

# IT Cost Reduction Checklist

## What this document is about?

This document provides a list of IT categories that can be investigated for IT cost reduction.

The document is designed to be short and sharp by introducing key points for consideration and discussion.

For further information regarding IT cost reduction please refer: [www.m-net.com.au](http://www.m-net.com.au) or contact Mike Kleviansky on 0414 3030 72.

## IT Cost Reduction Work Sheet

The table below lists IT categories where savings can be found.

IT Category	Look out for...	IT Saving Methods	Potential Savings Include
Analog devices	Analog Phone systems	Investigate and convert analog phone systems over to Voice over IP (VoIP).	<ul style="list-style-type: none"> <li>• Ongoing call costs (local, national and international).</li> <li>• PABX maintenance costs.</li> <li>• Analog Communication costs.</li> </ul>
Bandwidth	Data links and data bandwidth	Convert low bandwidth links (e.g. 10Mb/s) to higher bandwidth links (e.g. 100Mb/s or greater). High bandwidth links carry more data more efficiently.	<ul style="list-style-type: none"> <li>• Improved business efficiency and productivity.</li> </ul>
Contracts	All third party contracts.	Negotiate the best contracts on all IT-related services and ensure you only pay for what you require. Paying annually is often cheaper or paying upfront might have tax benefits.	<ul style="list-style-type: none"> <li>• Significant savings on all IT contracts including: hardware and software maintenance, WAN, managed services, cloud services, support services.</li> </ul>

IT Category	Look out for...	IT Saving Methods	Potential Savings Include
Cloud Computing	Services can be outsourced to a managed service provider or a cloud provider. Consider outsourcing the following services: servers, firewalls, applications, systems, call centre.	Determine the associated costs per service to host internally vs outsource to a cloud provider.	<ul style="list-style-type: none"> <li>• Significant hardware/software costs (CAPEX).</li> <li>• Significant operational costs (OPEX).</li> <li>• Reduced staff costs (assumption is that fewer headcount is required to manage a service).</li> <li>• Productivity improvements while you focus on your core business competencies.</li> <li>• Improved security profile for the organisation (the assumption is that the Cloud Provider provides a more secure environment than your organisation).</li> </ul>
Ethernet	What is your current network architecture?	Ethernet is a cost-effective technology/protocol used in the design of computer networks. Ensure that your current infrastructure utilises this technology where applicable.	<ul style="list-style-type: none"> <li>• Infrastructure savings (Cap Ex and Op Ex).</li> </ul>
End User	Are your staff effectively utilising the network infrastructure?	Educate end users about network and security awareness and staff usage policies.	<ul style="list-style-type: none"> <li>• Reduced paper wastage in the office.</li> <li>• Intangible costs – reduced security risk to the organisation.</li> </ul>
Full-duplex	Data connections can be full duplex or half duplex. Full-duplex communications enables traffic to pass in both	Ensure that data connections are full duplex.	<ul style="list-style-type: none"> <li>• Faster link speeds leads to increased productivity with potential productivity savings.</li> </ul>

IT Category	Look out for...	IT Saving Methods	Potential Savings Include
	<p>directions simultaneously thereby making better use of the existing bandwidth. This concept applies to all device network connections including routers, switches, firewalls, servers and load balancers.</p>		
Hardware	<p>Old, end-of-life or inappropriate hardware. Physical vs logical hardware infrastructure (see virtualisation).</p>	<p>Retire old unsupported hardware. Investigate virtualisation technologies.</p>	<ul style="list-style-type: none"> <li>• New technology is typically faster and more efficient and can lead to increased productivity.</li> </ul>
IVR (Interactive Voice Response)	<p>IVR technology can be appropriate for customer service businesses e.g. banking, call centres, etc.</p>	<p>Investigate the use of an IVR in customer service type business to automatically route calls and provide client auto-responses.</p>	<ul style="list-style-type: none"> <li>• Reduced staff salaries.</li> <li>• Improve business process.</li> </ul>
Network Topology	<p>Poor network design can introduce inefficient traffic flows and/or introduce inappropriate or redundant hardware/software.</p>	<p>Review the network design against the business process to ensure effective design. This might require a network review.</p>	<ul style="list-style-type: none"> <li>• Hardware costs (remove redundant hardware).</li> <li>• Software costs (remove redundant software).</li> <li>• Improved traffic flows with lower traffic latency (improved productivity).</li> <li>• Reduced LAN/WAN costs.</li> </ul>

IT Category	Look out for...	IT Saving Methods	Potential Savings Include
Operating Systems (OS)	Inappropriate OS platform.	Systems are typically designed to run on an operating system. For instance an ERP System can be hosted on an AIX OS or a Windows OS.	<ul style="list-style-type: none"> <li>• Reduced OS operational costs.</li> <li>• Reduced OS maintenance costs.</li> </ul>
Payment Card Industry (PCI DSS)	PCI DSS Compliance costs.	Ensure good network design to reduce PCI DSS scope through network segmentation. Employ qualified PCI consultants to assist in the initial PCI engagement.	<ul style="list-style-type: none"> <li>• Reduced PCI scope can significantly reduce IT costs.</li> </ul>
Process	Ineffective or inefficient IT processes.	Review business and technology processes.	<ul style="list-style-type: none"> <li>• Improved business productivity.</li> <li>• Potential for reduced hardware and software costs.</li> </ul>
Programming	Dissimilar systems and the need for data sharing (big data).	Investigate software development to implement smart interfaces between core systems for improved data sharing and data mining.	<ul style="list-style-type: none"> <li>• Improved business productivity.</li> <li>• Potential for reduced hardware and software costs.</li> </ul>
Public Domain	Public domain software is free and can often provide	Investigate public domain software to replace	<ul style="list-style-type: none"> <li>• Software costs</li> <li>• Software maintenance costs</li> </ul>

IT Category	Look out for...	IT Saving Methods	Potential Savings Include
	the same functionality as paid third party products.	purchased products where applicable. Public domain software is available from <a href="http://www.downloads.com">www.downloads.com</a> .	
Software	Inappropriate and/or expensive software.	Install appropriate and secure software. Visit <a href="http://Download.com">Download.com</a> to try hundreds of software products for free through trial downloads.	<ul style="list-style-type: none"> <li>Operational and maintenance costs</li> <li>Software costs</li> </ul>
Virtualisation	Instances where hardware and software can be leveraged through virtualisation technologies such as VMWare.	Virtualisation provides leverage and cost effective business solutions. Almost all elements of networking can be virtualised including firewalls, servers and load balancers.	<ul style="list-style-type: none"> <li>Hardware costs.</li> <li>Software costs .</li> <li>Leveraged infrastructure.</li> <li>Reduced operational costs.</li> </ul>
VOIP	Voice over IP telephony systems are more cost-effective	Investigate VoIP solutions	<ul style="list-style-type: none"> <li>Telephone costs.</li> <li>Hardware costs.</li> <li>Maintenance costs.</li> </ul>
VPN	Office connectivity options. A VPN can provide a cost-effective and secure WAN	VPN technology is a cost effective solution for	<ul style="list-style-type: none"> <li>WAN costs.</li> </ul>

IT Category	Look out for...	IT Saving Methods	Potential Savings Include
	connection over dedicated more expensive options.	securely transmitting data over wide area networks.	
WAN	There are many cost-effective WAN solutions available today.	Use an appropriate WAN option to reduce WAN costs.	<ul style="list-style-type: none"> <li>• WAN communication costs.</li> </ul>

## Summary

This document described various IT categories where cost savings are available and outlines the savings in each category.

## More Information

For more information about how IT cost reduction can be applied to your environment (or other related services), please refer to

[www.m-net.com.au](http://www.m-net.com.au) or contact Mike Kleviansky on 0414 3030 72.

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