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5 Ways to Recover Your IT Budget Post-Pandemic

Learn from the ups-and-downs to prepare for future success.

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In my April 2020 article, "**Sustain IT Budget Survival in Uncertain Times (https://www.nojitter.com/organization-management/sustain-it-budget-survival-uncertain-times)**," I outlined three quick ways to tackle the immediate financial concerns during the first few months of COVID-19. Cost mitigation, as well as assessing the damage and analysis/optimization, were key to address at that time.

Six months later, we still find ourselves amid the pandemic and have transitioned into a new rhythm of life in business. We are wearing masks, social distancing, installing plexiglass partitions, and video calls have replaced business norms such as conference calls, in-person meetings, and business travel. Our economy is also in crisis as we are experiencing the greatest recession since 2008. As a technology consultant, I learned a lot about managing IT expenses during that 2008 economic downturn. Now, I would like to share those lessons, as they very much apply during this one:

Understand What You're Paying For

This point is critical to IT expense management. It was the situation in 2008, and it's still just as important today. However, the way we buy services has changed. The main differences between 2008 and 2020 are the increase in the sheer number of services

businesses have to choose from, and that the end users are much more tech-savvy.

In today's technology environment, IT spending gets dispersed over many areas of the enterprise. Employees deploy freemium solutions in a rush to mobilize. Sales also acquired a cloud service that puts critical customer information into the hands of field reps. Meanwhile, another group is using a UC tool for small groups. Today, IT spending is found anywhere in the organization.

It's common for software licenses and services to show up on expense reports and company credit cards. These expenses are coded as "IT," "miscellaneous," "other," or "office supplies." For many vendors, free trials have become regular monthly recurring bills with autopay to a credit card. How does this impact a budget, and how can it be controlled? It's important to understand these costs, what they are, and how they are paid.

Evaluate Inventory

As in 2008, it's necessary to assess your inventory of equipment and services. Doing so may be more difficult than ever because of the vast amount of services available, the ease of deployment, and accessibility. Once you have determined what you're paying for, it's time to evaluate the real need for those services.

Identify if the service purchased originally was to solve a short or long-term need. Has the short-term free introductory offer expired? Determine if the cloud service has been duplicated somewhere else in the organization. Are employees still depending on the mobile hotspot for Internet access when its original intentions were onlyfor temporary use? Since no one could have predicted this pandemic, it's impossible to have budgeted for the organizational response to it. Evaluating the situation and the impact on the budget are critical steps in moving forward.

Adjust to the Environment

The work-from-home (WFH) environment has stabilized, and some employees are even moving back to the workplace. Because of this, we can now identify the true needs of the staff. Set up standards based on their work function, eliminate duplication, and waste. We are no longer working in emergency circumstances, and the way we work has now normalized and become a commonplace.

One great thing about cloud services is that they often don't need a contract to implement, and services can be eliminated or modified without financial penalty. It's now time to make some decisions about how your tech environment looks currently and how it will look in the future. Take advantage of what you've learned about your company's use of technology during the pandemic and make some strategic adjustments about products and services that will improve future business outcomes.

Leverage Data

A great benefit of data collection, evaluation, and adjustment is that it gives you leverage to renegotiate your agreements. Recently vendors have become open to reviewing contracts mid-term. Especially in an economic downturn, they want to keep your business. Have layoffs and changes in revenue caused you to incur contractual penalties? Consider your approach to modifying term agreements. You may want to modify your monthly revenue commitment. Identify contract terms and conditions that need to be solidified to prepare for future business crises. This pandemic has highlighted the need to understand and clarify force majeure, a downturn in business, and payment dispute clauses.

Engage with Peers

The assistance of a professional technology consultant may positively aid this recovery process. Technology Consultants work with clients to solve complex IT problems regularly. They have insight into what your peers are experiencing and implementing, which can prove valuable in providing swift actions that impact your budget. A good consultant will be able to ask the right questions, identify areas of concern, and offer important benchmarking data that will lead to desired results.

For all facets of business, 2020 has been an extremely disruptive era. As in 2008, a positive financial IT recovery will be the result of understanding, evaluating, adjusting, and leveraging budgets with a keen eye on the future. Learn from the ups and downs of this time – it will prepare you for future success!

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Knowing the challenges many enterprises are facing during COVID-19, the SCTC is offering to qualified members of the Enterprise Connect user community a limited, pro bono consulting engagement, approximately 2 - 4 hours, including a small discovery, analysis, and a deliverable. This engagement will be strictly voluntary, with no requirement for the user/client to continue beyond this initial engagement. For more information or to apply, please visit us **here (https://join.sctcconsultants.org/pro-bono-consulting-offer/)**.

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