MAXIMISING ICT ROI

A COMPREHENSIVE GUIDE TO IDENTIFYING AND REDUCING HIDDEN COSTS

Actionable insights and strategies to strengthen your control over cloud and telecom expenditures

OneView®

nebula®
A SMARTER WAY

THE JOURNEY

“

In today’s digital landscape, the role of the IT leader goes beyond that of a tech manager. They are strategic change-makers, driving IT ROI and spearheading digital transformation across the entire organisation. Information and communications technology (ICT) costs are no longer confined to the IT department; Marketing, Sales, HR, Operations, and Procurement all contribute to ICT expenditure, often without proper oversight. This lack of visibility can lead to inflated costs and diminished ROI.

WELCOME!

HIDDEN ICT COSTS

HOW FRAGMENTED INFRASTRUCTURES ERODE PROFITABILITY

As enterprises adopt new technologies such as cloud, mobile, and IoT, fragmented ICT infrastructures give rise to hidden costs that erode profitability and ROI. These costs often stem from inefficiencies like overlapping software licences, underutilised cloud resources, unmonitored mobile expenses, and outdated legacy systems. The lack of visibility into ICT spending not only undermines IT ROI but also hampers digital transformation efforts, delaying the adoption of new technologies and stifling innovation.

AMONG THE CHALLENGES:

- **Cloud inflation-one recent global survey found that nearly 60% of organisations saw their cloud costs rise over the past 12 months.**
- **Lack of oversight and control in multi- and hybrid-cloud environment.**
- **Low visibility into spending by cost centres and end-users.**
- **An oversupply of mobile devices and data contracts for remote working during the pandemic.**
- **Complex charge-back and reimbursement models across bring-your-own- device (BYOD) and corporate-owned, personally enabled (COPE) environments.**
- **Growing usage of mobile data.**
- **Poor cost transparency across software-defined wide area networks (SD-WANs).**
- **Proliferation of vendors and service providers.**

KEY IMPACTS INCLUDE:

Reduced ROI due to suboptimal ICT spending.

Budget overruns due to unmonitored costs across departments.

Operational inefficiencies that divert IT teams from strategic initiatives.

Siloed collaboration, preventing alignment between business and technology goals.

Delayed digital transformation due to hidden costs restricting investment in innovation.

THE CROSS-FUNCTIONAL CHALLENGE

THE HIDDEN COSTS BEHIND SILOED ICT ENVIRONMENTS

In many modern enterprises, ICT environments have evolved in silos, with various departments—beyond just IT—managing their own technology stacks. This results in a patchwork of systems, including legacy platforms, cloud services, mobile devices, and third-party software, often spread across multiple vendors. Such a fragmented approach creates what we call the cross-functional dilemma—a situation where the lack of visibility and control across departments leads to hidden ICT costs that undermine profitability and diminish ROI.

1.MOBILE WORKFORCE

- **Unused and underused mobile devices and plans:** Many organisations continue to pay for mobile devices and plans that are not actively in use. This includes devices assigned to employees who no longer need them or SIM cards tied to inactive accounts.
- **Wasted or inefficient spending:** Out-of-bundle data usage, excessive or untracked personal usage, and unnecessary roaming charges all contribute to avoidable expenditure.
- **Overly expensive plans or contracts:** Teams often operate on outdated or expensive contracts that no longer align with their current needs, resulting in inflated costs.
- **Inaccurate allocations and reimbursements:** Without automated tools to track costs, some organisations struggle to allocate expenses accurately back to the relevant cost centres or reimburse end-users effectively.

2. TELECOMS

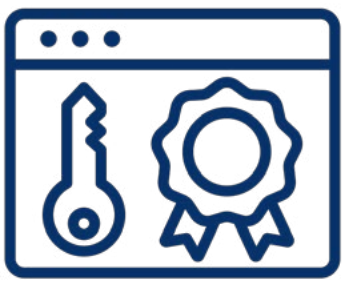
- **Unnecessary services:** Outdated or rarely used landlines can contribute to avoidable costs, especially as organisations transition to digital communications.
- **Redundant telecom contracts:** Multiple contracts or overlapping services can drive up expenses without delivering real value.
- **Low visibility across service providers:** Adopting SD-WAN often involves leveraging services from multiple provider networks, which can lead to hidden costs creeping in.
- **Overprovisioning of bandwidth:** Many organisations allocate more bandwidth or lines than required, resulting in unnecessary telecom expenditure.
- **Legacy contracts:** Outdated contracts may not reflect current usage patterns, leading to a costly mismatch.

3. CLOUD

- **No central view or control:** A fragmented view of cloud spending across multiple cost centres and providers often leads to waste and hidden cost.
- **Over-provisioning:** Cloud resources are often over-allocated, leading companies to pay for excess capacity.
- **Idle resources:** Unused or underutilised instances, such as servers or storage, contribute to inflated cloud bills.
- **Data ingress and egress fees:** Transferring data across cloud platforms incurs fees that can accumulate quickly if not monitored.
- **Lack of reserved Instances:** Companies often miss opportunities to capitalise on cost savings on reserved instances for workloads with predictable usage.
- **Low accountability:** Development teams may have too much autonomy in using cloud resources to deliver solutions, leading to untracked and unaccountable spending.

4. LEGACY SYSTEMS

- **High maintenance costs:** Continuous breakdowns and failures, along with the high cost of specialised skills, make legacy systems expensive to support and maintain.
- **Poor integration:** It's complex and expensive to integrate legacy platforms with newer solutions, creating operational silos.
- **Lack of vendor support:** When legacy systems reach end of life, vendors may stop supporting them. This shifts the burden to the user organisation.
- **Frequent downtime:** Legacy infrastructure can lead to significant productivity losses due to frequent downtime.
- **Bigger footprint:** Older systems tend to be more energy-intensive, requiring more power and extensive cooling infrastructure. They may also need more physical space.



5.SOFTWARE LICENSING AND SUBSCRIPTIONS

- **Shelfware:** Many companies are paying for untracked software licences that are not being used.
- **Paying unnecessary premiums:** Organisations sometimes purchase the most expensive licences for tools, even though a lower-cost version would suffice for their needs.
- **Redundant applications:** Departments may acquire overlapping tools, driving up costs without delivering additional value.
- **Auto-renewals:** Organisations often fail to track SaaS subscriptions that auto-renew, leading to wasted expenditure.

6. SHADOW SAAS

- **Data silos:** The adoption of shadow IT solutions by teams or individuals can lead to data silos and spending inefficiencies.
- **Underused subscriptions:** Departments may maintain unused or underutilised SaaS subscriptions, unnecessarily driving up costs.
- **Untracked SaaS expenses:** Without centralised oversight, SaaS costs can exceed budgetary limits.
- **Security risks:** Unmonitored shadow IT can introduce vulnerabilities, increasing exposure to costly security breaches.

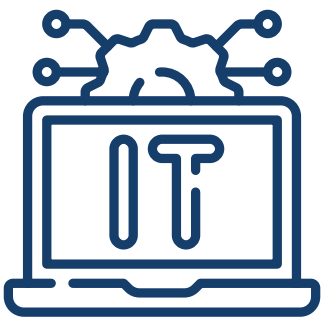
7.DATA STORAGE AND MANAGEMENT

- **Over-retention of non-essential data:** Retaining unnecessary data increases storage costs without adding operational value.
- **Overuse of high-performance:** Misallocating expensive storage for low-priority data inflates allocating data storage costs.
- **Unoptimised backup:** Inefficient backup processes can result in redundant costs.

8. VENDOR MANAGEMENT

- **Lack of contract optimisation:** Companies often lack the tools and benchmarks to ensure that organisations vendor contracts deliver fair value to the business needed. Opportunities to get better deals via alternative suppliers or supplier consolidation are missed.
- **Low vendor accountability:** Many companies don't have tools and processes to track vendor compliance with terms and conditions, required service level agreements rebates and discounts.
- **Missed volume discounts:** Failure to negotiate for volume-based discounts reduces potential savings.

9. IT SUPPORT AND WORKFORCE PRODUCTIVITY



- **Imbalance in IT staffing:** Misalignment in IT staffing levels leads to either excessive costs or operational inefficiencies.
- **Slow ticket resolution:** Inefficiencies in support processes lead to lost productivity.

10. EMPLOYEE ONBOARDING AND OFFBOARDING

- **Delayed offboarding:** Failure to promptly deactivate former employees' accounts creates security vulnerabilities and unnecessary costs.
- **Over-provisioning:** New hires may be allocated unnecessary resources, driving up expenses.
- **Inefficient licence reassignment:** Poor processes for reallocating software licences can result in wasted expenditure.

GAIN VISIBILITY AND CONTROL OVER YOUR ICT ENVIRONMENTS TO ACCELERATE YOUR DIGITAL TRANSFORMATION

Many organisations are already migrating to the cloud and modernising legacy systems to optimise their technology cost structure. In parallel with these long-term initiatives, tech leaders must focus on enhancing operational efficiency to uncover and eliminate hidden, unnecessary expenses. These efforts can deliver rapid ROI and free up resources to support strategic digital transformation programmes. Below are some best practices to consider.

1. SEEK SPECIALIST ADVICE

Optimising ICT costs and performance has become a specialised discipline in today's environment of device sprawl and cloud service proliferation. Most enterprises can benefit from partnering with a vendor or service provider that has expertise in Technology Expense Management (TEM) and Cloud Financial Operations (FinOps).

A knowledgeable partner will:

- **Provide proven tools, frameworks, processes, and benchmarks to guide your cost optimisation efforts.**
- **Conduct in-depth analysis of telecom and cloud expenses to identify areas for cost reduction or optimisation.**
- **Assist in negotiating better rates with vendors and service providers, eliminating unnecessary services, and ensuring contractual compliance.**
- **Offer guidance on managing variable demand and fluctuating costs.**

2. CONDUCT AN IN-DEPTH AUDIT OF ICT EXPENDITURE

A technology expense optimisation programme should begin with a thorough audit of your mobile device fleet, cloud services, voice, and data costs to assess your current situation. If you have engaged a TEM vendor or managed service provider, they can assist with this process. Key areas to consider include:

REVIEW BILLING RECORDS, CONTRACT TERMS, AND USAGE PATTERNS TO IDENTIFY COST-SAVING OPPORTUNITIES, SUCH AS UNDERUTILISED DEVICES, REDUNDANT CONTRACTS, OUTDATED PLANS, OR SERVICES WITH HIDDEN FEES.

LOOK FOR UNDERUTILISED DEVICES AND CONTRACTS, OUTDATED PLANS, OR SERVICES WITH HIDDEN FEES.

EVALUATE EXISTING POLICIES AND PROCEDURES TO PREVENT OVERSPENDING, SUCH AS LIMITING APPROVAL AUTHORITY FOR PURCHASES OR REQUIRING APPROVALS FOR HIGH-COST ITEMS.

ASSESS VENDOR CONTRACTS AND SERVICE AGREEMENTS FOR OPPORTUNITIES TO RENEGOTIATE TERMS, CONSOLIDATE SERVICES, OR ELIMINATE UNNECESSARY SERVICES TO OPTIMISE SPENDING.

3. ADOPT FINOPS TOOLS AND PROCESSES

The cloud represents a significant shift in how IT services are consumed and paid for. Traditional models for forecasting and managing IT spend are not designed to track and optimise the variable costs associated with cloud usage. FinOps (Financial Operations) is a set of tools and practices designed to bring financial accountability to the cloud's variable spending model.

FinOps bridges the gap between finance, operations, and engineering teams, enabling distributed teams to make informed business trade-offs between speed, cost, and quality. It empowers organisations to make cloud spending decisions based on real-time insights and accurate forecasts.

A TEM solution from a FinOps-certified service provider delivers actionable insights into managing cloud discounts and commitments, offering visibility into both real and potential costs. It includes functionality for granular unit cost measurement, budgeting, and forecasting. The platform also supports practices aligned with cloud providers' Well-Architected Frameworks.

4. AUTOMATE PROCESSES AND GAIN VISIBILITY

A cutting-edge TEM solution forms the foundation for smarter, more effective cost management processes and policies. Today's cloud-based TEM platforms enable organisations to measure, manage, and optimise telecoms, mobile, software licensing, and cloud costs from a single centralised platform.

A modern TEM solution allows for the automation of complex IT and telecoms administrative tasks, simplifying the management of both costs and performance. It enables you to gather, verify, and cleanse data across services and providers through an automated process, enhancing efficiency and accuracy.

By centralising technology expense data, you gain improved visibility into both live and historical ICT costs. This centralised view helps identify errors, hidden costs, or inaccuracies, such as vendor overcharges, unnecessary fees, or end-user overspending. Ultimately, it enables you to measure and manage usage, spending, and service provider performance more effectively.

5. THE CENTRALISED APPROACH TO ICT EXPENSE MANAGEMENT AND REPORTING

Without a centralised approach, fragmented ICT expenses can accumulate, leading to inefficiencies, cost creep, bill shock, and ultimately reduced profitability and ROI. IT leaders are uniquely positioned to bring visibility and control to ICT costs across departments, fostering collaboration and accountability.

Centralising expense management and reporting enables IT, finance, and procurement teams to gain better oversight and control over ICT costs across various cost centres and departments. This centralisation should encompass operations and service delivery, financial management, procurement, and management information reporting.

Optimise ICT spending by eliminating redundancies.

Maximise ROI through streamlined procurement and cost alignment.

Consolidate service contracts and software licences, potentially negotiating bulk discounts and better rates with vendors.

Enforce consistent policies and processes for technology purchases, reducing the risk of unauthorised or non-compliant expenditure.

Reduce the administrative burden associated with managing tech expenses across multiple cost centres.

CHOOSING A TECHNOLOGY EXPENSE MANAGEMENT SOLUTION

TEM is now indispensable – What was once a "nice-to-have" is now a critical tool for businesses managing the complexities of modern ICT infrastructures.

Unified platform: Integrate multiple vendors and services to centralise all ICT expenses—cloud, mobile, and telecom—providing a comprehensive, 360-degree view.

Real-time centralised visibility: Track ICT spending and usage as it happens, enabling proactive decision-making and cost control.

Customisable and accurate reports: Tailor reports to your financial cycles, providing insights to optimise budgeting and forecasting.

Role-based access: Grant departments controlled access to relevant data, promoting accountability, collaboration, and proactive problem-solving.

Automated workflows: Eliminate manual tasks with automated processes, ensuring timely alerts and improved cost control and operational efficiency.

UNLOCK THE POWER OF ICT OPTIMISATION

TRANSFORM SPEND INTO STRATEGIC GROWTH WITH OneView®

OneView is a powerful TEM solution that accelerates your digital transformation by uncovering precise ICT cost-saving opportunities. With real-time, actionable insights, OneView enables you to optimise ICT spending, maximise ROI, and drive enhanced profitability.

For IT leaders, OneView offers a strategic advantage, positioning you as a key driver of business growth. By fostering cross-functional collaboration and ensuring transparency and accountability, OneView empowers you to transform ICT spend into measurable business value.

START YOUR JOURNEY WITH A ONEVIEW DEMO TODAY

Fred Taljaard (Global FinOps Exec)
fred.taljaard@1nebula.com

Andre Witte (MD: SaaS)
andre.witte@1nebula.com

Bradley Gierdien (MD: Managed Services
bradley.gierdien@1nebula.com

www.1Nebula.com

GET IN TOUCH!

nebula®
A SMARTER WAY