



How to Tighten Your IT Belt in 2025:

Efficiency, Optimization, and ROI



Where are you overspending on IT?

You've been tasked with finding ways to cut your IT operations budget for 2025 — where do you start? IT budget planners are grappling with how to stretch already tight budgets, and the added financial demands of AI readiness and cybersecurity resilience don't help.

To make cutting costs even harder, almost everything is more expensive this year than last year, and there's economic uncertainty despite inflation and interest rates trending lower.

Last year, for example, the [SaaS inflation rate](#) was approximately 8.7% in 2023, and [public cloud costs](#) increased 3.2%. There's also a compounding effect each year, so the more you can tighten up your IT spending in 2025, the less the cumulative effect of price increases will impact your budget in coming years.

Here are five approaches to cut costs and streamline IT operations in 2025:

1. Optimize your cloud usage

Too many companies pay for cloud services they're not fully utilizing. Overspending on unused resources or paying unnecessary fines for non-compliance issues and other cloud-related costs results in an expensive mismatch between needs and expenditures.

To bring them into alignment:

1. **Conduct a complete audit** of your [cloud spending](#) as part of your 2025 IT budgeting process.
2. **Cut the excess** — you can always scale up again when needed.
3. **Consider tailoring your cloud optimization** using industry-specific services, such as financial services clouds and healthcare compliance clouds.

Top-tier managed service providers (MSPs) use tools that can help you better track and manage your cloud resources. If you have an MSP, they should be proactively helping you manage your IT spending. If you do not have an MSP, investing in a similar tool could be worthwhile if you spend \$10K or more on cloud usage each month.

What might you save based on reported averages?

You could save 20-40% on your cloud usage expenses by better aligning with actual usage and improving compliance processes. Cloud usage optimization is an essential budgeting strategy as you [modernize your IT environment](#).

2. Consolidate IT vendors

IT vendor sprawl is expensive. And common.

Many companies add new vendors or solutions to meet immediate needs or take advantage of attractive deals, and solutions acquired at the departmental level may duplicate capabilities already available at the corporate level. Over time, this approach often leads to a complicated mix of vendors with overlapping services (including cloud services) that are:

- **Inefficient**
- **Introduce risk**
- **Hard to manage**
- **Wasteful**

Mergers and acquisitions can also lead to redundant vendor networks, and some CIOs believe diversifying vendors is a risk management strategy.

To run a streamlined IT operation that cuts costs and simplifies IT management over the long term, start by assessing each vendor's offerings and performance. Then, look for service overlaps and ask your IT team about the time they spend coordinating vendors. The time your team spends working with any particular vendor may be worth more than the value of the vendor's service.

As you choose which vendors to cut and which to keep, focus on your overriding goal — a stable, efficient, and secure IT ecosystem that's easy to manage. And, remember that the incremental cost of adding another service from an existing vendor should be much less than the cost of the standalone service you're cutting.

By developing strong, long-term partnerships with a few key vendors, Leapfrog clients have gotten volume discount pricing that's 20-40% lower than standard pricing. You'll also get better support, reduce administrative overhead, and have an IT strategy that aligns with your cost-cutting objective.

The specific amount you'll need to budget for doing the consolidation work in 2025 will depend on the number of vendors you're consolidating.

What might you save?

You can expect a return on investment (ROI) from consolidation within 12 months. The bigger the sprawl you reduce, the quicker the ROI. For more detailed insights on managing vendor sprawl and achieving cost efficiencies, see [The High Cost of IT Vendor Sprawl](#) and [Cut Costs and Gain Efficiencies By Consolidating IT Vendors](#).

3. Level up your IT asset management (ITAM)

Do you know when each of your assets will age out? Or when your operating systems will reach end-of-life? Are you maintaining assets — like phone systems, printers, and other IT assets — that you no longer use or aren't delivering their intended value?

During COVID, companies added a lot of assets to accommodate work-from-home (WFH). But now, the pendulum is swinging back and companies are cutting back on the assets they provide to employees to work outside the office.

To run efficient, cost-effective IT operations, you need to conduct a solid inventory and assessment of [all the assets currently in your IT ecosystem](#) (just as you do with your vendors). With visibility into your assets, you can identify and remove redundant or underutilized assets, proactively maintain your assets to reduce downtime and extend lifespans, and use procurement strategies that save money, such as buying in bulk. While the cost of endpoints has come down as supply chains have normalized, it's still a better deal to avoid buying endpoints you don't need.

Research 2025 pricing for new assets early in your IT budgeting process — it's Question #3 in our [Key Questions for IT Budgeting for 2025](#).

What might you save based on reported averages?

Despite higher prices due to inflation, improving asset utilization and reducing redundancy can potentially save your company up to 15—25% on asset-related expenses, depending on your current level of assets.

4. Invest in automation

You can cut costs by investing in process automation that makes your company more efficient, reduces errors, and frees up your human resources for tasks that require human intelligence. [Chatbots](#), for example, famously reduce expenses, improve customer engagement and satisfaction, and provide valuable insights into client behavior and preferences. Even industry-specific tasks like loan processing, patient record management, property management processes, and some compliance tasks can be automated to save money.

Start by budgeting to fully utilize your existing resources — you're probably paying for automation capabilities that you're not using.

When investing in new automation tools, start small and choose scalable solutions that integrate easily into your existing systems to avoid vendor sprawl.

What might you save based on reported averages and Leapfrog client experience?

Upfront investment in automation can lead to long-term savings, improved accuracy, and overall efficiency, potentially saving up to 50% or more on manual process costs.

5. Prioritize ROI-driven IT projects (even if they're inconvenient)

Focusing on IT projects that deliver both immediate financial returns and long-term strategic value is a foundational business practice. However, most ROI-driven IT projects often involve the most change, and change is hard. So projects get postponed.

Leapfrog recommends thinking about your IT budget like an investment portfolio. When deciding between projects, adopt a strategic, data-driven approach that considers cost savings, risk reduction, and competitive advantage in addition to direct revenue generation.

You can use short-term initiatives to provide the financial fuel to support longer-term foundational projects, such as [modernizing your IT environment for AI](#), which is crucial for future-proofing your business.

Staying flexible is also important. Use agile methodologies that allow for iterative improvements and enable you to pivot on the project when your business or the technology landscape changes.

What might you save?

By prioritizing ROI-driven IT projects in 2025, you keep the focus on the most essential thing — aligning your projects with your business goals. Given increased cybercrime and the global adoption of GenAI, this is not the year to avoid investing in projects that secure your business or allow you to compete.

Be deliberate, efficient, and ready to prosper in 2025

All of these suggestions have something in common — optimization. As in, do what you're already doing, only better. You'll run a tighter IT ship when you have visibility across your entire IT ecosystem, consolidate and automate wherever you can, and allocate funds for projects with the most potential business value.

Doing more with less is not only possible, it's profitable.

Designing, building, and managing efficient, secure IT ecosystems is at the core of [Leapfrog's methodology](#). Since 1998, we've been helping clients identify strengths and weaknesses in their current IT ecosystems and create IT budgets that allocate funds based on their business needs, technology best practices, and marketplace conditions. If you'd like to talk about your needs and how we can help, please get in touch. We're here to help.

Leapfrog offers outsourced managed IT and cybersecurity services that fit easily into your business model. With over 25 years of MSP, MSSP, and CyberRisk Management experience, we help a broad array of companies simplify their IT operations while improving their security and resiliency. Our services are scalable, aligned, and built on a proven methodology, and our culture (we call it “Frogma”) is built on Integrity, Service, and People so you get personalized, best-in-class support.

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say they will continue to partner with Leapfrog for the next 12 months

97%

say Leapfrog is more effective than their in-house IT staff

96%

are happy with our after-hours support

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