



IT Cost-Cutting Guide

Easily save money on IT with these tips



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Introduction

You may have noticed that IT spending has increased in recent decades. In fact, small businesses are projected to increase their IT service spending by **6.3% in 2023**, with a further increase to 7.4% by 2025.

Of course, saving money is on everyone's minds as IT costs rise. That doesn't mean that simply cutting IT spending will help. Taking time and money away from persistent IT issues leads to recurring revenue losses that potentially last for years.

Ironically, that makes IT more expensive.

Even if you reduce all new spending, you still paid **something** for your current infrastructure. If it's not up-to-snuff, the money it drains won't be worth the cost you initially paid.

To learn more about how you can **truly** save on IT costs, read on.

Save on IT Costs by Getting More IT Value

The costs of your IT aren't always obvious. Upfront purchases are one thing, but you also need to consider how your IT's value helps you save on long-term costs.

Imagine this scenario. You purchased a new VoIP solution – you chose the option with the lowest upfront cost. Then, it doesn't always work as expected. Employees can't make calls when they need to make them, diminishing hours of productivity. Was it **really** the most cost-effective option after all?

Hours lost to malfunctioning tech are only one way you could drain productivity. Hours spent calling support to solve the problem are also hours taken away from business operations. That's an easy way to waste salary costs on people not working.

Unused tech is also a risk. Too many SMBs purchase countless apps to keep up with trends, many of which never get adopted. Plus, these apps often collect subscription fees, which means a lot of money gets sunk into something you don't use.

The best way to save money is to think about long-term value instead of upfront costs. An MSP partner like Attentus may initially seem like an additional investment. However, consider all the time and money saved when your technology 'just works.' That's less time lost to malfunctions and less time lost on support calls.

So, what does 'value' look like? Consider the following factors.

1. A Proactive Approach to IT Maintenance

IT disruptions can have costly consequences. [According to the Ponemon Institute](#), the average cost of tech downtime is estimated at \$9,000 per minute. With a proactive approach to IT maintenance, you can avoid losing a single expensive minute to downtime.

Attentus's approach to proactive maintenance involves monthly audits to ensure that we deliver. We also perform weekly computer tune-ups to fix background issues before users notice. If you have a recurring downtime-causing issue, we'll write new scripts to stop it from happening.

Of course, it's impossible to promise that issues will **never occur**. So, you should seek a partner who can promise fast resolution times. The faster an issue is solved, the less money is drained by downtime. Attentus technicians can solve most support tickets in 15 minutes.

2. Fewer Support Calls

Every MSP promises rapid responses. What you need is a partner who reduces your need to call them at all. Even if support answers fast, that's still time wasted on calling instead of working. Besides, your technology shouldn't be causing you issues in the first place.

Consider how many support tickets you produce each month. You should only have about 1 support ticket for every 4 computers. Any more than that and you're overpaying for support. IT support is like safety equipment. It's there if you need it, but the goal should be that you won't have to use it.

Seek a partner who intends to reduce ticket volumes. That promise shows that they're interested in truly solving your IT pain points.

Be wary of partners that try to convince you to rely heavily on their support team. Having expert technicians who answer fast is great (we have that too!), but are they also interested in reducing your need to use them?

**Want to Learn More About What
Attentus Has to Offer?**

Book a free consultation to find out!

[Request More Information](#)

3. Clear Contracts

A fuzzy contract is a bad sign in any business deal. Your technology provider is no different. A good contract should clearly articulate the value of what you're buying. Usually, you can see this by looking at what your partner guarantees and how they plan to provide it.

Avoid contracts with MSPs that dodge questions and don't allow you to review their past results. Ask for testimonials when you can and make sure everything is clear from day one. Stay away from contracts that auto-renew. You want assurances that you can leave if agreements aren't kept.

Instead, look for a transparent MSP with a fixed-rate contract and consistent monthly fees that won't fluctuate with ticket volumes. Your contract should also make it clear that you can opt-out if agreed-upon expectations are unmet.

4. No Surprises

A cost-effective MSP partner will have service and budget expectations highlighted on their own Service Level Agreements (SLAs). There should also be clauses that state where you can expect increases if things change, such as getting more users.

Surprise additional costs are more expensive than they seem. There's the new extra cost and the cost of unexpectedly working it into your budget. These changes can cause you to lose out on something else you've been saving for.

For example, if your partner told you that a user increase is a cost increase, you have time to prepare. When you expect more users, you can contact your partner to talk about cost. This discussion will help you maintain a budget-friendly partnership instead of one that creeps with surprises.

5. Strategic Planning

Ad-hoc IT plans are much more expensive than scheduled strategies. Time wasted going back and forth to figure things out is time lost on business productivity. It's also another surprise cost that you didn't have time to work into your budget.

Attentus Technologies provides vCIO (virtual chief information officer) services that help you stay on top of your strategic plan. Once you have a roadmap in place, you can plan your budget around it instead of sinking costs to react.

A vCIO can also help you navigate changes as your plan unfolds. Life happens, unexpected changes occur that require adjustments to your plan. As long as you're prepared to deal with them, they shouldn't cause significant time or budget disruptions.

Planning for the unexpected should be part of your initial strategy.

6. Cybersecurity Insurance

You need a managed cybersecurity partner in order to qualify for cyber insurance. Without cyber insurance, all the costs of a breach come out of your pocket. That's bad news. [According to IBM](#), the average cost of a data breach hit a record high of \$4.35 million in 2022.

A managed security partner is not all you need to qualify. There is a list of tools and response strategies in order to qualify for coverage. These tools and strategies include:

- EDR (endpoint detection response)
- MDR (managed detection and response)
- Disaster recovery plans
- Anti-virus
- Anti-malware
- Anti-ransomware
- Cloud data backup and recovery plans
- Data detection and loss prevention (if you're dealing with people's personal information)

Look for an MSP that can do it all to help you qualify for cyber insurance. You should also make sure your partner has **errors and omissions coverage**. This protects you from potential mistakes a partner might make.



Analyzing IT ROI

Your company's IT system is a long-term investment that can provide significant benefits over time. Although you should always strive to maximize your IT ROI, it's impossible to eliminate all IT costs and still maintain efficient systems.

Well-planned IT investments are worth the ROI you'll receive. These outcomes can be measured by:

- Increased productivity
- Efficiencies provided by new technologies
- Prevention of disruptions to your day-to-day operations

If you're wondering how much of a difference it can make. Consider estimating the cost of downtime at **your** company. Try this formula.

$$\text{Cost of Downtime} = (\text{Lost Revenue} + \text{Recovery Costs} + \text{Reputational Damage} + \text{Other Expenses}) / \text{Time}$$

Some of these amounts are hard to predict, but there are averages you can consider. Various industries will also have different estimates. Gauge each amount by reflecting on the following for your organization.

- **Lost Revenue:** estimate the potential revenue that would have been earned during the downtime period. This can be based on historical data, sales projections, or other relevant factors.
- **Recovery Costs:** determine the expenses required to fix the issue, restore systems, and resume normal operations. This can include labor costs, software replacement costs, or third-party services.
- **Reputational Damage:** is subjective and can be challenging to quantify precisely. You can estimate it based on potential customer loss, impact on future business opportunities, or the cost of public relations efforts to mitigate the damage.
- **Other Expenses:** can include any direct costs associated with the downtime, such as penalties, legal fees, or customer compensation.
- **Time:** simply an example of how long your downtime could last.

Learn more about how to make sense of your IT ROI below.

1. Implement an IT Cost-Benefit Analysis

As with any other aspect of your business, it's essential to have a thorough understanding of how your IT systems impact operations so you can properly allocate resources.

A good MSP has the expertise to provide comprehensive insights into your IT environment. This helps you make more informed decisions about how to develop your long-term strategy.

Returning to our downtime formula, compare your results to how much less it would be with an MSP partner. Estimate how much less the preceding amounts would be with the right partner. Use your estimates to consider how much an MSP will save you in the event of network downtime.

2. Calculate the Long-Term Benefits of Managed IT Services

Managed services are a valuable solution that can address all of your pressing IT issues. This is because an experienced MSP provides a comprehensive suite of services that cover your entire IT stack.

These services may include:

- Cloud services
- Network support
- IT helpdesk services
- On-site technical support
- Advanced cybersecurity services
- Technical acquisition and implementation

Think of your MSP like a doctor for your technology. Their goal is to consistently keep your IT environment healthy. Regular check-ups and early detection may cost money upfront, but it's comparatively much cheaper than treatment for a serious issue that's had time to evolve.

MSPs Offer More Than a Better ROI, Find Out What

- [How to Choose a Managed Service Provider](#)
- [Staff Augmentation vs. Managed Services](#)
- [5 Reasons Why You Need an IT Security Audit](#)

3. Compare Employee Costs to Managed IT Costs

The average salary for an IT systems administrator is over \$87,000 per year. If you don't face IT issues on a daily basis, the employee may often be paid to sit idle.

Moreover, a single employee can get sick, require vacation time, or quit their job. You're constantly working around their schedule instead of having someone who works around yours. Plus, skills can be inconsistent. Sure, you read their resume and had an interview, but what you see at first glance may not reflect their actual output.

An MSP provides service every day without fail. Managed services packages cover all labor and project costs, so you won't have to worry about IT costs rising unexpectedly.

While some businesses may find it more efficient to hire a team of IT experts, those businesses are usually large and have the resources to pay for a full team. Even then, it's not uncommon for MSPs to provide supplemental services to in-house teams.

Think of it this way: would you rather be treated like a valued customer or like a boss? When you're a customer, your provider is always pushing the envelope to keep you happy. When you're a boss, your employee might just be going through the motions to keep you happy.



Transform Your Business with Affordable IT

Partner with Attentus Technologies to improve efficiency, productivity, and of course, revenue. Our team is available 24/7 to quickly resolve any IT issues, so you can focus on your core business.

Our goal is to support your business in thriving without straining your budget. We achieve this by letting our **Core Values** guide our decision-making.

We value:

1. **Relationships:** we're dedicated to exceeding expectations while resolving issues promptly.
2. **Results:** we strive for excellence in every project by paying attention to detail and empathizing with stakeholders.
3. **Improvement:** we're committed to growth and will take every opportunity to enhance our service.
4. **Accountability:** we take responsibility for problems and take initiative to find effective solutions.
5. **Collaboration:** we prioritize flexibility and clarity to simplify IT decision-making by openly discussing potential roadblocks and their solutions with you from day one.

If you're looking for an IT partner who shares these values, we would be delighted to meet you!

**Take the first step to improving
your IT ROI**

Maximize your IT investment with managed services.

[Request Free Consultation](#)