The
6 Steps
to

Getting a Clear View of Your Technology Costs

A Roadmap to Quantify & Manage Them

DC TECH CONSULTING

Why Is This Important To You?

Over the last 30 years, I've watched companies struggle with an increasingly complex technology landscape. Believe me, I've seen it all - including a Fortune 1000 company spending over $1 million a month on technology services that wanted to upgrade their tech stack, but didn't know whether they had the contractual flexibility to switch services—or if the changes would save money or trigger unexpected costs.

Many companies think they "have a handle" on their IT expenses, but how clearly do they really understand what they have and what they're paying for? I became so frustrated watching technology providers offer absolutely no help to their customers that I created a framework to help my clients make sense of the chaos.

My mission is to help you gain certainty about your technology asset inventory and costs so you can make informed decisions. After reviewing this document, you can implement these steps on your own or reach out if you'd like my help.

Don Chester
DC Telecom Consulting Group

Why trust my approach?

I've spent 30 years consulting with medium and large multi-location organizations. My methodology stands out because it's simple, concise, and easy to maintain. This framework provides CIOs, CFOs, and IT executives with a straightforward process to understand their organization's technology services and spending. Most importantly, it delivers clear visibility into your financial obligations and contractual constraints.

My methodology has been developed, deployed, and refined during engagements with organizations such as:

Shell · 7-ELEVEN · Southwest · Comerica · ALLIANCE DATA SYSTEMS · EPSILON · UT Southwestern Medical Center · CHESAPEAKE ENERGY · NRF National Retail Federation · The Dallas Morning News · JCPenney

The 6 Steps
to Getting a Clear View of
Your Technology Costs

A proven roadmap to help you understand, control, and optimize your technology investments:

1 Accounts Payable (A/P) Analysis

2 Vendor Invoice Review

3 Vendor Record Reconciliation

4 Usage & Capacity Analysis

5 Baseline Database Development

6 Monthly Executive Reporting

This methodology addresses the challenge of gathering dispersed information from across your organization, transforming scattered technology expenses into actionable intelligence.

A/P & Contract Analysis

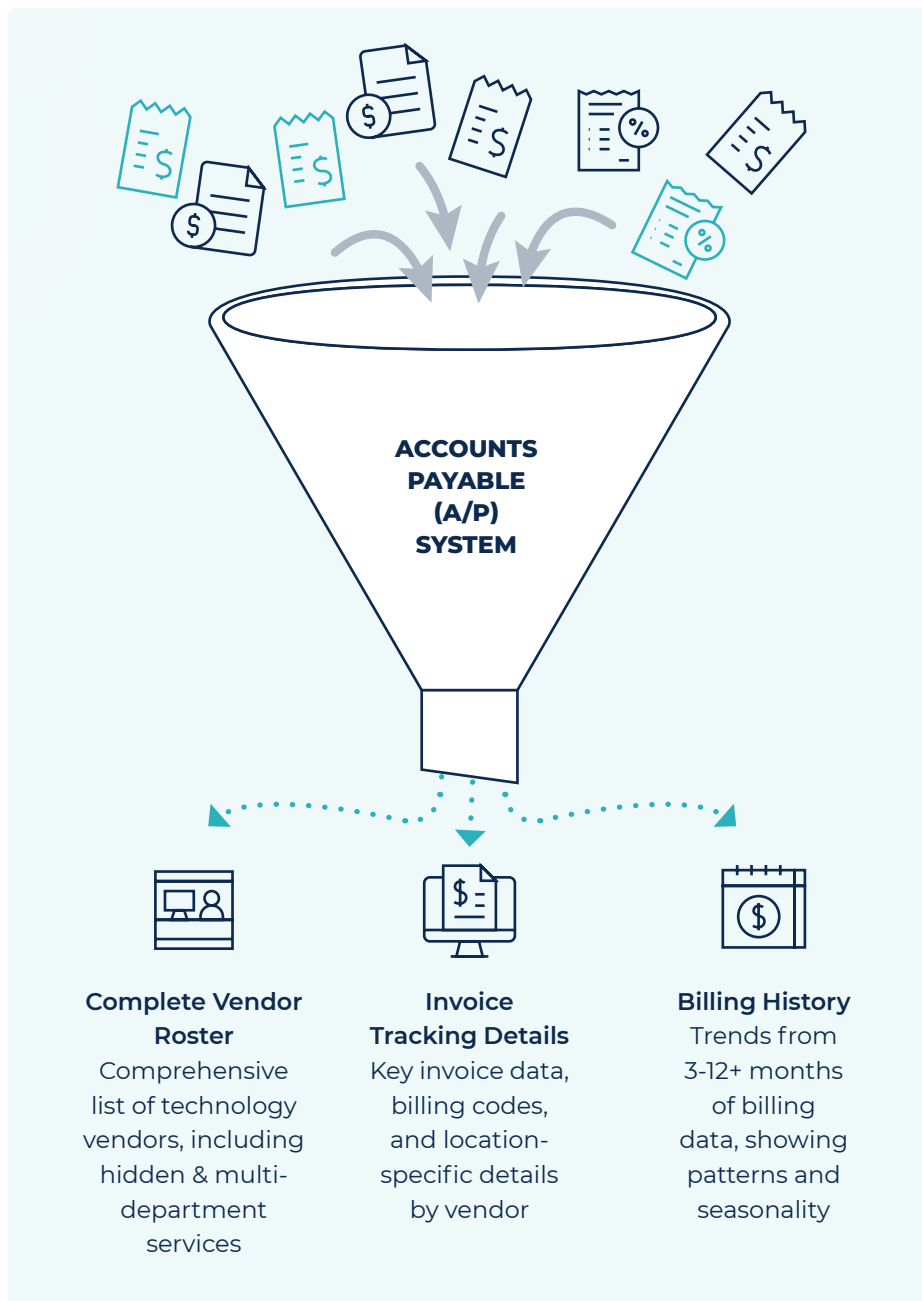## Identifying Your Technology Costs

Objective

Discover key insights by analyzing data from your Accounts Payable System.

Most organizations believe they have a clear picture of their technology costs. However, I've found that technology expenses are scattered across departments like pieces of a puzzle.

This first step is like being a detective. We're gathering clues from your **Accounts Payable (A/P) system**, looking beyond just the IT budget to uncover technology services billed under various departments. It's a simple concept but challenging in practice.

Next, gather the contract information on each of your different services. Can you locate copies of each contract? I've found that many companies **can't**. Important important question to ask:

- What are the current contractual terms?
- When do they terminate (and are there early termination charges)?

ACCOUNTS PAYABLE (A/P) SYSTEM

Complete Vendor Roster
Comprehensive list of technology vendors, including hidden & multi-department services

Invoice Tracking Details
Key invoice data, billing codes, and location-specific details by vendor

Billing History
Trends from 3-12+ months of billing data, showing patterns and seasonality

Who Can Do It?

Administrative Resource + Support from IT

Where to find it...

You may need to work with A/P functions within multiple business lines /departments

You're done when...

Technology spend (hardware, software, services) is mapped to departments

Vendor Invoice & Contract Review

Gathering Your Service Blueprint

Objective

Understand your organization's service details, commitments, and costs

While invoices seem like a straightforward source of information, technology billing has become increasingly complex. Each vendor has their own billing platform - often using multiple formats even within their own services. A simple monthly charge often contains crucial details about services, service components, billing & service addresses, commitments and other terms that impact your tech ops. I've found the most expensive billing errors often hide in plain sight, e.g. enterprise or location-level services being billed at incorrect rates, and terminated services not being disconnected.

Request copies of the current contracts for all services, including Master Service Agreements (MSA) and any Service-Level order agreements (if a service is covered by term lengths separate from the MSA).

BILL

** THANK YOU **

UNDERSTAND WHAT'S IN THE BILL

Service Plan A	$60/month

But contract says you should be on "Plan B" at 30% less

`Not what you signed for`

Email Hosting (Legacy)	$12/month

Still billed, despite moving to a bundled service years ago

`Service no longer used`

Bundle X	$300

Looks fine until you break it down and realize only 2 out of 5 components are in use.

`80% unused in bundle`

Who Can Gather It?

An **Administrative Resource** with support from **IT & Finance**

Where to find it...

- A/P Dept invoice copies
- Dept Leads for budget allocation reports
- Legal for contract copies

You're done when...

Technology spend is baselined with initial savings opportunities identified

Vendor Record Reconciliation

Verifying Your Service Records

Objective

Validate your technology inventory by reconciling Vendor Invoices, Service Records, and Contacts with internal data, records, and contracts

This step validates the accuracy between **internal** and **external** records and identifies areas of concerns or outright "Defects"

This step often reveals services you're paying for but no longer using, mismatches between contracted and actual service levels, and opportunities for service consolidation.

One of my most reliable techniques remains hands-on verification. A simple test call during business hours often reveals more than any documentation ever could - e.g. calling Vendor Support lines to determine actual service addresses often reveals services still billing at dormant locations.

BY LOOKING IN AP SYSTEM, WE FIND COST HAS INCREASED FOR THE SAME SERVICE MONTH OVER MONTH

BILL

123, MAIN STREET

| INTERNET | $1,000 |
| VPN * 1000 SEATS | $1,000 |

| TOTAL | $2,000 |

** THANK YOU **

ACCOUNTS PAYABLE (A/P) SYSTEM

123, MAIN STREET

We no longer operate site at 123 main st

| INTERNET | $1,500 |

Where is the extra 500 going?

| VPN * 1000 SEATS | $1,000 |

Headcount at site is only 250 users

↑ 25% | TOTAL | $2,500 |

Point in time datapoint, but what is the history?

Who Can Do It?

An **Administrative Resourc**e with support from **IT Team**

Where to find it...

Each Vendors' **Service Record Report**

You're done when...

Service records validated against billing with discrepancies documented
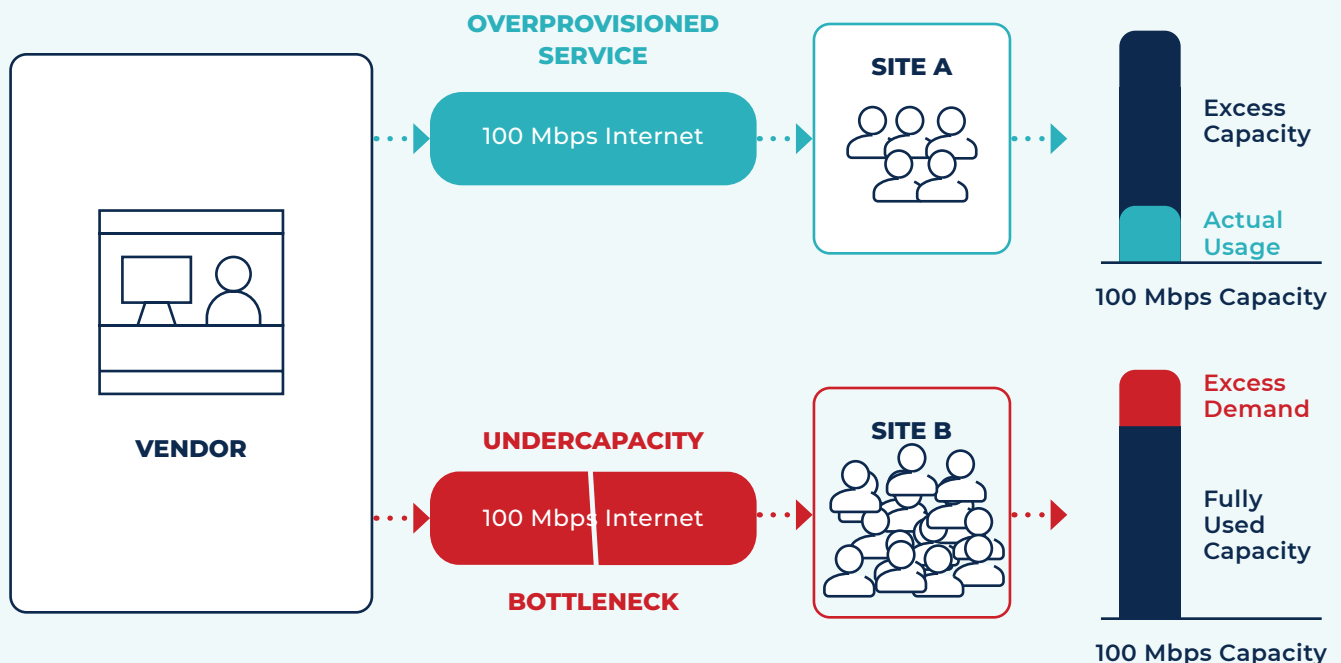
Usage & Capacity Analysis

Optimizing Your Asset Utilization

Objective

Optimize technology utilization by measuring actual usage patterns, capacity constraints, and seasonal trends

While technology costs have decreased dramatically over 30 years, organizations often maintain expensive excess capacity in some areas while experiencing constraints in others - all because they lack clear visibility into actual usage patterns. Understanding your actual technology utilization is a must!

I've seen organizations maintaining expensive services at full capacity for seasonal workloads, while others strain against artificial limits simply because they never adjusted initial service levels. Without validation of each service's metrics, you're essentially flying blind.

VENDOR

OVERPROVISIONED SERVICE

100 Mbps Internet

SITE A

Excess Capacity

Actual Usage

100 Mbps Capacity

UNDERCAPACITY

100 Mbps Internet

BOTTLENECK

SITE B

Excess Demand

Fully Used Capacity

100 Mbps Capacity

Who Can Gather It?

Technical Resources consulting with **Service Owners** and **Business Unit Leaders**

Where to find it...

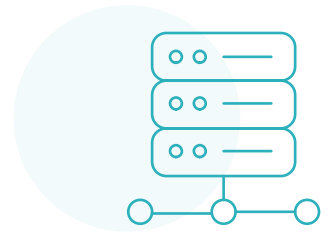Check Usage Reports from Vendor Portals and Internal Monitoring System

You're done when...

Usage patterns and capacity needs understood and mapped to locations

Initial Database Development

Building a Simple Tech Asset Tracker

Objective

Build a sustainable IT asset database that captures essential data on technology assets, costs, and dependencies

After gathering mountains of data, the challenge shifts to making it actionable. Too many organizations end up with beautiful databases that become obsolete within months because they're too complex to maintain.

You've now collected a wealth of information about your technology assets and costs. The key is creating a structure that's both comprehensive enough to be useful and simple enough to maintain. Through decades of consulting, I've seen countless asset databases fail because they tried to track everything rather than focusing on what matters most.

BUILDING A SIMPLE TECH ASSET TRACKER

Vendor List
STEP 1

Validation
STEP 3

Service Details
STEP 2

Usage Data
STEP 4
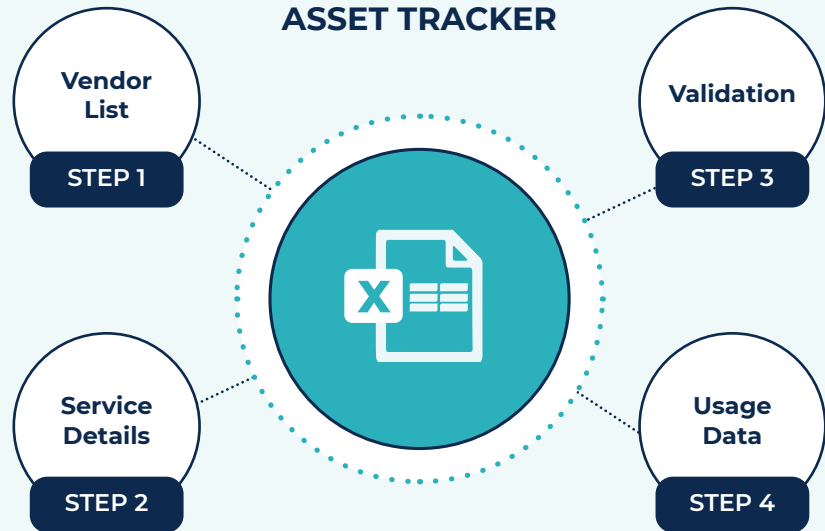
ASSET RECORD

Type: Internet Circuit

Location: Chicago HQ

Capacity: 100 Mbps

Monthly Cost: $1,499

Contract End: 12/31/2025

Core Asset Info
Service location, type capacity, costs, term

ORGANIZATION

Hierarchial structure

Access controls

Key Relationships
Dependencies, ownership and cost center allocation

Who Can Do It?

An Admin or **IT Research Analyst**, under the guidance of the **Project Stakeholder**, with **IT Technical Support** where needed

What goes into it?

Compile Service Details, Costs, and Contract Terms from Prior Analysis (steps 1-4)

You're done when...

Accessible database established with clear structure, controls, and stakeholder access

Monthly Executive Reporting

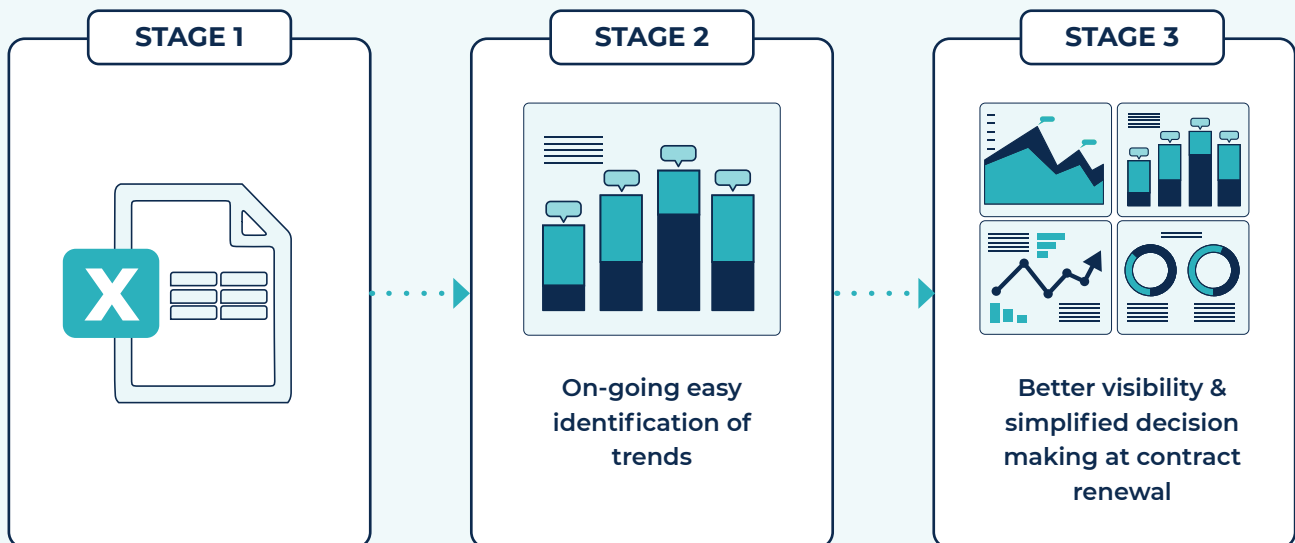## Transforming Data Into Strategic Decisions

Objective

A simple summary that provides IT Leadership with an overview of the data they need on a regular basis

You've gathered the data, validated the services, and built your database. Now comes the crucial part - presenting this information in a way that drives strategic decision-making. **Simple, focused reports** typically deliver more value than comprehensive systems that try to track everything. Most organizations struggle to transform their technology data into actionable insights.

Remember: The goal isn't to create the most comprehensive reports - it's to deliver actionable insights that drive better technology decisions.

3 STAGE FLOW

STAGE 1

STAGE 2

On-going easy identification of trends

STAGE 3

Better visibility & simplified decision making at contract renewal

Who Can Create This?

The person the **Primary Stakeholder** has the most confidence in with knowledge of the information gathered

What goes into it?

Balance stakeholder information needs with clear, actionable reporting structure

You're done when...

This is ongoing! Reports deliver actionable insights supporting strategic technology investment decisions

Now What?

Many of my clients have found that Telecom Expense Management software is too costly and complex to drive ROI, even when they see their technology landscape as relatively straightforward. My Framework gives you a clear roadmap for setting up a simple cost management framework within your own organization. If you still have questions, or find yourself without the time or resources to execute these steps on your own, I'm happy to help.

How it works:

1

Schedule a 30 minute initial discussion call

2

We'll review my framework and how specific actions relate to your company's current situation

3

You can proceed with implementing the framework on your own, or we can discuss various support options

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LET'S CHAT, CLICK HERE

Don Chester in

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This guide is meant to enable you - so I welcome you reaching out with any feedback or questions regarding the framework. Feel free to share this with any peers who might benefit from this information!

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