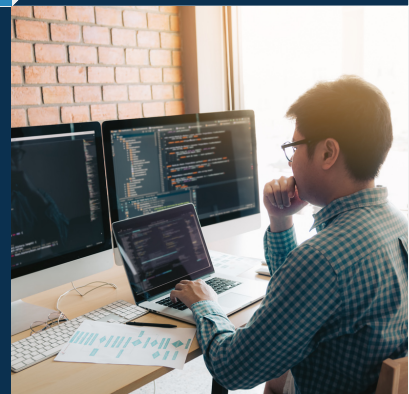


# Director's Guide To IT Cost Savings

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Learn how you can  
**reduce your IT costs**  
in our short, comprehensive guide



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Putting the IT in  
**PROFIT**

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# Welcome To This Guide

## Welcome

In an ever-increasing digital world, and in spite of the current economic crisis, it is vital for businesses to prioritise and stay on top of their Information Technology (IT) spend nowadays as it underpins the day-to-day operations of most businesses.

Furthermore, as a business, you should be able to rely upon your IT Provider to not only support you and your staff, but to keep your systems reliable, secure and up-to-date, whilst helping you optimise your spending at the same time.

## A Little About Us

**Here at Breeze, we have over 20 years of experience working with SMBs, providing cost-effective solutions to meet their business needs and goals.**

We work with our customers to understand how best to merge technology and business strategy. Our mission is simply to ensure that our customers get the best technology fit for their organisation within the context of their business goals, their market sector and the overall economic factors that affect them.

## About The Guide

Because we strive to ensure that businesses are able to work within their budgets, we took it upon ourselves to create this guide for reference when reviewing one's IT solutions and costs.

The guide has been designed to inform decision-makers that investing in the correct technologies, solutions and services can ensure their resources are being used in the most efficient and cost-effective manner so that they can optimise their budget and maximise profitability within the business.

In this guide, we will walk you through **6 steps** to review and adjust your business IT spending practices.

We hope you find it helpful.

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# Process for **IT Spend Reduction**

**IT cost reduction is the process of identifying and eliminating sources of waste, underutilisation, or low business value within the IT budget. Also known as IT cost optimisation, this practice yields savings that can reduce the size of the IT budget or be reinvested into new technology to help drive business growth.**

Here's how to handle the demand to cut IT costs quickly without endangering your company's long- or medium-term viability.



**Inspect your spending**



**Take your time**



**Target impact**



**Assess staff functions**



**Reduce, don't freeze**



**Tackle fixed costs**



**Know Business Goals**



**Align IT Roadmap**

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# Benchmarking: **IT Budgeting**

**CIOs and their teams require clear visibility into their IT spend to ensure efficiency and strategic alignment.**

Leading organisations regularly examine and benchmark spending across multiple cost views to facilitate smarter spending and better business outcomes.

To do the same:

- **Establish a baseline of your total IT spend and staff levels**
- **Compare total IT spend to industry peers**
- **Identify areas for improvement**
- **Improve IT cost management with multiple views of IT spend**
- **Establish future budgeting or efficiency goals**
- **Shift IT spend to better align with business value**
- **Communicate performance to stakeholders in your organisation.**
- **Build a compelling story around how IT spend is strategically aligned to enable business objectives.**

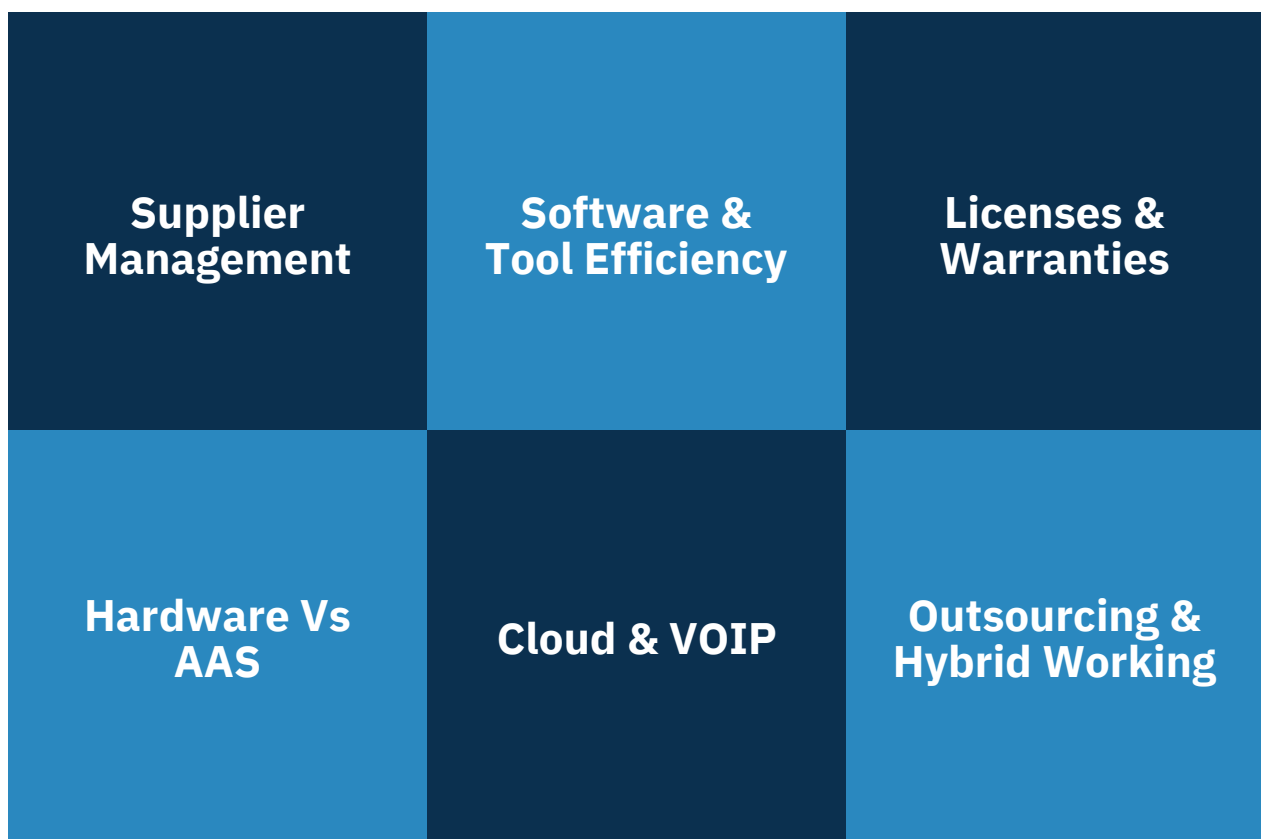


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# Focus Areas

For many businesses in the UK, optimisation of spend and cost reduction in their IT has become a vital step in ensuring that their business continues to operate effectively.

**Here are the 6 areas that we advise you to focus on regarding your IT spending.**



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# Focus on **Supplier Management**

**When it comes to Supplier Management, the whole ordeal can be costly if you let it get out of hand. If you have too many suppliers, or if you haven't taken your time to look for the right supplier, you risk high costs, confusion, and overcomplication.**

It's important to note that when choosing and negotiating with suppliers, you should consider value for money, quality and reliability in addition to the price.

Building good relationships with your suppliers will ensure that you get the best service possible.

The main characteristics that one should look for when looking for the right supplier are:

- Quality and Reliability
- Speed & Flexibility
- Communication Skills
- Financial Security

Once you have a manageable shortlist, approach the potential suppliers or your current one if your contract is up for renewal. Provide a clear brief, summarising what your requirements are and giving an idea of the level of business you hope to place.

Draw up a list of important elements to negotiate, such as **PRICE**.

Push the supplier to indicate a starting price and details of any discounts offered early in the negotiation. Always ask what else they can include at the given price.

**If the price is suspiciously low, ask yourself why. Are the goods of sufficiently high quality? Do they really offer value for money?**

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# Software & Tool Efficiency

***Ensuring that your business is adequately equipped with the correct IT so that staff can be **highly productive and collaborative** should be made a priority.***

The majority of businesses in this day and age use Cloud Services such as Microsoft 365. It is like a treasure chest, full of delights waiting to be discovered.

Most businesses get it just to access Word, Excel, PowerPoint and Teams. And then they discover there are so many other apps included.

Find the right ones and you can save time and money, increase productivity and motivation, and create a smoother workflow for everyone in your business. With more of us working remotely, that's never been more important.

## **How effectively do you think you're using 365?**

The cost savings benefits of Microsoft 365 are numerous:

- Cut consulting, deployment, and integration costs with a single unified solution.
- Reduce device management cost and optimise IT administration.
- Improve IT efficiencies for new devices, apps, and infrastructure.
- Reduce security costs with pre-consolidated identity, endpoint management, and security solutions.

Here are some other things you and your staff can do to reduce energy consumption, waste, and costs while increasing efficiency and ROI of the tools they use:

- Understanding your application workload and behaviour
- Turning off electrical appliances when not in use or overnight/weekend. E.g computers, printers and monitors etc.

# Licenses & Warranties

**Licenses: Do More With Less - Get rid of waste.**

**Business owners can reduce some of their IT costs through software licensing by taking advantage of volume discounts and subscription-based licensing.**

Volume discounts allow businesses to purchase multiple licenses of software at a reduced price. This can lead to significant savings as businesses scale, allowing for more efficient use of one's IT budget.

Subscription-based licensing allows businesses to pay for only the software they need for a certain period of time, reducing their IT costs by eliminating the need to pay for software they don't use. This is especially beneficial for businesses that need to use software for only a short period of time.

**Consider software rationalization?**

Application rationalization is a process of going over the application inventory to determine which applications should be retired, retained, reposted, replatformed, refactored or reimaged. This is an important process for every enterprise in making investment or divestment decisions.

**Warranties: Do you have any old or outdated equipment?**

**Business owners looking to reduce IT costs should consider purchasing extended warranties and avoiding overspending.**

A hardware or software warranty can cover the cost of repairs or replacements if anything goes wrong, saving a business from potential costs that could arise from malfunctioning equipment.

It is also important to avoid overspending on IT resources. You should carefully research the costs of the technology needed before committing to a purchase.



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# Hardware Vs 'As A Service' (HaaS)

**Balancing functionality with the cost of major hardware is something the decision-maker needs to acknowledge if a business is wanting to reduce its IT spending.**

The best way to do this is to spot technology trends in your industry.

The second best option is taking a look at the 'Life-cycle information' related to your hardware. This means looking at the various stages of “life” that the resources of your hardware have been through and will go through, e.g. procurement, usage, upgrade, and decommission. Decide how long certain hardware has left and how useful it has been in the timespan of your business using it.

## **As A Service (HaaS)**

AAS / Hardware as a Service is the model of offering anything as a service. This could range from products and tools to different technologies.

With this businesses can outsource elements of their IT needs to a third party, for example, a Managed Service Provider (MSP).

MSPs have their own teams of experts who are cross-skilled and specialists within their own areas. Rather than you hiring an expert when you might not need them to maintain your network other than on an ad hoc basis, by using your MSP, you can get the benefits of access to experts on demand.

In Value for Money terms, Managed IT services deliver a far higher return on investment, no matter the size of your company.

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# Cloud & VoIP

**Businesses can reduce their IT costs and their environmental impact by implementing sustainable solutions and technology.**

By making strategic investments in sustainable solutions, businesses can save money on IT costs while also reducing their environmental footprint.

For example, businesses can invest in a VoIP phone system or Cloud Computing solutions, which are more efficient and cost-effective than traditional on-premise systems.

Cloud Computing solutions can reduce the need for expensive hardware and software licenses. In addition, they are often more secure and reliable than on-premise systems.

Businesses can also invest in virtualisation technologies, which allow them to run multiple applications and services on a single piece of hardware, reducing their physical infrastructure costs.

A quick and effortless way to reduce your carbon footprint and energy costs using smart technology.

Ensure that devices are turned off and on automatically at times when they are not in use, such as during the night, at weekends and on your two-hybrid working days.

Energy-efficient IT solutions can also help to improve the performance of a business's systems. By using more efficient components, businesses can reduce the amount of time needed to process data and improve the overall speed and performance of their systems. This can help to improve productivity and make the most of a business's resources.



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# Hybrid Working & Outsourcing

## **Have you considered a hybrid workforce?**

Office rent is the second-highest fixed cost for most businesses out there. Does this make sense if you and your employees are no longer spending all your time there? No. In fact, finding the right workplace balance could reduce your spend by 25% and offer more flexibility and optionality.

## **Have you decided if 'Hot Desking' is better for your team than 'Dedicated Desking'?**

A Hot Desk is a free-seating arrangement where individuals can choose any workspace by the hour or by the day within a co-working space's shared area.

The main advantages of Hot Desking are:

- Less expensive than fixed desks and private offices because you're using less space
- Chances to meet new people, create job opportunities and share ideas.
- Gives your staff more flexibility to work from other locations

## **Outsource what can be done cheaper by other people**

Let's say, you want to deliver something to a person or a few people in a certain locality. Instead of using your resources to make these deliveries, you can make use of the courier services which will be relatively cheaper. This is due to the fact that the courier services consolidate deliveries and then make a single trip.

Similarly, there are many advantages to a business outsourcing their IT services, such as:

- Fixed fees
- Cutting expenses by only paying for a service as opposed to a complete team
- Immediate understanding of your costs
- Competitive edge
- Access to expert input & up-to-date advice
- Access to 'best in class' products and technologies
- Increased productivity and efficiency
- You get to avoid the current skills shortage
- Reduction in staff issues (sick, annual leave etc)

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# Have Any Questions?

## Feel Free To Get In Touch

If you have any questions about this guide or if you'd like some more information about reducing your IT costs, please feel free to get in touch.

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**You can find more cost-saving tips and stay updated with us by following us on our social platforms**



**Why not take a peek  
at our socials?**





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