



# Have Your Servers Got You Stuck in the IT Business?

A faint background graphic showing three server racks on the left and a light blue cloud on the right, with a horizontal line passing through the cloud.

*LEARN HOW TO GET BACK TO YOUR  
REAL BUSINESS*

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## INTRODUCTION

# Is It Time for You to Get Out of the IT Business?

If you are like many business leaders, you may be asking, “What do you mean get out of the IT business? I am not in the IT business.”

If you take a closer look, though, I think you may come to a different conclusion. Let's consider the situation many businesses find themselves in.

## FIRST, A LITTLE HISTORY.

When computing power first became available to small and mid-size businesses, it was a minor miracle. It meant no more manual invoicing, and AR/inventory could be tracked and managed by these miracle machines. Most firms in this group could not afford to own computers, so they leased time from companies widely referred to as service bureaus.

**In other words, they rented compute time for the most mundane manual tasks they wished to automate. Businesses loved it.**

Even though the first personal computer (the Kenbak-1) came out in 1971, it wasn't until the late '70s that business functions, such as VisiCalc (a spreadsheet program), were introduced for accountants. By the early '80s, word processing was coming of age, and by the mid-'80s, a personal computer was relatively functional and affordable for mid-sized companies. **Another miracle: a computer in our building that we can manage ourselves!**



From there, we began to use floppy disks to “share” files between computers. The evolution continued, and soon we had computers connected with wires so they could share files without the disk or the walk across the office. This development changed everything. Through servers and “file server” handling, businesses could control, manage, and share information throughout their organizations.

## *BUT SOMETHING ELSE HAPPENED, TOO. IT GOT COMPLICATED.*



Managing these increasingly complex networks required many resources and pieces of equipment, not just servers:

- **Network cabling**
- **Routers**
- **Switches**
- **The programming needed to make it all work.**

Businesses like yours grew tired of inconsistent support from companies that sold this equipment, so you hired someone to “take care of all of this stuff.”

By the early 2000s, most companies had fairly complex computer networks managed and maintained by a staff ranging from 2-10 people. These networks not only required equipment and people, but they also needed essential support systems to keep them organized, cool, secure, and backed up.

**If you recognize yourself in this history, you are beginning to realize you are in the IT business.**

## *THE QUESTION NOW IS WHY?*

I get it; you respond, “Hey, we have to have these systems to run our business.”

You are right; you need the systems. But do you need ...

- **The team of people**
- **The myriad of equipment**
- **The complex infrastructure?**

A growing discipline among leading businesses is to outsource non-strategic functions, such as logistics or manufacturing, to allow their companies to focus on core competencies and strategic differentiators. This approach advocates letting other businesses support theirs by providing the non-core functions required to serve their customers.

Surprisingly, leaders with foresight and fortitude will allow another company to manage their products' storage and delivery but often balk at the suggestion that an outside firm should manage their servers -- **or even more radically, the idea that they should no longer own servers at all.**

## LET'S WALK THROUGH THIS TOGETHER.

Now, let us review a bit of data to support the preceding points. According to Techvera.com,

- **The average small company (defined as less than \$50 million in annual revenue) spends 6.9% of its revenue on IT each year.**
- **A mid-size company (\$50 million to \$2 billion in yearly revenue) allocates 4.1% of revenue to IT each year.**
- **To put that figure into dollars, we are talking about \$1,725,000 for a \$25 million company and \$4.1 million for a \$100 million company. This is BIG money!**

### Average Percentage of Annual Revenue Spent on IT

Source - Techvera.com

Small Company  
< \$50 Million **6.9%**



Midsized Company  
\$50 Million - \$2 Billion **4.1%**



### To Put that in Dollars

For a  
**\$25 Million**  
Company  **\$1,725,000**

For a  
**\$100 Million**  
Company  **\$4,100,000**

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Many of you are saying to yourselves, “I don’t spend anywhere near that amount on our systems.”

Maybe not, but the research suggests that most of your competitors are making these investments even if you are not. If you continue to underinvest, how long before these competitors overtake you technically?

OK, so now you are challenging me, “You spent the entire first part of this book telling me that I should get out of the IT business, now you are telling me I am underspending?”

Not really; **I am suggesting that there is a way to get more for your money, get better strategic value, and allow your company to focus on what it does best, which frankly is not IT management.**



Want to Find Out More About  
What Companies are Spending?

[Read the Forrester Economic Impact Report](#)

## WHAT’S YOUR ALTERNATIVE?

The problem with having servers on-premises is that it forces you to make these large capital and ongoing expenses. The alternative is the Cloud through a reputable Cloud Service Provider like Microsoft Azure.

But the word “Cloud” can be a bit scary to many leaders (maybe you, too?). We’ve heard a lot of reasons why businesses can’t or don’t want to transition to the Cloud, but in most cases, major Cloud providers have considered these issues and offer solutions.

**Let’s look at several of these common objectives that prevent businesses from getting themselves out of the IT business.**

- 1. We want our data in our building.**
- 2. We need control over our data.**
- 3. We spent all this money getting our network set up; we do not want to throw it away.**
- 4. Our software is too old to move to the Cloud.**
- 5. What if we lose our internet connection?**
- 6. The monthly fees are too high.**

I will address each of these objections in order.

### What do we mean by “the Cloud”?

Put simply, the Cloud refers to any server, storage, or computer operation completed on behalf of an organization or individual in a (usually) third-party data center and served over an internet connection. Many Cloud providers offer this service, including Microsoft, Oracle, IBM, and Amazon Web Services (AWS). They allow businesses to get the power of servers without purchasing physical equipment.

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## OBJECTION #1

# We want our data in our building.

If you are like most businesses that raise this objection, you believe that having your data on your property is the safest place it could be. While this assumption makes sense on the surface, it starts to fall apart when we examine it.

Let's start with another question: **If your competitors were searching for your data, where would they start looking?** In most cases, they would first look in your building or on your network.

Most people think of security breaches as elegant hacks by nefarious characters from the dark web. In reality, the easiest way to get your data would be to back a truck through the wall of your building, pull the wires, and take your servers. From the comfort of their hideout, cyber-criminals can then work to unlock all your secrets. I have attended over a dozen security-related briefings led by the top experts from Microsoft, Gartner, IBM, and other companies. They agree that this is the easiest way to accomplish the task. Other methods include enticing one of your disgruntled employees to provide the data, sending phishing emails/messages, or using an electronic infiltration (i.e., a hack).

What do you do to prevent this? You invest in security, typically thousands of dollars in equipment, ongoing monitoring fees, and the time/money to apply updates and patches to keep it all up-to-date.

**Consider these questions about this area of concern:**

- **Who do you think invests more resources into security: Microsoft (Azure), Amazon (AWS), or your company?** The answer should be clear. Your company simply can't invest as much to protect your data as the leading Cloud providers. And all that investment benefits you when you're their customer.
- **Next, if the experts say your competitor will look for your data in your building first, wouldn't it make sense to have it somewhere else?** The data centers of Amazon, Microsoft, and other leading cloud providers are located at geographically diverse and undisclosed locations. Even if your competitors knew which Cloud you were using, they still would not know which data center to attempt to infiltrate. It is no different than why you keep your money in the bank; it is better than hiding it inside an ice cream container in your freezer. While both locations are technically hidden, one is a lot more secure.



Explore Microsoft Azure Security Features

[Learn More](#)

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## OBJECTION #2

# We want more control over our data.

Of course, it's your data, and you want to be in charge of it. There's good news, though; **you don't lose control over your data in the Cloud.**

If you structure your environment properly from a reputable provider, you have as much control over your data and who accesses it in the Cloud as you would on a server in your building.



See How Much Control You Have in Azure

[Review the Documentation](#)

## OBJECTION #3

# We made a considerable investment in our network. We do not want to throw it away.

This objection is a fair one to raise, but before you accept it, consider the principle of a “sunk cost” and how leading business thinkers approach it.

In simplest terms, **this concept is that past investments should not weigh upon future decisions.** Our current decision process should stand on its own. To do otherwise clouds our judgment with what business leaders call “the sunk cost fallacy.”

Realistically, most small companies cannot or will not walk away from what was a large capital investment. But when your next server refresh comes up (and this should occur every 3-5 years), I suggest that you look at the required investment to update your systems relative to the cost of a move to the Cloud, irrespective of past investments in your network. Doing so may reveal an astonishing amount of potential savings and added benefits for the future.



## OBJECTION #4

# Our software is too old to move to the Cloud.

That could be true for certain pieces of software you use, but there are a few things worth considering before giving up on a Cloud migration.

**Firstly, you may be able to update your software to a point where it is Cloud-compatible.** If your software isn't ready for the Cloud, you may also be missing out on a host of other features you could use from an update. It can be well worth exploring.

**Secondly, Innovia Consulting has helped dozens of firms move to the Cloud who were (and, in some cases, are) running software that is well over ten years old.**

Even if you need to keep a single application in your building, you can still evaluate what other systems can move to the Cloud. Think of your file servers, exchange servers, and the like. Could they be transferred to the Cloud?

**Microsoft 365 provides an excellent foundation for companies to begin to explore cloud applications without the stress of making an enterprise software decision.**

Discover All You Can Do with Microsoft 365

[Learn More](#)



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## OBJECTION #5

# What if we lose our internet connection?

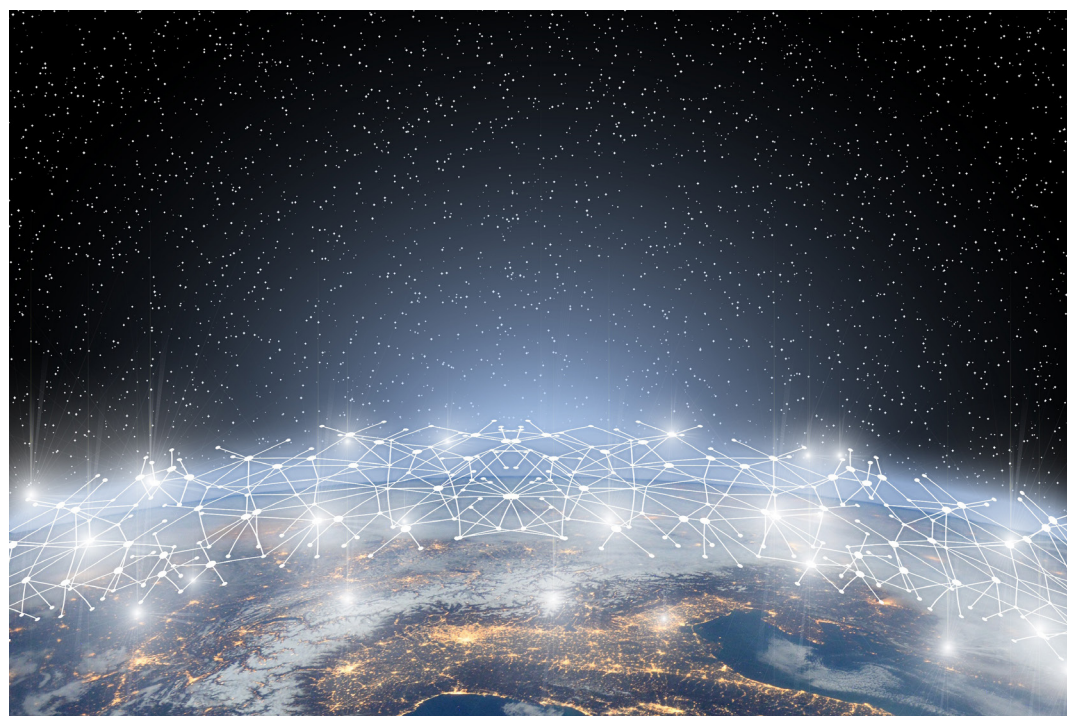
This is another valid point, as internet connections are required to access the Cloud; but I would counter by asking,

- **What if your server crashes?**
- **What if your power goes out?**
- **What if your backup fails?**

Internet connections and speeds are improving each week. More and more communities are making the necessary investments to provide reliable high-speed internet to their residents and businesses. For many companies, Innovia also recommends a backup internet connection as a failsafe.

Beyond that, as we learned from COVID-19, our teams can work from home. It is highly improbable that both your company and your entire office staff will be without internet service. If that happens, you probably have a much larger problem than an internet outage.

**It's all about weighing risks, of course, but as you look ahead to the future, consider that the risks listed above for on-premises servers will not go anywhere, while the risk of internet connection issues lessens each year.**



*“Who knew 2020 was coming? However, when it did, we were poised to work remotely because of Azure. I didn’t have to worry about server room cooling, parts, etc. We were just able to all work from home.”*

[Click Here to Read the Entire Case Study](#)

— ROB NEWHART, CIO

## OBJECTION #6

# The monthly fees are too high.

While the monthly fee for Cloud computing and storage is likely a new bill you have not had in the past, have you considered whether it has a lower **total cost of ownership (TCO)** than on-premises?

If you carefully evaluate expenses in the following categories and how much they are reduced by moving to the Cloud, you may begin to see those fees in a different light:

- **Initial Server Cost**
- **Cost to update servers with the latest security and operating system patches**
- **Cost to cool and house the servers, including:**
  - ◇ **Cooling units**
  - ◇ **Electricity**
  - ◇ **Cost per square foot of the office space servers occupy (even if it is a “closet,” you could use that space for something else)**
- **Backup solution**
- **The personnel, whether internal or outsourced, required to maintain and support your network.**

To expand on that last point, in most cases where a business has two or more internal IT staff members, they can reduce staff by transitioning to the Cloud. They accomplish this by either moving a team member to a new role or not replacing IT positions when attrition occurs.

We do not intend to be heartless in this part of the evaluation, but from a business decision-making perspective, reducing at least one full-time position can and should be achieved in our experience. People are expensive. Compensation, benefits, and accommodating for time off are all components to consider when calculating these savings.

I hope this exploration has helped you uncover your current system's costs so you can accurately compare them to Cloud subscription fees. In most cases, the savings speak for themselves.



Compare the TCO of YOUR On-Premises Deployment to Azure

[Use the TCO Calculator](#)

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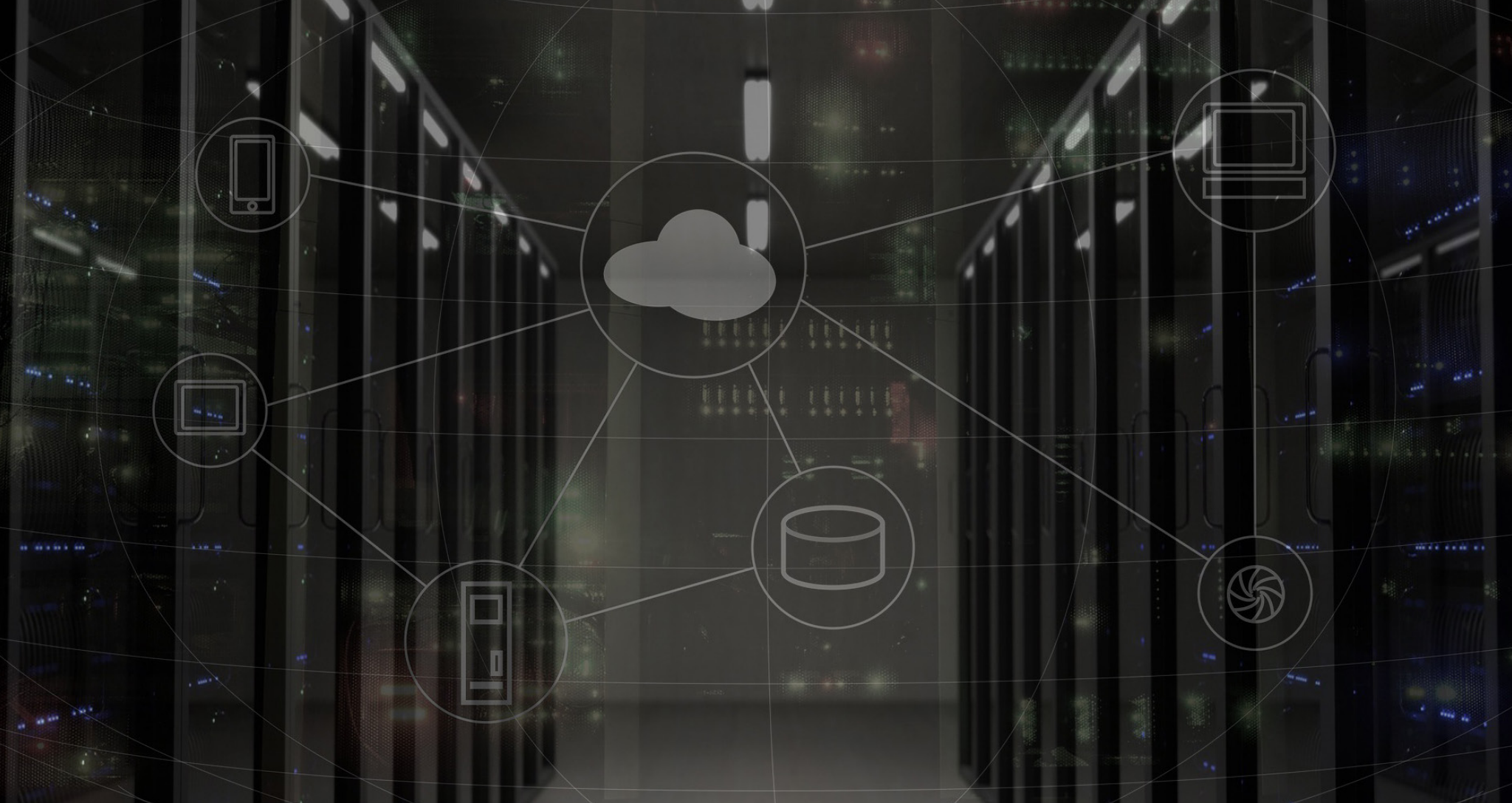
*“My life is so much easier. Because I run all the technology for the business from the internet to phone to software solutions, to know I have a team in Innovia that I can call on 24/7 if something comes up that we can’t solve ourselves means I can sleep a lot sounder at night.”*

[Click Here to Read the Entire Case Study](#)

— RIK FLEMING, DIRECTOR OF TECHNOLOGY

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SO, I'M ASKING YOU AGAIN ...

## Would You Like To Get Out of the IT Business?

If you're tired of spending a large portion of your budget on servers, networking, infrastructure, and the like, there's a better way!

You don't have to be in the IT business anymore, and better yet, you don't have to give up your operations and communications software to get there.

If you would like to explore how a move to the Cloud could benefit you, reach out to your IT provider. If you do not have one, call me, Tom Doran, at [574-344-2153](tel:574-344-2153), and let's talk about how Innovia Consulting can help you get out of the IT business and focus on your business's strategic priorities.

Microsoft  
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Gold Cloud Platform  
Gold Cloud Productivity  
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Gold Datacenter  
Gold Enterprise Resource Planning

Innovia Consulting is an experienced Azure provider with a wide range of Gold Microsoft certifications. Innovia also specializes in [Microsoft Dynamics 365 Business Central](#), a Cloud-based ERP solution that is flexible enough to meet any business's needs.

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# Excited by What You Read And Want to Take the Next Step?

If you are an Innovia customer, reach out to your Customer Engagement Specialist or book below with Tom. Not a customer, no problem! Book below and we'll help you from there!



Tom Doran

Use our Microsoft Bookings calendar to schedule your call at a time that works for you.

[Click Here to Book Now](#)

If you want more information, contact us any time at 1-800-834-7700 or send a message to [sales@innovia.com](mailto:sales@innovia.com).

