How more efficient ITSM can help offset rising business costs

In this paper Chris Hodder, CEO of CIHS explores ways in which businesses' can drive efficiencies and reduce costs across for their IT service management solutions.

Chris and the CIH team have extensive experience of working with leading ITSM solutions and vendors across a wide range of client sectors which means they can offer businesses independent, impartial advice on selecting and optimising the best IT Service Management solution to meet their business needs.

Introduction

For most organisations, the next 12 months or more are likely to be tough going. With the sky-high costs of energy, increasing labour shortages driving up salaries, stubbornly high inflation, and corporation tax increases on the horizon, it's almost inevitable that there will be heavy budgetary pressure brought to bear on all departments – not least IT.

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When it comes to ITSM, as every service manager will know, your biggest cost

is likely to be people, followed by technology. So any efficiencies and savings that you're able to find around those two areas are always going to help make an impact to the overall organisation.

With that in mind, here are our tips for what we recommend you focus on.

Wherever possible, automate

Automation is a powerful driver of efficiency for almost any business – not least, our own, which is why we're putting additional emphasis on it. We're working hard to automate a lot of repetitive low-skill activities – such as basic admin or handling standard queries – so our experts can focus on more challenging tasks and deliver greater value to our clients.

It shouldn't necessarily mean reducing headcount, but we are preferring to automation to hiring new people. We'd recommend other businesses follow a similar path.

Keep track of suppliers

Keeping a close eye on all your suppliers is also an effective way of helping to keep costs down – and, again, something we do ourselves here at CIH. We particularly pay close attention to ones where there

are monthly costs, as they can sneak up almost without you noticing.

On a regular basis, we refer to our CMDB and ask: Who do we have the most assets with? What are we spending the money on? What do we need? What's coming up for renewal and what can we look to replace? Being able to answer those questions in full allows us to optimise our spending.

Invest in areas that add the greatest value

For most organisations, it's a safe assumption that you're going to have less money in the pot over the coming year. So you'll need to ask tough questions about what to invest in – and what not to invest in.

For example, if you're thinking of adopting new toolsets, are they really going to shift the business most effectively in the direction it wants to go in? Or are they going to give a significant cost or efficiency benefit and/or drive additional revenue? Again, we are actively doing this at CIH and recommend other businesses follow suit.

Streamline approvals

Think hard about how you can make this process more efficient to avoid bottlenecks. For example, doing

everything by email is likely to lead to delays and inefficiencies – and ultimately, added cost.

If you send someone an email and expect them to go to a portal, read the information and then manually update something, it's likely to get buried in their to-do list. But what if you can send them a pop-up in Teams saying: "Do you want to approve this now? Here are the details." I know which one I'd be more likely to respond rapidly to – how about you?

As a golden rule, always go to where the customer is and try not to direct them away to somewhere else.

Eliminate the cost of poor data

Poor data and out-of-date information – such as organisation structures, approval processes or CMDBs – can lead to hours of wasted time as people end up searching for information and manually handling routine activities. This can very quickly get baked into your processes. Instead, fix the core problem – keep your data and records up to date!

Don't pay for tech twice

It's vital you keep on top of what you're paying for your tech, as your second biggest cost after people. You may find it hard to believe, but we have come across clients who have two implementations of the same IT management software. One might be to manage the network, and one to manage the server state – but each licence comes from a different supplier.

That means they're paying for two sets of support and maintenance – and two sets of profit margin. They're also missing out on the bargaining power of buying from one supplier and obtaining a discount on the licences. That's inefficiency of the worst kind and often driven either by internal politics or the classic problem of the 'left hand not talking to the right hand'.

And finally... ditch the politics

Internal politics is an inefficient and expensive business and has no place in an cost-effective IT environment. We recently recommended to a client a tool that was very cheap to implement and a perfect fit for what they needed – but it was vetoed at the C-suite level. This was largely due to a lack of awareness as to what it could deliver for the business plus a good dose of 'not invented here' syndrome.

We eventually resolved the situation – but only after a lengthy call with the CEO, the CTO, myself and three other members of staff. If you added up the cost per hour of all those people, not to mention the delay it caused, you'd soon realise how wasteful that episode was.

I'd therefore always recommend trusting your team, and your suppliers, when it comes to advising on the right technology to get the job done for your business while delivering the best value for money. And if you can't trust your team or suppliers – find ones that you can!

If you'd like to talk to us about how to deliver greater cost-savings and efficiencies for your ITSM, get in touch now.