

IT cost optimization · Application rationalization

Find technology costs you can actually remove

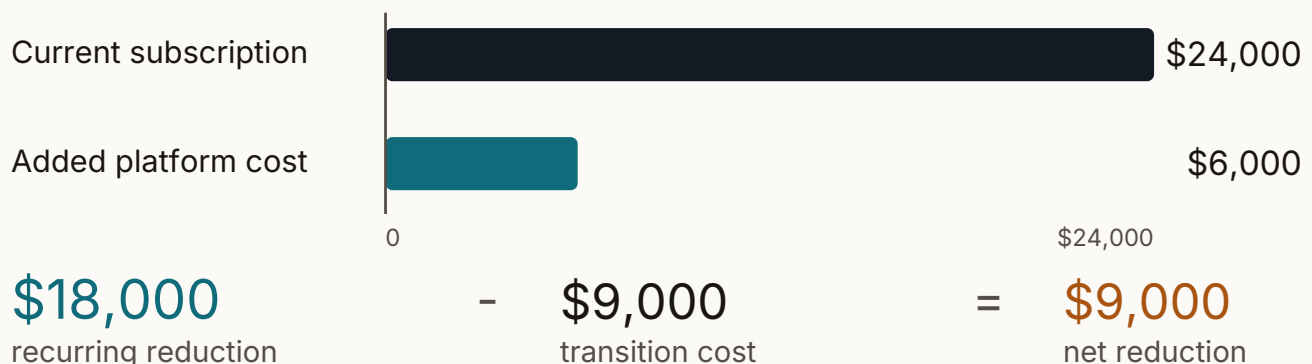
Choose an application decision that reduces spend while protecting the work your business needs.

What you finish with: A keep, improve, combine, replace or retire decision for one application, with the cost change, timing and owner recorded.

[Read this guide online](#)

EXAMPLE / ANNUAL RECURRING CASH COST, USD

Make the cash reduction visible.



First full 12 months after the old subscription ends. Shared support overhead is unchanged.

01 Start with a decision coming due

Pick an upcoming renewal, a duplicated application or a service whose cost is rising. Name the business work it supports and the person who would feel the impact if it stopped. Bring the contract, recent usage and the relevant cost lines into the discussion. You can investigate one decision before completing an enterprise inventory.

Low login counts are a reason to ask questions. A rarely used application may support a year-end obligation or a critical recovery process. Confirm that need with its business owner before proposing removal.

02 Compare the full cost of each option

Put license or subscription charges, hosting, support, administration and integration costs beside the business outcome. Separate directly traceable spend from shared costs allocated to the application. Moving an allocated cost to another department does not reduce enterprise spend.

For the proposed change, include migration, data access, training, overlap and any increase in the receiving system's cost. Record the notice deadline and the date each charge can actually end. Count staff capacity separately from cash savings unless there is a specific, approved budget change.

03 Choose the change the business can sustain

Keep a necessary application that serves its purpose. Improve its configuration, license mix or operating process where that addresses the problem. Combine overlapping services only when the receiving system can carry the required work. Replace an inadequate system when an alternative justifies the transition. Retire one only after its remaining obligations and dependencies have a home.

Ask the business owner to confirm the required workflow, the application owner to prove the dependencies and transition, and the budget owner to confirm which costs disappear. For consolidation, make legitimate local requirements explicit: an enterprise standard still has to support the work in each affected unit.

04 Make the cost change happen

Record who will send the cancellation or license-change notice, who will move the work, and who will confirm the next invoice. Preserve required records and test the replacement workflow before removing access. Check the resulting service quality alongside cost. A closed account is not a successful outcome if another team has to rebuild the work manually.

Example cost decision

A duplicate reporting subscription

A business unit pays \$24,000 a year for reporting that its existing enterprise platform can also provide. The business owner confirms the required reports after a demonstration.

Cost that can end:

\$24,000 a year, after the current subscription expires. No refund is available for the remaining term.

Cost that continues or increases:

\$6,000 a year of additional enterprise-platform charges. Shared support overhead is unchanged and is excluded from savings.

Transition:

\$9,000 of one-time setup and training, plus a named owner to check report accuracy and historical access.

What to report:

\$18,000 lower annual recurring spend after the old subscription ends. The first full 12 months after cancellation produce \$9,000 net of the transition cost. This is not the current fiscal year's saving.

Decision:

Combine if the required reports and historical access are proven and the notice deadline can be met. Otherwise record the unresolved requirement and the next action.

Your working record

APPLICATION COST DECISION

Field	Your record
Application / business work:	
Business owner / application owner:	
Decision:	Keep / Improve / Combine / Replace / Retire
Required service or local requirement to preserve:	
Annual cash cost today / source:	
Cash cost after change / source:	
One-time transition and overlap costs:	
Capacity released, separately from cash:	
Notice deadline / earliest cost-end date:	
Dependencies, records and access to preserve:	
Evidence still needed / owner / next action:	
Who makes the change / by when:	
Who verifies the invoice and service afterwards:	

[Open the guide to copy this record into your team's document](#)

Related reading

[Test the capabilities you need](#)

If the decision is replace, turn the requirements you must preserve into a system demonstration request.