COVID-19 Response: Critical IT Business Decisions

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As a result of the business disruption caused by COVID-19, executives are quickly evaluating fixed and variable overhead, while looking for areas to trim expenses. Cutting IT spend will be an obvious focus area for many companies, but careful consideration is needed to avoid unintended consequences.

As you consider reducing IT spend across your portfolio, we suggest you review the following considerations:

1. **Before missing payments to cloud or managed service providers, ensure you understand the provider's right to withhold access to your data via their cloud application.**

   Suggested actions:

   - Review contracts to ensure you understand terms and conditions
   - Contact the provider to negotiate a win-win (call TriVista if you would like assistance)
   - Conduct service cost/cash flow analysis to determine whether migration to on –premise solution is valuable

2. **Before discontinuing use of any specific systems (such as ERP, HCM, EHS, etc.) understand regulatory requirements for historical data retention and ensure you have access for the required length of time.**

   Suggested actions:

   - Review any required data retention policies for industry and market, or specific customers or government agencies
   - Contact service providers for ability to access historical data and negotiate as necessary for future access (call TriVista for help on this)

3. **Before discontinuing key IT services, explore the ability to lower cost by downgrading licenses.**

   Suggested actions:

- Create a license inventory and cost database, if not already in place
- Identify license downgrades that will not result in tangible negative impact to the business
- Contact the provider to negotiate a win-win (call TriVista if you would like assistance)
- Consider other vendors and online offerings

4. **Before selling IT assets that house data such as PCs and servers, know that wiping a drive does not fully delete data. Exposure of sensitive company and employee data could result in legal issues or business exposure.**

   Suggested actions:

   - Complete an inventory of all IT assets that house data
   - Identify any sensitive and confidential data resident in each asset
   - Identify value of top-grade data removal versus retaining or destroying and writing off the asset

5. **Before letting go of specific knowledgeable resources, ensure that customized applications can be supported in the future.**

   Suggested actions:

   - Identify all custom applications and determine if they will be needed in the future
   - Identify key individuals who have specific knowledge to support the custom applications
   - Ensure ability to retain resources when needed in the future
   - Review need for reinstating custom applications for any resuming business processes and ensure availability of support resources

Contact Us

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About TriVista

TriVista is an operations, supply chain, and IT consulting firm that provides operational due diligence to private equity firms, and performance improvement support to operating companies. As private equity's leading operational advisory firm, we've partnered with the world's top investors and executive leadership teams to transform businesses and drive enterprise value. Learn more at http://trivista.com.