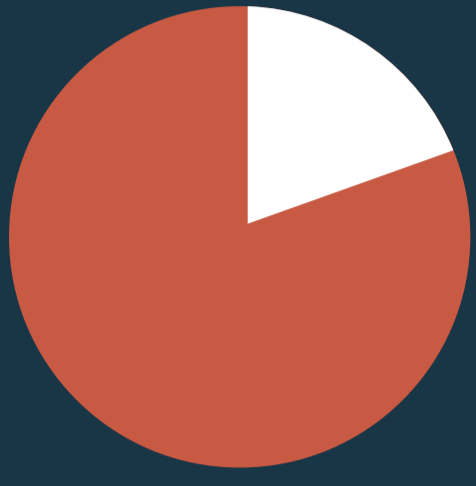


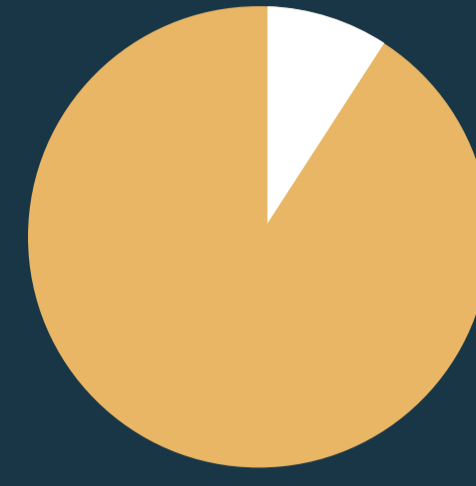
# Are There **Cost Savings** in Your IT Org?

## 5 PLACES TO LOOK. 5 STEPS TO TAKE.

IT spend as a share of revenue is growing across all industries, yet IT budget as a share of revenue in consumer and industrial manufacturing remains lower than all other industries.



In 2023, the average share of revenue for IT spend in software companies was **19%**.



Meanwhile, industrial and consumer products' budgets were only **8% and 5%, respectively**.<sup>1</sup>

Though IT is receiving larger internal investments across the board, **the expectation is clear that industrial and consumer manufacturing organizations do more with less compared to other fields**. How can IT leaders meet these expectations? Here are several places to uncover savings and methods proven to reduce costs and relieve pressure on budgets.

## 5 Places to **Find** IT Cost Savings



### Vendor Partnerships

Regularly reevaluate your partnerships to ensure they provide value and meet expectations originally defined in the SLAs. Renegotiate contracts or seek new partners that offer better terms or services.



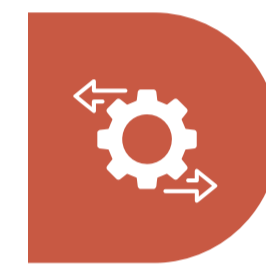
### Lifecycle Management

A comprehensive plan for hardware and software lifecycle management optimizes costs and ensures assets are used efficiently.



### Software Licensing

Conduct regular audits to optimize compliance and eliminate unused or unnecessary licenses. Consider open-source alternatives or subscription models that may be more cost-effective.



### Managed Services and Outsourcing

Outsourcing non-core functions or utilizing managed services for areas where specialized expertise is needed can reduce overhead.



### Redundancies

Nobody likes to cut staff, but identify unnecessary roles or coordinators that directly contribute to cost inefficiencies.

## 5 Steps to **Foster** IT Cost Savings



### Holistic Cost Management

Adopt this approach that involves looking at costs from a comprehensive perspective to understand where investments are necessary for future growth, and where costs can be eliminated without hindering progress.



### Align Growth and Cost Reduction

It's difficult to sustain the benefits of cost reductions when growth and cost reduction strategies don't share aligned objectives.



### Manage Governance and Portfolios

Implement robust governance processes to prioritize projects and investments based on strategic business goals.



### Assign Accountability

Assign responsibilities at the right level to make cuts stick and ensure that each team is accountable for its own budget and cost-effective decisions.



### Involve Employees

Include employees in the cost-cutting process using a motivational approach in which senior leadership is visible, credible, and objective.

## Cost management is more than just reducing expenses.

A holistic approach that aligns your growth and cost reduction strategies uncovers potential savings and ensures each dollar spent is an investment toward growth. When the expectation is to do more with less, these strategies help IT leaders optimize value and efficiency.

## K&B Global delivers strategic guidance

K&B Global delivers strategic guidance to identify and cultivate cost savings and value creation in enterprises with complex IT orgs. Learn more about how IT vendor management benefits businesses in our article [Why Strategic IT Leaders Are Prioritizing Investment in Vendor Management](#).

## Learn how K&B can help uncover tangible cost savings within your organization.

Schedule a consultation →

<sup>1</sup> IT spending as share of company revenue in 2023, by industry