

FACING THE 2009 REALITY



Testing assumptions, bias and group think
to drive out cost in your company's network services

OBJECTIVES:

Three key areas that reveal the health of the financial performance of your network services & infrastructure

- Test your awareness
- Test your processes
- Test for any gaps

AWARENESS TEST:

WHAT IS EFFECTIVENESS VS WHAT
YOU'VE BEEN DOING



Point #1: Do you have a 10% strategy?

The potential for leaving money on the table.

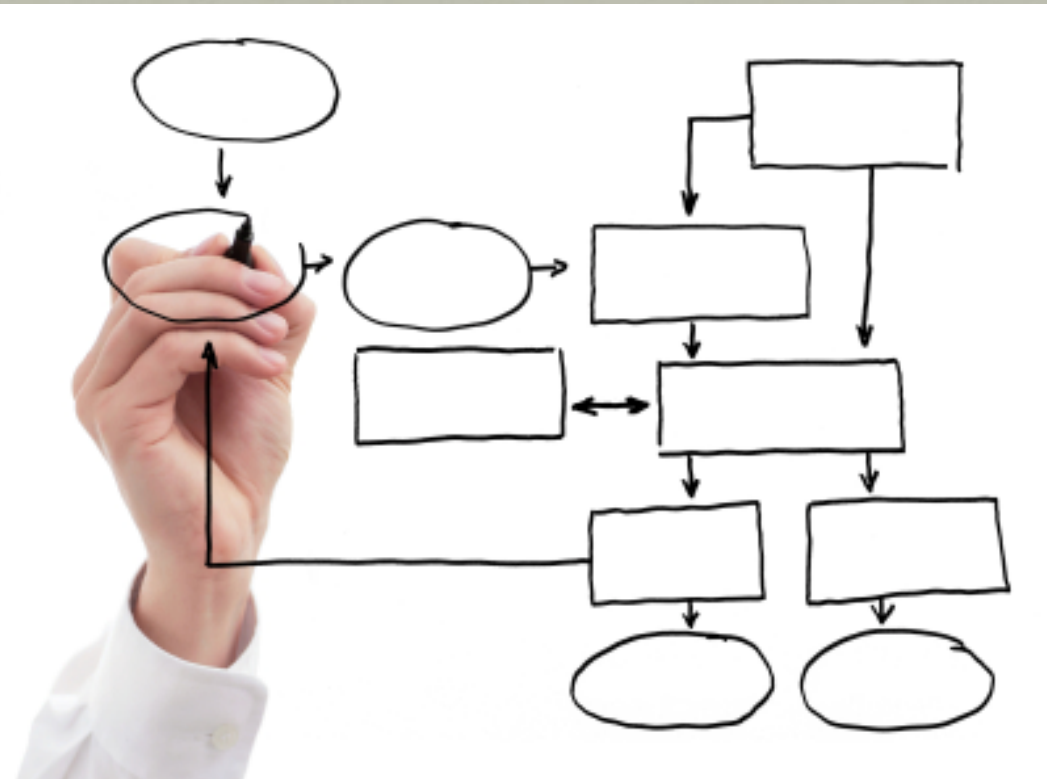
AN
ALTERNATIVE:
A NEW METRIC
CALLED
THE IDEAL
NUMBER

Quantifying the full potential of savings before deciding what's a satisfactory outcome.

- **Conventional Wisdom:** Pick a number, claim victory and go home.
- **Best in Class:** It's not about what you *did* save, it's about what you *could* have saved.
- **Proactive vs Reactive:** Don't find yourself here again in two years.

PROCESSES TEST:

CONFIDENCE LEVEL WITH QUALITY
OF DATA



Point # 2: How do you know what you know?

Confidence in your data (that you rely on for budget forecasts and decision making)

HOW YOU KNOW...

1. *Defined everything that goes into your budget*
2. *Data is from a reliable source and has been validated*
3. *Significant few are granular enough to measure*
4. *Controls in place to flag and prevent gaps*
5. *Effective processes to address flagged problems*

GAPS TEST:

THOSE AREAS MOST PRONE TO BE
ROOT CAUSE OF EXCESS COST

TOP 5 FAT ZONES

- **Technology / Office Changes** - Services not disconnected in a timely manner
- **Non-Validated Accounts** – Accounts for various services not required for business use
- **Off-Contract Usage** – Any service that has a contract rate where accounts are not coupled to contract
- **Capacity Voids** – Vastly underutilized services that carry substantial fixed costs
- **Unsubstantiated Service Fees** – Charges for changes that are not matched to the needs of the business



Point #3: What kind of change profile do you have?

Understanding the impact of change on costs

CHANGE PROFILE:

How external/internal
factors will impact potential
liabilities.

- **Status Quo** - No or minimal change in locations, providers, technologies and personnel.
- **Rapid Change** - An acquisition due to M&A activity.
- **Continual Change** - Projects that affect variables each or most quarters.

CHANGE FACTORS

- **Locations:** *How many offices have you opened, closed or moved in last 12 months?*
- **Personnel:** *What was the difference in headcount in the last year?*
- **Technology:** *When was the last significant capital investment you've made in the network?*

COST AVOIDANCE

+

COST MANAGEMENT

COST AVOIDANCE

Taking a strategic stance to avoid cost and explore alternatives.

- Not making bad technology decisions
- Development of options that substitute one cost for a more favorable one
- Actionable tipping points

COST MANAGEMENT

Making the best of what you have to
work with.

- Visibility in processes
- Managing by the numbers
- Technology consumption mindset
- Identifying key indicators
Predominant Rate Factor(s)
- Processes and controls
- Tracking remedies and results

LEVERS OF CONTROL



Saving money; It's our specialty



Call and request a free 30 minute evaluation session to locate some of your pain points

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