



# Making IT Efficient.



How to increase IT efficiency without spending more.

Practical tips to save money, eliminate process inefficiencies, and embrace automation.

The 848 Group >

Business Changing IT

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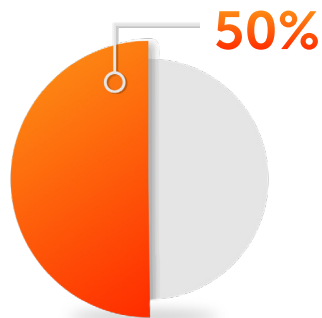
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# How Technology Makes You Efficient.

In the digital era, technology has become the backbone of businesses.



According to Microsoft, businesses that incorporate digital technology have seen a **50%** faster growth than those that haven't [1].



Digital technology improves productivity and the workplace experience. For example:



**Productivity Tools:** There are various productivity tools available that help people communicate, collaborate, track project progress, manage their day and more. These tools can boost employee engagement, efficiency, and performance.



**Artificial Intelligence (AI) tools:** A study by Stanford and MIT found that AI tools can boost worker productivity by **14%** [2]. Tools such as Microsoft Copilot and ChatGPT help people multitask more effectively, answer more complicated questions faster, and follow recommendations based on best practices.



**Optimised Environments:** Up-to-date, secure, and reliable IT environments mean less downtime and more meaningful work. An optimised digital environment keeps employees happy and ensures data is protected.

We know the importance of technology in increasing efficiency, productivity, and growth, but technology comes at a cost. So how do businesses balance cost savings and performance to achieve optimal results?

# Balancing Cost and Performance.

While it's essential to cut unnecessary expenses, businesses must not sacrifice the quality of services or performance.

Google Cloud studies reveal that 60% of businesses that focus solely on cost-cutting without considering performance face operational issues within six months <sup>[3]</sup>.



While reducing costs can be a strategic move for a business, it shouldn't be done in isolation. Businesses need to consider the broader implications of these decisions on their operations, employee morale, product quality, customer satisfaction, and more.

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# Common Areas of Overspending.

## Licensing and software expenses:

Cisco revealed that businesses can **overspend by up to 30% on unused or redundant software licenses** [6].

This points to inefficiencies in how businesses manage and deploy software resources. Addressing these inefficiencies can lead to significant cost savings and operational improvements.

## Downtime and its hidden costs:

Microsoft found that an average of **13 hours of downtime annually could result in losses up to \$10,000 (£8,000) for small businesses** [1].

Even a relatively small amount of downtime per year can lead to substantial financial losses. This emphasises the need for operational resilience and the significance of preventing downtime.

## Maintenance of outdated systems:

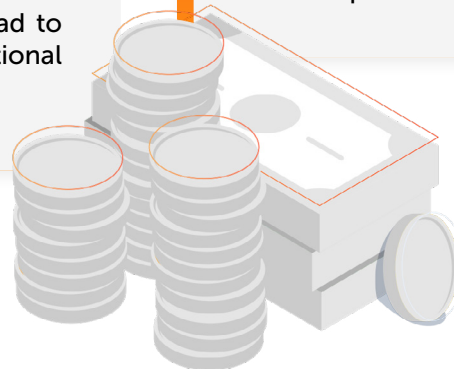
Maintaining outdated systems can be **60% more costly** than investing in new systems, according to a study by Google Cloud [3].

Holding onto outdated systems can be significantly more expensive in the long run compared to the cost of updating to new systems. This underscores the financial and operational benefits of staying updated with technological advancements.

## Poor productivity and the impact on the bottom line:

ServiceNow states that a **20% decrease in employee productivity can cost businesses almost \$1.8 million (£1.4m) annually** [5].

Employee efficiency and work output are closely tied to a company's financial health. Failing to address factors that decrease productivity can result in substantial economic consequences and potentially unhappy employees.



# Assessing Current IT Costs.



## Identifying areas of overspending and inefficiency:

Modern businesses rely heavily on IT to drive growth and maintain operations. However, without regular scrutiny, the IT department can also be a source of significant overspending and inefficiency.

### Here's how you can identify these areas:



**Regular IT Audits:** Consistently review your IT infrastructure and processes to identify outdated systems and misaligned resources, allowing for budget and systems optimisation.



**Usage Analytics:** Utilise tracking tools to monitor software and hardware use, identifying over and underutilised resources to make informed scaling and allocation decisions.

**AWS suggests monitoring cloud resources, understanding unused services, and optimising storage as essential steps to recognise wasteful spending** [4]. Active management and regular reviews of cloud resources is important to avoid unnecessary costs. Cloud cost management is also complex and requires users to stay informed and educated about best practices.



## Start assessing your costs now:



**Categorise IT expenses:** Break down spending into areas such as hardware, software, labour, and maintenance.



**Benchmark Comparisons:** Compare against industry and size-specific benchmarks to gather spending efficiency.



**Analyse Spending Patterns:** Monitor monthly, quarterly, and yearly spending patterns, focusing on anomalies, ROI, and departmental allocations.

## Case studies examples of common financial pitfalls:



**ServiceNow** mentions in a case study how a prominent retail chain was overspending by **20%** on redundant software licenses [5].

20%

The **848 Group** conducted a detailed software license review of a client's estate because they were experiencing an issue with governance and escalating software spend. 848 reduced the Total Cost of Ownership (TCO) by **25%** [7].

25%

# Checklist for Cost-Saving Opportunities.

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By working through this checklist, you can gain a clearer understanding of your IT spend, highlighting areas where costs can be trimmed while still maintaining efficient, secure, and effective IT operations.

**Consider Automation:** Assess what processes can be automated to save time and resources.

**Process Efficiency:** Eliminate redundant systems and streamline operations.

**Data Management:** Optimise how data is stored and managed to cut costs.

**Software Licenses:** Check for unused licenses and consider more cost-effective plans or consolidations.

**Cloud Storage:** Review and adjust your usage and plan to eliminate unnecessary expenses.

**Hardware Audit:** Identify and remove outdated or redundant equipment.

**IT Service Contracts:** Re-evaluate and renegotiate contracts to match current needs.

**Telecom Expenses:** Check for better plans or providers to reduce costs.

**Cybersecurity Expenditure:** Ensure spending on security is efficient and not redundant.

**Compliance Checks:** Regularly verify compliance to avoid fines.

**Downtime Costs:** Assess the impact of downtimes and invest in reliable solutions if cost-effective.

**Outsourcing Options:** Explore outsourcing certain IT functions for cost efficiency.

**Energy Costs:** Monitor and optimise energy use related to IT infrastructure.

# Strategies for Cost-Effective Solutions.



## Strategies for upgrading or migrating from outdated systems:

Upgrading or migrating from outdated systems is a complex process that requires careful planning and execution to ensure that the transition is smooth and data integrity is maintained. AWS suggests using a phased migration approach to reduce operational disruptions [4].



## Reducing downtime and improving system availability:

This revolves around proactive planning, implementing redundancy, continuous monitoring, and rapid response to issues. By prioritising these areas, organisations can ensure that their systems remain reliable and available to users. Google Cloud recommends proactive monitoring and regular backup solutions to reduce downtime [3].



## Boosting productivity through IT enhancements:

Enhancements like the adoption of cloud computing offers flexibility and scalability without heavy infrastructure investments, while mobile solutions empower employees to work remotely. Furthermore, continuous training opportunities ensure a consistently skilled workforce, and advanced cybersecurity measures minimise disruptions from threats.



## Tips for optimising software licensing:

1. **Utilise a centralised Software Asset Management (SAM) tool** - track and optimise licenses.
2. **Negotiate with vendors for bulk licenses** - especially if you're committing to long-term contracts.
3. **Stay updated on license terms** - look out for any additional costs.
4. **Ensure that all employees are aware of licensing rules** - prevent unintentional breaches.
5. **Disable automatic renewals** - unless you're certain about the continued need for a software product.

# Leveraging Automation for Efficiency and Savings.



## Understanding the value of automation in IT operations:

By incorporating automation tools and strategies, companies can streamline their IT processes, reduce error rates, and provide a more consistent service output. AWS states that automation can reduce manual IT tasks by **70%** [4]. Such a reduction not only frees up IT personnel to focus on more value-added activities but also translates to a significant decrease in operational costs and downtime.

## Automating routine tasks and workflows:

Routine tasks, although seemingly simple, can consume a substantial amount of time and resources if done manually. Tasks like network monitoring and backups are critical for the seamless operation of IT infrastructures but can be repetitive and monotonous. Automating such tasks ensures consistency, reduces the likelihood of human errors, and optimises time efficiency.

## The impact of automation on cost reduction:

Google Cloud discusses a manufacturing firm that reduced its operational costs by **30%** through automation [3]. Such savings can be attributed to various factors, including reduced manual labour costs, minimised errors leading to fewer reworks, and the ability to operate 24/7 without human intervention. Through automation companies can also enhance their scalability, allowing them to handle increased workloads without increases in costs.

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# The Role of Managed Service Providers (MSPs).

## What is an MSP, and how can they help?

MSPs are firms that manage a client's IT infrastructure. A key benefit of partnering with an MSP is the potential for considerable cost savings. According to a study by ServiceNow, collaborating with MSPs can lead to up to a **40%** reduction in IT expenses [5]. This significant decrease is primarily due to MSPs' ability to streamline IT operations, optimise resource allocation, and reduce the need for in-house IT staff, whose recruitment, training, and salaries can be costly.

Moreover, MSPs bring specialised expertise and deep insights into technology trends, helping businesses stay ahead of the curve without making substantial investments in training or research.

## MSP services tailored for cost savings and performance improvement:

Services like:



**Cloud Management** - ensuring optimal performance, security, and cost management.



**Regular IT Audits** - identifying inefficiencies, security risks, and areas for improvement.



**Proactive Maintenance & Support** - rapid responses, preventing IT issues before they occur.



**Software Asset Management** - optimising software spend, ensuring compliance, and managing licenses efficiently.



**Security & Threat Protection** - regular monitoring, implementing robust security protocols and awareness training.

An MSPs' role is crucial for businesses looking to not only save on IT costs but also to enhance overall operational efficiency and cybersecurity in today's technologically driven market.



# Why Partnering with an MSP Matters.

By partnering with a Managed Service Provider (MSP), businesses can offload specific operational workloads, ensuring best-in-class services while also achieving cost savings.



## How?



**Expertise and Specialisation:** MSPs bring specialised knowledge and expertise in areas that may be outside a company's core focus. They're up to date with the latest industry practices, technologies, and trends, ensuring businesses receive top-tier services.



**Cost-Efficiency:** Partnering with an MSP can be more cost-effective than maintaining a full-fledged in-house IT department. Companies can avoid the overhead costs associated with hiring, training, and retaining staff, and instead pay a predictable monthly fee for services tailored to their needs.

## Making IT Efficient

Partnering with an MSP isn't just about offloading IT tasks - it's about leveraging the expertise and resources of a specialised provider to drive business success.

Companies can focus on what they do best, while the MSP handles the complexities of the IT landscape, ensuring operational efficiency, security, and growth.



The question isn't whether you can afford an MSP – it's whether you can afford not to have one.



# Save Money and Improve Efficiency, without Impacting Performance.



## The future of cost-effective IT management:

The shift towards automation, AI, and collaboration tools, along with the benefits of outsourcing, will dominate the landscape of cost-effective IT management.



## Why partnering with an MSP like 848 is a smart choice:

With a proven track record, 848 stands out as the go-to partner for businesses aiming to optimise their IT expenditure without sacrificing performance.



# About the 848 Group.








The 848 Group is a Managed Service Provider and a cloud-first IT partner to hundreds of businesses across the UK. With over a decade of experience and a tried-and-tested methodology, we plan, build, and run business changing IT services and solutions that maximise value your business. 848 has a wealth of industry leading accreditations, a nationwide network of IT specialists delivering IT managed services, modern workspaces, cloud collaboration platforms and more. Whether you need a new hybrid infrastructure or a secure remote working environment, we can help your business achieve your IT vision.

**Don't let IT costs hinder your business growth.**

**Book a consultation with our experts at 848 to discuss your specific needs and challenges.**

 [info@848.co](mailto:info@848.co)

 [848.co](https://848.co)

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