# IT PROCUREMENT REVIEW WITH RECOMMENDATIONS



**Made for:** Client 1
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## Scope and Methodology

We analysed 12 months of invoice data alongside your current contract portfolio to understand your IT procurement landscape. Invoice analysis showed spending patterns, vendor concentration, and potential cost efficiencies, whilst contract reviews evaluated commercial terms and risk exposure.

We also spoke with stakeholders across IT, Legal, Finance, and Procurement to validate findings and understand the context behind the numbers. These conversations helped us identify governance gaps and process limitations - ensuring our recommendations reflect both the data and your organisational realities, giving us a practical foundation for the improvements ahead.

# TABLE OF CONTENT

## Executive Summary

## At a Glance

**Annual IT Spend:** €2.1M | **Active Vendors:** 150 entities (85 parent organisations) | **Contracts Analysed:** 45 agreements representing €1.5M | **Interviews:** 7 Stakeholders | **Assessment Period:** January-December 2025

## Governance - Three Key Findings

**1. Spend Visibility & Control**
28% of IT spend (€590K) occurs outside formal contracts, with €420K flowing through corporate credit cards and non-IT cost centres. This shadow IT creates security exposure, duplicate costs, and prevents volume leverage with key vendors.

**2. Vendor Fragmentation**
150 legal entities consolidating to 85 parent organisations, with 130 vendors representing just 18% of spend. We identified 8 service categories where multiple vendors provide overlapping capabilities, creating unnecessary complexity and missed consolidation opportunities worth €52K annually.

**3. Contract Risk & Renewals**
42% of contracted spend (€650K across 8 contracts) carries high-risk terms including auto-renewals, missing SLAs, and unfavourable exit provisions. €470K in contracts expire within 6 months, several with proposed price increases totalling €65K requiring immediate attention.

## The Opportunity: Savings of 315 - 445 KCHF

Different IT categories follow distinct commercial models - software negotiations work differently from cloud optimisation or telecom contract reviews. We've structured opportunities by category to help us focus efforts where you'll see the clearest returns based on your specific vendor mix.

| Category | Opportunities | Annual Savings | Confidence |
|---|---|---|---|
| Software and SaaS | | 100K-150K CHF | High |
| Cloud | | 100K-150K CHF | High |
| Services | | 100K-150K CHF | High |
| Hardware | | 100K-150K CHF | Medium |
| Telecom | | 100K-150K CHF | Medium |

## Three Immediate Priorities

**Priority 1: Address Critical Contract Renewals** | 0-3 months | €95K-€140K
Eight contracts worth €470K expire in the next 6 months with auto-renewal clauses and price increases. Immediate action prevents unfavourable renewals and captures negotiation leverage.

**Priority 2: Control Shadow IT & Unmanaged Spend** | 0-6 months | €70K-€95K
€590K in unmanaged spend creates security risk and duplicate costs. Implementing governance controls and consolidating shadow purchases delivers quick wins whilst establishing sustainable processes.

**Priority 3: Establish IT Procurement Governance** | 0-6 months | Enabling
Clear policies, approval workflows, contract repository, and renewal calendar create the framework to sustain Phase 1 savings and enable Phase 2 optimisation.

**Year-one savings**: €165K-€235K | **Full potential over 12-18 months:** €315K-€445K

The next pages will provide additional information that drove us to this conclusion.
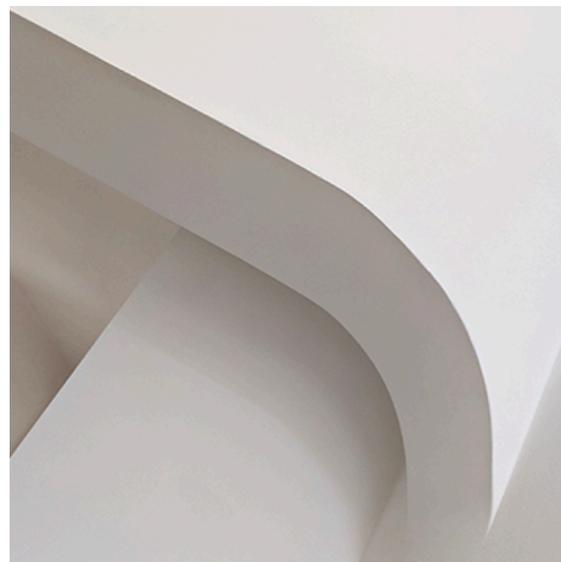
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## Your Vendor Ecosystem - Overview

This section provides a comprehensive view of your IT spending landscape - how you consume IT services, what you're buying and who you're buying from. Understanding this baseline is essential context for the findings and opportunities that follow, as it reveals both the scale of your vendor relationships and the structural patterns driving cost and risk.

## Portfolio Snapshot

**Annual IT Spend:** €2.1M (+12% YoY) | **Active Vendors:** 150 entities (85 parent organisations) | **Contract Coverage:** 72% |**Top 10 Vendor Concentration:** 76% | **IT spend as % of Revenue:** 10%

## IT Service Consumption View

| IT Service Catalogue | Annual Spend | % of Total Spend | Vendor Count * | Primary Vendors |
|---|---|---|---|---|
| Infrastructure | 525 KCHF | 25 % | 20 | HP, Cisco |
| Business Applications | 420 KCHF | 20 % | 40 | SAP, Workday |
| Cybersecurity | 315 KCHF | 15 % | 25 | Palo Alto, Crowdstrike |
| Cloud Services | 273 KCHF | 13 % | 23 | AWS, Microsoft |
| Data & Analytics | 168 KCHF | 8 % | 5 | Tableau |
| IT Support and Services | 147 KCHF | 7 % | 10 | Capgemini, |
| Telecommunications | 126 KCHF | 6 % | 7 | Swisscom, Vodafone |
| Project Delivery | 46 KCHF | 3 % | 10 | Accenture |
| Compliance & Audit | 40 KCHF | 2 % | 5 | G2 |
| Training | 40 KCHF | 2 % | 5 | Proofpoint |
| **TOTAL** | **2.1 MCHF** | **100 %** | **150** | |

* Same vendors may appear in different categories as they provided different services.

**Analysis:** The service catalog shows what IT capabilities are actually consumed, independent of how they're purchased. Infrastructure and business applications represent 45% of spend, whilst strategic priorities like data & analytics receive just 8%.

## What You Procure

| Category | Annual Spend | % of Total Spend | Vendor Count * | YoY Change |
|---|---|---|---|---|
| Software and SaaS | 720 KCHF | 34 % | 90 | + 18 % |
| Cloud | 505 KCHF | 24 % | 2 | + 35 % |
| Services | 420 KCHF | 20 % | 25 | + 8 % |
| Hardware | 315 KCHF | 15 % | 23 | + 3 % |
| Telecom | 140 KCHF | 7 % | 10 | - 5 % |
| **TOTAL** | **2.1 MCHF** | **100 %** | **150** | **+ 12 %** |

**Analysis:** Software and cloud services represent 58% of total spend and are growing significantly faster than overall IT budget, indicating shift toward consumption-based models.

## Who You Are Buying From

| Vendor Name | Categories | Annual Spend | % of Total Spend |
|---|---|---|---|
| AWS | Cloud Services | 280 KCHF | 13.3 % |
| Microsoft | Software | 245 KCHF | 11.7 % |
| Salesforce | Software | 180 KCHF | 8.6 % |
| SAP | Software | 165 KCHF | 7.9 % |
| Vodafone | Telecom | 140 KCHF | 6.7 % |
| Cisco | Infrastructure | 105 KCHF | 5.0 % |
| Dell | Telecommunications | 95 KCHF | 4.5 % |
| Accenture | Project Delivery | 85 KCHF | 4.0 % |
| Crowdstrike | Software | 75 KCHF | 3.6 % |
| Adobe | Software | 70 KCHF | 3.3 % |
| **TOP 10 Total** | | **1'440 KCHF** | **68.6 %** |
| **Tail (140 vendors) Total** | | **660 KCHF** | **31.4 %** |

**Analysis:** Healthy concentration with top 10 vendors representing 69% of spend, though 140 tail vendors create disproportionate administrative burden for 31% of value.

## State of Current Governance

Based on key metrics and interviews performed internally, we identified gaps and priorities to improve the governance of your vendors to reduce risks, improve vendor performance   and maintain the lowest cost possible.

| Metrics | Current State | Target |
|---|---|---|
| Spend under Contract | 68 % | 90 % |
| High Risk Contracts | 42% of annual spend | < 10% |
| Spend under IT Management | 80 % | 90 % |
| Spend paid by Credit Card | 20 % | < 5% |

**Analysis:** Multiple indicators show governance gaps and risk concentration requiring attention. Contract coverage and shadow IT levels significantly exceed industry best practice thresholds.

## Capabilities - Gaps and Opportunities

Six fundamental capabilities underpin effective IT procurement governance. Our conversations with IT leaders revealed where you have solid foundations and where targeted improvements can strengthen control and deliver value.

| Capabilities | In place ( Yes/No) | Comments |
|---|---|---|
| Central Responsibility for vendor management | No | |
| Contract Central Repository | Yes | |
| Vendor governance & performance | No | |
| Analytics for Financial Management | Yes | |
| RFP process and guidelines | No | |
| Annual Optimisation process for Cloud and SaaS | No | |

**Analysis:** Capabilities marked "No" represent immediate opportunities to strengthen governance and control. Implementing contract repository and renewal tracking delivers fast value with minimal effort, whilst policy and approval workflows prevent future shadow IT growth.

## Findings & Proposed Improvements

We structure our findings by procurement category - different IT categories follow distinct commercial models and require different optimisation approaches. Within each category, you'll find detailed analysis of current state, specific opportunities, and where applicable, estimated savings potential. Category-specific recommendations appear throughout, with a consolidated implementation roadmap in the final section.

## Software

SaaS applications are uniquely easy for anyone to subscribe, making this category particularly prone to governance gaps, shadow IT, and usage inefficiencies. This section examines contract coverage, risk exposure, and license optimisation opportunities across your software portfolio.

**Portfolio Snapshot**

**Annual Software Spend:** €720K (+18% YoY) | **Active Vendors:** 42 software providers | **Contracted Spend: 68% (€490K)** | **Identified Savings Opportunity:** €95K-€135K

**Contract Coverage**

We analysed all contracts provided and matched them against invoice data to determine what software spending operates under formal agreements versus unmanaged purchasing channels.

**Only 68% of software spend** operates under formal contracts, leaving **€230K in unmanaged purchases** occurring outside procurement visibility and control.

**Below are the highest-spend vendors without formal contracts** - either agreements weren't provided to us, or purchases operate under vendor standard terms and conditions with no negotiated protections.

| Vendors | Annual Spend |
|---|---|
| Atlassian | 45 KCHF |
| Adobe Creative Cloud | 38 KCHF |
| Zoom | 32 KCHF |
| Slack | 28 KCHF |
| All other SaaS tools | 87 KCHF |

**Shadow IT and Unmanaged Spending Models**

We examined cost allocation to understand what software spend is centrally managed by IT, purchased directly by business units, or paid via corporate credit cards.
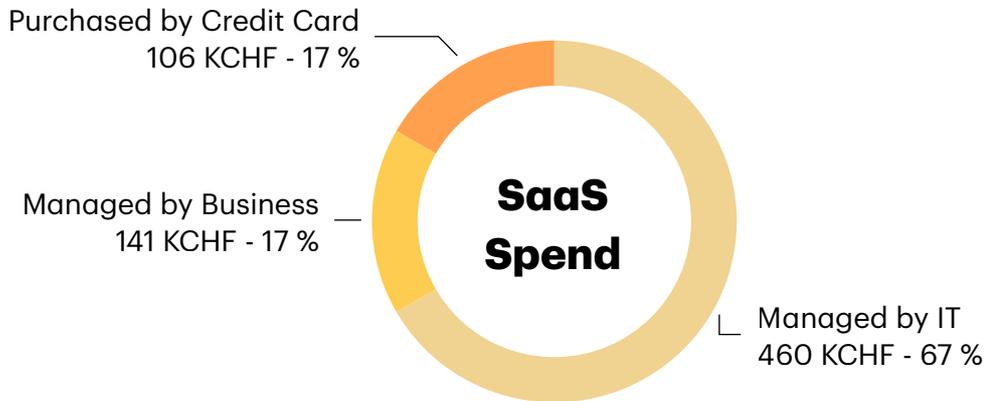


**Analysis:** Only 67% of software spend and 60% of software vendors are managed by IT, with the remaining 40% split between business-direct purchasing and credit card transactions. This falls short of the 90% IT-managed benchmark for well-governed organisations, indicating substantial governance gaps that create risk exposure and missed consolidation opportunities.

**Recommendations: Establish Contract Governance**

**Action 1: Implement Central IT Governance**
The lack of central visibility across SaaS contracts creates risk and missed opportunities. Establish a requirement that all software contracts - regardless of department - require IT review and approval through a light, efficient governance process that protects the organisation without blocking legitimate business needs.

**Action 2: Create Central Contract Repository**
Implement a central contract repository managed by IT to capture all software agreements, track key terms, monitor renewal dates, and maintain institutional knowledge. This single source of truth enables proactive contract management and prevents Shadow IT and Shadow AI

**Action 3: Deploy Mazepay for Card-Based Purchasing**
Implement Mazepay virtual card management platform to govern credit card software purchases whilst simplifying administration. Benefits include pre-approval workflows, spend controls per card, automatic expense categorisation, complete visibility into card-based subscriptions, and ability to instantly cancel or modify virtual cards.

**Estimated value from governance implementation:** €25K-€35K from contracting high-spend vendors + €15K-€25K from shadow IT remediation

**Contract Risks and Renewal Management**

**We analysed 28 software contracts** representing €490K in annual spend 38% of this contracted spend (€186K across 9 contracts) carries high-risk terms requiring attention.

**Risk distribution:**

| Risk levels | Contract Count | Total Spend | % of Contracted Spend |
|---|---|---|---|
| High Risk - (7-10) | 9 | 186 KCHF | 38 % |
| Medium Risk - (4-6) | 12 | 215 KCHF | 44 % |
| Low Risk - (1-3) | 7 | 89 KCHF | 18 % |

**Common High-Risk Factors:**
• Auto-renewal clauses (15 contracts, €325K exposure)
• Price escalation uncapped (11 contracts, €245K exposure)
• Missing SLAs (18 contracts, €310K exposure)
• Poor termination terms (13 contracts with 90+ day notice or penalties)
• Poor data ownership and data portability provisions (22 contracts)
• Contracts older than 5 years old (5 contracts)

**Note:** Note that our risk assessment focused on commercial, operational, and compliance factors - intellectual property clauses were not evaluated but should be reviewed as part of the renegotiation plan outlined in our recommendations.

**Contract Renewal Concentration**

Software contract renewals show significant concentration in Q2 and Q4, creating deadline pressure and limiting negotiation flexibility.
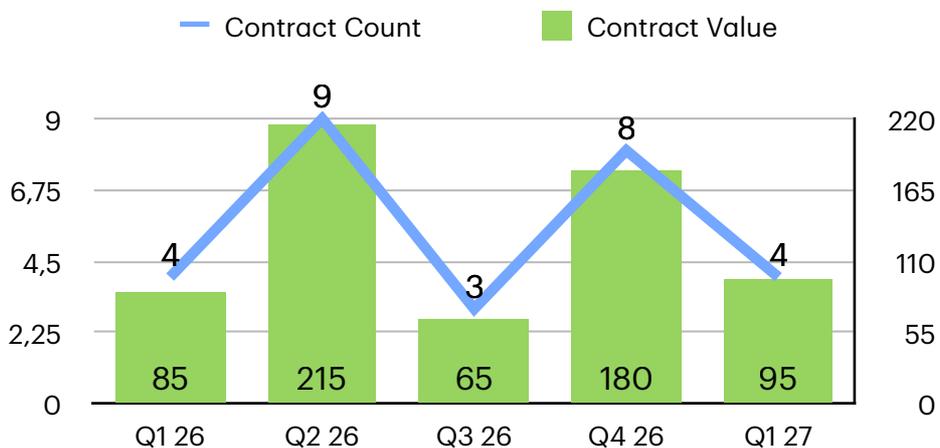
**Recommendation: Prioritised Renewal Strategy:**

**Phase 1 (Next 90 days):** Address 3 critical renewals (Salesforce, ServiceNow, Microsoft) worth €215K to prevent unfavourable auto-renewals and capture negotiation leverage.

**Phase 2 (90-180 days):** Proactive approach to Q2-Q3 renewals with market benchmarking, competitive alternatives identified, and negotiation strategy prepared 90+ days before deadline

**Phase 3 (Ongoing):** Implement renewal calendar with 120-day advance planning, systematic vendor performance reviews, and multi-year contract strategy to reduce annual renewal burden

**Estimated savings from contract renegotiation:** 35-55 KCHF annually

**SaaS Usage & Optimisation:**

Software contracts differ in their flexibility to adjust licensing based on actual usage. Rigid agreements lock you into fixed user counts or feature tiers regardless of changing needs, increasing the risk of paying for licenses you don't use - whether from staff departures, role changes, or initial overestimation. This section examines contract flexibility and identifies potential waste from unused or underutilised licenses.

| Vendors | Annual Spend | Contract duration | Price Hold | True-up Clause | Add-on Services |
|---------|--------------|-------------------|------------|----------------|-----------------|
| Salesforce | 95 KCHF | 3 years | No | No | Premier Support |
| Microsoft | 68 KCHF | 1 year | Yes | Yes | No |
| ServiceNow | 62 KCHF | 2 years | No | Yes | Premium Support |
| Atlassian | 45 KCHF | 1 year | No | No | Entreprise Support |
| Above | 38 KCHF | 1 year | Yes | No | No |

**Analysis:** Three of the top five contracts (€185K combined) lack price protection, exposing you to vendor-driven increases with no negotiated caps. Four contracts have limited or no true-up provisions, making it difficult to adjust licensing as needs change. Additionally, €26K in premium support services across three vendors should be evaluated - these add-ons often auto-renew without validation that enhanced support levels are still required.

**Recommendation: Optimise Contract Terms During Renewals**
Use the prioritised renewal opportunities as leverage points to strengthen contract flexibility and reduce cost commitments when renegotiating the upcoming renewals (€470K in next 6 months).

# Cloud Services

Cloud optimisation requires examining both commercial terms and technical usage - negotiating better contracts addresses one part of the equation, whilst eliminating waste and right-sizing resources addresses the other. This section analyses your contractual arrangements against best practices and examines usage patterns to identify opportunities across both dimensions.

**Portfolio Snapshot**

**Annual Cloud Spend:** €505K (+35% YoY) | **Cloud Providers:** 3 (AWS, Azure, GCP) | **Contracted Spend:** 85% (€430K) | **Identified Savings Opportunity:** €75K-€150K

**Spend by Provider:**

| Cloud Provider | Annual Spend | % of Total | YoY % Growth | Contract Type |
|---|---|---|---|---|
| AWS | 280 KCHF | 55 % | +42 % | Entreprise Agreement |
| Microsoft | 165 KCHF | 33 % | +28 % | CSP through Reseller |
| ServiceNow | 60 KCHF | 12 % | + 25 % | Pay as you go |

Cloud represents your fastest-growing IT category at +35% annually - more than 3× overall IT budget growth. This rapid expansion without corresponding cost controls creates significant optimisation opportunity across both contractual terms and technical usage efficiency.

**Commercial & Contractual Analysis**

We evaluated your cloud agreements against enterprise best practices for commitment-based discounts, pricing protection, support terms, and commercial flexibility.

| Contractual Term | AWS | Microsoft | GCP | Target Range |
|---|---|---|---|---|
| Discount as a % | 5 % | 2 % | 0% | 5 - 25% |
| Commit Amount | 100 KCHF | 10 KCHF | 0 KCHF | N/A |
| Credit Amount | 0 KCHF | 0 KCHF | 0 KCHF | 5 - 15% |
| Price Hold | No | No | No | N/A |
| Price Cap | No | No | No | 3 - 5% |
| Egress Discount | 10 % | 0 % | 0% | 20 - 50% |
| Support fee Discount | 5 % | 0 % | 0 % | 20 - 40% |

| Contractual Term | AWS | Microsoft | GCP | Target Range |
|---|---|---|---|---|
| Support fee included in Commit | No | No | No | Yes |
| Renegotiation Clause | No | No | No | N/A |
| Invoice Audit look back | Yes | No | No | N/A |
| Contract renewal Date | 12.2026 | 06.2026 | No contract | N/A |

**Recommendation: Optimise Commercial Structure**

**Phase 1: Migrate Azure to Direct EA**

Exit CSP reseller arrangement and establish direct Microsoft Enterprise Agreement with Azure Consumption Commitment. At €165K annual spend, you qualify for 15-20% commitment discounts while eliminating 7% reseller markup.

**Phase 2: Renegotiate AWS EA (Plan for Dec 2025)**

Begin planning 6 months before renewal to:
• Right-size monthly commitment to actual usage (€23K vs €25K)
• Add price protection caps
• Evaluate Reserved Instances for stable EC2 workloads (typically 30-40% savings vs on-demand)
• Review Business Support necessity vs Developer tier

**Phase 3: Rationalise GCP Strategy (6-12 months)**

Determine strategic rationale for GCP usage. If retaining, negotiate Committed Use Discounts. If not strategic, migrate to AWS/Azure for consolidated leverage and reduced management overhead.

**Estimated savings from commercial optimisation: €40K-€60K annually**

## Cloud Usage & Cost Control

**Monthly Spend Pattern (Last 12 Months):**
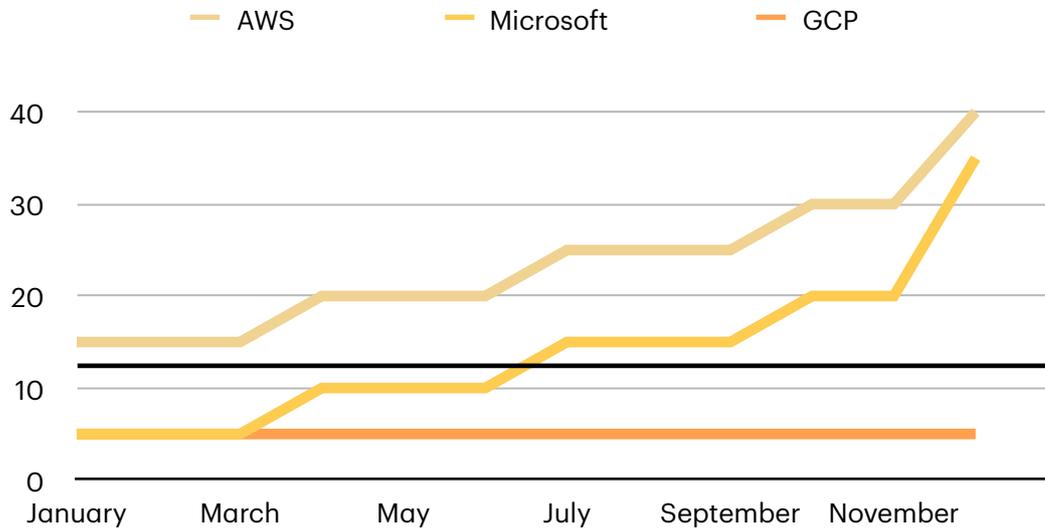


**Analysis:** Cloud costs growing 35% annually (3× faster than overall IT budget) with significant monthly volatility (±28%) indicates expansion without governance. Peak month spending 62% above average suggests either uncontrolled usage spikes, lack of budget alerts, or inefficient resource provisioning that could be optimised. Additionally, based on current usage, you are going to exit your commit with AWS as the renewal is coming up this coming year we suggest to anticipate the renewal to negotiate better terms.

## Usage Optimisation Opportunities

Industry benchmarks suggest 15-30% waste in cloud spending from common inefficiencies. Without usage optimisation tools and governance, you're likely experiencing similar patterns. These estimates are based on industry benchmarks from AWS Well-Architected Framework, Azure Cost Management best practices, and FinOps Foundation research.

Common Cloud Waste Patterns (Industry Data):

| Typical waste | % savings | Your exposure |
|---|---|---|
| Idle/unused resources | 8 - 15% of spend | 40 - 76 KCHF |
| Over provisioned instances | 5 - 10% of spend | 25 - 50 KCHF |
| Unattached Storage Volumes | 3 - 5% of spend | 15 - 25 KCHF |
| Non-production running 24/7 | 5 -8% of spend | 25 - 40 KCHF |
| Lack of reserved instances | 10 - 15% of spend | 30 - 45 KCHF |
| **Total Opportunity** | 15 - 30% of spend | **75 - 150 KCHF** |

**Recommendation: Implement Cloud FinOps Program**

Cloud optimisation requires a different approach than traditional IT procurement - it's an ongoing technical and commercial discipline.

**Phase 1: Establish Visibility & Quick Wins (0-3 months)**
1. Deploy cost optimisation tools - Implement AWS Cost Explorer, Azure Cost Management, and consider third-party tools (CloudHealth, Spot.io) for unified visibility
2. Capture quick wins - Identify and eliminate obvious waste:
- Terminate idle resources (unused EC2 instances, unattached EBS volumes)
- Right-size over-provisioned instances
- Schedule non-production environments (stop dev/test outside business hours)

**Expected quick wins: €20K-€40K**

**Phase 2: Strategic Optimisation (3-6 months)**
1. Implement Reserved Instances / Savings Plans - Analyse stable workload patterns and commit to 1-3 year RIs for 30-40% savings vs on-demand
2. Architect for cost efficiency - Review application architectures for cost optimisation opportunities (auto-scaling, spot instances for batch workloads, storage tiering)
3. Establish governance controls - Budget alerts, approval workflows for large resources, quarterly cost reviews by workload owner

**Phase 3: Sustained FinOps Practice (6-12 months)**
1. Monthly optimisation cycles - Regular reviews of cost trends, anomaly detection, continuous right-sizing
2. Chargeback/showback - Make teams accountable for cloud costs through transparency and allocated budgets
3. Leverage commercial opportunities - Use optimised usage patterns and demonstrated cost discipline to negotiate improved terms at AWS renewal (Dec 2025)

**Estimated savings from usage optimisation: €75K-€150K (15-30% of cloud spend)**

# IT Services

IT services spending covers professional services, consulting, managed services, and project delivery, areas where pricing models, delivery locations, and contract structures significantly impact both cost and quality. This section examines your services portfolio to identify opportunities in pricing optimisation, delivery model efficiency, and contract risk management.

**Portfolio Snapshot**
**Annual IT Services Spend:** €420K (+8% YoY) | **Active Service Providers:** 18 vendors | **Contracted Spend:** 76% (€320K) | **Identified Savings Opportunity:** €45K-€75K

**Spend by IT Service Category**

| IT Service Category | Annual Spend | % of Total | Vendor Count |
|---|---|---|---|
| Project Delivery | 145 KCHF | 33 % | 6 |
| IT Support | 95 KCHF | 23 % | 4 |
| Infrastructure | 75 KCHF | 18 % | 3 |
| Application Development | 55 KCHF | 13 % | 3 |
| Cybersecurity | 35 KCHF | 8 % | 2 |
| Cloud Professional Services | 15 KCHF | 9 % | 2 |
| **Total Opportunity** | **420 KCHF** | **100 %** | **20** |

**Analysis:** IT services represent 20% of total IT spend with relatively healthy contract coverage at 76%, though €100K in uncontracted spend indicates ongoing ad-hoc engagement without negotiated rates or terms protection.

## Delivery Model Analysis

Understanding how services are delivered, staff augmentation, managed services or project-based - reveals cost structure, vendor dependency, and opportunities for optimisation.

Project Based Delivery
85 KCHF - 20 %

**Delivery Model**

Staff Augmentation
210 KCHF - 50 %

Managed Services
125 KCHF - 30 %
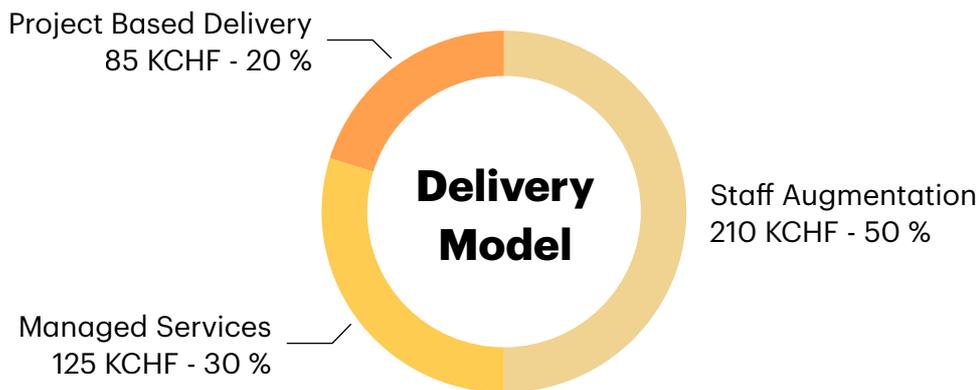
**Analysis:** Heavy reliance on staff augmentation (50%) indicates high dependency on individual contractors rather than outcome-based services. This model typically offers less cost predictability and fewer efficiency incentives compared to managed services or fixed-price project delivery.

## Pricing Model Distribution

Volume Based
50 KCHF - 12 %

**Pricing Model**

Fixed Price
120 KCHF - 29 %

Time & Material
260 KCHF - 60 %
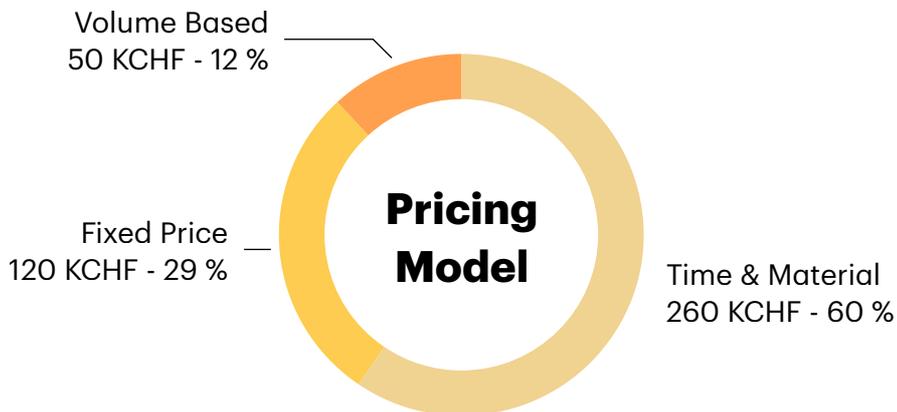
**Analysis:** 60% T&M exposure creates significant cost unpredictability and limits vendor accountability for efficiency. Industry best practice suggests targeting 30-40% T&M maximum, with majority spend in fixed-price or outcome-based models that transfer efficiency risk to vendors.

**Key Risk:** T&M pricing incentivises vendors to maximise hours rather than optimise delivery, creating misaligned interests between client cost control and vendor revenue.

**Delivery Location & Sourcing Strategy**

Where services are delivered significantly impacts cost structure, with offshore delivery typically 60-70% less expensive than onshore, though requiring careful management of quality and collaboration.
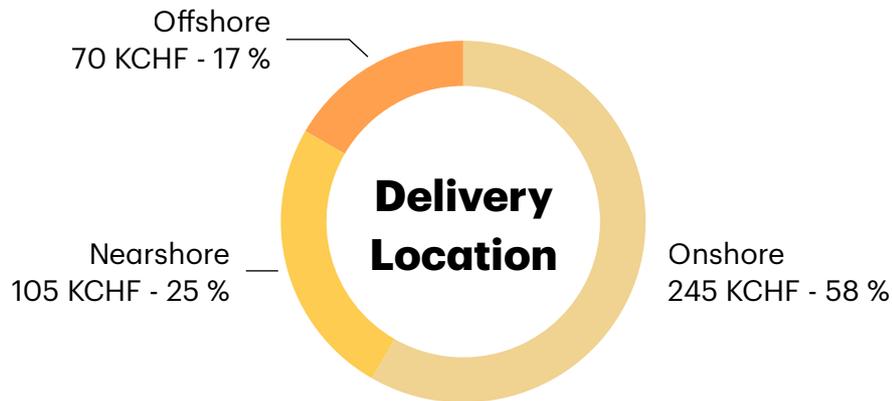


**Analysis:** Heavy concentration in onshore delivery (58%) suggests opportunity to optimise sourcing mix for appropriate work types. Not all services require onshore delivery - routine development, testing, support, and maintenance often perform well in nearshore or offshore models with proper management.

**Opportunity:** Estimated €85K-€120K of current onshore spend (35-50% of onshore total) could shift to nearshore/offshore delivery with appropriate governance, representing €35K-€60K annual savings opportunity.

**Rate Benchmarking Analysis**

We benchmarked current rates against market standards for comparable roles, seniority and locations, analysing the top 10 riles by total annual spend

| Role | Location | Estimated Annual Spend | Current Daily Rate | Benchmark Rate |
|---|---|---|---|---|
| Senior Developer | Switzerland | 45 KCHF | CHF 1 200 | CHF 1 000 |
| Project Manager | Switzerland | 35 KCHF | CHF 1 000 | CHF 1 000 |
| Devops Engineer | Switzerland | 25 KCHF | CHF 1 200 | CHF 1 300 |
| Junior Developer | Poland | 20 KCHF | CHF 600 | CHF 450 |
| QA Tester | India | 20 KCHF | CHF 200 | CHF 175 |
| Business Analyst | Switzerland | 20 KCHF | CHF 800 | CHF 850 |
| Infrastructure Eng | Switzerland | 15 KCHF | CHF 1 200 | CHF 1 200 |
| Security consultant | Switzerland | 15 KCHF | CHF 1 600 | CHF 1 500 |
| Scrum Master | Switzerland | 15 KCHF | CHF 1 200 | CHF 1 100 |
| Support Analyst | Poland | 15 KCHF | CHF 500 | CHF 450 |

**Opportunity:** 57K CHF annually from the top 10 roles could be saved by renegotiated these contracts.

**Benchmark Sources:** Rates compared against:
• Robert Half Technology Salary guide 2025
• Hays IT Salary & Recruiting Trends Report 2024,
• Gartner IT Services Pricing Guide
• Internal Database of Comparable Swiss SME engagements.

**IT Services - Total Savings Summary**

| Opportunity Type | Savings Estimate | Approach |
|---|---|---|
| Rate Renegotiation | 25 - 35 KCHF | Renegotiate above-market rates, Competitive tenders |
| Delivery location | 35 - 60 KCHF | Move non strategic roles to Nearshore/offshore |
| Pricing Model | 12 - 18 KCHF | Convert T&M to Fixed pricing |
| Contract Coverage Gaps | 8 - 12 KCHF | Review uncontracted spend |
| **Total Potential Savings** | **80 - 125 KCHF** | |

**Recommendations:**

### Phase 1: Rate Benchmarking & Vendor Renegotiation (0-6 months)

Address the €57K in above-market rates identified in top 10 roles, starting with highest-impact opportunities:

1. QA Testing Services (€12K opportunity) - Competitively tender offshore QA or renegotiate current vendor rates down 15%
2. Nearshore Development (€10K opportunity) - Benchmark junior developer rates against 3-4 alternative Eastern European providers
3. Onshore Senior Resources (€16.5K combined) - Renegotiate senior developer, project manager, and Scrum Master rates toward market midpoint

### Phase 2: Strategic Sourcing Mix Optimisation (3-12 months)

Conduct work type analysis to identify services appropriate for nearshore/offshore delivery:

1. Assess current onshore work - Categorize €245K onshore spend by work type, client-facing requirements, and collaboration needs
2. Pilot nearshore shift - Select €20K-€30K of appropriate work (development, testing) for nearshore trial with existing or new vendor
3. Scale based on results - Expand to €85K-€120K over 12 months if pilot demonstrates quality and cost benefits

### Phase 3: Delivery Model Transformation (6-12 months)

Convert staff augmentation to more efficient models where appropriate:

1. Long-term contractors → FTE pricing - For contractors on 12+ month engagements, negotiate fixed monthly rates with annual adjustments
2. Repeatable work → Managed services - Convert routine support, maintenance, or operations work from hourly to SLA-based outcome pricing
3. Project delivery → Milestone-based - Shift from T&M project work to fixed-price milestones that transfer efficiency risk to vendor

# Recommendations and Roadmap

This section translates the findings presented in the previous chapters into a clear, prioritised, and executable roadmap. The objective is to focus effort where risk reduction and savings potential intersect, while establishing the foundations required to sustain value over time.

The roadmap is structured across three time horizons. Savings estimates shown below are aggregated and non-duplicative, and are based on the detailed category analyses presented earlier in this report.

| Phase | Time Horizon | Primary Objective | Estimated Savings |
|---|---|---|---|
| Phase 1 | 0–6 months | Reduce immediate risk and capture quick wins | 165 – €235 KCHF |
| Phase 2 | 6–12 months | Address structural cost drivers | 110 – €170 KCHF |
| Phase 3 | 12–24 months | Sustain savings and prevent value erosion | Value protection |

This prioritisation reflects:

- renewal urgency and contractual exposure,
- size of addressable savings,
- feasibility of execution,
- and impact on future optimisation capability.

**Phase 1 - Immediate Priorities (0–6 Months)**
Risk Mitigation and Quick Wins

**Objective**
Protect near-term value by addressing time-critical risks while capturing savings that can be realised quickly with limited organisational disruption.

**Estimated Savings: €165K – €235K -** Confidence level: High

**Key Initiatives**

| Initiative | Description | Value Delivered | Reference |
|---|---|---|---|
| Critical contract renewals | Address contracts expiring in the next 6 months to prevent unfavourable auto-renewals and price increases | Avoided cost increases and improved commercial terms | Executive Summary; Software – Contract Risk & Renewals (p. 3, p. 10–11) |
| Control shadow IT and unmanaged spend | Bring high-spend vendors and card-based purchases under IT governance | Reduced risk, elimination of duplicate spend | Executive Summary; Software – Shadow IT (p. 3, p. 9) |
| Initial cloud cost controls | Address consumption volatility and obvious waste | Immediate cost control and predictability | Cloud – Usage & Cost Control (p. 14–15) |
| Governance foundations | Establish renewal visibility and contract oversight | Enable Phase 2 savings and prevent future leakage | Governance & Capabilities (p. 7) |

**Executive Perspective**

Phase 1 focuses on preventing value leakage rather than complex transformation. These actions are time-sensitive and deliver rapid impact while laying the groundwork for deeper optimisation in subsequent phases.

**Phase 2 — Structural Optimisation (6–12 Months)**

Structural cost optimisation

**Objective**

Reduce structural cost drivers by simplifying the vendor ecosystem, strengthening commercial positions, and optimising delivery models.

**Estimated Savings: €110K – €170K** - Confidence level: Medium to High

| Initiative | Strategic Intent | Value Lever | Reference |
|---|---|---|---|
| Vendor consolidation | Reduce overlapping suppliers across software and services | Increased leverage, lower complexity | Vendor Ecosystem Overview (p. 5–6) |
| Cloud commercial optimisation | Align commitments and pricing structures with actual usage | Sustainable cost efficiency | Cloud – Commercial Analysis (p. 12–13) |
| IT services sourcing optimisation | Adjust delivery models and locations where appropriate | Rate optimisation and efficiency | IT Services – Delivery Model & Location (p. 17–19) |

**Executive Perspective**

Phase 2 shifts the focus from isolated savings to systemic improvement. By reducing fragmentation and aligning commercial structures with actual consumption patterns, the organisation strengthens its negotiating position and improves cost predictability.

**Phase 3 — Long-Term Value Protection (12–24 Months)**

Sustainable governance and value protection

**Objective**

Ensure that savings achieved in Phases 1 and 2 are sustained over time, and that future spend growth remains controlled and predictable.

**Nature of Value**

Rather than incremental savings, this phase focuses on:

- avoiding future cost increases,
- reducing renewal pressure,
- maintaining spend predictability,
- and preventing the re-emergence of unmanaged spend.

**Key Focus Areas**

| Theme | Outcome |
|---|---|
| Contract lifecycle discipline | No unmanaged renewals or last-minute negotiations |
| Continuous optimisation cycles | Savings become recurring rather than one-off |
| Spend and consumption governance | Reduced volatility and improved budget predictability |

**Executive Perspective**

Phase 3 embeds optimisation into normal operations. This is where cost control becomes a management capability, not a recurring project.

**From Roadmap to Execution**

Execution and monitoring of these initiatives are supported through your online dashboard, which provides continuous visibility into:

- spend and consumption trends,
- upcoming renewals and risk exposure,
- savings identified versus savings realised,
- and progress against roadmap priorities.

This ensures that recommendations do not remain static conclusions, but become living actions tracked over time.

## Access to your online Dashboard







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