EBOOK

Risk Management Considerations for Purchasing DCIM Software



Introduction

Today, as organizations strive to optimize their IT environments, streamline processes, and enhance overall efficiency, selecting the right Data Center Infrastructure Management (DCIM) software has never been more important.

However, there are many DCIM vendors in the market that differ greatly in terms of feature set, support, and pricing.

While end users gravitate toward battle-tested and proven DCIM solutions, purchasing teams and other stakeholders who will not use the tool every day may push for cheaper alternatives.

This decision can have a serious impact on an organization's success or failure.

In this eBook, we will explore the risks associated with purchasing DCIM software solely based on price. We will dissect the complexities involved in the decision-making process, shed light on potential pitfalls of buying solely based on price, and explore the value that premium solutions provide.

By understanding these risks and learning how to mitigate them, organizations can make more informed decisions and ensure that their investment in DCIM software not only meets their current needs but also aligns with their long-term strategic goals.

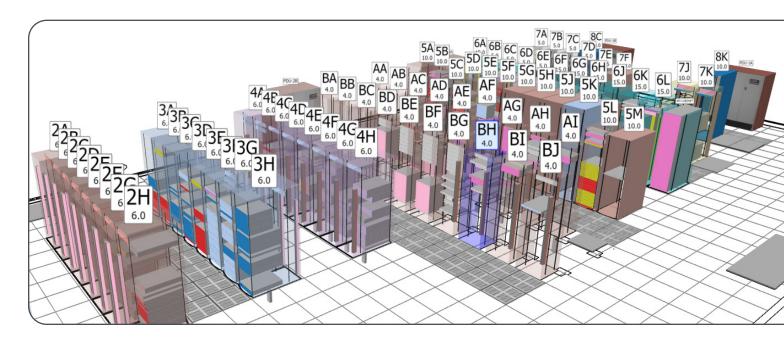
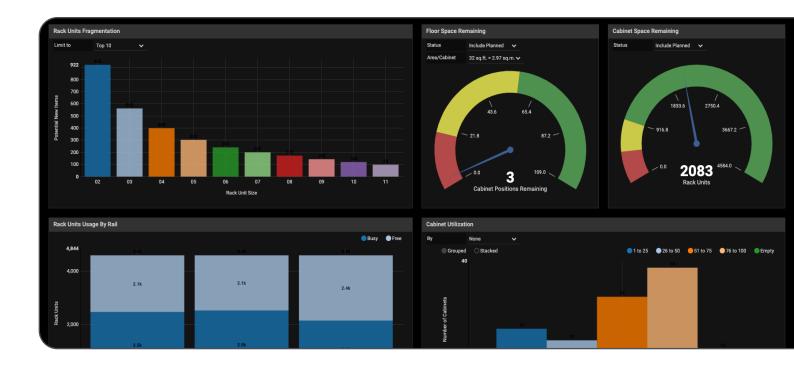




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Risks involved in making the wrong choice

Not all DCIM software is created equal. In fact, 25% of DCIM software implementations fail, and up to 10% are completely abandoned (451 Research).

The consequences of a misguided DCIM software purchase can reverberate throughout an organization, affecting its finances, operational efficiency, and even its reputation.

Financial Risks

- Initial acquisition costs vs. total cost of ownership. One of the primary financial risks lies in the disparity between the initial cost of acquiring DCIM software and its total cost of ownership over time. While a low upfront price is enticing, hidden costs in the form of ongoing fees, additional modules or licensing costs, maintenance, and support expenses can escalate, straining budgets.
- Hidden costs and unforeseen expenses. Implementing the wrong DCIM software can lead to unexpected expenses. Integration costs, customization fees, additional modules, and unanticipated support costs can pile up, causing budget overruns that impact the organization's financial health.
- **Impact on budgets.** Unforeseen costs can make planning more difficult and potentially lead to budget overruns.

Operational Risks

- **Disruptions to business operations.** Insufficient and incompatible DCIM software can disrupt day-to-day operations, leading to downtime and reduced productivity. RFPs can lead to checkbox buying with little insight into completeness of capabilities and introduce flawed decision making. This can affect the entire organization, from the data center team to the IT and facilities teams and beyond.
- **Productivity losses.** Poorly chosen DCIM software can be difficult to use, requiring extensive training and leading to productivity losses as employees struggle to complete even their routine tasks. This loss in efficiency can hinder project timelines and reduce overall output.
- Impact on competitiveness and market positioning. Operational agility is key to staying competitive. A wrong choice in DCIM software can hamper responsiveness and innovation, leading to a loss of competitiveness and market share.

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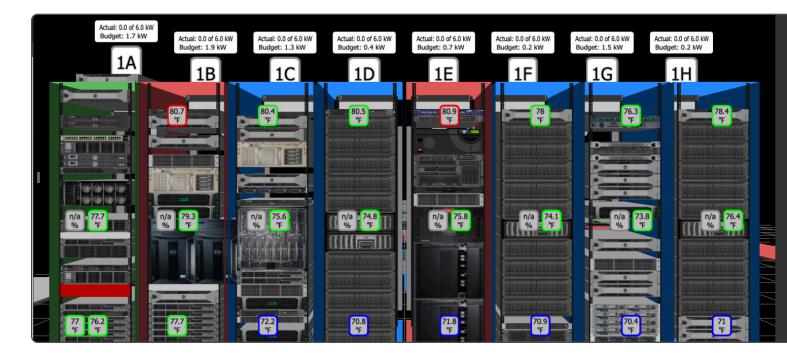
Risks involved in making the wrong choice (continued)

Reputational Risks

- Negative impact on customer relationships. Operational disruptions caused by inadequate DCIM software can lead to service outages or delays, resulting in dissatisfied customers. Negative experiences can damage long-standing customer relationships, impacting customer loyalty and trust.
- **Brand damage and trust erosion.** Repeated operational issues and inefficiencies can tarnish the brand's reputation. Trust erosion among customers and partners can take years to repair, impacting the organization's credibility.

Compliance and Security Risks

- Legal, ESG, and regulatory compliance issues. Inadequate DCIM software might fail to meet industryspecific compliance standards, leading to legal challenges and fines. Non-compliance can damage the organization's reputation and financial standing.
- Data security and privacy concerns. Security vulnerabilities within weaker DCIM software can expose sensitive information to breaches, posing serious risks. Data breaches not only incur financial losses but also result in legal consequences and reputational damage.





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