

Midsize IT Playbook: Improving Organizational Efficiency and Profitability



A manufacturer goes from monthly to daily planning cycles, achieving record production levels. A healthcare company ditches a two-year digital transformation plan to launch e-health services in less than two weeks. An insurance company reduces time spent on servicing policies by a factor of 10 while tripling speed to market.

[These examples](#) from McKinsey & Company highlight the rapid pace of innovation driven by the COVID-19 pandemic in 2020. But they also show how greater efficiency drives profitability.

The need to increase operational efficiency was the #1 business goal cited by midsize companies (44%) in a recent survey by IDG for Cisco. Not incidentally, profitability was the #2 goal, cited by 40% of respondents. That's because efficiency often goes hand-in-hand with and [enables](#) profitability.



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At the same time, the survey showed that midsize companies face unique challenges in achieving those goals, from legacy systems to siloed data. Fortunately, midsize company leaders actually have the keys to increase efficiency and drive greater profitability.

One key that's especially critical in an era of increased work at home and distributed workforces: more efficient communication and faster decision-making enabled by modern collaboration tools.

Keeping Pace with Change

As employees work from home in greater numbers than ever before and companies embrace the new reality of a distributed workforce, the ability to communicate in real-time, for colleagues, partners, and customers, has never been more vital. And that means much more than just a basic phone call.

Pandemic-imposed lockdowns forced companies to enact more flexible, remote-work arrangements. For IT departments, that meant not only enabling employees to access emails, as was common before lockdowns, but also moving meetings en masse to video conference platforms and providing remote access to critical applications and data at a scale they hadn't attempted before.

Many of those who successfully fostered the capabilities they needed to get through the pandemic found themselves and their companies stronger than before. In other words, collaboration technology increased not only productivity and efficiency but also resiliency—resiliency to meet future challenges.

But the path to success is littered with pitfalls. Bottlenecks to efficiency include inadequate technologies that may be cheaper than the best offerings but that sap efficiency, thereby costing more in the longer run. And they include systems that take too long to set up, are too troublesome to use, and whose poor quality results in, for example, longer meetings spent struggling with collaboration tools such as video conferencing services.



Fortunately, strategic and thoughtful investments in software, mainly cloud services—which can quickly scale to meet shifting demand—can help.

Solving the Productivity Problem

Most midsize organizations (56%) plan to increase software investments to maintain or improve operations during challenging times, according to the IDG/Cisco survey. Increased investment in training came in next, cited by 41% of respondents, followed by hardware investments (40%). At the heart of these and other problem-solving investments: collaboration.

Many organizations found through the trials of 2020 that reducing travel and increasing remote collaboration can provide quicker paths to efficiency and profitability even in good times. Digital collaboration tools can also help companies to stay strong coming out of the pandemic.

That's because, even more important than saving money through reduced travel, digital collaboration speeds decision-making—something only 20% of global organizations do well, according to McKinsey.

Of course, that's only possible with secure collaboration channels—if, say, a video communication platform gives meeting participants confidence that what they say will stay in the room. In other words, if at any point video conferencing participants feel that they cannot securely share information over that platform, then it's useless.

Using secure collaboration tools, for example, engineers in a highly competitive manufacturing field can work together in a virtual environment without fear of industrial espionage, thanks to encryption and other safeguards.

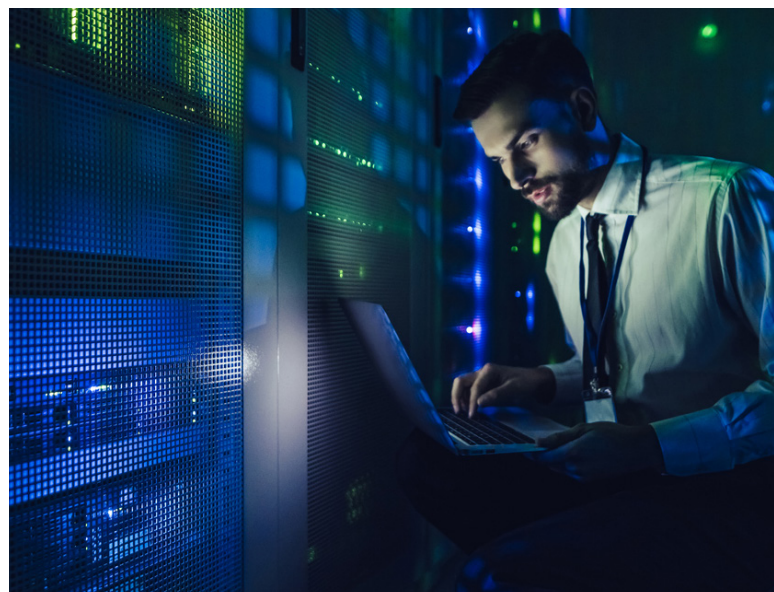
But providing the confidence-boosting level of security needed for a free flow of information is a task that may prove daunting to smaller IT departments. Sometimes such teams need help from specialists. And this can come in the form of a partner such as a managed service provider.

Next Steps

Even in an era when cloud deployments of critical business functions are the norm, midsize companies are still hobbled by legacy systems that make data difficult to access. Nearly half (49%) of midsize company leaders cite legacy and siloed systems as a top challenge holding them back, according to the IDG/Cisco study.

To get on the path to greater efficiency and productivity, consider the following five steps.

■ **Fill your resource gaps.** The IDG/Cisco survey found that 43% of companies with fewer than 1,000 employees also have fewer than 10 IT staffers. Trusted third-party partners can help fill the gap and become essential for midsize companies handicapped by smaller staff sizes. Accordingly, 41% of midsize companies expect third parties to handle technology implementations in the next 12 months, according to the survey.



■ **Integrate your tools.** Ideally, communications and collaboration tools are integrated. For example, a telephone system may integrate with an instant messaging platform, which integrates with a video conferencing solution. Suppose you need to go to video during a telephone call, and you have to drop off the call to launch a separate video platform. Or you need to send a private instant message to someone on the call, and you have to reach for another device. In those cases, you're creating friction that saps productivity. Instead, the ability to escalate a voice call to a video call or send an instant message or share files—all on the same platform—smooths communication and collaboration. This, in turn, leads to that all-important faster decision-making process to drive profitability.

■ **Get in the cloud.** Cloud services and SaaS solutions provide capabilities that in-house teams—particularly at smaller enterprises—would be hard-pressed to put together themselves. A cloud-based delivery model also provides the scale needed to adapt to change and build resiliency.

Need to get 200 users at a midsize company on board with a full collaboration platform tomorrow? No problem if it's on the cloud. If, on the other hand, you need to buy servers, build your collaboration platform, put it all together, and test it until it's ready, you may be several months away from your goal. And during that time, business opportunities may pass you by.

Cloud services also provide a continuous evolution of services. Applications running in-house require installation and then constant upgrades. On the other hand, cloud applications get automatically upgraded when users log in, always giving them the latest and the greatest features.

- **Make security the priority.** Most midsize company leaders surveyed by IDG and Cisco (51%) named improved data security as the top perceived benefit of their Software-as-a-Service (SaaS) investments.

That's a shift from even a few years ago, when a typical line of thought was, "As long as I keep it on my premises, it's secure." In reality, cloud applications can provide the same—or even more robust—security than on-premises systems. That's because large cloud providers offer security at a scale that smaller companies may not be able to match. These days, with cloud solutions, a small business may have access to the same level of security as the largest bank.

Security also takes in the concept of data sovereignty, in which regulations require data to stay within a particular country. Controls in place at top-tier providers with regional data centers can stop data from getting out of that region to ensure compliance with data sovereignty regulations.



- **Upgrade hardware.** Finally, even though cloud models significantly reduce hardware requirements, successful midsize company leaders don't forget that on-premises hardware provides access to cloud services. You do need high-quality access points—even for remote workers—that will provide the kind of reliable, secure, high-bandwidth, low-latency WiFi that allows collaborators to connect to even the most demanding video conferencing tools.

The Bottom Line

Now more than ever, midsize companies are pressed to increase efficiencies that drive profitability. A newly distributed workforce, rapidly changing market conditions, and legacy systems with siloed data present difficult challenges, particularly for midsize companies without larger enterprises' resources. Efficient, high-quality digital collaboration represents part of the answer, and digital tools provide crucial capabilities.

Explore how the cloud can do more to drive profitability at your organization. Visit Cisco's [Midsize Business Solutions](#).