Why sweating your assets no longer makes financial sense

Sweating your IT assets beyond the average three-year lifespan may have made financial sense ten years ago, when businesses were looking to keep a lid on costs for as long as possible before investing in a hardware refresh, but today this is no longer a feasible option.

"We're still seeing organisations attempt to extend the longevity of hardware, in particular due to recent, tougher times, but they must be cognisant of that fact that this approach could have a far deeper impact on a business's bottom line than ever before," explains Jaap Scholten, Head: Group Hybrid IT Strategy at Datacentrix, a hybrid IT systems integrator and managed services provider.

"The lifespan of hardware is typically three years, but we're seeing companies attempt to stretch out the lifespan of their hardware for longer periods, even up to five years. And aside from the obvious risks, like equipment failure and greater vulnerability to cyberattacks, there has been a tremendous shift in where a business's costs lie, and this is also affected when using equipment beyond its optimum lifecycle."

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Older hardware is more power hungry and, in light of our ongoing blackout challenges especially, there are cleverer ways of ensuring that your technology stays up to date.

Scholten believes this point is of particular relevance to South African organisations, as the country has only recently emerged from its longest consecutive period of rolling blackouts, only to have loadshedding reinstated a mere two days later.

"Power consumption has become a significant operational cost for local companies, and unfortunately loadshedding is a dilemma that will not easily be solvable, even over the longer term. Older hardware is more power hungry and, in light of our ongoing blackout challenges especially, there are cleverer ways of ensuring that your technology stays up to date."

Scholten says that more modern infrastructure uses far less power than older hardware, a point reinforced by Uptime Institute, the global digital infrastructure authority, which states that over 65 percent of power used by IT in data centres is used to process just seven percent of the work, and that this is purely due to aging equipment inefficiencies.

"So, the question is, do you opt to upgrade your hardware more regularly, using CAPEX budget, with a view towards energy efficiency and performance gains and achieving a faster ROI, or do you decide against owning hardware completely?"

Here, there are two potential choices to be made, he continues, the first being the option of leasing hardware from a solution provider.

"This decision will certainly assist a business that is struggling to find CAPEX in their budget cycle, but it also raises the issue of whether it doesn't then make more sense to embrace the second option, which would be to move to the cloud?"

Using a cloud service provider will remove the burden of hardware ownership and its related challenges – like power consumption – from the client, while also ensuring that the

Jaap Scholten, Head of Hybrid IT at Datacentrix

company still has access to scalable, powerful infrastructure with guaranteed availability.

"Sweating assets is very last decade and simply not a practical approach for organisations today. It's time to embrace digital transformation and leverage the simplicity and agility of the cloud to build a successful, modern business," Scholten concludes.

For more information on Datacentrix's hybrid IT offering, please click here
www.datacentrix.co.za/hybridit.html