

The case of the missing Gigabytes

Ken Jorgensen, Director of IT at Consultmanagers, a 1,200-employee research and management consulting company, was pondering what to do. On his screen was an email from Eric Armstrong, a senior researcher with the company. Eric was a very demanding personal IT user and former head of IT, who continually challenged the IT department to provide new and better services. However, he was also a great friend of the IT department, always ready to defend them in business discussions and an important discussion partner when it came to IT strategy.

The email said:

From: eric@consultmanagers.com
To: kenj@consultmanagers.com
Date: Dec 17 2001
CC: ceo@consultmanagers.com
Subject: Disk space

Ken,

I have a problem with your disk space policy, which I think you should do something about as soon as possible. For about 6 months now, I have been backing up portions of my laptop's hard drive, about 1.6Gb, to my personal space on the file server. Now I have been told by the customer service desk that disk space is limited to 50Mb for every user of the server. But I change more than 50Mb worth of data every day (databases, large presentations and such.) Rather than giving me the disk space, they are offering me to do backups to CDs now and then.

Here is a little calculation I think you will find interesting:

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| Price 100G disk (WD Caviar, on the Internet, tax included) | \$230.00 |
| Price per Gb | 2.30 |
| Price for 2G for Eric | 4.60 |
| Eric's base salary | 100,000.00 |
| Price per minute of Eric's scheduled work time | 0.59 |
| Time Eric must save per year to pay for disk space: | 3 min 55 seconds |

With 2Gb of disk space I can do my daily backup simply (using an automated script), in the background, meaning I can do other things while the backup is going. I can restore files immediately, without bothering IT. The official solution, with CDs, is more expensive, takes longer and is more cumbersome, meaning it would be done less frequently. A disk or machine failure or a lost laptop is then not just a question of lost time and money, but also lost work and perhaps important content.

So, I suggest we buy more disk space to save both money and hassle. This will make the technology something we deal with a tool, something to be taken for granted. The current policy is optimizing technology investments that are to insignificant to optimize. If not, I will have to buy a second disk drive or PC for my office (I already have one for my home office,) clearly a case of sub-optimization.

Hope you have a great Christmas holiday - see you in January.

Eric

Ken leaned back and watched the falling snow outside his office window. Eric had a point – but he also had a budget to meet. How should he address the issue?

Associate Professor Espen Andersen of The Norwegian School of Management prepared this case as the basis for class discussion rather than to illustrate either effective or ineffective handling of an administrative situation. Copyright © 2002 Espen Andersen. May be freely used for teaching purposes as long as this notice is not removed.