

Information Technology Cost Savings Questions

This is a list of questions related to saving money on operational costs by using your IT systems better. If you've got any ideas about saving money or containing costs, e-mail them to me at bill@billdotson.com.

1. How is IT managed? Is it a "we spend what we need to when we need to" or is it a part of the business operation? Spending haphazardly tends to cause greater expense than having a planned budget. Investigate managed services from an outside vendor – it'll help you manage IT costs like a utility – you put the risk on them while you pay a flat, recurring fee for managing IT.
2. Many people rely on e-mail now. Is the e-mail system set-up to facilitate non-stop communication if needed? I often ask my clients how long they could be without e-mail and the answer is typically "one hour". Once we know how important it is, then we can set-up systems to make sure it does not go down. Lost productivity has real business cost.
3. How old are the computers, servers, and other equipment? Once they reach their third year of use, it's time to either replace or plan on replacing them. It's cheaper to buy new ones than repair old ones.
4. How is the software licensed? [Microsoft](#) offers plans that give you a much better deal than buying direct from a manufacturer. Typically you can spread payments with zero interest or get a hefty discount. You should get help from a Microsoft specialist. The licensing requires a Ph.D.
5. Are there internal IT people answering "how to" and other helpdesk-type questions when their time should be used for much more valuable projects? Helpdesk can be outsourced to native US-English speakers at a fraction of what a full time employee costs.
6. How do you contract with your outside IT services vendors (if used)? There are contractual items to make sure are present such as "service level agreements" and discounts for service commitments. Keep an eye on these!
7. If the company writes its own software, how is it managed and what does it cost? Typically, places who write their own software are paying a bit more for it than they need to.
8. How many servers do you have? Now is a great time to consider making them [virtual](#). Benefits: less hardware (save on the warranty and space), easier to back-up, and could cost less in electricity.
9. If you have multiple office across telephone districts (meaning you use long distance) then look into VOIP phone systems like Cisco and Avaya. If you have a small business, look into Skype.
10. Ask your IT suppliers how they are compensated and work with them to achieve "win-win" for both of you. Here's an example, manufacturers regularly push one product line and create incentives for the vendor to sell these over other lines/competitors. Often, you can get some perks you might otherwise be paying for. Training, extra media, reimbursement for installation services, and so forth.

This list is not exhaustive. It's just a start at looking at cost containment and/or savings using technology. Call or e-mail with questions or thoughts: 859-361-4464 // bill@billdotson.com