



## In Your Corner: Dealing with the Realities of the Economic Climate

By [Ric Urrutia](#), Taos Co-Founder and CEO, and [Coco Brown](#), Taos President and COO

In this economic climate, we often hear: "How is Taos doing?" Times like these force creativity and careful examination of the business, namely – are we effective and efficient? Are we doing everything we should be doing to gain market share and ensure client and consultant success? Our customer satisfaction ratings are strong. And, although we're in a recession, Silicon Valley is not the epicenter of this meltdown ala 2001, and there is still plenty of critical IT work to be done. Those companies that are reducing their workforce are doing so in a much more strategic fashion than what we've seen in previous recessions; they are taking the recession as an opportunity to gain efficiencies by trimming down to an optimal size. This is in direct opposition to what we witnessed happening in 2001, when companies were forced to layoff in order to survive. The good news for Taos is that in a recession such as this, the need for more flexibility in the workforce is ensuring a continued need for contract and consulting services.

As tough as recessions are, coming out of them is the silver lining, and we believe we'll all be on the upside of recovery fairly quickly. It's important to keep in mind that "high tech" will play a significant role in paving the way to global economic recovery. This will be as a result of the accelerated cycles of next generation products that are produced during tough times and also a result of consumer technology spending continuing to increase as a total percentage of worldwide spending. Ours is a fluid market that constantly picks itself up off the ground every 7-10 years and manages to create a new wave each time.

### Taking It to the Street

If you look at the economic downturn from a global perspective, as IT continues to be a more significant portion of consumer spending and mindshare, there's no doubt that the recession negatively affects the IT industry. Also, the strengthening dollar relative to other currencies adds to the downturn as U.S. products become more expensive outside our borders. This clearly has an effect on the local economy as hiring slows down for many and layoffs happen.

At a local level, back in 2001, the CIO was viewed as a lavish and lofty spender. The CIO of today is a seasoned business executive who is continuously looking for ways to gain a competitive advantage, all while feeling pressure to lower TCO. This is a hard balance to strike, because if you aren't careful how you do it, the business may not get the value it needs from IT and shadow organizations will start to propagate throughout the enterprise, wiping out the hard work that has been put into achieving IT governance and, ultimately, putting the CIO's job at risk.

A common theme we hear from CIOs today is cost reduction. While we find that most IT organizations still have cost reductions they can take advantage of, the changes may require new thinking and perhaps require taking additional risks. Great examples of potential cost-cutting are datacenter consolidations, storage cost reductions, global sourcing strategies, vendor re-negotiations, SaaS and other outsourcing strategies.

### Keys to Success

How can Taos help ease your economic burdens? By helping you do things right! And, it's not the same solution for everyone. Taos is a flexible and customer-focused company. We make the right decisions for each customer relationship. More so than in the recent years, we are seeing the need to be even more proactive with our clients to understand the budget pressures they face and to help them balance those against the priorities they can't afford not to address. We're in this for the long haul, and sometimes you have to help your clients out; making reasonable concessions so they can get work done in the short-term in exchange for the ability to tangibly strengthen the relationship for the long-term.

Taos is intertwined within all aspects of this industry, so as we experience the burden with a wide variety of clients, best practices and common themes emerge. Therefore, we are able to share these experiences with you on a variety of projects that we have done many times over, but that *you* may only need to do once.

It's also important to note that we are not a reseller of any kind. Our only agenda is to help make our clients more successful. If we are, for example, helping a client with a storage cost reduction project, we can recommend solutions that include all, some or none of the major players, or we can help write the RFPs and then negotiate rock bottom pricing.

Also, we are assessors, and we are implementers. *This is a very unique model.* We almost hate using the word “assessment” because it has such a negative connotation amongst IT executives. Why? Because they have been burned by the big lofty reports they’ve paid good money for that either tell them nothing or send them down a ridiculous path. At Taos, we believe in a “cut to the chase” mentality to quickly assess and produce recommendations. Every member of our senior talent who comprises Office of the CIO is, without exception, someone who has “sat in the chair.” In other words, they’ve been on the client side for many years and know what is realistic for the given situation.

Again, the beauty of a recession is that, if done right, coming out you can have a much stronger, leaner, capable organization so that net new investment in IT is on business-critical projects, further aligning IT with the business.

No one solution is cookie-cutter, but we have enough experience and know-how to quickly come up with a list of pragmatic recommendations to help you achieve your goals.

## **Common Threads**

We know the single most important thing we can do is continue to strengthen our core and listen to our customers. For the past 20 years, we’ve been your “go to” service provider for amazing talent, strategic counsel and implementation. We want to continue that culture of superior and unique service. Our services are never born from an internal agenda, but rather from talking with and listening to our clients on a daily basis. It’s how Taos began, it’s how we’ve evolved, and it’s how we’ll emerge even stronger from this downturn.

There are so many common threads among our community, not to mention common challenges and common successes. Taos has always strived to link these threads, and we will continue to do so by offering you amazing talent on all levels, strategic guidance, strategic solutions and a culture of commonality.

Feel free to email either of us directly if you have something you want to share – [ric@taos.com](mailto:ric@taos.com) and [coco@taos.com](mailto:coco@taos.com).

Warm regards,

Ric and Coco