

## the green monster

**5** Today *green* is everywhere, in the mouths of marketers and the minds of CEOs. Here's how to tame the environmental beast.

**10** A Virtualization Starter Kit

**12** The Real Niel: A CIO's View of Green IT

plus:

**GADGET GRIEF!**

**18** Managing the Shrinking Work/Play Divide

**20** When Your CEO Wants an iPhone

**22** Should You Ban Texting?

June/July 2008  
Volume 1



# Back in the Saddle

**TO ALL OUR** *CIO Decisions* magazine subscribers and new members: Hello (again).

I am thrilled to be rejoining you and connecting our midmarket community of IT executives with this new rendition of the magazine, a product we call an ezine. It's a publication that's designed like a print magazine: a highly readable, page-turning experience, delivered via pdf rather than paper (unless you print it out, which is always easy to do). And like our former print self and our websites, it focuses on the technology and management issues of most concern to all of you who work day after day to drive value, innovation and your business. You'll find us in your inbox six times a year, with each edition focused on two key topics.

The first of those topics this month is green IT. Like us, you've probably heard way too much about it by now, given that every vendor has tailored its marketing message to that mantra. Hence, our lead story casts a skeptical eye on anything green, though the rest of the package highlights what you need to know about power consumption, server virtualization and outfitting data centers to make the most of the new technologies. Whether "green" is a goal or a

side benefit of efficient, cost-saving moves, its ubiquity earned it the moniker here of "Green Monster" (and no, that's not just because I'm from Boston!).

Also in this issue, you'll learn how your peers are handling the cries from the peanut gallery (er... executive suite) for iPhones, Chocolates, Moto Qs, BlackJacks or any device the company doesn't supply that they think it should. Consumer technology may be the bane of IT's existence, but it's also here to stay. It's up to you to figure out what that means for your organization. ■

**ANNE MCCRORY**

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**EDITOR'S  
LETTER**

**PART 1:  
THE GREEN  
MONSTER**

**PART 2:  
GADGET  
GOTCHAS**



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# the green monster

Today *green* is everywhere, in the mouths of marketers and the minds of CEOs (not to mention all over the media). Here's a practical guide to what you need to know to get started and tame the energy conservation/environmental beast.

## inside:

- 5** Beware the Green IT Pitch
- 6** Quick Steps to Reducing Your Power Footprint
- 9** Greenfield Projects Abound
- 10** Getting Started with Virtualization
- 12** A CIO's View of Green IT
- 14** The Dangers of Computer Recycling
- 15** Disposal Checklist



# Beware the Green IT Pitch

Marketers are all over the energy conservation trend. Here's how to see if they are for real.

BY ZACH CHURCH

**SO MANY PRODUCT** pitches. So many shades of green.

Whether it's to cut the energy bill, expand capacity or improve corporate responsibility, CIOs are considering "green" when making purchasing decisions.

And marketers know it. Better-known green technologies, such as collaboration software and virtualized servers, continue to sell well and are becoming more prevalent in the workplace.

But CIOs are seeing green sales pitches on all types of products, including those that were traditionally thought of as out of reach for most midmarket companies, such as videoconferencing equipment, says Christopher Mines, senior vice president at Cambridge, Mass.-based Forrester Research Inc.

Thus the need to separate the truly green products from those along for the marketing ride, a concept now earning the moniker [greenwashing](#). And until there is a standard to measure energy efficiency in the data center, CIOs will just have to ask questions and use common sense.

"I think in this case, much of what is being promoted as green or energy

reducing or energy efficient ... is being promoted by marketing people taking the same products, in many cases, and suddenly marketing as 'Well, this will help,'" says Robert McFarlane, principal data center consultant at New York-based Shen Milsom & Wilke Inc. "Of course some of them may, some of them do."

Mines agrees: "Some kind of anonymous product is just newly tied up with a green ribbon around it. That's what creates the risk for the entire industry: Folks that are just jumping on the bandwagon here."

## THE RIGHT STUFF

McFarlane says senior IT managers are growing to accept and even pay a bit more for energy-saving products, sometimes on instruction from their CEOs. But he adds that many data centers already have the right equipment that will help them save energy. IT just needs to configure it differently.

"If we just apply the products we have correctly, use them correctly, design and operate them correctly, we can save a lot of energy right off the top," McFarlane says.

EDITOR'S  
LETTER

PART 1:  
THE GREEN  
MONSTER

PART 2:  
GADGET  
GOTCHAS





But in many cases, IT staff members don't want to configure a green data center, be it because of concerns about server performance or a lack of incentive, if their energy bill isn't paid out of the IT budget.

Mines, in a recent report, says

thin-client and videoconferencing tools are two technologies that may see a "nudge" as energy conservation becomes a factor in IT purchasing decisions. He emphasized in an interview that he isn't predicting massive success.

## 5 Steps to Reducing Your Power Footprint

**OPTIMIZING YOUR DATA** center to reduce power costs starts with some basic moves, including the following:

**1. Turn off unused servers.** First run through your asset database; if you find servers that don't belong to anyone or seem to be running nothing besides an operating system, turn them off. At two companies he studied, Mark A. Monroe, director of sustainable computing at Sun Microsystems Inc., found that 504 of 4,300 servers (12%) could be shut off without affecting the business.

**2. Replace older boxes.** New servers are more energy efficient than what you may have in your cabinet. "You can get huge savings, even doing just one-for-one replacement [of servers]," says Monroe. Sun replaced 22 servers on 11 racks with 11 servers on one rack. Energy consumption was reduced from 617,000 kilowatt hours per year to just 39,000 kilowatt hours per year.

**3. Inspect the physical environment in the data center.** Fix all the little problems: the tiles in the wrong place, the open cable holes with air blowing through them.

**4. Turn up the thermostat.** "Our company spec is 72 degrees," he says. "We studied our data centers and we found that more than half of them were running at 68 degrees. You can save 4% cooling energy by raising the thermostat one degree."

**5. Pick and choose which applications to virtualize.** These projects can be huge and take several years. —SHAMUS MCGILLICUDDY

**EDITOR'S  
LETTER**

**PART 1:  
THE GREEN  
MONSTER**

**PART 2:  
GADGET  
GOTCHAS**



Videoconferencing, always a clunky, blinking-VCR-clock type of technology, is getting better, Mines says. Systems can now plug in to a shared IP network and are becoming somewhat easier to use. Thus they offer the potential of reducing a company's carbon footprint through less driving and flight activity.

Thin-client computers, which essentially share processor power, will probably get a closer look from CIOs as well, Mines says. They work best when banks of computers are being used for a single purpose, so they won't be perfect for every company, but they do save on energy.

But as all these supposedly environmentally friendly products show up wearing green, Mines says he believes CIOs will need to thoroughly examine both the products and the companies they come from if they truly want to consider environmental impact.

"You want to make this distinction between green product and green supplier and make it clear in the RFP

process that you're interested in both those things," Mines says. He suggests that CIOs ask about a product's history, looking for hints in the story of its inception, how it is manufactured, packaged and shipped and how it will be disposed of when it reaches the end of its life span.

McFarlane, who teaches an on-line course for Marist College in Poughkeepsie, N.Y., agrees. Until the Environmental Protection Agency manages an energy ratings system for servers and other IT equipment, there is really only one way to make a green purchase.

"I tell my students that you have to use some common sense," McFarlane says. "If it isn't logical, if it doesn't make any sense, then at least question it in great depth. How is it different from three years ago? And how is it going to save you money?" ■

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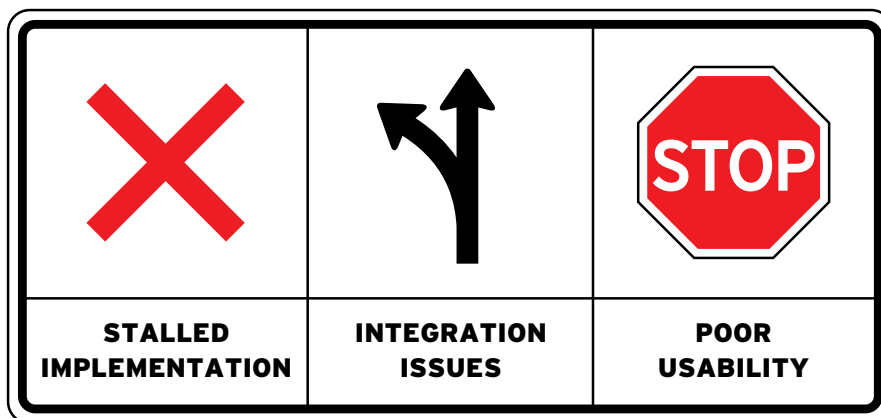
**greenwashing** (*n.*): the practice of making an unsubstantiated or misleading claim about the environmental benefits of a product, service, technology or company practice. Greenwashing can make a company appear to be more environmentally friendly than it really is. It can also be used to differentiate a company's products or services from its competitors by promising more efficient use of power or by being more cost-effective over time. —SOURCE: WHATIS.COM

**EDITOR'S  
LETTER**

**PART 1:  
THE GREEN  
MONSTER**

**PART 2:  
GADGET  
GOTCHAS**

# Getting mixed signals from your Systems Configuration Management Vendors?



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# Greenfield Projects Abound

New data centers employ the latest conservation techniques for sustainable cost and environmental savings. **BY MICHAEL YBARRA**

**HAWORTH INC.**, a furniture maker in Holland, Mich., is in the middle of rebuilding its corporate headquarters. The project employs such green design principles as desktop videoconferencing, Voice over Internet Protocol, virtualization and centralized printing.

While all the changes have positive environmental impacts, there are also compelling cost savings. The new phone system, for example, saves the company almost a quarter of a million dollars. And server virtualization means that 14 servers can run 162 virtual servers, saving \$400,000, reducing the power load by 118 kilowatts and heat output by almost half, and lowering air conditioning costs as well.

"Building from the ground up gave me a great opportunity," CIO Ann Harten says. "We make our decisions on the basis of 'Is it sustainable and economically feasible?' Some sustainable options are not economical. But for the most part we find they make good partners."

Haworth isn't alone. Last October, for example, Forrester Research Inc. in Cambridge, Mass., surveyed 140 IT professionals and found that 38%

were using environmental criteria in their evaluation and selection of IT equipment, up from 25% six months earlier (a 66% change). While only 15% said that they have an overall plan for implementing green IT programs, 25% were in the process of creating a plan, and another 39%

**"Some sustainable options are not economical. But for the most part, we find they [vendors of sustainable products] make good partners."**

—ANN HARTEN, CIO, HAWORTH INC.

were considering it.

Making IT more efficient is good for both the environment and the bottom line. In many midsized firms, IT represents up to 10% of overall energy consumption. According to the Environmental Protection Agency, U.S. data centers eat up

*(Continued on page 11)*

**EDITOR'S  
LETTER**

**PART 1:  
THE GREEN  
MONSTER**

**PART 2:  
GADGET  
GOTCHAS**



# Getting Started with Virtualization

**ONCE YOU HAVE** decided to look at server virtualization, here are some ways to get started, according to Jerome Wendt, president and lead analyst for the Datacenter Infrastructure Group Inc., an independent storage analyst and consulting firm based in Omaha, Neb.:

**1. Figure out what you have.** Get a clear picture of what applications and licenses you have on what physical servers before you begin. Using storage resource management software (SRMS) is one way to do that. These agentless packages crawl the network and create benchmarks so you can later show what you consolidated and prove ROI.

Sophisticated SRMS reporting can help target additional savings as well by helping you figure out which applications are best moved where as you move, for instance, from 200 physical servers to 20 physical machines running 10 virtual servers each.

**2. Eliminate redundant data.** Use de-duplication software to eliminate data redundancy. Most data centers have incredible amounts of redundant data and eliminating it makes it easier to move out unnecessary hardware, Wendt says.

**3. Keep virtualization simple.** Virtualize Windows and Linux servers first. Web servers and systems running low-use applications are also likely targets. On the storage side, look for servers with 20% to 30% utilization. Higher-end Unix systems and storage servers running high throughput applications are not good candidates for initial efforts because of the risk should something go awry, adds Wendt.

**4. Outsource sensibly.** Outsource backup and alert monitoring services to further cut costs and potentially increase performance. Online backup services are less disruptive than in-house backups and decrease the number of reboots. They also preclude the need to physically move data off-site, an advantage as gas approaches five dollars a gallon. Outsourcing application and alert monitoring often results in a higher level of performance as well as lower costs, Wendt says. ■

**EDITOR'S  
LETTER**

**PART 1:  
THE GREEN  
MONSTER**

**PART 2:  
GADGET  
GOTCHAS**



(Continued from page 9)  
1.5% of total U.S. electricity.

Sustainability is an area where a CIO can be a real leader, Forrester analyst Christopher Mines says. He suggests that CIOs take the initiative to put together a green plan that combines cost savings and environmental action.

"I encourage CIOs to be proactive," Mines says. "Don't wait for that knock on the door from the CFO. Create a plan and take it upstairs. The first chapter is we can save some money. The payback period is pretty short. Hard-dollar ROI is gained in the near term."

Mines says CIOs need to partner with facility managers, who are often rivals for resources, so the two domains can share in the costs and rewards.

"It's amazing to me how separate those two organizations—IT and facilities—are," he says. "That's a crucial link."

### **BENCHMARKING SUSTAINABILITY**

At Haworth, where the first half of the building project was completed in February, the company publishes a yearly sustainability report that outlines its goals and progress. This year it began benchmarking its environmental impact against best-of-class enterprises.

"We've been talking about sustainability for quite a while," Harten says. "The sustainable story started at the top, but people very quickly took to it and embraced it. Now

many ideas come from members. It's a journey."

Range Fuels Inc., an ethanol company in Broomfield, Colo., is breaking ground on a data center and looking to make it as green—which is to say, as efficient—as possible, says director of IT Joe Thielen.

"Every purchase we look at, we ask, 'Is there a better green option?'" he says. "If you're looking at two

**"The vendors aren't quite there yet. We're at their mercy."**

—**JOE THIELEN,**  
DIRECTOR OF IT, RANGE FUELS INC.

switches, it's not always clear which one uses less power. It would be nice if there were a rating like with appliances. We've called Cisco and HP to get more information. The vendors aren't quite there yet. We're at their mercy."

Virtualizing servers and buying only flat-panel monitors (which use up to half as much power as CRTs) are two early steps. And, of course, there's recycling.

"We have big recycling bins and tiny garbage cans," he says. "We hardly throw away anything." ■

**Michael Ybarra** is a monthly columnist for SearchCIO-Midmarket.com and a former senior writer at *CIO Decisions* magazine. Write to him at [editor@searchcio-midmarket.com](mailto:editor@searchcio-midmarket.com).

**EDITOR'S  
LETTER**

**PART 1:  
THE GREEN  
MONSTER**

**PART 2:  
GADGET  
GOTCHAS**



The Real Niel

# A CIO's View of Green IT

BY NIEL NICKOLAISEN

**IT USED TO** be that we IT types could stand on the sidelines of conversations on the environment and corporate social responsibility (CSR). Let those with a passion for one side or the other harangue each other, so long as you leave us alone to do our jobs.

Historically, such conversations have had little to do with IT. The environment and CSR have not had much effect on how we select and implement new software, upgrade networks, improve data security or comply with the Sarbanes-Oxley and Health Insurance Portability and Accountability acts.

But now, with concerns about greenhouse gasses (our servers consume lots of power, which then require even more power to cool the heat generated by the servers) and toxic waste (who knows what can leach from the equipment we throw away) we are now seen as part of the problem—and, possibly, the solution.

Personally, I am not sure where I stand on the topic of green IT and CSR. Part of me tends towards the view of economist Milton Freidman. In 1970, Freidman said that the social responsibility of a business is to

make money. That way, if the individuals in the company or owners of the company want to take on a socially responsible cause, they have the wherewithal to do so. But the focus of the business should be to maximize its profits while adhering to legal standards and ethical norms.

The other part leans toward the dedication of Yvon Chouinard, the founder of Patagonia Inc., a clothing company. Chouinard believes so



NIEL  
NICKOLAISEN

**EDITOR'S  
LETTER**

**PART 1:  
THE GREEN  
MONSTER**

**PART 2:  
GADGET  
GOTCHAS**



strongly in using Patagonia to preserve the environment that the company set a goal that, by 2010, all of its clothing will be made from recycled or recyclable materials. Chouinard believes that Patagonia's environmental goals are the reason for its financial success.

#### **ECONOMICALLY ENVIRONMENTAL**

In order to find inner peace between my seemingly conflicted views, I have started to take an economic approach that also satisfies my environmental cravings. My rationalization is this: It makes economic sense to conserve resources. Fuel costs are at all-time highs and there is little evidence that they will drop to where they were a few years ago.

**With a lower total number of physical servers, I do not need to dispose of as many at end of life. This combines to reduce my operating costs.**

As a result, power rates are increasing and I expect they will stay high. Landfill and disposal costs are increasing as well. The net effect of these increases is to make it more expensive to deliver IT services. Fuel, power and disposal are part of the extended IT supply chain. As a good

corporate (and, incidentally, environmental) steward, I should find ways to reduce these costs.

There are two collateral benefits to my way of thinking. First, it gives me and my company the motivation to reduce complexity (which is always one of my ongoing goals). For example, by deploying virtualization and blade server technology, I can (in theory) reduce the number of servers I have and the number of new servers I need to buy.

This will reduce power consumption, which will decrease costs. With a lower total number of servers, I also do not need to dispose of as many at end of life. This combines to reduce my operating costs. Done correctly, reducing my server count should result in a simpler infrastructure. A simpler infrastructure will then improve my IT function's agility.

I get similar benefits by purchasing low-power consumption equipment. Second, I get credit for being a good member of society. To those who care about such things, I can make the claim that our IT is socially and environmentally responsible (while for others, I can make the claim that I am being economically responsible).

Using this two-headed approach, I can do the right thing with the result that I do two right things. Given that, I have made green IT a priority. ■

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**EDITOR'S  
LETTER**

**PART 1:  
THE GREEN  
MONSTER**

**PART 2:  
GADGET  
GOTCHAS**





# The Dangers of Computer Recycling

Before shipping out your old boxes, heed these warnings for what can go wrong (so nothing does).

BY JAMES M. CONNOLLY

**PICTURE A STACK** of used PCs packed with corporate data sitting unattended on a shipping company loading dock. Imagine what happens to your company's stock price when the Environmental Protection Agency tracks the serial numbers of lead-filled monitors from an illegal landfill back to you. Think about a villager in a third-world nation burning circuit boards in an open-air shop to recover a few cents' worth of precious metals.

These are just some of the dangers associated with disposing outdated computer equipment. Failing to consider them can put your company secrets in the wrong hands or put your company on the wrong side of environmental regulations. The good news is that employing secure methods to scrub your hard drives and taking measures to follow your equipment's chain of custody—whether it's headed to a recycler, a landfill or another user—can ensure that all takes place without incident.

So say experts who have had some near misses themselves.

"Data eradication is probably the most important concern that corporations of any size should have on

their blotter," says Kenn Ritchey, vice president of asset recovery solutions at EPC Inc., a St. Charles, Mo.-based subsidiary of CSI Leasing Inc. EPC, while primarily a used computer dealer, started offering computer disposal and recycling services three years ago after discovering that its own outdated equipment—picked up by another service company—may have been destined for overseas disposal.

"Ask yourself, 'What's going on with our proprietary information? What's going on with our client information?'"

Ritchey encourages IT organizations to establish clear plans for scrubbing data off hard drives, not just reformatting drives. Scrubbing typically calls for using the U.S. Department of Defense standard of overwriting the disk at least three times and removing the disk from the computer, although some organizations may overwrite disks seven times or more.

Then, either you or your service company must carefully track and secure computers as they are moved to a central processing facility. He notes that a palette or skid of com-

**EDITOR'S  
LETTER**

**PART 1:  
THE GREEN  
MONSTER**

**PART 2:  
GADGET  
GOTCHAS**





puters may cross several loading docks at independent shipping centers. "If even one or two of those skids, even just a single system were to go missing, that could be a calamity. You can't have renegade machines out there," he says.

Mark Weatherford, chief informa-

## Disposal Checklist

**BEFORE YOU SEND** your old computers out the door, consider these steps for safe disposal.

- ▶ Scrub the hard drives, overwriting them at least three times.
- ▶ Track and document the chain of custody, a practice employed by reputable firms.
- ▶ Don't forget about cell phones and smartphones with data on them. Re-install the operating system to remove the data.
- ▶ Verify the practices of service providers with on-site visits.
- ▶ Don't forget due diligence for organizations to which you donate used equipment; the serial numbers will still be associated with your company when the equipment you donate reaches the end of its life. ■

tion security officer for the state of Colorado, says knowing where computers and hard drives have gone and how the data was removed is crucial. That requires careful documentation by the IT team and the service providers of each step in the process for each piece of equipment.

"The chain of custody is the most important thing. Legitimate disposal companies have a regimented chain of custody process." He cites one of the state's service providers, which drops off a locked metal bin with a slot to drop hard drives for later pick-up. "As they destroy the hard drive, they videotape the process, and they give you a copy of the video on DVD, and they actually show the serial number of the drive as it's put into the shredder," he says.

Managers should also understand that equipment follows a variety of paths when it leaves a company's dock. Some disposal companies, such as EPC, cherry pick the equipment that has resale value, refurbish it and share the sale proceeds with the original owner. When equipment is at end of life, it heads into the recycling process. Typically, plastics go to one recycler, glass to another and metals to others.

### **DUE DILIGENCE ON PARTNERS**

So, how can you ensure that you are dealing with legitimate companies (not only the company that removes used equipment, but also its downstream partners)? For one, you can consult the Basel Action Network,

**EDITOR'S  
LETTER**

**PART 1:  
THE GREEN  
MONSTER**

**PART 2:  
GADGET  
GOTCHAS**



which is dedicated to encouraging compliance with the e-waste guidelines defined by the Basel Convention beginning in 1992; it maintains a list of voluntary “stewards,” or recyclers that promise to act in a socially responsible manner.

But whatever providers you consider, get out of the office and visit them, so you can see how they work, Weatherford says.

“Don’t think that just because you get a piece of paper from someone saying they are going to take care of the equipment in the right way that that’s the end of your responsibility,” Ritchey says. “If that person doesn’t do it the right way, and they get caught they are going to roll over in a New York minute, and it’s going to come back to you, not Joe’s Hauling Service, because your company has the deep pockets.”

For companies that don’t carefully monitor electronics recycling at least two or three levels downstream in the process, the picture can get ugly.

Ritchey notes that while it can be legal to export from the U.S., it may not be legal for that container to enter another country. “If somebody tells you, ‘We’ll take all your junk, don’t worry about it. We’ll handle it correctly and you won’t have to pay any fees,’ then they are doing something untoward, not necessarily illegal, but they are doing something like overseas dumping,” he says. A recycler can pack a 40-foot shipping container with lead-filled CRT monitors and other equipment and get

paid \$1,200 by exporters.

Barbara Kyle, national coordinator at the San Francisco-based Electronics TakeBack Coalition, says that type of container may be heading for Nigeria or China, simply delaying or transferring the environmental and health

“You have to do downstream due diligence, and see ... where things are going.”

—BARBARA KYLE,  
ELECTRONICS TAKEBACK COALITION

hazards. She tells of villages in China where laborers are paid 10 cents per hour to smash CRTs and other equipment with hammers, extract the valuable and dangerous metals, and then burn the remaining parts.

“Companies should be prepared to do some pretty heavy due diligence, and go into the recyclers’ shops, and look at their paperwork so they can trace where all their waste is going,” she advises. “Many recyclers say they have a no-export, no-landfill policy, but they sell to someone else, and they don’t know what that other company is doing with it. You have to do downstream due diligence, and see, waste stream by waste stream, where things are going.” ■

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**EDITOR'S  
LETTER**

**PART 1:  
THE GREEN  
MONSTER**

**PART 2:  
GADGET  
GOTCHAS**

# gadget gotchas

Handheld devices are the delight of every consumer and the bane of IT. The conflict won't be over anytime soon.

## inside:

- 18** When the Personal Meets the Professional
- 20** Smartphone Envy Creates Chaos for CIOs
- 22** Managing Non-Email Messaging



# When the Personal Meets the Professional

As employees lobby for consumer devices at work, CIOs must find ways to accommodate them—or just say no. **BY ZACH CHURCH**

**IT IS THE** allure of smartphones as status symbols, “objects of desire” as Gartner Inc. research vice president Monica Basso calls them, that is pushing them from the business world into the consumer world, and vice versa.

As the wireless industry hits its stride—connections are everywhere, and Gartner research shows IT leaders are less and less concerned about security each year—the consumer and business worlds are on a collision course.

Many employees, enamored of their new, tricked-out personal phones, want them synced up with their work networks. And more will be asking for that privilege.

The first reaction, of course, is to say “No.” Why compromise security and take on a series of network headaches so the hipper component of the company workforce can look cool?

That’s a fair question, Gartner analyst and vice president Nick Jones says. But with well-enforced policies and employee education, CIOs should be encouraged by the blurring of the line between work device/play device, Jones says.

“Don’t say no as a gut reaction,”

Jones says, speaking at Gartner’s 2008 Wireless & Mobile Summit. “I don’t think we can or should always resist demand from employees who may want some corporate applications on employee-owned devices.”

Take the BlackBerry. Research In Motion (RIM) President and co-CIO Mike Lazaridis says his company, which manufactures the popular smartphone, still sees business as the sweet spot. But the BlackBerry is no secret outside of work, and more and more people are buying the phone for personal use. Windows Mobile devices and other smartphones are also starting to gain traction.

“They’re literally walking into the stores and asking for a BlackBerry,” Lazaridis says. Recently, RIM integrated social networking service Facebook into its phones.

“They bought [a consumer device] and they want to use this device to connect to corporate email and corporate data,” Basso says. “Theoretically, an enterprise should completely ban the use of iPhone. The reality is, if you do this, what happens is the iPhone users will find other ways to access their email.”

In March, Apple Inc. announced

## EDITOR'S LETTER

## PART 1: THE GREEN MONSTER

## PART 2: GADGET GOTCHAS



PART  
2

that the iPhone will now work with Microsoft ActiveSync, part of a strategy to bring enterprise customers to what was previously a consumer-only device. Apple also launched its iPhone software development kit, allowing the creation of third-party applications for the phone.

Analysts Jones and Basso recommend CIOs familiarize themselves with the most popular consumer products—both wireless and Web-based, such as Facebook and MySpace—and develop a series of policies for their use in the workplace.

Manufacturers of consumer-cum-business products are constantly pushing them toward employees, and sooner or later the IT department has to deal with them, says Steve Vandermolen, an IT director at Grand Rapids, Mich.-based restaurant supplier Gordon Food Service.

“We look at ways to embrace [them],” Vandermolen says. Gordon Food Service is comfortable with employees using personal BlackBerrys, provided they adhere to company use policies.

Vandermolen says caution and oversight are key when IT begins sanctioning user-owned smartphones and other wireless products. And companies shouldn’t allow their use if there is no real business value, he says.

“Some of them are fads and they don’t last long,” he says.

Jones and Basso say staying open minded isn’t only a must, but it can also benefit the business. Business innovation, so often directed from

above, might spring up in the lower ranks by employees finding easier ways to complete tasks using consumer products, Jones says.

There is some evidence that CIOs are willing to loosen the reins. A late 2006 Gartner survey of 150 IT direc-

“Some of them  
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last long.”

—STEVE VANDERMOLLEN,  
IT DIRECTOR, GORDON FOOD SERVICE

tors in Australia found that 72% expected personal smartphones and digital assistants to be sanctioned in the workplace by 2010.

And about half of 97 U.S. CIOs surveyed by Gartner late last year say they were satisfied with the ability of consumer-oriented products and applications to contribute to business success (although another survey found that about 90% of CIOs want to ban Facebook).

Besides security precautions CIOs should begin developing policies for personal-device use and build and enforce a list of unauthorized devices, Basso says. Conversely, she suggests building a list of approved devices and encouraging employees to purchase them. Educating employees about secure use of personal wireless toys is also a must, she says. ■

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EDITOR'S  
LETTER

PART 1:  
THE GREEN  
MONSTER

PART 2:  
GADGET  
GOTCHAS



# Smartphone Envy Creates Chaos for CIOs

Everybody (including your CEO) wants an iPhone. But caving in to technology envy could put your IT department in peril. Why (and where) some CIOs draw the line. **BY MICHAEL YBARRA**

**BELIEVE IT OR** not, when a CEO asks a CIO for an iPhone, the answer more often than not is, "No."

Steven W. Agnoli, CIO at Pittsburgh-based law firm K&L Gates, says many senior lawyers have asked for Apple Inc.'s sexy iPhone, but the IT department always replies with a polite "no."

The decision is principally because of security concerns.

"Our lawyers and staff are receptive to the fact that we have certain standards in place and it's in the firm's best interest overall to follow them," Agnoli says. "When we explain the reasons behind our policies and why a certain piece of technology doesn't match, there really isn't a problem. Our approach to overall standardization assists in these specific areas as well. We only allow a few types of units. We don't allow anything under the sun. We can't support the world. A standard platform worldwide really helps."

But midmarket CIOs should get used to the question, which they are likely to hear more and more. Apple released the iPhone last June, and by the end of the fourth quarter it had

already grabbed a 28% share of the U.S. market for smartphones, according to U.K. research firm Canals. Research in Motion Ltd.'s BlackBerry continues to dominate the market with a 41% share, while Palm has slipped to 9%.

The corporate market is a somewhat different story, with BlackBerry gobbling a 73% share, according to research firm ChangeWave, while iPhones account for only 5%. Yet corporate users report greater satisfaction with iPhones (59%) than with BlackBerrys (47%).

## THE HEADACHES BEGIN

The growing popularity of mobile devices designed for consumers, not corporate users, means more headaches for CIOs.

Leslie Fiering, an analyst at Stamford, Conn.-based Gartner Inc., notes that many consumer devices are developed without remote kill features or encryption, making them too risky for enterprise users.

"The iPhone is very attractive," Fiering says. "Executives want them and the CIO's job depends on keep-

**EDITOR'S  
LETTER**

**PART 1:  
THE GREEN  
MONSTER**

**PART 2:  
GADGET  
GOTCHAS**





ing them happy. But there is a cost to the company for 'executive jewelry.' This is a problem CIOs are trying to figure out. Saying no often doesn't work."

Patrick Wise, vice president of advanced technology at trucking company Landstar Systems Inc. in Jacksonville, Fla., knows the feeling.

"One of my biggest challenges is technology envy," Wise says. "Everyone wants the latest, greatest technology, but that's just not practicable every time a new toy comes out. You just can't drop \$500 on a new BlackBerry every time one comes out. Keeping the users happy is hard. I can't tell you how many people have come up to me wanting an iPhone. It's not what we support. We give them the tools to support their job and environment."

Apple, meanwhile, is trying to make the device more appealing for corporate users. In March, for example, Apple announced several iPhone upgrades, such as a remote lock and erase capability and the ability to work directly with Microsoft's Exchange software, as BlackBerrys already do.

Many CIOs, however, continue to have reservations.

#### **MORE DUE DILIGENCE NEEDED**

Agnoli, for one, says the IT department would still require quite a bit of due diligence before considering adoption.

"Apple's recent announcement regarding the iPhone may make it a more suitable platform for corporate

users and it's certainly a step in the right direction for corporate use," Agnoli says. "But we'd want to review the overall capability of the platform from a network security perspective, understand the infrastructure necessary to support such devices firm-wide, and decide if we would want to bring under support an additional mobile device platform and all that entails. We would do all three steps before we'd bring any new mobile device platform into the firm."

Moreover, Wise says, the price is still prohibitive.

"The iPhone isn't a corporate product," Wise says. "We can't get corporate discounts."

At Landstar, IT supports several hundred corporate users. And there are strict standards and schedules for what the company will spend for phones and personal digital assistants and when they can be replaced or upgraded.

Although there is some wiggle room.

"We'll allow people to spend their own money on cell phones; it's a very emotional thing," Wise says.

But not on the iPhone, which is available on only one wireless carrier, which offers no corporate calling plans.

What if the CEO personally asked Wise for one?

"He'd probably get one," Wise admits, "but no one else would." ■

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**EDITOR'S  
LETTER**

**PART 1:  
THE GREEN  
MONSTER**

**PART 2:  
GADGET  
GOTCHAS**



# Managing Non-Email Messaging

Instant and text messaging, or SMS, may be simplified ways of communicating. But, if left unmanaged, they could become a nightmare for IT. **BY JAMES M. CONNOLLY**

**EVEN IF YOU** can decipher something like “b gr8 2 c u 2m” (“It’ll be great to see you tomorrow”), do you know what is really being said in all those text-based messages employees are punching into their cell phones? For that matter, do you have a handle on instant messaging in general in your organization? If you answer “no” to either question, you aren’t alone.

Introduced almost a decade ago, the two messaging formats, instant messaging (IM) and Short Message Service (SMS), or text messaging, are conversational in tone and link between the cell-based text world and the IP-based instant messaging environment. Both formats also entered the corporate world without the blessing of IT and network managers, and both have the potential to circumvent information security systems.

“Instant messaging clearly presents major challenges, and people aren’t even starting to address SMS,” says Ted Ritter, a research analyst at Nemertes Research Group Inc. If users transmit or receive confidential company information or any content

that could factor into a legal action, “they are exposing the company to potential issues,” he says. And IM and SMS communications typically aren’t archived, even as call records, for future retrieval in response to a lawsuit or regulatory actions. Ritter says that even people who aren’t actively participating in SMS messaging may find themselves receiving text messages through clients such as Research In Motion Ltd.’s BlackBerry, as well as standard cell phones.

## **A GROWING CHALLENGE**

Watch for SMS to present even more of a challenge in the future. It has not only gained popularity in the experienced U.S. workforce, but it may also be a staple of life for the future workers. Research firm IDC estimates that there were 102 million SMS subscribers in the U.S. in 2006—one third of them business users—with that total expected to reach 184 million subscribers in 2011. However, the number of messages sent will climb even faster, according to IDC,

### **EDITOR'S LETTER**

### **PART 1: THE GREEN MONSTER**

### **PART 2: GADGET GOTCHAS**



growing from 157 billion in 2006 to 512 billion in 2011.

CIOs and their staffs have to stay ahead of that wave, Ritter says. "The whole issue is electronic information. Once it's in electronic format it's discoverable [in a legal action], and IT needs to be dealing with it on the front end, not the back end."

So what do IT professionals need to do to protect their companies from messaging misconduct?

Craig Mathias, principal of Farpoint Group, a consultancy, says IT must acknowledge that texting is out there and will have to be managed. However, adequate management and auditing tools may be five years away. So he tells clients to "discourage your users from using instant messaging, and don't buy them an instant messaging plan or SMS plan on their cellular network. As a matter of policy, force everyone to use email."

Ritter says many companies are banning what is commonly called "public IM," the free downloads from America Online, Yahoo Inc. and others, as well as the instant messaging-like capabilities in about 100 other applications, such as Facebook. Those companies are replacing public IM with enterprise-class IM systems that feature archiving capabili-

ties but also restrict messaging communications to company employees or approved third parties.

#### **MAKE PEOPLE ACCOUNTABLE**

Ritter says IT must first identify where messaging is being used—and why—to identify areas for corporate exposure. Then, IT should work with the corporate legal department or compliance office to define new policies. "It comes down to the exposure to the corporation and trying to get people to be accountable for their role in the company culture," Ritter says.

Mathias adds, "Whenever you communicate a policy, there are several ways you can do it. One is to say, 'If you do something wrong we'll fire you.' The other is to say, 'We don't want to use this technology because it doesn't create an audit trail, which we need for industry reasons and internal control reasons. And, it's not secure, and we have to make sure that all of our information is properly managed.' If you explain it nicely up front, most people will deal with that." ■

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#### **EDITOR'S LETTER**

#### **PART 1: THE GREEN MONSTER**

#### **PART 2: GADGET GOTCHAS**

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[EDITOR'S  
LETTER](#)

[PART 1:  
THE GREEN  
MONSTER](#)

[PART 2:  
GADGET  
GOTCHAS](#)