5 Most Significant Challenges Facing CIOs in 2013

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Charged with making the best possible IT investments for their organizations, today's CIOs face a litany of challenges when it comes to meeting that goal. Expensive, unproductive data centers, for example, can quickly become a money pit for companies looking to devote more of their IT budgets to innovation rather than allocate that money to running and maintaining what they already have.

Today's enterprise IT groups and leaders are stretched to the limit. The explosion of data, new applications, and hardware advancements are putting unprecedented pressure on IT infrastructure.

The rapid changes taking place is causing pressure to be felt up to the CIO, who is required to effectively "future-proof" their IT infrastructures by accurately:

- Forecasting needed data center capacity up to 10+ years out

- Achieving zero downtime

- Balancing costs vs. risk for redundancy

- Managing disparate requirements of different business units

- Lowering capital expenses

- Become a growth enabler to core business

With demand for digital information doubling every 18 months, and the typical hardware platform having a 3-year shelf life before becoming obsolete, CIOs know what worked in the past will not suffice in today's business environment.

This executive article examines the top five challenges facing today's CIOs and will discuss how colocation can help alleviate pressures and enable better allocation of IT resources.

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1. **Push for cost reduction.** The national economy may be in nearing recovery mode, but the "leaner and meaner" organizations emerging from the recession remain in cost-cutting mode.

   According to Resource Solutions Group's recent CIO Market Insights Report, businesses have higher expectations of getting more for less money and are reluctant to tie up capital in investments in new hardware and software assets.

   Data centers consume a large portion of the typical IT budget. Building one can cost upwards of $150 million and takes at least two to three years to complete. Staffing, training, and managing ongoing data center operations and repairs can cost millions of dollars over the life of the asset. For these and reasons alone, data center outsourcing remains a solid strategic choice for CIOs looking to free up capital and resources for more important, revenue producing projects.

2. **Increasing numbers of new IT applications and hardware types.** To say CIOs are falling behind relative to technology implementations would be an understatement in today's era of rapid technological advancements.

   When asked what they're most worried about, CIOs top answer was speed: 57% of the IT leaders who responded to the recent InformationWeek Global CIO Survey cite "can't implement fast enough" as a top concern. Keeping up with the ongoing innovation in the datacenter has become nearly impossible for the CIO, who simply cannot innovate fast enough.

   By outsourcing their data centers, companies gain access to the latest and greatest data center infrastructure to handle the latest technology, without having to buy it, install it, maintain it, or replace it. It's the best of both worlds for the CIO who wants to focus on more important tasks like growing the business and supporting key customer initiatives.

3. **Big data is a issue that's not going away.** As big data continues to compound on itself, data management solutions are becoming a key priority for CIOs. They are searching for effective ways to harness and utilize the reams and reams of information generated by their IT systems.

Companies can fulfill evolving IT capabilities in-house, but in many cases data center outsourcing is more effective and efficient. Colocation enables organizations to flexibly scale infrastructure capacity as needed, without waiting on new data halls or data centers to be built.

4. **Business innovation requires IT resources.** Liberating the resources necessary for innovation is a critical necessity for CIOs. However, they are often mired in the day-to-day challenges of running an IT department.

   Most firms find up to 80 percent of their IT budgets must go to running and maintaining technology they already have – leaving as little as 20 percent for innovation.

   With data centers consuming a large portion of the typical IT budget, the case for outsourcing such facilities becomes stronger than ever. The equation is simple since offloading data center construction and ongoing management provides more resources for customer-facing applications and other innovation supporting IT solutions.

5. **Enhancing existing IT plans is not a long-term, or even a short-term, solution.**
   "Businesses need fresh thinking about the architecture of tomorrow," writes Bob Evans of Oracle in Forbes' The Top 10 Strategic CIO Issues For 2013, "because merely rehabbing or adding on to the existing plan will simply not meet the wildly different and more-demanding requirements of tomorrow."

   An increasing number of enterprise Fortune 500 companies are outsourcing one of their biggest time and money drain: the datacenter. In return, these organizations gain the benefit of an IT plan that's constantly updated, flexible and scalable to meet their business needs..

By working with a data center provider, CIOs can move their enterprise IT groups out of "stretched" mode and focus resources on more important, profitable tasks and projects.

With strategic locations throughout the United States, Asia, and Europe, CyrusOne focuses on building and operating data centers that provide world-class facilities, connectivity, scalability, and service.

About CyrusOne

With 24 colocation facilities across the globe, CyrusOne helps many of the world's largest global businesses – including 9 of the global Fortune 20 companies and over 100 of the Fortune 1000 – and companies of all sizes take advantage of the latest data center technology and realize top operational efficiencies through:

- **Flexible design** – Scalable, customized data center solutions that are engineered with Massively Modular data center technology to align with your business needs

- **Personalized service** – High touch customer service delivered by data center experts

- **Full transparency** – Full transparency in communication, management, and service delivery

- **High reliability** – Excellent availability using state of the art technology backed by 100% service level agreements (SLA)

- **CyrusOne National IX** – Offers free metro connectivity and low cost city-to-city transit in Houston, Dallas, Austin, San Antonio, and Phoenix (with more locations coming soon)

About the Author

Scott Brueggeman oversees the management of CyrusOne's global marketing, product development, inside sales, and corporate communications including branding, demand creation, and public relations. His 20 years of marketing and sales experience includes Fortune 50 firms, as well as smaller high-growth companies. Prior to CyrusOne, he spent several years with running marketing at a data center hosting and managed services company, as well as Chief Marketing Officer at PEAK6 Investments, an international financial services firm. Prior to that he was VP Marketing for CareerBuilder, and also held leadership positions at AT&T and PepsiCo. Brueggeman serves on several advisory boards.