

6 Simple Steps to  
Lowering Your Business Costs:

# Saving You Money & Headache

with Better Technology  
Management



# 6

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## Welcome

As a business owner, you juggle a long list of responsibilities to keep your company operating smoothly. You play many roles on any given day—CEO, accountant, negotiator, human resources manager and customer service representative, just to name a few. While you are busy running your business, technology management might seem like the least of your concerns (and might sound about as appealing as a trip to the dentist). If your company doesn't use thousands of dollars' worth of technology, everything is fine as long as all of your employees have working computers and phones, right?

Not so fast.

Smart IT management is essential for every business, no matter how small, but don't worry; it doesn't have to be a headache.

### Why IT Matters

**The bottom line is:** making good decisions about technology is essential for your bottom line.

By taking simple steps to improve the efficiency and economy of your technology systems, you can:

1. Plan ahead for any possible problems in the future that could cost you time and money
2. Lower your business expenses
3. Get back to doing the work you do best

This six-step plan will get you on track, quickly and painlessly, to streamlining your business expenses.



# STEP 01 Evaluate

Before you decide to make any changes in your IT operations, it's important to take a close look at what you are doing right now. Do a technology audit of your business to determine what equipment and services you are using and how much you are spending each month. This can seem daunting at first, but your efforts will be worth it when you see the long-term savings.



## Sample questions to ask:

- With IT, what keeps you up at night?
- What are your current pressing priorities for IT? Do you have an IT strategy or plan in place to help grow the business?
- What inventory do you have (software and hardware)? How many licenses or subscriptions are you using? How many are you paying for?
- What critical IT systems must not go down for your business to operate?
- What is your downtime cost per hour if your systems crash? (For example: IT asset costs + overhead costs + employee wage costs + revenue loss)
- Do you have solid, recoverable data backups? How fast can you recover your data? Do you have consistent off-site backups?
- Do you have an IT budget? Are you confident with what you spend for technology and what you get in return?
- How much employee time do you estimate is spent on IT management each month?

At the end of this exercise, you should have a clear snapshot of your business' IT needs and expenditures.



# STEP 02 Tighten Up

This is where all your hard work from Step 1 starts to pay off. Read the observations you made during your technology audit and analyze your business' needs and excesses.



## What is unnecessary?

Are you paying for more monthly subscription or support costs than your business needs? For example, do you have 50 software licenses but only 35 employees? By suspending or canceling unused licenses, you can easily cut costs.

Many businesses experience "data sprawl" over time, which means unmanaged, disorganized data becomes bloated and takes up more space than necessary. Data sprawl requires more storage backup, which equals more investment dollars. You can avoid this problem by separating active data from archived data to keep data storage costs down and reduce recovery time.

Keep your business' workstations lean and mean for maximum productivity. Train your staff or let your IT managed services partner keep all data off workstations. This results in faster, longer-lasting computers, less downtime and better data security (data resides on servers instead of workstations).

## Where are the gaps?

### What is the best way to fill them?

Re-assign your fastest computers to the "power users" in the office. For example, it doesn't make sense for your receptionist to have a brand new, robust computer if your technicians or accounting staff are using sluggish, five-year-old machines.

## What can last a little while longer without being replaced?

For example, if you are thinking about making a major technology upgrade, ask yourself if what you have already is sufficient and if it's a necessary purchase. Our motto is: "It's not all about the technology, it's about the business!"



How can you cut wasteful spending and use your dollars more efficiently?

# STEP 03

## Reduce & Renegotiate

Many business owners end up overpaying for ongoing technology costs simply because they sign an initial contract or choose a course of action, then never revisit their plan to see if it should be altered.

### Renegotiate rates

It is often possible to work out discounted rates with service providers, including: domain renewals, web hosting, anti-virus/spam subscriptions, hosted exchange email services, hardware warranties, software licenses, industry-specific software support, data center subscriptions and support for copiers, scanners, plotters and printers.

### Make cost-effective changes:

A little bit of research and creative thinking can save you a hefty sum in the long run. Look at areas of your IT management -- small and large -- that could be tweaked for savings. Some examples:

- Switch from landline phones to VoIP phone service
- Recycle old equipment for tax write-offs
- Go green (for example, shut down equipment at night, use paper less billing or have some employees use laptops, which consume less energy than desktops)
- Switch to managed IT services and pay for just what you need.
- Use cloud or web-based software and pay only a per-use fee; you can adjust your usage depending on your business' needs.



# STEP 04 Focus on Risks

When you have dozens of more immediate priorities to handle for your business, it can be challenging to make time to plan for IT risks. Many business owners make the mistake of waiting until it's too late to consider a Plan B (or Plan C or Plan D...) to deal with possible catastrophes. Don't get caught in this trap; face these risks now and create a solid plan of action to safeguard your business in the future.

## What is the worst-case scenario?

This is an uncomfortable exercise, but imagine that you wake up one day and your worst IT nightmare has happened. Thieves have stolen everything in your office or a freak lightning storm has destroyed all of your computers. Why is this the worst-case scenario? Are you most worried about the cost of replacing equipment, the loss of data or the toll it will take on productivity?

## What steps can you take to protect your business in this situation?

Working backward from the hypothetical disaster, assess how you can prevent it from happening in reality. How can you minimize the financial, time and data costs? What additional support or resources do you need?

## What is your real downtime cost per hour?

Calculate how fast your business can be back up and running after an incident. What damage control will you have to handle? Will your clients wait during an IT outage, or will you end up losing revenue?



# 40%

## The true cost of IT:

A survey conducted by CA Technologies collected data from more than 200 companies and found that small businesses are most significantly affected by downtime and poor IT management practices. For small businesses, an interruption in IT operations reduced their ability to generate revenue by 40 percent.

# STEP: 05

## Get Cloud Coverage

Keeping all of your business' IT on site can become problematic and expensive, especially as your company grows over time. Cloud computing is a better alternative; it simplifies your technology management, protects your data and saves you time and money.

- Easy IT expense management and budgeting
- No more surprise invoices for IT services
- No more wasted time on IT issues
- No more headaches

### What is a cloud?

With a cloud, you host part or all of your technology capabilities outside of your office, including business email, office and industry-specific software, servers and backup and recovery data. Cloud computing requires a low initial investment and allows a company more agility as it grows and evolves.



### What are the benefits of cloud services?

#### Fast setup:

Establishing a full-service IT department at your company -- purchasing and installing equipment, configuring servers, setting up security systems and so on -- can take days or even weeks. Cloud services, on the other hand, can be up and running in just a few hours.

#### Lower cost:

The beauty of cloud computing is that no start-up costs are required, and you don't have to buy expensive software or hardware. You pay a flat monthly subscription fee for cloud services and only pay for what you use. The average initial cost to purchase and set up a small business network is \$10,000, while the average cost of setting up cloud services ranges from \$500 to \$1000.

#### No more outages:

If you have ever lost power in your building, you know how frustrating it is to have your IT operations at the mercy of the power company. By keeping your important technology safe in the cloud, you no longer have to worry about losing revenue or productivity during power outages.

#### High security:

Your company's important data, servers, backups and email are actually much safer in cloud services than they are in your office. IT companies that manage cloud services for other businesses specialize in keeping your data completely secure, both physically and digitally.



# STEP:

# 06

## Adopt a Cost Savings Plan

How much are you really paying for all of your business' IT services once you add everything up? How can you reduce spending and streamline your technology operations?

You can save money and simplify the way you manage technology for your business by consolidating all services into one flat-fee monthly plan. Let someone else worry about the bits and bytes of your IT department while you get back to the work you do best.



VAST-IT's managed IT services can improve your efficiency and lower your total overhead costs. We'll show you how to remove your IT challenges while implementing a cost savings plan for your company's IT operations.