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Firms wasting billions on unnecessary IT

Gartner calls for curb on spending that does not help core business

Robert Jaques at NetEvents in Evian, vnunet.com 26 Feb 2007

Billions of pounds is being squandered globally by businesses purchasing IT equipment and services which they simply do not need, a senior [Gartner](#) executive has warned.

Ian Keene, research vice president at the analyst firm, said that wasting money on unnecessary technology equipment and services is the norm, rather than the exception, for firms across the globe.

"The majority of businesses out there are wasting money on technologies that they should not buy," Keene warned at the recent NetEvents symposium in Evian.

"They are wasting money on expensive telecoms services they do not need and, because they are spending all that effort and budget and resource on those, when it actually comes to doing something that includes the productivity of the company, they have to spend money on outsourcing to get it done. It is waste all the way through."

Keene went on to argue that companies should focus on adding value to their business processes.

"They should look at the business process, and what they have to do with networking and telecoms to improve that process. But they are not," he said.

"They tend to be in their own little bubble, building networks for the sake of building networks and using the same design methodology they have been using for the past 10 years. That is where the money is going and that is why we consider it a waste."

Keene believes that, instead of throwing money at IT, firms should be building networks and infrastructures that enable competitive advantage.

"It is pretty obvious, but it does not happen. The networking people just get on with their own thing and the people looking at how to improve the competitiveness of the company are somewhere else and these guys just do not talk enough," he asserted.

"So what are companies doing instead of doing the right thing? Out-dated design practices. They are not taking advantage of any new technologies that are coming along to actually change the way they design networks. They are buying technology and services that are not needed."

