

Hitachi's David Merrill: 85% Reduction in Support & IT Budgets by 2026



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Speaking to Computer Business Review, [Hitachi Data Systems chief economist Dave Merrill has made some startling predictions about the future of IT](#). Starting with the fairly obvious, Merrill points out that to meet the increased demand for resources, businesses will need to create new IT architectures in order to deliver new cost and value models.

More surprising though was Merrill's belief that despite increased reliance on IT, CIOs would be expected to deliver all of these improvements at just 15% of their current budget by 2021. He suggests that these new economies will be essential if businesses are going to manage the vast resource demands of IoT and M2M in future.

Preparing for the future with third party Hitachi Data Systems support

Tellingly, Merrill's projections call for a reduction in management labor and maintenance costs from which many of the largest savings will be made. However, any OEM customer knows that support and maintenance are a large part of their ongoing costs.

Short or long term, the only way to immediately reduce support and maintenance costs will be to outsource responsibility for both – and not to the OEM. [Third party HDS support costs](#) can be as much as 70% below those of the

OEM direct, helping in part to achieve Merrill's seemingly unattainable budget reductions.

Building infrastructure with existing HDS assets

The construction of new infrastructure to support the future needs of your business does not necessarily require new investment either. A flexible future-proof platform can be built using existing [HDS](#) (and other vendor) assets forming an Open Stack datacentre. More importantly still, even post warranty HDS hardware can be pushed back into service, further reducing IT costs and helping to deal with the one variable Merrill doesn't see reducing significantly – depreciation.

Balancing the need for increased computing power and storage capacity with a brutally reduced budget will give CIOs a headache for many years to come. However intelligent use of existing resources can help businesses achieve significant saving and build for the IoT future.

To learn more about reusing existing post warranty assets, or reducing costs with third party HDS support, please [get in touch](#).