

BUYING THE RIGHT CONFIGURATION

In today's dynamic network marketplace, one of the most tedious customer challenges is designing and implementing the right hardware solution at the right time. Today's network managers are faced with the decision of which configuration is necessary today while predicting what the network will need to look like in six, twelve, or even, eighteen months in the future. Many times the manufacturer or reseller representative will err on the side of supplying more-than-adequate throughput and 'over-configure' switches to meet the potential needs of the network rather than to satisfy the current requirements. Users must take into account there is a real cost of buying more – not just in dollars, but in acquiring technology that may be too advanced for the current infrastructure – a classic mismatch of desire and need.

Today, most network devices are modular in design which means that they are easy to upgrade in place and do not require a chassis replacement or much network downtime. In other words, the architecture itself rewards buying 'just-in-time technology' both in terms of productiveness and cost. N-1 Technologies, an independent strategic sourcing expert, is the perfect partner to consult with before committing to an expensive, and potentially unnecessary, technology solution.

While buying the latest and greatest technology has its advantages, there do exist identifiable disadvantages:

1) Capacity. Matching need with desire. We advise customers to consider internal infrastructure demands while managing the manufacturers' tendency to oversell capacity. Most times it is more economical to acquire assets 'just-in-time' than to have unused capacity sitting idle.

2) Technology Revisions. Manufacturers may have several revisions to a major product announcement before the hardware is considered technologically sound.

3) Cost. Unlike other commodity markets, network technology rarely appreciates. Acquiring sufficient technology, at the right time, tends to be the most cost efficient way to navigate the technology price curve. We support this strategy with the supply of new, or one-back, technology upgrades that save users money while never sacrificing capacity.

For example, when our customers look at installing a multi-layer modular switch, like the Catalyst 6500, we make sure they understand the available options. Today, most 6500 configurations include the Supervisor Engine 720. This engine, even with an aggressive discount from the manufacturer will cost \$18,000 - \$19,000 (new). If a customer is not planning on enabling 4/Port 10GE and 48/Port 10/100/1000 density line cards at this time (and in most cases their environment cannot support it yet anyway) we advise them to delay this acquisition (as overcapacity) and avoid the 'high' (today's) market cost. Alternatively, we suggest our customers to consider a WS-X6K-S2-MSFC2 card - an older generation SUP engine that costs \$9,000. The idea is to save \$10,000 per card today and while deferring to upgrade the switch when a SUP 720 is necessary. When the requirement for the SUP 720 is realized, the strategy then is to upgrade the installed MSFC2 card for a 720 at a market cost that will significantly less than the original quote of \$19,000. Once you factor the trade-in credit for the WS-X6K-S2-MSFC2 card being swapped out, the user will have saved a great deal of money. This concept applies to all features across the 6500. It is possible to reduce the cost of the configuration by 50% - 60% by matching today's need with available product/capacity. Again, these machines are easy to upgrade in place which is really what makes this efficient.

N-1 Technologies makes a practice out of managing to the manufacturers trends on product announcements, the time it takes for the technology to be proven as well as the historical marketprice deviations. Our Product Introduction Frequency (PIF) is an index that N-1 uses to help our customers view the past and current markets as well as to confidently predict future pricing and trends. We have been tracking manufacturer's product trends for over 25 years in order to advise our customers on the technological and pricing lifecycles of their IT assets.

In order to insure that your next acquisition is the right market decision, give N-1 Technologies a call – we want to help you maximize your network hardware investments.