THEI.T. MSNEYPIT

5 Ways Businesses Waste Thousands Of Dollars On I.T. And Still Don't Get The Functionality, Security And Support That They Need



The I.T. Money Pit

5 Ways Businesses Waste Thousands Of Dollars On I.T. And Still Don't Get The Functionality, Security And Support That They Need

After conducting hundreds of I.T. assessments for small to midsize enterprises in the Pittsburgh area, we've uncovered 5 areas where companies routinely spend hundreds of thousands of dollars on I.T. yet still struggle with recurring problems, downtime, ineffective systems and security risks.

This report will show you exactly where money is leaking out of your organization and being wasted on I.T. systems and software that are old, unnecessary and putting you at risk, and what to do about it now.

Provided By: Streamline Network Solutions **Author:** Rocco Spartano, President/CEO 250 Mount Lebanon Blvd, Suite 418 Pittsburgh, PA 15234 www.streamlinenetwork.com (412) 914-3997





About The Author



Rocco Spartano — Founder and CEO of Streamline Network Solutions.

I've been working in IT for over 20 years, and what started out as helping friends and small businesses fix their tech problems has grown into a full-service IT company that now supports organizations across Pittsburgh and beyond.

Back in 2011, I launched Streamline because I realized how much I enjoyed solving problems and making people's lives easier through technology. I hold a dual degree in Computer Forensics & Internet Security and Network Administration, which means I bring a strong foundation in both cybersecurity and infrastructure to everything we do.

Today, my team and I focus on providing complete IT solutions for nonprofits, financial institutions, and manufacturing companies. We specialize in Managed IT Services, Cybersecurity, Business Voice systems, Hardware Sales, and Network Projects – but more importantly, we focus on being responsive, reliable, and easy to work with.

What makes us different? We answer our phones live. No call centers, no endless waiting. We also believe in full-service relationships — we're here from the first conversation all the way through long-term support. Our clients know they can count on us to step in, handle their tech challenges, and help them use technology to grow.

Whether it's helping a nonprofit go paperless or setting up the right systems for a fast-growing startup, I'm all about building IT strategies that actually make a difference. I take a process-driven approach, always thinking about how technology can support real business goals — not just check a box. If you're looking for an IT partner who's hands-on, responsive, and truly invested in your success, let's talk.

Notice: This publication is intended to provide accurate and authoritative information in regard to the subject matter covered. However, no warranties are made. It is provided with the understanding that the author and the publisher are NOT engaged in rendering legal, accounting or related professional services or advice and that this publication contains opinions of its author. This publication is NOT intended as a substitute for specific legal or accounting advice for any particular institution or individual. The publisher accepts NO responsibility or liability for any individual's decisions or actions made as a result of information or opinion contained herein.



The I.T. Money Pit: 5 Ways Businesses Waste Money On I.T.

Even in the best of times, no business wants to have money secretly "leaking" out of their organization due to waste, poor management and a lack of planning.

But when it comes to I.T., most CEOs don't even know what they're spending money on, much less if they're making smart investments to minimize cost and waste. It's the proverbial "money pit," a "black hole" of cost that they are unable to accurately assess.



Like a malnourished obese person, they are consuming FAR more calories than necessary, but still not getting the micronutrients they need. Businesses are often in the same situation with I.T. – they are spending thousands of dollars, but are still not getting the speed, performance, security and productivity they need.

As Andy Grove, former CEO of Intel, said, "Only the paranoid survive." In our experience, most CEOs are **not paranoid enough when it comes to loss prevention and I.T. waste.** That's why we wrote this report.

My team and I have found \$3 million in dysfunctional I.T., SaaS bloat, unnecessary software, productivity-killing systems and underappreciated cyber risk – even in generally well-run companies led by respected executives.

In fact, there has yet to be a client we've helped in the 14 years we've been providing I.T. support and services that has not produced at least \$25,000–\$75,000 in fast savings. Not one.

As you read this report, know that this IS very likely going on in your organization. As you go through this, know that what follows are only five of the most common areas where we see waste occurring. When we do a deeper analysis, we often find several other areas that need attention. Please take a look at everything below and know there IS a different path you can take – and one you should look into sooner rather than later.



#1: "Maverick" Spending, No Strategy And Undisciplined Planning

Many companies we've audited have a mishmash of patchwork technology pieced together like an old Frankenstein monster lumbering along. Nothing makes sense, nothing works as efficiently as it should, and the entire I.T. system is awash in inefficiencies, duplicate and redundant resources and outdated technologies – <u>all adding up to thousands of dollars wasted, unnecessarily, that could be put to better use in the business OR simply added to bottom-line profitability.</u>

Do you have a veritable technology "junk drawer" full of equipment, wires and software that nobody can identify or explain and that does nothing but suck up space and precious resources?

In our audits of I.T. environments, we almost always uncover multiple servers, switches and other devices – all of which they are paying to support and back up – that could easily be consolidated and upgraded to deliver faster performance, more reliability and more security.

Over time, different cooks in the kitchen have added pieces and patched problems with Band-Aid after Band-Aid instead of strategically designing the whole to maximize productivity and lower the total cost of ownership by using more up-to-date (and lower-cost) cloud technologies.

In fact, most of the C-suite executives we've interviewed do not know what they even have and are paying for. I.T. is a giant black hole of spend that nobody can justify.



That's why the first step in understanding how to lower your overall I.T. costs and get a far better ROI is to conduct a deep audit of your entire environment to look for:

- Redundant machines, servers and devices.
- Duplicate SaaS applications your company is paying for (see "SaaS Bloat").
- Out-of-date software that's putting your organization at risk for a cyber-attack.
- Old servers that could be consolidated and moved to the cloud for greater speed and availability, easier access and team collaboration and productivity.
- Backup systems you're paying for that are unreliable and inconsistent.
- Over-priced telecom and Internet contracts that haven't been renegotiated in years
- Unused Microsoft 365 or licensing seats that continue to be billed every month.
- Shadow I.T. systems (apps and devices employees are using without approval) that create compliance and security headaches.



At Streamline Network Solutions, we avoid this by running deep audits, consolidating software and licensing, standardizing systems, and providing guaranteed local support.

#2: SaaS Bloat

In the era of cloud- and subscription-based everything, it's easy for small and midsize businesses to accumulate software-as-a-service (SaaS) subscriptions without a clear inventory or strategy.

Employees often purchase tools independently and outside of the I.T. budget (also known as "shadow I.T.") to get their job done. Because these subscriptions are in small amounts, and because most companies don't routinely audit these purchases, most companies are unnecessarily spending thousands of dollars in duplicate and unnecessary SaaS applications.

Here are some stats that speak to this point:

- A 2023 Productiv SaaS Trends report found that the average midsize company uses 254 SaaS apps, **yet only 45% of those licenses are actively used.**
- According to Gartner, organizations overspend on SaaS by at least 30% due to poor management of licenses and subscriptions.
- Flexera's 2023 State Of ITAM Report states that 49% of companies identify "identifying unused or underused software" as a top cost-optimization priority.

Let's say your business uses 100 SaaS apps at an average of \$25/month per user, and only half are actively used. That's \$1,250/month (\$15,000/year) in waste for a 10-person team – and that's being conservative.



We also routinely find:

- Businesses are paying for full-feature enterprise plans when a basic tier would suffice.
- Companies fail to revoke and/or cancel licenses after employees leave or when the licenses are no longer needed.
- Employees have multiple software tools that do the same thing (e.g., three project management platforms, two virtual meeting and communication tools, multiple CRM systems, etc.).



Part of our service for clients is to conduct a quarterly audit of all SaaS subscriptions so they can be reviewed to determine if they are still needed or can be consolidated, downgraded or simply eliminated. This not only saves thousands of dollars but also closes another door a hacker can crawl through to gain access to your network.

Left unchecked, SaaS bloat silently drains your I.T. budget and wastes money that could be going directly to your bottom line. Trimming even 10% to 20% of this waste can free up thousands for higher-payoff investments.

We typically help our clients save \$12,000 to \$40,000 annually just in consolidation of their SaaS applications while giving them clear visibility into what's being spent.

In fact, one client, a nursing home facility in the Pittsburgh area, was overpaying for a dated phone system. As part of our audit and modernization process, we reviewed their telecom contracts, analyzed usage, and transitioned them to a streamlined VoIP solution. The result? We cut unnecessary costs and saved them just over \$2,500 per month — every month, year over year — while also giving their staff a more reliable and flexible system for resident care and communication.





#3: Grossly Inadequate Data Compliance And Cybersecurity Protections

While you might not think of spending money on cybersecurity as a "cost savings," you would do a complete 180 if you ever experienced the massive expenses associated with a ransomware attack or breach.

When A Cyber-Attack Happens, The Losses Stack Up And Multiply While Sales Tank.

Right away, there's an instant loss of productivity. At best, you're crippled. In the worst cases, you're completely shut down, unable to transact, unable to deliver the promised products and services to clients and unable to operate. In other cases, thousands if not millions of dollars are drained directly from your accounts without any chance of recovery.

Then you have the loss of critical data, reputational damage, potential lawsuits and government fines. **The epicenter of this disaster lands DIRECTLY on YOUR desk for YOU to deal with** – a problem that WILL significantly undo your best-laid plans for growth and progress.

Yet, despite this, we have found that 7 out of 10 companies we've audited are GROSSLY unprepared and unprotected from a ransomware attack or other major cybersecurity event EVEN THOUGH they have invested heavily in I.T. staff and resources. Before we showed them irrefutable evidence of these inadequacies, the CEO was convinced that "I.T. has it handled." A ticking time bomb they didn't know was "live" under their seat.



Let me also point out that many insurance companies now require you to have a robust cybersecurity plan and protocols in place in order for you to be insurable. And with new data-protection laws being introduced and implemented on both a federal and state level, you may have clients coming to you to demand you show proof of adequate cyberprotections or they will be unable to do business with you. Do you really want to wait until you have the proverbial "gun to the head" need to get this enacted?

Case Study – Pittsburgh Manufacturer: One client believed they were covered because they had firewalls and antivirus in place. Our audit revealed their backups were failing silently, and MFA wasn't enforced for email. Within weeks, we corrected both, layered in endpoint detection, and closed the gaps. They now have a fully tested disaster recovery plan and the assurance that their business won't grind to a halt from a single cyber incident.

#4: Chronic I.T. Problems, System Failures And Slow Response To Problems

As the saying goes, "Overhead walks on two legs." Any leader knows that unproductive, distracted workers not only kill profitability but increase the chances of mistakes, missed deadlines, sloppy work and low morale. A frustrated team is not a productive one.

Yet We Find That Most CEOs Don't Realize Just How Often Their Employees Are Being Interrupted And Distracted Due To Recurring I.T. Failures Because It's "Hidden" From Them.

After our audit, many CEOs are shocked to discover their employees are dealing with chronic I.T. problems that are constantly getting in the way of serving clients, closing sales and doing their job, forcing them to stop what they are doing, redoing the work they just spent hours doing or possibly NOT doing what they are supposed to do.

Just one hour of this a day adds up when multiplied over an entire year and your entire workforce. For example, one client we audited found that each employee was losing an average of 3 hours every month battling preventable tech issues. That translated into tens of thousands of dollars in lost productivity each year – on top of the extra help-desk fees they were paying their old I.T. provider to chase the same recurring problems. A painful double hit to efficiency and profit.



After coming onboard, we cut that wasted time down from 3 hours to just 30 minutes per month per employee – a 10x improvement in productivity.

In the majority of the situations where this is happening, I.T. is being outsourced to an organization that is not as responsive as they should be and has not been strategic or proactive in upgrading systems to avoid these costs.

To make matters worse, many support tickets are submitted by employees into a "black hole" without a guarantee of resolution or response time – so they're left waiting for HOURS, unable to work, simply because their outsourced I.T. company is not getting back to them quickly.

Problems occur again and again, and frustrated employees end up finding a workaround or attempt to fix it themselves because it's less frustrating than sitting on their hands waiting for a tech to call them back and fix the problem.

All the while, the company is paying their outsourced I.T. company to resolve all of this – but they're only compounding the problem.

At Streamline Network Solutions, our average response time to problems is under 15 minutes, and we guarantee a live person will answer the phone during business hours. We don't send tickets into a queue that sits for hours — our team is accountable, proactive, and focused on fixing issues the first time so your employees can get back to work without costly delays.

#5: Delaying Necessary Upgrades Until Systems Fail

With inflation and costs on the rise, it's no surprise CEOs and CFOs try to stretch I.T. systems upgrades until they are absolutely necessary – but there is a false economy in waiting too long.

Older systems not only become slower and less effective, but they also require more maintenance and support, increasing service fees. Old systems can also fail without notice, forcing you to upgrade without proper planning, incurring emergency support costs, data recovery fees and unplanned downtime.



In many cases, data loss can occur if systems fail unexpectedly – and upgrading old legacy systems may require expensive specialists who can migrate the data and functions to a newer system. Then there's the increased risk of a cyber-attack since older systems tend to be less secure and may no longer be supported by the vendor.

One local business learned this the hard way. They postponed replacing an aging server until it suddenly failed, bringing operations to a halt. The emergency recovery, downtime, and expedited hardware replacement ended up costing them over \$20,000 — more than double what a planned, phased upgrade would have cost.

Done right, upgrades could have been done in smaller, budgeted increments over time, making it easier on the company from a budgetary perspective and in disruption of productivity.

This is why, at Streamline Network Solutions, we track and document every piece of equipment, software, and system your business relies on. This gives you full visibility into what's actually in place, what truly needs to be upgraded, and when allowing you to plan ahead, avoid costly surprises, and stick to a predictable I.T. budget.



Is Your Current I.T. Company Allowing You To Waste Money, Break The Law And Incur Risk?

Take This Quiz To Find Out

If your current I.T. company does not score a "Yes" on every point, they are NOT adequately protecting and serving you. Don't let them "convince" you otherwise and DO NOT give them a free pass on any one of these critical points. Remember, it's YOUR business, income and reputation on the line.

Do they meet with you bi-annually to review your current I.T. spend and map out future upgrades so you can appropriately budget for I.T. spend? Or do they wait until an upgrade is on fire and then send you a big, expensive quote for a critical upgrade you didn't budget or plan for?
Have they met with you recently – in the last 6 months – to specifically review and discuss what they are doing NOW to protect you from ransomware and the latest cyber-attacks? This should be a routine report provided with the biannually strategy meeting mentioned above.
Do they track and report on how many support tickets your team is submitting? Is it under 3-4 tickets per month per employee? If it's higher than that, what are they proposing to eliminate recurring problems your employees are constantly having to deal with?
Have they proposed ways to consolidate and eliminate SaaS bloat in your organization?
Have they ever asked to see your cyber liability insurance policy? Have they verified they are doing everything your policy REQUIRES to avoid having a claim denied in the event of a cyber-attack?
Do THEY have adequate insurance to cover YOU if they make a mistake and your practice is compromised? Do you have a copy of THEIR CURRENT policy? Does it specifically cover YOU for losses and damages?
Have you been fully and frankly briefed on what to do IF you get compromised? Have they provided you with a response plan? If not, WHY?

NETWORK SOLUTIONS
Have they told you if they are outsourcing your support to a third-party organization? DO YOU KNOW WHO HAS ACCESS TO YOUR I.T. SYSTEMS AND THE DATA IT HOLDS? If they are outsourcing, have they shown you what security controls they have in place to ensure that a rogue technician, living in another country, would be prevented from using their free and full access to your network to do harm?
Do they have controls in place to force your employees to use strong passwords? Do they require a PASSWORD management system to prevent employees from using weak passwords? If an employee is fired or quits, do they have a process in place to make sure ALL passwords are changed? Can you see it?
Do they provide employee training so your staff knows how to utilize the tools they have instead of buying additional software and tools you don't need?
Have they recommended or conducted a comprehensive risk assessment every single year? By law, you're required to do this, and your I.T. company should be handling the I.T. part of that for you.
Have they implemented web-filtering technology to prevent your employees from going to infected websites or websites you DON'T want them accessing at work? I know no one in YOUR office would do this, but why risk it?
Have they given you and your employees ANY kind of cybersecurity awareness training? This is now required by law for many industries and by insurance companies as a condition of receiving coverage.
Have they properly configured your e-mail system to prevent the sending/receiving of confidential or protected data?
Do they offer, or have they at least talked to you about, dark web/deep web ID monitoring? There are new tools available that monitor cybercrime websites and data for YOUR specific credentials being sold or traded. Once a leak is detected, this tool notifies you immediately so you can change your password and be on high alert.



Ready For Efficient I.T. Services That Don't Waste Your Money And Put You At Undo Risk?

Because you're a prospective client, I'd like to offer you a **FREE I.T. Systems And Security Assessment** to demonstrate how we could put the ideas in this report to work for you and dramatically improve the value you are getting for your I.T. spend, eliminate waste and reduce your exposure and risk to a devastating cyberattack.

The next step is simple: Call my office at **412-914-3997** and reference this report to schedule a brief 10- to 15-minute initial consultation.

On this call we can discuss your unique situation and any concerns you have and, of course, answer any questions you have about us. If you feel comfortable moving ahead, we'll schedule a convenient time to conduct our proprietary (and FREE) I.T. Systems And Security Assessment.

This Assessment can be conducted with or without your current I.T. company or department knowing (we can give you the full details on our initial call).

At the end of the Assessment, you'll know:

- Where you are overpaying (or getting underserved) for the I.T. services, tools and support you are paying your current I.T. company to deliver.
- Whether or not your company is truly protected from hackers and ransomware, and where you are partially or totally exposed to a devastating, extremely expensive cyber event.
- If your data is actually being backed up in a manner that would allow you to recover it quickly in the event of an emergency or ransomware attack. (Hint: Most backups are NOT.)
- How you could lower the overall costs of I.T. while improving communication, security and performance, as well as the productivity of your employees.

Fresh eyes see things that others cannot – so, at a minimum, our free Assessment is a completely cost- and risk-free way to get a credible third-party validation of the security, stability and efficiency of your I.T. systems.



Sign Up For Your FREE Assessment At Our Website:

www.streamlinenetwork.com/money-pit-assessment

If you prefer, you can also e-mail me at rspartano@streamlinenetwork.com or call me direct at 412-914-3997.

Please don't be "too busy" and set this aside to deal with it later. If you have even a sneaking suspicion that money is being wasted and you are at risk for a cyber-attack, every minute counts.



Here's What Our Clients Have To Say:



Streamline Always Has The Answer!

Streamline Network Solutions is a company that is always there when we need them. They continually touch base with us and offer up the latest solutions to ensure that our business is operating at its best. In a time where you always find yourself on hold, it is refreshing to know that if we have an IT problem we can call their help desk and a real tech will answer. Streamline Network Solutions has our back and that trust really helps our business thrive.

Ruth, P3R - Pittsbugh, PA



Where You're Treated Like Family

Streamline does a fantastic job of managing our business IT services and phone system. Their whole team is responsive to any problem we have and resolves issues quickly.

Additionally, Streamline works like an extension of our own company. No task is too big or small when we need guidance on our IT systems and infrastructure. They take the time to patiently walk us and our employees through any new policies or equipment.

While other IT firms have treated us like a ticketing system, Streamline has treated us like family. Rocco and his team have gotten to know our company on a personal level and truly care about any problems we face. They always work to resolve any issues we have and deliver above and beyond every time.

Jeff, Verichek Technical Services- Bethel Park, PA



Unmatched Support and Vision

I have nothing but praise for Streamline. They consistently go above and beyond to assist us, proactively looking ahead to anticipate future challenges and how they can enhance and safeguard our IT infrastructure. I would recommend their serices to anyone without hesitation.

Cindy, Mon Valley Care Center - Monongahela, PA