



I.T. IS CHANGING – I.T. Budgeting Is Too



When was the last time you thought about technology and the role it plays in your business success?

Strategic IT Budgeting and planning for the tactical use of technology resources will bolster your business efforts to establish a competitive advantage. Just as you develop and adjust your annual business plans, you should do the same when it comes to IT planning and budgeting.

Budgeting for IT Has Completely Changed

Technology is now a part of nearly everything you do, and it involves much more than computers. With the advent of artificial intelligent (AI), the Internet of Things (IoT), big data, business intelligence (BI) and Voice over Internet Protocol (VoIP) phone systems, the line items for IT may take up quite a bit more space on your balance sheets than before.

With information technology changing so rapidly, it's sometimes difficult for business owners to anticipate what they will need for optimal performance in years to come. In the past, it was easy to budget for technology. You simply purchased the number of computers and software programs you needed to handle the basics. Today information technology is central to most all of your business processes. What you choose and how you choose to use it can mean the difference between success and failure. But how do you anticipate what you'll need tomorrow?



The Increasing Dependence on Information Technology

In today's competitive environment, businesses must rely on technology in order to compete and survive in the marketplace. With computers, the Internet and the availability of more software applications, productivity has been increased for many. Technology helps employees become more efficient, quick, and precise.

Information can now be relayed instantaneously, co-workers can collaborate on projects in real time from wherever they are, and businesses now have the ability to more easily spread their services throughout the world. We can no longer function without our computers, laptops, tablets or phones. Even our smartphones have the capabilities and apps that allow us to run our business from anywhere we have cell service.

You can cut labor costs by using computers and software programs for payroll, project management, and accounting. Instead of budgeting for hours of labor, you now need to budget for computers and programs. In the long run, this is money-saver for businesses of any size.



IT Budgeting Must Be a Priority

With IT shifting from just another piece of equipment in the office to the core of business operations, you should designate it as a central part of your budget.

This also means that you must assess and clearly define how IT aligns with your business objectives to decide what you'll need for the coming year(s).

Proper IT budgeting will help you lay a foundation for success for the future.

Using the right IT solutions can help you:

- Accelerate your business growth
- Increase your operational effectiveness
- Ensure optimal productivity from your employees
- Overcome operational challenges
- Increase collaboration and communication
- Reinforce your efforts to win new business



Your IT Budget Should Be a Key Component of Your Business Plan

- Think big and in terms of the innovative measures you can employ to increase productivity, efficiency, mobility, collaboration, and communication.
- Every department in your business should adopt this philosophy when considering what they need to improve operations and cut costs.
- Consider the value IT solutions bring to your business. For example, Backup and Disaster Recovery solutions will pay for themselves many times over when compared to the cost of losing your critical data.
- Include key players in your organization when planning your IT budget. Your purchasing department may have different goals and requirements than your sales or distribution teams. Ensure you consider all initiatives and how innovative technologies will help them succeed.
- Remain open-minded. What worked for you in the past probably won't be enough in the year(s) to come. Consider your business's changing needs and how new technologies might align more closely with them.



Assess and Clarify Your Business Requirements Before You Begin

Before you start, you must determine what your business will face in the coming year(s).

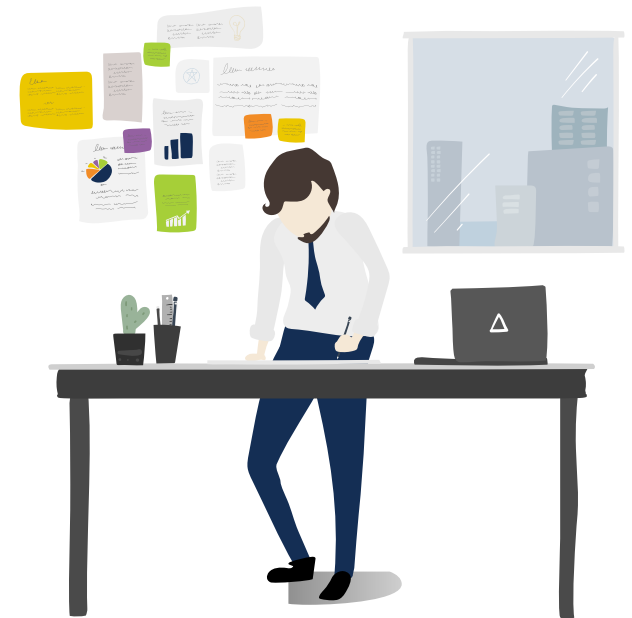
Will you be:

- Launching a product or service that requires a new fulfilment process?
- Acquiring another company or participating in a merger?
- Adding employees to your staff who will need additional hardware and software?
- Processing and storing additional confidential, proprietary or personal data that needs protecting?
- Moving to a larger office, or adding satellite offices in other locations?



Consider the Following Requirements When Budgeting for Technology

- **Industry and Government Regulations:** Will you need additional resources for data backup, vulnerability assessments, penetration testing, HIPAA, FINRA, PCI/DSS compliance?
- **Cybersecurity:** With all the new and evolving cyber threats will your current IT security solutions be enough? This is an ever-increasing need due to the growing cyber threat landscape. Will you need managed firewalls, antivirus solutions, security awareness training for your employees, mobile-device-management, remote 24/7 security monitoring, Security as a Service or other solutions to protect your IT infrastructure? Most businesses need these and more to ensure their data remains secure.
- **Productivity and Collaboration:** Software as a Service (SaaS) applications like Microsoft Office 365 provide your business the capabilities a larger-sized business enjoys, with popular applications like Word, Excel, PowerPoint and much more packaged together in a subscription-based platform. Plus, you and your employees can access it from wherever you are on your smartphones, tablets, laptops, or desktops.
- **Communications:** Many businesses are switching from desktop phones to VoIP systems. With VoIP business phones you and your employees can make and receive calls remotely via your smartphones, retrieve messages via voicemail-to-email, and stay connected even if power and Internet access go down.



Consider All the IT Components You'll Require

Hardware - This is the backbone of your IT infrastructure – the actual technology equipment you need to run your business. Be sure to include installation costs and maintenance in your calculations for items like the following:

- Workstations
- Laptops
- Hardware Implementation
- Tablets
- Smartphones
- Servers
- Cabling
- Firewalls
- Routers
- Switches
- Business Phones
- Warranties
- Licenses
- Renewals

Software – These are the business applications you'll need to run your business. Be sure to include licenses and support contracts for your on-premise solutions.

- Business Software and Applications for your Workstations, Laptops, Tablets, and Smartphones
- Server Software
- Anti-Virus, Anti-Spam, Anti-Malware Software
- Backup Software
- Routine Software Implementation



Subscriptions – These are any costs associated with subscription-based services like cloud solutions. They include options like Workstation as a Service (WaaS), Software as a Service (SaaS), Security as a Service (SecaaS), Infrastructure as a Service (IaaS), Platform as a Service (PaaS) and more.

Services & Support – This is the cost for services required to support all of your IT operations. It may encompass expenses for in-house IT employees, or contracts with a Managed Services Provider who will maintain all your IT infrastructure needs. Expenses may include:

- Salaries and benefits for IT employees.
- Monthly fees for an external IT provider (MSP).
- Annual costs for vendors of owned software/hardware.
- Outsourcing for selected services like monitoring, help desk, security services, data backup.
- Data network expenses (Virtual Private Networks, Wide Area Network connections, Internet Service Providers, Broadband Connections).
- Training for internal IT staff and industry certifications, Security Awareness Training for employees.

Project Costs – These are initiatives to transform or improve operations to support the growth of your business, and may include:

- IT Consulting and Planning
- IT Project Implementation
- Additional software and/or hardware



Identify the Gaps Between What You Have and What You Need

Now it's time to compare your current IT capabilities with what's needed to meet your business requirements for the upcoming year(s). Once you identify the gaps, you must align them with what your budget allows. You might not be able to purchase all of them. Make a list of the "must have" and another of the "would-like-to-have" technology assets. Go for what will give you the best return on your investment (ROI), and what you "must have" to keep your data secure and business running efficiently.

Implementing Your Solutions

Implementation planning is critical as it lays out the steps you'll take to complete your IT Budget for the year. You should contract with an IT Managed Services Provider to help you acquire, install and deploy your new IT solutions. The best ones will offer a payment plan that allows you to pay for the services you need on a monthly basis. And, don't choose just any company, or one according to their prices. Also, make sure they aren't a "fix-it-and-go" company. You want an IT partner who will be with you 24/7. Ask your business associates for referrals, check the testimonials on the MSPs' websites, and certainly interview more than one.



The following are some things to consider when selecting an IT provider.

1. Can they provide for your IT needs?

Consider your current IT support needs and how these might change in the coming year. Also, consider how these needs will change beyond next year as your business grows. Make a detailed list of your IT service and support requirements and objectives to determine if the IT provider can meet, and even, surpass them.

2. Look for an IT company that's located in nearby.

This affects the speed at which the company can respond onsite when IT emergencies arise. They should have the ability to handle all of your concerns and provide solutions thoroughly and effectively.

3. Do they offer fixed-rate managed services solutions?

To keep your IT budget under control, look for an IT Managed Services Provider who provides fixed-rate, all-in-one IT services. This is the only way you can accurately budget for IT services in the coming year(s).

4. Choose an IT company that provides 24/7 support, as well as onsite and remote service.

With around-the-clock service and support, you'll always have the assistance you require when IT issues arise. Also, ask if they can remotely identify and block cyberattacks, and address IT problems before they cause downtime, breaches or data loss.



5. Are their service technicians certified, knowledgeable and experienced?

Visit the company's website to assess the experience they have, how long they've been operating and what services they provide. Check the testimonials on their website and online reviews. Ask if you can contact some of their customers to ask their opinions about the service they receive.

6. Ensure you'll receive the value you require from an IT MSP.

The cheapest provider isn't always the best. Before you sign a contract with an MSP, ensure it includes any and all contingencies that may arise and details about how services are priced and delivered. Your IT provider must also be capable of aligning technology services to meet your budgetary guidelines and ensure that you'll receive maximum value from your IT investments.

7. Look for an IT company that offers training on software, hardware, and security.

It's essential that your staff is thoroughly trained on your systems and software, as well as Security Awareness Education to avoid being victimized by hackers. This will increase their confidence, capabilities, and productivity, and provide a first-line of defense against cyber threats.

8. Will they assign a dedicated account manager to your business?

This is a representative from the MSP who will act as your main point of contact. This person can get to know your business and your requirements in detail, to ensure you receive the exact service you need.



9. Do they provide monthly reports?

You must stay informed and aware of the performance of your IT assets. You've invested a lot in them, and you must be kept apprised regarding their capabilities and value. These monthly reports should highlight which solutions are performing well, and which ones need improvement.

10. Can your MSP act as your IT Consultant and Strategist?

You can greatly benefit from an IT Consultant who operates as an extension of your business. They can liaison with vendors and provide strategic technical advice to ensure your IT investments are providing what you need. They can assist with your IT budgeting and help you plan ahead and take advantage of the best prices.

IT Budgeting is an Ongoing Process

You shouldn't think of IT budgeting as having a start and finish. It's an ongoing process with a series of do's and don'ts. No plan is 100% correct, and if you run into obstacles you should modify your budget. Budgets are often modified after they are prepared as we discover things we didn't know before. You must find what works, what doesn't and make adjustments along the way. Your IT budget will go through cycles as your business needs grow and change, and as the opportunity to take advantage of new, innovative technologies emerges.

When looking for an IT provider, consider contacting Next I.T. at **866.388.6398** or **www.next-it.net**.