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Secrets to Foolproof IT Budgeting

The process of budgeting for your IT expenses can be a frustrating one without the right approach. In addition, business owners usually find themselves facing this dilemma: on one hand, investing in new IT is a sure-fire way to gear up for growth. On the other, IT is a major cost center – and owners are always looking for ways to trim costs, with IT associated expenses being one of the prime targets.

So how do you simplify the budgeting process, achieve your IT goals for the upcoming year, and save money at the same time? Simple – you have to start thinking in buckets. When you separate your IT expenditures into two different buckets, the process for budgeting becomes much clearer and easier.

In the first bucket, you account for all expenses associated with having to **Maintain and Operate the Organization, Systems, and Equipment**, better known as your **MOOSE** as coined by Andrew Bartels of the Forrester Research Group. This would include depreciation and maintenance fees on equipment, salaries and benefits for IT staff, outsourcing agreements, IT consulting and integration from prior years, and any other on-going expenses related to IT.

The second bucket is intended for new initiatives, including upgrades, enhanced security, new customer strategy, and regulatory requirements; basically those items that are only relevant to a company at a single point in time. Separating the new initiatives from the reoccurring MOOSE expenditures is important because the two should not be handled alike when it comes to budgeting. Targeted IT initiatives must align with business strategy and need to be justified after a thorough cost benefit analysis has been completed.

Once the two pieces of your IT expenditures are clearly divided, the next step is to seek ways to save money. Simple cost cutting may only provide a temporary fix and could ultimately hurt vital business processes that rely on technology support. Instead, proactive MOOSE management is a business imperative. Take for example, the simple fact that 90% of successful exploits involve vulnerabilities for which a patch has been available for six months or longer! Even more mind-boggling... free software is available to automate downloading these patches and manage pushing them across your network to your PCs and servers. At its most basic level, proactive MOOSE management means following best practices like ensuring free software is installed which can prevent a costly breach of your systems and save your business money in the end.

If you'd like a detailed outline of proactive MOOSE management strategies as well as a means to benchmark your MOOSE expenses against companies of like size and industry, contact info@sseinc.com. Or, if you'd like information on outsourcing IT services, please contact us at 314-439-4700.