Three Mistakes IT Makes
That Could Cost Your Organization Millions

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It's an understatement to say that IT departments are busy. From maintenance to troubleshooting, managing ongoing projects and overseeing resolutions on outages or system failures, there's often little time for future project planning. However, when details get lost in the shuffle, that's when costly mistakes happen. These mistakes can carry a heavy price tag, affecting your personal reputation and that of your organization. What's worse is that these aren't your "I spilled my coffee on a server" moments. These are systematic failings that many IT organizations make—often needlessly.

## IS YOUR GROWING DATA A GROWING PROBLEM?

Your data is the lifeblood of your organization. In the information economy, a growing business means an increasing amount of data is transferred between your employees, customers, business partners and vendors. Issues start to arise when your file transfer infrastructure fails to scale with the growing needs of your business. Maybe you have been relying on a legacy system like an FTP server to transfer data, antiquated homegrown scripts, an ineffective file sync and share solution or a combination of the three to move your data. However you could be making the following mistakes with your file transfer infrastructure that could cost your organization millions.

MISTAKE #1: LEAVING LEGACY SYSTEMS IN PLACE

Issues stemming from legacy applications are one of the most difficult issues IT pros face today. Digital business initiatives have increased the need to exchange critical data across widespread, disparate systems. Yet fifty-seven percent of organizations are using gateway technology that's more than 5 years old (Ovum Research). Legacy systems have a number of issues associated with them, including:

- The application uses outdated or obsolete technology or best practices

- Incomplete or sometimes no documentation, and the accuracy and currency of the documentation that does exist is suspect, leaving the IT team in the dark

- Skill sets needed to work with the older technology are no longer available

- The original developers are no longer working on the IT team or with the company

- Many different developers over the years have used different approaches, making the system less than reliable

A rip-and-replace approach can be expensive and interrupt everyday business. Meanwhile, the impact of legacy software or systems can have a ripple effect across the organization, causing poor or delayed transfers of sensitive, mission-critical data. These outdated solutions can also cause a business to default on service level agreements (SLAs) that might be directly tied to work with customers or partners. Worse yet, an old application could create unnecessary vulnerabilities for your entire network. For instance, an old application in a dark corner of your organization may not have been updated in years, leaving a glaring opportunity for malicious actors to take advantage of an IT network.

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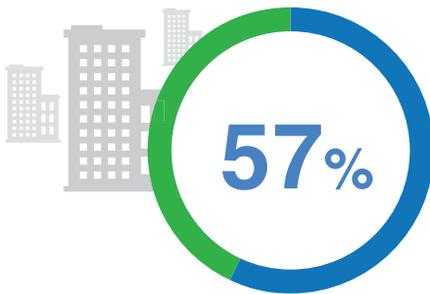
57% of organizations use gateway technology that's more than 5 years old

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WHAT IS THE COST TO YOUR ORGANIZATION?

The added costs that often accompany legacy systems are staggering. By some estimates, legacy systems are costing organizations 10-15 percent more per year, just for maintenance alone. (Robinson, 2015) While, some government agencies are spending 79 percent of their IT budget, or an average of $62 billion annually, just to keep these systems running. (Lauri, 2013)

Seventy-seven percent of organizations say that data exchange failures would have a critical business impact, including missing SLAs and major loss of revenue. Yet, for something so important, a surprising number of organizations are littered with non-compliant and rogue data exchange solutions, making the environment ripe for failed data transactions. Often, administrators that manage legacy infrastructures have limited visibility and control over how company data is being exchanged.

REMEDY: REPLACE LEGACY SYSTEMS WITH QUALITY MANAGED FILE TRANSFER PLATFORM

With the growing complexity of these file transfer systems, the do-it-yourself approach to integrating MFT systems is no longer as feasible as it once was. Seventy-five percent of IT managers feel that IT projects, such as these, are doomed to fail—and it's not because the buyer made a bad product decision – it's because the game has changed, albeit ever so slightly. Unclear goals within your organization, complex integration requirements and unresponsive vendors can push your project off-course, over-time and over-budget. No wonder IT admins are hesitant to stay with the status quo, no matter how brittle and unresponsive it is.

There is a light at the end of the tunnel, however.

A growing class of MFT providers have acknowledged the new reality of projects such as these, and have developed products and services accordingly. With the need for a customized solution and increasing knowledge of a growing list of compliance requirements, and the increasing need for agility that organizations place on their IT staff, vendors have realized that the importance of service expertise is growing.

MISTAKE #2: USING THE WRONG TOOLS FOR THE JOB

The tools you use quickly become the backbone of any successful modern business strategy. Paired with the right team, great business tools will help your company reach its full potential. However, relying on the wrong tools will make it impossible for you to enhance internal productivity and increase ROI. If your tools do not deliver what you need, this is the price you will really pay.

IT departments are busy, and your team is pulled in many directions. There's no question your team is working hard. But are they working smart?

The cost of not having the correct tools in place can set your team back significantly. Consider the time saving benefits of automation for manual business processes. Your team could be wasting hundreds of hours on manual business processes and making costly mistakes that wouldn't otherwise happen if you could automate some of these processes. This is where the true cost comes into play. It would be a shame if you have the great team and the great strategy, but your department misses goals or doesn't see the possible returns, because you don't have the correct tools in place.

75%
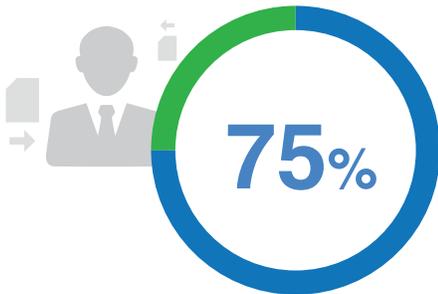
75% of IT managers feel that DIY MFT systems are doomed to fail

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It's no wonder that fifty-four percent of organizations have project over-runs in time, dollars, and unforeseen fixes. Its situations like these that jeopardize your reputation and that of your department.

A recent study found that having the wrong tools in place in the organization caused a drain on IT resources, distracted IT staff from strategic projects, and damaged a company's brand or reputation. (Fadilpasic, 2016) These issues aren't going away any time soon. Analyst firm IDC estimates that every 18 months, the amount of information in the world doubles. (Woollacott, 2009)Do you have the tools in place to handle this information glut in your enterprise? Or is your team going to be swallowed whole by provisioning user profiles and transferring the increasing volume of data your enterprise needs to do business?

These are critical questions you need to ask yourself to determine if a change is in order.

REMEDY: ASSESS YOUR FILE TRANSFER NEEDS AND UNDERSTAND WHAT CAN MAKE YOUR LIFE EASIER

It certainly seems strange that you or your team wouldn't have the correct tools in place, but as your organization grows, the way you had been doing things may not cut it anymore. For your department to handle new demands placed on it by the increase in data, tasks, and new business requirements you need to put the correct tools in place.

Here are 5 tips for helping you understand which tools you need for your department.

① Do an Activity Audit of Your Team's Tasks

You know your team is busy, but what are they spending the most time on? If they are working on strategic projects, you are in good shape. If they are working on mindless tasks like fielding ad hoc file transfer requests, an audit of activities can help you figure out what is holding them back. Asking them to keep a spreadsheet of their activities is a good way to start. Odds are, they have been frustrated that they've been spinning their wheels.

② Automate Manual Tasks

Does your department spend time on the same tasks over and over again? Maybe you have batches of files that come in at the same time every week? Does your HR department send payroll data or reports at the same time every week? Or does your marketing department regularly receives analytics reports? Automating these tasks can remove the element of human error, and remove the burden from your department. Should you create a script for this task? You definitely can, however, who is going to maintain this customization? This is how your department, two to five years down the line ends up with issues when no one has maintained the process over time. MFT software with robust automation capabilities can help you create seamless business process workflows.

③ Increase Visibility of Transfers

Another complaint we hear time and time again is that if a file transfer is unsuccessful, they have little or no visibility over which transfer failed, where, or why.

In fact, they may not know there was a problem at all, until a customer or business partner brings it to their attention.

At that point, it may be too late and your organization may have violated an SLA in place.

A good managed file transfer solution will have advanced visibility and logging tools in place to help you track down problems when they occur and correct it.

④ Distribute Authority

One of the most common issues IT departments have is frequent interruptions from business users. They may have a file transfer that needs to be made or a transfer account that needs to be provisioned for a vendor, business partner or customer. These requests come up often, urgently, and without warning. The constant sense of urgency can quickly throw some of your team members into a fire drill.

If your admin isn't available at the moment, business users may be conditioned to look for their own solutions, which is one of the reasons Shadow IT crops up in enterprise environments.

One method to alleviate this issue is to give end users the tools and authority to do these tasks on their own. While it's still important for IT to maintain central control and visibility over these tasks, the robust and granular access controls can give your IT team the power to delegate some responsibilities to users, who appreciate the self-sufficiency and self-service capabilities that a solution like this would provide.

MISTAKE #3: LETTING COMPLIANCE SLIP BY THE WAYSIDE

Those working in highly regulated industries like healthcare and financial services know all too well the hoops organizations must jump through to maintain compliance. Ensuring your organization is compliant can be an expensive and time consuming process.

Do you know what's more expensive? Not complying with industry regulations.

A study by the Ponemon Institute showed that **non-compliance costs organizations more than 2.66 times that of the costs of maintaining compliance.** (Ponemon Institute, 2011) What accounts for this difference?

The cost of a breach. The study showed that the average cost of non-compliance was $9.9 million dollars and this didn't account for indirect costs such as incarceration of executives, loss of shareholder confidence, and damage to the organization's reputation.

Negligence or maleficence isn't always to blame. As it turns out, ignorance may play a factor.

A recent survey showed that 95% of individuals polled didn't feel that they fully understand the obligations placed on them by various compliance regulations. (ShredIT) This isn't necessarily a surprise. The documentation outlining compliance is notoriously long and complicated.

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Add that to the fact that regulatory statutes are updated frequently as governing bodies try to get a hold of current privacy and legal issues, and the regulatory landscape may seem like shifting sand in the desert.

You may have FTP servers that you didn't know existed because they are shadow solutions departments use to transfer files occasionally. If someone is unknowingly sending protected information outside the scope of your secure and compliant system, your job could be at risk and your organization could face a hefty fine.

REMEDY: PARTNER WITH ORGANIZATIONS WITH THE TOOLS AND EXPERTISE TO REINFORCE COMPLIANCE WITHIN YOUR ORGANIZATION

In highly regulated industries, it's important to not just choose a vendor but a partner that can help your team implement a secure, user-friendly, and compliant solution for your organization. File sharing is more than just moving data from Point A to Point B—it's making sure that sensitive information stays secure without hindering employee productivity, and that organizations remain compliant when moving confidential files.

An ideal MFT vendor will offer expertise about meeting compliance mandates and the MFT solution itself can include a number of security measures, including encryption to prevent any unauthorized viewing of protected information, robust compliance controls, and audit logging.

A good MFT solution rises head and shoulders above merely transferring data.

CONCLUSION

The mistakes discussed above seem simple on the surface, but difficult to entirely eliminate within organizations for one reason or another. In all likelihood, you may see shades of your organization or department in this whitepaper. The most important thing you can do is act. Put together an action plan today to solve some of these issues in your organization. A key part of this should be to find an MFT vendor to partner with to find a solution.

Globalscape is a pioneer in the reliable exchange of mission-critical business data and intellectual property. Globalscape's leading enterprise suite of solutions delivers military-proven security for achieving best-in-class control and visibility of data across multiple locations. Founded in 1996, Globalscape's software and services are trusted by tens of thousands of customers worldwide, including global enterprises, governments, and small and medium enterprises.

Our highly-trained and skilled, in-house support from our North American headquarters and our skilled professional services staff help create a 360-degree solution for our customers. Our customers tell us that it's this intelligence, attention to detail and personal care, wrapped around a world-class solution that makes them customers for life.

Contact a Globalscape representative for a consultation to learn how you can correct these issues in your organization.

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Globalscape enables businesses around the globe to unleash the power of their data. As a leader in secure information exchange and a data integration innovator, Globalscape's powerful yet intuitive platform, reliable support and dedication to solving even the most complex of data challenges help organizations accelerate their digital business transformation.

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