

Step 1. Thoroughly analyze the budget  
*Pre-Engagement Worksheet – Cost Optimization Analysis Service (Excel)*

Total Current IT Budget	Post-Optimization Budget		
	Target reduction (by %)	Amount to Cut	Target Overall IT Budget
\$8,000,000	15.0%	\$1,200,000	\$6,800,000

Budget Categories	Approximate % of current budget spend	Total	% of Total That is CapEx	Current CapEx Total	% of Total That is OpEx	Current OpEx Total
Workforce	30%	\$2,400,000	0%	\$0	100%	\$2,400,000
Software	15%	\$1,200,000	15%	\$180,000	85%	\$1,020,000
Hardware	10%	\$800,000	45%	\$360,000	55%	\$440,000
External Services	25%	\$2,000,000	0%	\$0	100%	\$2,000,000
Facilities & Power	5%	\$400,000	100%	\$400,000	0%	\$0
Other	15%	\$1,200,000	50%	\$600,000	50%	\$600,000
<b>Total</b>	<b>100%</b>	<b>\$8,000,000</b>		<b>\$1,540,000</b>		<b>\$6,460,000</b>