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Volume 19, Issue 2

## The Advantage of Managed Networking and Security in Uncertain Times

By: [Dennis Monner](#)

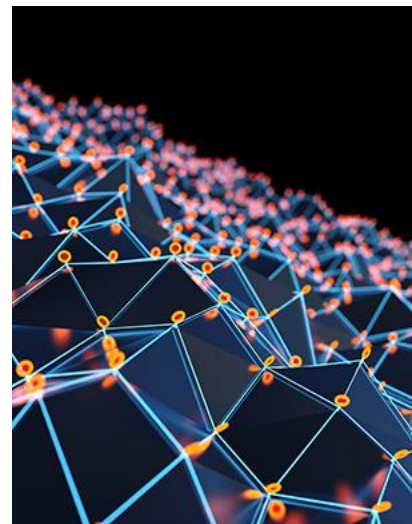
The economy continues to teeter on the brink of a recession with some experts believing we've already reached that point depending upon the geo. While gross domestic product has dropped the past two quarters—the traditional marker of a recession—a strong labor market and corporate earnings growth has delayed the label (figure 1 below).

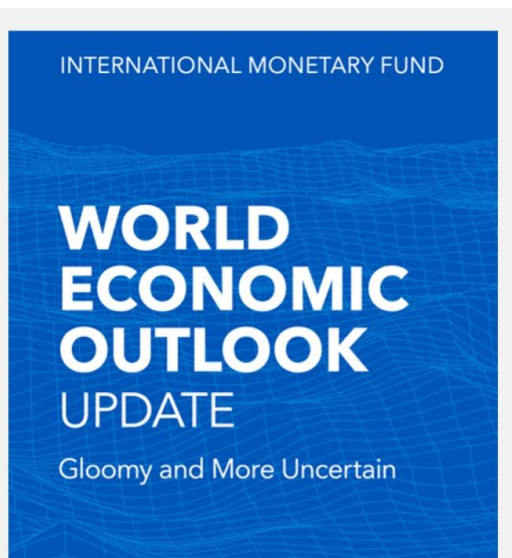
Recessions impact all corners of a business—and the information technology department is not exempt. Even the *threat* of a recession alone can dramatically impact how a company operates. Technology investments are likely to slow, or at the very least, stay flat. Business leaders take a more cautious approach to technology spending with a focus on an immediate return on investment as opposed to experimental solutions.

Maintaining IT, network, and security operations while limiting budget is challenging. Still, by making a proactive, concerted effort to break old habits and move away from long-term commitments with limited flexibility, chief information officers (CIOs) can ensure their organizations' IT strategies will thrive in any economic climate.

### Free your capital

The pandemic reinforced the inherent importance of enterprise flexibility. The ability to pivot on a dime, free workforces to collaborate remotely, and make stuff work in a world hamstrung by a





***“Several shocks have hit a world economy already weakened by the pandemic”***

*-IMF, 2022*

once-in-a-lifetime event separated the thrivers and survivors from the strugglers. The difference in many cases was refocusing on operational expenditure (OpEx) instead of capital expenditure (CapEx) to double down on the flexibility that comes with an informed approach to IT spending that matched the agility of technologies themselves.

Long-term, fixed-cost capital expenditures are the ropes binding the inflexible enterprise. It’s the ‘how we always did it’ syndrome, locking users into long-term commitments and inflexible enterprise dynamics.

While IT organizations have become comfortable migrating workloads to ‘pay per play’ cloud models, much of the network and security connecting those workloads still sits on the books as capital expenditures. In response, many CFOs are [shifting IT investments](#) from capital expenditures to operational expenditures, based on the reasoning

that OpEx is intended for fluctuating costs—for example, rapidly changing technology. Unfortunately, there is nothing static or permanent about the threat landscape or the dynamics of how users interact with their workloads.

## Reallocate existing funds

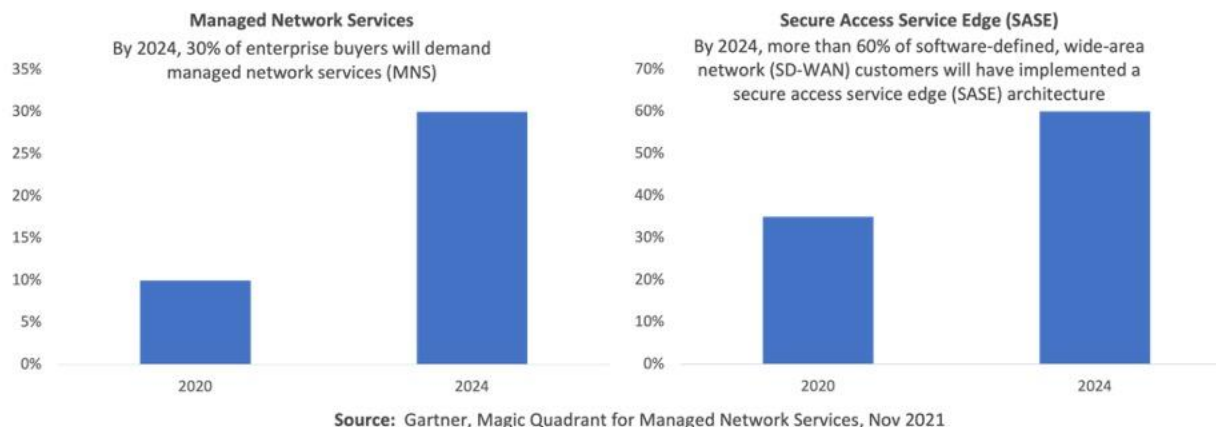
Recessions create a new financial reality for many businesses, but one that can also stimulate positive change. The Covid-19 pandemic forced many companies to pivot quickly, reallocating spending on remote technologies, communication platforms, and network security to keep their staff fully operational. In fact, businesses spent more than \$15 billion extra per week during the pandemic to support hybrid work, according to [KPMG](#).

Once faced with keeping operations running at almost any cost, CIOs must now revert to a more well-known mission: do more with less. For many technology leaders, that challenge presents true opportunity. As this [Wired](#) article from 2009 highlights, the Great Recession spurred large-scale investment in cloud computing.

This economic uncertainty can provide an opportunity to rely more on managed services, eliminating costly capital investments and staff hours needed to operate specific capabilities. It will also be a great reckoning of sorts as the bloated technology budgets seen during the pandemic will not need to return to normal but shrink even faster.

## Invest in managed networks

The past decade has seen continued investment in digital transformation and cloud applications, while the traditional network and location-based design architecture has remained a constant. With networks largely performing their function, the need for a managed network service was often pushed down the priority list.



Source: Gartner, Magic Quadrant for Managed Network Services, Nov 2021

**Figure 2: Gartner predictions on managed network services**  
[click to enlarge](#)

With hybrid work and employees requiring more flexibility than ever, however, network performance should serve as an asset, not a commodity. Enterprises want agility with networks that can quickly provision applications while providing security and observability. Managed networking allows an organization to outsource the monitoring and maintenance of its cloud and on-premises infrastructure. With a managed service offering, customers can leverage wide area and local area network connections, firewalls, network access, virtual machines, and around-the-clock support.

Just as organizations have turned to managed services for the cloud and key applications, the same can be done with networks with a similar benefit. While some CIOs may want ownership over their network, managed solutions can be a force multiplier that still uphold the necessary flexibility. When appropriately implemented, managed networks can offload operational complexities while adding the benefit of faster change management with higher responsiveness. Additionally, managed networks offer fast service delivery across all sites and users to enable enterprise IT to focus on meeting digital transformation. Managed networks also enable the workforce to remain productive no matter where they work or what application they use. Managed network services can significantly reduce costs and complexity, something needed as we head into the economic uncertainty of the winter. The approach works better with today's technology landscape, providing connectivity to hybrid and remote workers with charges typically based on a consumption model in contrast to legacy carrier and telcos.

## Keeping networks secure

Managed network capabilities provide enhanced service at a reduced cost with increased security. The leading providers can converge network and security components to optimize the

overall experience and exceed what organizations can build on their own (or, at the very least, at a lower price point).

This convergence of network and security can intertwine with enterprise sites and cloud workloads, ensuring the integrity of the larger network, as well as peak performance and security for modern enterprises.

The complexity of current networks has made maintaining visibility incredibly difficult. Technology leaders continue to spend more on solutions that provide the line of sight needed into these systems. However, the more complex these networks become, the more blind spots exist. This has been a growing problem that often leads to further investment without much new capability.

Managed networking takes over this security component. Doing so offers a wealth of packaged resources that would cost more if provisioned individually. As we head toward a recession, the ability to get more for less will be incredibly valuable.



## A shift in culture

The convergence of network and security as a managed service requires inherent trust. We've seen technology leaders hesitate when adopting new technologies, especially those that challenge their idea of control. While CIOs may have less overall control of their networks, they will have strong partners that can take over that aspect of their infrastructure.

In doing so, technology leaders can free themselves to handle their core responsibilities. They can step away from the blocking and tackling of traditional workflows and position themselves more as a leader and strategic thinker. This includes in-depth strategic planning, proprietary technology development, and customer service.

Recessions always pose a challenge. Uncertainty can cause some leaders to freeze, unsure of what steps to take in the face of mounting hurdles. As we enter this period, technology leaders

need to take bold steps and look for new ways to leverage technology resources. Managed networking provides an opportunity to lessen their spend and achieve greater capability.

As the economic outlook continues to evolve, now is the time to think about the role technology plays in an organization. What tools provide value and what seems to take up space? Leverage innovations and look for solid returns on investment. Doing so will help your company through a difficult time and position you as a leader that others in the company can depend on when times get rough.