Presentation IBRS

by Dr Philip Nesci Strategic IT Cost Reduction: A Comprehensive Approach

Conclusion

Successful IT cost reduction requires a balanced approach that combines strategic thinking with tactical execution. Organisations that effectively implement these strategies typically achieve substantial cost savings and enhance their standing with their executive colleagues. The key lies not in indiscriminate cost-cutting, but in making strategic choices about where and how to optimise IT costs in a sustainable manner.

This paper outlines a unified framework that allows organisations to review and optimise their IT cost structure to support both efficiency and business enablement. Success requires engagement from stakeholders, and a methodical approach to implementation.



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Strategic IT Cost Reduction: A Comprehensive Approach

Executive Overview

- Post-COVID environment demands sustainable IT cost reduction
- Strategic approach needed to maintain service levels
- Framework combines strategic thinking with tactical execution
- Success requires stakeholder engagement and methodical implementation



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Create Cost Transparency

The foundation of effective cost reduction begins with gaining complete visibility into current spending patterns.

Eliminate Waste

Once organisations understand their spending patterns, they can focus on eliminating waste.

Reduce Complexity

Rationalisation focuses on eliminating duplication and reducing complexity.

Manage Demand

Implementing mechanisms to drive responsible consumption of IT resources. **IIBRS**

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| Create Cost Transparency | Eliminate Waste | Reduce | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|------------------|
| The foundation of effective cost reduction begins with gaining complete visibility into current spending patterns by: Tracking total IT costs per business unit. Assigning the responsibility of costs to where they are incurred in the business. Actively monitoring variances between budgeted and actual costs. Creating accurate baseline cost metrics. Map spending to business value. | hce organisations iderstand their ending patterns, they n focus on minating waste | Complexity onalisation focuses eliminating lication and ucing complexity | Manage Demand |

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Create Cost Transparency

The foundation of effective cost reducti begins with gaining complete visibility int current spending patterns

Eliminate Waste

Once organisations understand their spending patterns, they can focus on eliminating waste through:

- Identifying and eliminating unused or underutilised resources, such as excessive software licences, underutilised telecommunications, and underutilised Cloud assets.
- Optimising vendor contracts and relationships, including the negotiation of midterm reviews on pricing.
- Right-sizing Cloud services and infrastructure.
- Improving operational efficiency.

Reduce Complexit

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| | | Reduce | |
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| Croate Cost | Eliminate | Complexity | |
| Create Cost Transparency | Waste | Rationalisation focuses on eliminating | |
| The foundation of effective cost reduction begins with gaining complete visibility into current spending patterns | can focus on | duplication and reducing complexity through: | |
| | | Consolidating redundant applications and systems. | |
| | | Optimising the application portfolio based on strategic value. | |
| | | Standardising technology platforms. | |
| | | Simplifying technical architecture. | |
| | | Reducing overall complexity. | |
| | | | |

Manage Demand

mplementing hechanisms to drive esponsible onsumption of IT esources

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| | | Reduce | |
|----------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Create Cost Transparency | Eliminate Waste | Complexity | Implementi |
| The foundation of effective cost reduction begins with gaining complete visibility into current spending patterns | Once organisations understand their spending patterns, the can focus on eliminating waste | Rationalisation focuses on eliminating duplication and reducing complexity | responsible resources the resources the creating spending Establish allocatio Enabling Driving or responsion Implementation |

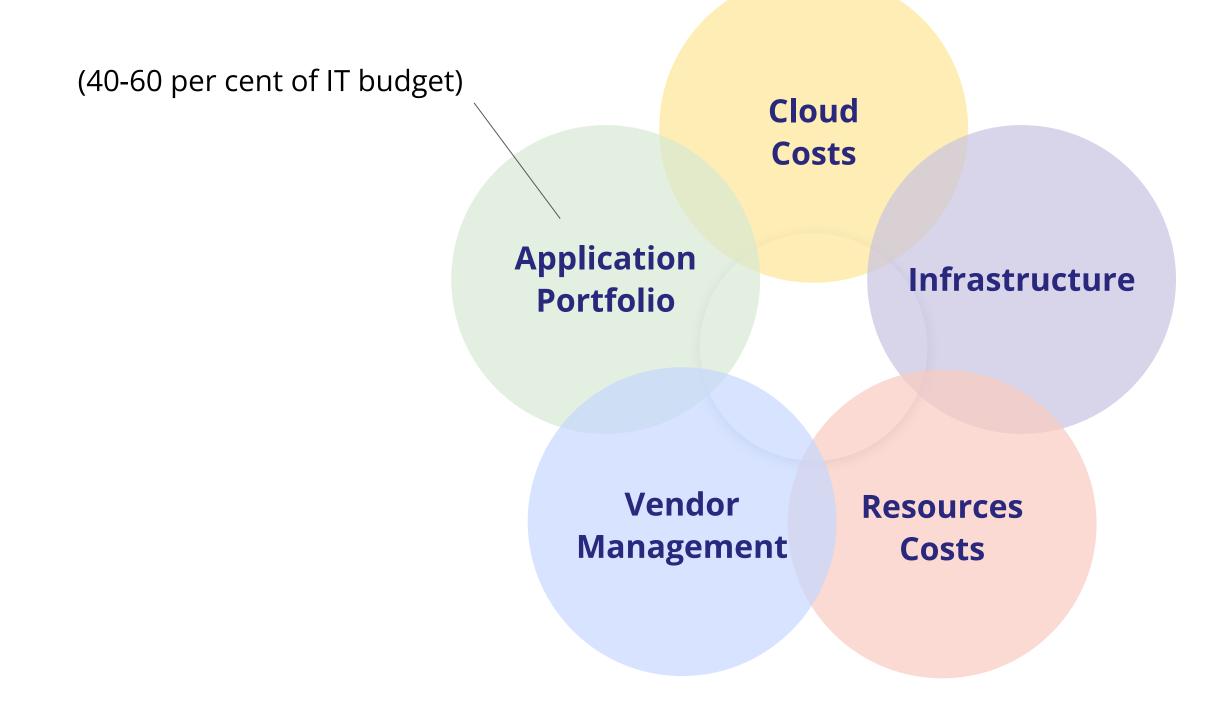
Manage Demand

- ting mechanisms to drive le consumption of IT through:
- ng accountability for IT ng at the business unit level.
- shing consumption-based on methods i. e. user pays.
- g self-service capabilities.
- cost awareness and sibility.
- ent user-pays model

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Application Portfolio

Application Portfolio Management

- Optimise license usage
- Review high-cost legacy applications
- Plan application retirement/modernisation
- Focus on value for money

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Cloud Costs

Technical Optimisation

- Manage cloud tenancy assets
- Review resource utilisation
- Optimise storage tiers
- Optimise network traffic

Governance and Control

Define cost allocation rules

Set up automated alerts

Develop cost dashboards

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Infrastructure Optimisation

- Hardware lifecycle management
- Data centre optimisation
- Network architecture efficiency
- Storage utilisation review
- Backup and recovery cost optimisation

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Resources Costs

Resource Cost Management

- Review resource utilisation
- Balance internal/external staffing
- Consider strategic sourcing
- Assess automation opportunities
- Optimise contractor usage

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Vendor Management

Vendor Management Strategy

- Regular contract reviews
- Proactive renewal management
- Vendor consolidation
- Service level optimisation
- Strategic sourcing

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3. Implementation Methodology

- I. Implementation Principles:
 - Target immediate impact
 - Reduce, don't freeze
 - Focus on cash impact
 - Target unspent expenses
 - Address both OpEx and CapEx
 - Cut deep enough
 - Address fixed and variable costs

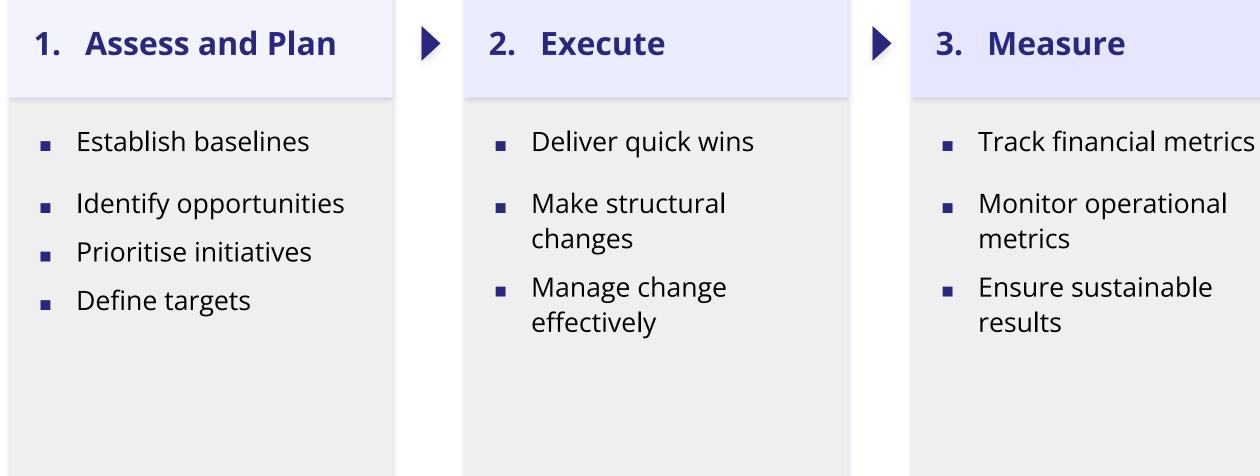


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3. Implementation Methodology

II. Implementation Process:



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Next Steps

- Examine current cost structures
- Develop fit-for-purpose optimisation plan
- Engage key stakeholders
- Secure governance support
- Begin implementation



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Submit an inquiry or schedule a whiteboard session







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https://ibrs.com.au info@ibrs.com.au 02 4758 9111 PO Box 519, Hazelbrook NSW 2779, Australia

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