard Benefits
  - Capital savings or deferred capital investment
  - Operational savings
  - Improvements in staff productivity

- Soft Benefits
  - Opportunity costs such as maximizing revenue potential by making enterprise information and applications more available
  - Cost avoidance through minimizing downtime
Total Cost of Ownership is used measurements:
- Comparisons between different alternatives
- Measurement to effect of changes implemented as part of strategy
- Long term economic impact for storing and managing information
Typically annual costs of system / solutions

Elements of TCO include:

- **Product costs – software and hardware**
  - Capital expenditures
  - Implementation costs
  - Training costs
- **Administration (operational) costs**
  - Operations support – monitoring and tuning
  - Maintenance costs / support licenses
  - Environmental costs (including power, space, etc.)
  - Migration costs
Creating Economic Model

TCO Modeling

- Using tools to show economic effects
- Look at long term – 10 to 15 years
- Allow what-if’s: need to be able to effect with changes such as increased capacity demands and costs – different scenarios
- Models can be constructed for long-term measures or decision comparisons
Example

- Showing long term effect of data retention and use of two tier archiving
Economic Model Example
Creating Economic Model

Example

- Comparison of economics of strategy to move to scale-out architectures
Economic Model Example
TCO Planning

Start with some basics

- Very complicated models are available from some vendors
- Use a spreadsheet to start accumulating information needed for creating a TCO model
- Warning about soft costs/benefits
## TCO Elements – Hard Costs

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<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
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<td><strong>Power/cooling/floor space</strong></td>
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<td><strong>Backup/Restore admin costs</strong></td>
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<td><strong>BC/DR costs</strong></td>
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<td><strong>Networking costs</strong></td>
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<td><strong>Migration costs</strong></td>
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<td><strong>Installation &amp; training costs</strong></td>
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**SUM**
### TCO Elements – Soft Costs

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<td>Provisioning Time Cost</td>
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<td>Capacity utilization</td>
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<td>Availability costs</td>
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<td>• Failures</td>
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**SUM**
Executing on the Strategy

- Create a checklist for the process
- Diagram the process for everyone to see
- Organize the team
  - Sell the concept
  - Get others to volunteer to take on research
  - Meet weekly to review
- Make upper management aware of progress
  - Let everyone know about visibility
Developing a Strategy Summary

− Required to pro-actively manage information and technology
  − Develop the strategy
    − Understand environment
    − Understand technologies
    − Understand best practices
  − Sell
    − Clear plan
    − Practices of how it will be executed
    − Budget
    − Reviews / measurements
THANK YOU
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