

# FROM CIO TO 'CI-KNOW'

WHY THE EASTERN BLOC AND WILD WEST SERVICE MODELS  
DON'T HIT THE MARK

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# A MACQUARIE TELECOM DISCUSSION PAPER

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THE CI-KNOW IS TAKING  
INCREASING CONTROL  
OVER THE DESIGN,  
IMPLEMENTATION AND  
DELIVERY OF THEIR  
INFRASTRUCTURE.

## AN EMERGING TREND IN IT SERVICE DELIVERY

Today's Chief Information Officer is no longer just a CIO. Introducing the rise of what we at Macquarie Telecom like to call the 'CI-Know'.

CI-Know-level professionals have higher awareness and deeper understanding of the options available to them – and they're taking increasing control over the development, implementation and delivery of their infrastructure, as well as engaging with vendors much later in the buyer's journey.

This paper looks at the emerging trend of the CI-Know, and examines how now more than ever, there's a need for IT infrastructure services that support the evolving needs of today's high-level IT professionals.

## THE RISE OF THE CI-KNOW

With IT being increasingly managed and influenced by other business areas like Marketing and Operations, our IT leaders have had to make great efforts to retain ownership and control of certain IT functions, while also being required to work in greater alignment with related business areas to achieve common goals.

IT leaders now have a much clearer view than ever before of what they want from their infrastructure – and in this information-rich age, they're able to draw on a vast swathe of research, data and guidance to help them make IT-related decisions, even before they engage with a vendor.

Armed with these new levels of knowledge, the CI-Know is taking increasing control over the design, implementation and delivery of their infrastructure. Often creating their own technical solutions, the CI-Know is no longer working from the ground up – and their requirements don't easily conform to the two main service models generally offered within the Australian market.

Based on this shift, it's clear that our IT professionals are increasingly looking to partner with an organisation like ours – namely, a provider who can give them the high levels of support, flexibility and control that they need, based on their new working practices, knowledge levels and business requirements.

Incidentally, this new trend not only changes the desired requirements for infrastructure service models. It also presents its own set of challenges for the many companies who have adopted the Challenger Sales Model – which we'll be discussing in more detail within future papers.

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MID-MARKET AUSTRALIAN BUSINESSES ARE SIMPLY NOT BIG ENOUGH TO TAKE THE *EASTERN BLOC* ROUTE – NOR DO THEY HAVE THE STAFF OR BUDGET TO MANAGE A GO-IT-ALONE APPROACH OFFERED BY THE *WILD WEST* SERVICE MODEL

## AUSTRALIA'S CURRENT INFRASTRUCTURE SERVICE MODELS

Right now, there are two main service models available to support Australian companies building their IT infrastructure. We call them the Eastern Bloc and the Wild West.

### The Eastern Bloc service model

This approach is typified by vendor-designed, built and managed solutions from the likes of Telstra, Optus, IBM and HP. Yet the 'Eastern Bloc' service model is an often expensive, inflexible, 'cookie-cutter' approach that denies a CIO much in the way of flexibility or control.

### The Wild West service model

The alternative is to go it alone, with a self-designed 'mix and match' solution pieced together from individual elements, and provided by companies like Amazon Web Services, Next DC and Rackspace. This 'Wild West' approach places the onus very much on the customer to design, build and manage a solution on their own, with varying degrees of support.

For CI-Knows, neither of these models is a very compelling option – and because they're invariably designed to cater for the very different US and European IT markets, they lack the choice, flexibility, value and control needed to complement Australia's unique business environment.

In fact, these two models are inherently unable to offer the right blend of flexibility, value and support needed by CI-Knows in today's climate.

## HOW IS THE AUSTRALIAN MARKET DIFFERENT?

The Eastern Bloc and Wild West business models exist because vendors have studied what's working in the US and Europe, and then rolled out the same models within Australia, hoping that they'll be as successful here.

Yet our unique geography, our population size and our varying skill-sets aren't compatible with foreign business models like these. We lack the large numbers and the standardised practices that suit a 'one-size fits all' approach – and with disparate levels of IT skills across the industry, the 'mix-and-match' solution is just as problematic for many businesses.

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“OVERSEAS BUSINESS MODELS CANNOT COMPETE IN THIS SPACE. THEIR SERVICE AND SUPPORT STRUCTURE DOESN'T SUPPORT THE HIGH-TOUCH MODEL THAT THE CUSTOMER DESPERATELY WANTS.”  
LUKE CLIFTON,  
COMMSDAY.COM

Essentially, mid-market Australian businesses are just not big enough to take the Eastern Bloc route, nor do they have the staff or budget to manage a go-it-alone approach offered by the Wild West service model. Instead, our IT leaders need a supplier who can work with them to support their unique requirements, rather than forcing them into a pre-designed solution, or selling them the warehouse space, and then leaving them to build and manage it alone.

## HOW ARE CI-KNOWS INFLUENCING THE SERVICE DELIVERY MODEL?

CI-Knows demand value for money and flexibility, with the scope for additional support in certain areas, should they need it. What they're really looking for is an extension to their existing IT team, and a service model that enables them to, for instance, speak to an in-house technical engineer rather than an offshore call centre, or the choice to combine different voice or data networks into one solution together with a set of online tools that offer greater visibility and control across the entire environment.

## SUPPORTING THE CI-KNOW TREND

Here's where Macquarie Telecom's IT service model stands apart from the rest. We provide all the expertise required, along with the choice, flexibility and control that CI-Knows demand, along with a high level of in-house customer support, available whenever they need it.

We see this as the future of tech – and we're building our service model to fully support today's CI-Knows in delivering tomorrow's standard of IT services to the Australian market.

For more information please visit [macquarietelecom.com](http://macquarietelecom.com) or phone our expert consultants on 1800 004 943.

