CYBERTEAM

GUIDE TO AUDITING TECHNOLOGY BILLS

Many invoices are straight forward. "Great, this person received a new computer, and this is the invoice for that new computer!" Or, "Yes, that is our monthly lease on the building. Got it."

When it comes to technology services, however, it can be like trying to see in murky water.

You know your IT bills are coming, but it's often hard to make any sense of them. In this guide, we'll break down your typical technology expenses and how to audit them: you'll be able to understand each section and prepare pointed questions to identify if you're getting back value for your payments.

1. Internet

This is a big one. Internet providers are often lowering their prices to compete in their race to the bottom. Naturally, they'll never tell you when your account qualifies to be lowered.

Ironically, you often can't ask them either. There will rarely be times where they will be fully transparent with you. Shocker, I know.

Reach out to your IT provider to gather a full list of EVERY internet service available at your locations, not just the service you are currently using. They can pull everything available AND each current rate.

Now, you can take that to your Internet Provider (Spectrum, Comcast, Frontier, etc.) and show the gap between what you're currently paying and what they are currently charging. Here's a hint: if you don't do this every year, I can almost guarantee that there will be a gap.

This will usually be enough to get them moving. If not, let them know you will have to consider one of the other providers if a negotiation can't be made.

Even if you don't want to make the move initially, it's something to consider. If another provider has reliable service (your IT provider will likely have insight based on the offices with different internet providers that they support) and the price is a significant difference, you may want to make the transition for the benefit of your business.

Here's a simple checklist to follow and get the right internet information:

1. Reach out to your IT provider for a full list of internet services available at your location.

2. Identify internet services that show a clear discrepancy in pricing.

3. Bring this information to your Internet Provider and show the gap in price.

4. Decide your next moves based on the response of your Internet Provider.
   a. The previous step is usually enough to get them moving and improve your price.
   b. If nothing happens, it is probably time to consider a provider that you identified in steps 1 and 2.

📞 2. Phone Service

This is another one considered low-hanging fruit. We've seen businesses pay $40-$60 per phone line with a phone line per user. That is a BIG price for a potentially antiquated service.

If your phones are currently paired with your internet service, make sure to work with your IT team to identify what the total cost of your telecom is versus your internet service. What you find may surprise you.

Businesses are often paying thousands of dollars to their internet service provider, and internet is only a fraction of this number! Everything else is intentionally confusing, from ambiguous charges such as "managed Wi-Fi" and "managed network" to bills for "Phone lines" or "fax numbers."

You may not even be using these anymore!

The ideal scenario is to have the internet provider only charging for internet service. Their support is rarely good, so splitting out the other items to be managed by your IT team or a dedicated phone provider will not only save you money, but also improve support when an issue arises.

Follow this checklist:

✔ Work with your IT team and identify the total cost of your phones.

✔ Guarantee that your internet provider is only charging for internet services.
   a. If not, consider a dedicated phone provider and split any other items to be managed by your IT team.

3. Software

This is a big one, but it's worth investing the time or delegating a trusted champion to audit. Software costs are increasing, and the entire world has moved to the inevitable subscription model. While this has benefits, it also increases your operating expenses, so keeping tabs on these is super important.

You're likely paying per user to access certain software. Below is a checklist laying out some common offenders, and a full process for auditing software.

- ✔ Gather a full list of every software your organization currently pays for.

- ✔ What is the business case for this software? Which department uses it and why?

- ✔ Are there functions within this software that overlaps with other software you pay for? For example, many Customer Relationship Managers have an email marketing function but businesses end up paying for another email marketing platform on top of that.

- ✔ Are all the users that you're paying for still using the software?

- ✔ Update the spreadsheet for this information and catalog when you did this audit.

- ✔ Repeat this exercise every quarter.

This process will likely show you that you're paying for software that you're no longer using, or that you're paying for users that no longer need access!

Another benefit is that pressure is put on the department to identify extra value out of the software they're currently using. If they still want you to pay $2,000 per month on HubSpot, then they need show proof of the current value and additional value it can provide. This has helped many of our clients get a LOT more out of what they're paying for.

Important note: the point here should not just be to save money. There's no point in going on a cost-cutting measure if it will negatively impact productivity or efficiency, since this often carries a larger cost.

Our goal is to eliminate waste and to maximize what you're currently paying for. As long as you have that mindset, this process will have a huge benefit!

🖶 4. Copier/Printers

This one is short and sweet. If you're like most businesses, print demand is going down. Evaluate your copier support agreement. Are you paying a flat rate for a certain number of prints? Do you still need as many copiers/printers as you're paying for?

There are many providers that offer price per print, which goes up and down based on utilization. This may turn out to be a better fit for your organization.

⚙ 5. IT Provider

This is the largest and most complex, so I wanted to save it for the last audit. You could be working with a mature Managed IT Service Provider, a small shop, or just a guy/gal that has always helped you with your computer issues. Your monthly expenses may vary greatly. We'll be laying out specifics that should be helpful in any scenario.

📱 Managed Devices

The easy place to start is managed devices. Get an audit of all the devices that your provider is currently supporting. They should be able to pull a list with specific computers and usernames to make it even easier. Are all of these devices still in operation, or could any of them be decommissioned?

What about servers? Oftentimes, businesses have more servers than they need. They don't really understand what a server is sometimes, so they keep paying for it. Ask your provider if you still need all of your servers or if you can cut back. Usually, the roles can easily be moved to a cloud option, SharePoint, or be decommissioned altogether.

No need to get technical, just make sure to ask and request a plan to decommission if possible. There will likely be a migration or implementation fee charged by the provider, but it would eliminate the monthly cost associated with managing and backing up these devices: this would have a direct ROI fairly quickly.

What other physical devices are on the contract? Are all of these devices still in use?

Oftentimes with devices it's a simple as looking over the managed devices and ensuring they are either still active or needed to be in service.

Managed Software

This is similar to the above. Oftentimes, certain software shows up on the Providers invoice. A few examples include Microsoft 365, Adobe, email signature managers, password managers, and more. Identify which software is being resold from the provider.

They should be able to provide a list of all users utilizing which software. Again, there is probably a lot of room for cleanup here that equates to big numbers every month!

Price of Service

There is a massive variation of pricing for Managed IT Services. I have no doubt that if you're working with a firm on the cheaper side, you are struggling with something, whether that be slow response time or reactive service. On the flip side, if you're working with a provider that has a premium price, there is likely a reason for this premium.

This is the most difficult item to audit: how much you're paying to have an IT provider monitoring and managing your system, with the ability to jump in and assist whenever needed.

Are you satisfied with your provider? Are they accountable? Do they keep you up to date with business process recommendations and the changing technology landscape?

Well, then I will recommend sticking with them. That is the exception and not the rule in this space. Now, what should you do if you aren't happy with your provider? If they have genuinely dropped the ball on multiple occasions, you should absolutely get quotes.

How would you go about this process?

Simple.

Print out the invoice and remove any unique identifiers from the invoice (including the IT providers information and price). Evaluate local providers to see which providers you would want to get a proposal from.

You can:

1. Create and send an RFP.
2. Meet with 2-3 providers to hear their pitch.
3. Request a proposal based on the information on the current invoice.

They'll likely fight this and prefer to meet with you before providing a proposal. However, you can be honest that you want to make sure they would even be in the ballpark of what you're looking at BEFORE wasting either parties time.

Congratulations! If you followed the above steps and checklists, you have successfully audited your technology bills for a better understanding of what you're actually paying. If you have any additional questions or need help improving any of this prices, you know who to contact.

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