

The background of the slide features a photograph of two individuals. On the left, a Black man with a full white beard and glasses is shown in profile, wearing a dark blue denim shirt. On the right, a woman with short blonde hair is smiling and looking towards the man, wearing a mustard-colored button-down shirt. The lighting is warm and directional, creating soft shadows.

Cost Optimization Guide

Four Levers to Control Costs, Release Capital
and Keep Innovation Moving

Stretch IT! Doing More with Less

IT departments are under pressure. Technology demands are growing, innovation cycles are becoming shorter, and investments in AI and digitalization are accelerating. At the same time, budgets remain tight and IT leaders are expected to deliver more with the same—or even fewer—resources.



67%

of technology leaders say they are expected to do more with tighter budgets.

Source: KPMG global tech report (2023)

For IT decision-makers, cost optimization is therefore no longer simply about reducing spending. It is about making every dollar work harder—while keeping the organization flexible enough to respond to technological change.

So how can IT budgets be managed more economically and effectively? This guide highlights four levers for cost optimization—from reducing the hidden costs of traditional procurement to creating greater financial flexibility through alternative usage and financing models.





The Four Levers for IT Cost Optimization

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#1



Focus on Value Creation

IT departments are expected to manage an ever-growing range of responsibilities. When they try to handle every technology-related task in-house, the workload can quickly become a burden—consuming time, budget, and resources. As a result, IT teams risk reacting to day-to-day challenges instead of proactively driving innovation, transformation, and business growth. Several factors contribute to this:

- Continually managing operational tasks in-house places pressure on IT teams and takes up valuable time.
- Growing demands in areas such as data protection, sustainability, and technology modernization require specialized expertise.
- A growing number of technologies, service providers, and processes can make IT management fragmented and difficult to coordinate.
- A lack of process transparency makes it difficult to allocate budgets accurately and conduct TCO analyses.
- Corporate values are not clearly defined and communicated, which can adversely affect development and staff retention.

“Around 45% of managers in large companies describe their IT landscape as no longer manageable in view of its complexity.”

Source: “The Digital Dilemma: Why companies struggle to master digital transformation” research by Roland Berger (2022)

Solution

Hybrid out-tasking enables companies to transfer time-consuming operational tasks to external specialists, allowing internal IT teams to focus on strategic priorities. Predictable, flexible IT leasing models also create transparent processes and costs—freeing up more time for innovation, sustainable value creation, and growth.



Rethink IT Investments

Traditional IT procurement often focuses on the upfront purchase price. But the true cost of ownership extends across its entire lifecycle—from acquisition and deployment to maintenance, support, replacement, storage, disposal, and the cost of capital. These costs can add up significantly over time, while tying up capital that could otherwise be invested in strategic priorities.

- High upfront costs can put significant pressure on IT budgets and tie up capital that could be used for strategic priorities.
- Hidden lifecycle costs for maintenance, support, replacement, storage, and disposal can quickly add up over time.
- Managing technology throughout its lifecycle requires internal time and resources, creating additional costs for IT teams.
- Shorter innovation cycles mean organizations need to refresh their technology more frequently, leading to additional investments.
- The cost of capital is often overlooked when comparing different ways of acquiring and financing IT.

Solution

A lifecycle-based usage model looks beyond the initial purchase price, considers TCO and the cost of capital, and can reduce upfront capital requirements. The result is greater financial flexibility, more predictable costs, and savings of up to 30%.

#TCO Calculation

Why Cost of Capital Matters

Depending on your financial situation, WACC* can be an important factor when comparing purchase and financing models. Reducing upfront capital requirements can create greater financial flexibility—especially for large-scale IT investments. The question is not just how much IT costs to acquire, but what it costs over its entire lifecycle and how efficiently capital is deployed.

* Weighted Average Cost of Capital



Investment amount
\$650,000

Monthly leasing payment

\$15,821.00

Total leasing payments

\$569,556.00

Selected term

36 months

Total Cost of Ownership Comparison

TCO item	Direct purchase	Leasing
Purchase / acquisition price	\$650,000.00	–
Leasing payments	–	\$569,556.00
Internal cost of capital / WACC (5% p.a.)	\$102,456.25	Included in indication
Total TCO	\$752,456.25	\$569,556.00

Estimated savings versus direct purchase

\$ 182,900.25

Direct purchase TCO includes the investment amount plus an internal cost of capital of 5% p.a., compounded over the selected term.

#3



Gain Cost Transparency

In global organizations, IT landscapes often span multiple countries, manufacturers, devices, contracts, and procurement models. This complexity makes it difficult to maintain a clear overview of assets, costs, and upcoming requirements—and slows down decision-making.

- Complex IT landscapes across countries, devices, manufacturers, and providers make it difficult to maintain a clear overview.
- Disconnected technical and commercial data make reporting time-consuming and slow down decision-making.
- Different contracts and procurement models make it difficult to plan and compare IT investments consistently.
- Rigid purchase agreements can limit the flexibility to adopt new technologies when business requirements change.
- Mixed equipment fleets create additional effort for support, training, and employee transitions.

Solution

IT decision-makers are increasingly turning to customized usage models to keep their device landscape homogeneous and up to date. Transparent and digital management provides the best possible overview, including across international operations. All IT procurement is flexibly aligned with the organization's individual needs.

#4 »

“71% of CEOs believe their current technology operating models are not designed for the future of digital transformation and AI.”

Source: Gartner Technology Operating Model Research (2025)

Unlock Financial and Operational Flexibility

Technology cycles are getting shorter. Market conditions are becoming more volatile. Businesses need to adapt faster to stay competitive—and IT needs to keep pace. High levels of capital tied up in IT and long-term commitments can limit an organization’s ability to react quickly to changing technology and business requirements.

- Long-term financial commitments can limit the ability to scale IT investments up or down as technology requirements and business needs evolve.
- Changing business priorities may require investments to be brought forward, postponed, or redirected—something rigid financial structures can make difficult.
- Capital tied up in IT assets reduces the funds available for innovation, transformation, and other strategic business investments.
- Large upfront investments can create significant spikes in spending and make IT expenditures more difficult to plan and distribute.

Solution

Usage-based models such as leasing or rental can reduce upfront capital requirements and create more flexible payment structures. They also enable flexible usage periods, early returns and scalable IT capacity. With readily available equipment, organizations can secure delivery times and receive orders within as little as 24 to 48 hours – helping them respond faster to changing requirements while preserving capital.

#To Buy or to Lease



	Technology to Buy	Technology to Lease
Acquisition Costs	High acquisition costs that make other investments difficult, especially with a large workforce.	Low or non-existent. Costs for purchasing equipment are replaced by monthly lease payments, with less impact on budgets.
Total Costs	Typically higher than for leasing as costs for maintenance, disposal, and internal processes are incurred on top of the acquisition costs and the cost of capital.	Lower than for purchases as the anticipated residual value is factored into the lease payment. The lessor bears the cost of refurbishment or disposal.
Loss of Value	The value of devices decreases over time, affecting balance sheets.	No risk of assets losing value for your company as the lessor retains ownership.
Average Age of the Equipment Fleet	Relatively high. Devices are replaced less frequently, diminishing performance and efficiency.	Low due to regular updates and regular replacement.
Effort	High level of internal effort involved in replacing technology, training new staff, offering services such as cybersecurity, etc.	Tasks can be passed on to an external service provider through of hybrid out-tasking, with no impact on flexibility.
Sustainability	Purchase models with no remarketing are generally more harmful to the environment than leasing.	Usage models reduce carbon footprints—often by more than 50% in the case of IT equipment.

#Success Stories

How Leading IT Organizations Drive Efficiency

Many firms have already recognized the potential offered by customized usage models. Read their success stories and find out how tailored high-tech leasing has benefited their financial and process management.



“CHG-MERIDIAN is a trusted advisor, helping us to find the right business concept, providing suitable solutions, and ensuring that devices become sustainable.”

Ingeborg Tichy, Senior Buyer,
COCA-COLA HBC Austria

[Click Here for the Case Study](#)



“CHG-MERIDIAN has enabled us to create a consistent, scalable approach to managing technology and workplace assets across our global footprint.”

Alex Parkes, CFO EMEA,
Alvarez & Marsal

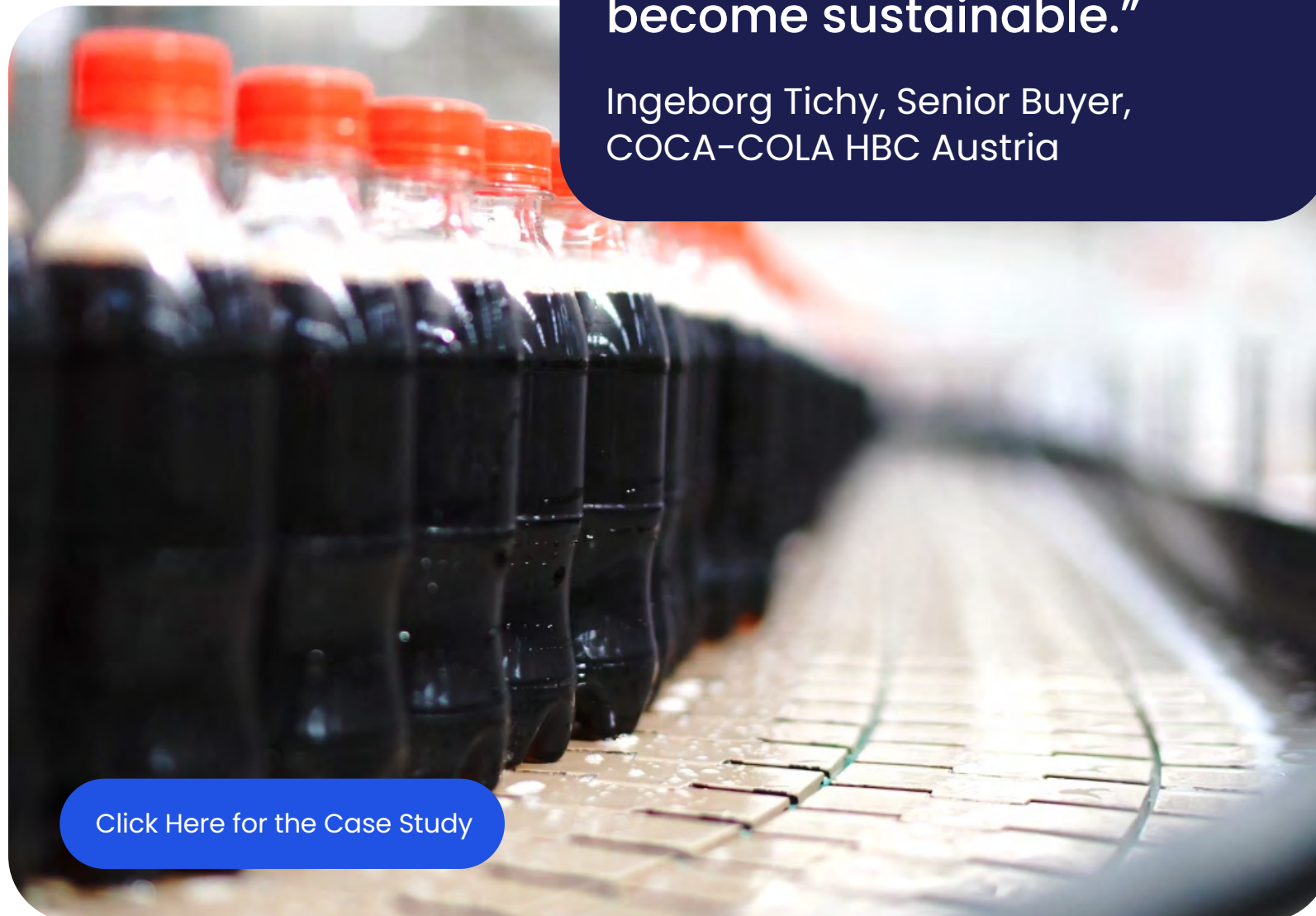
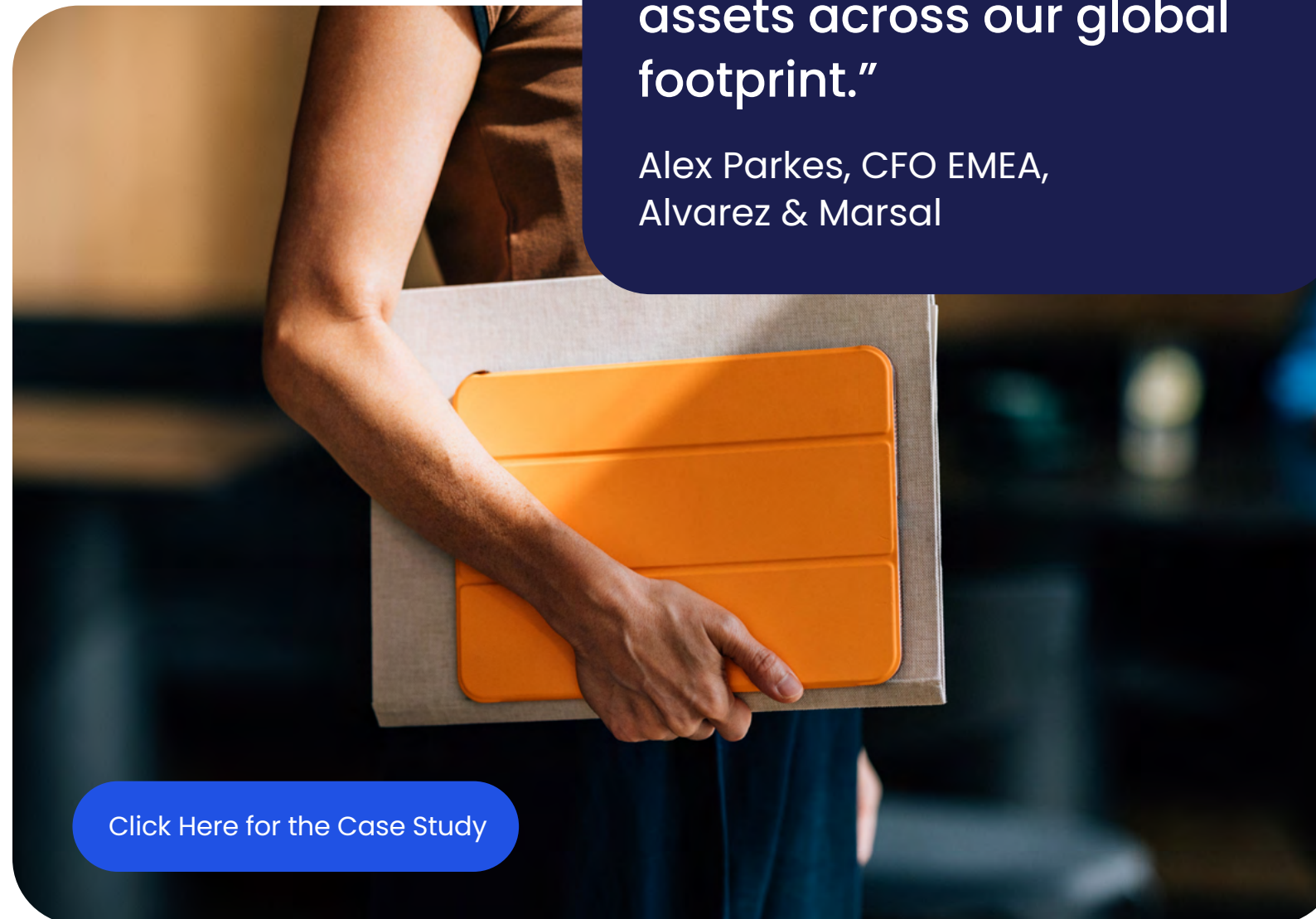
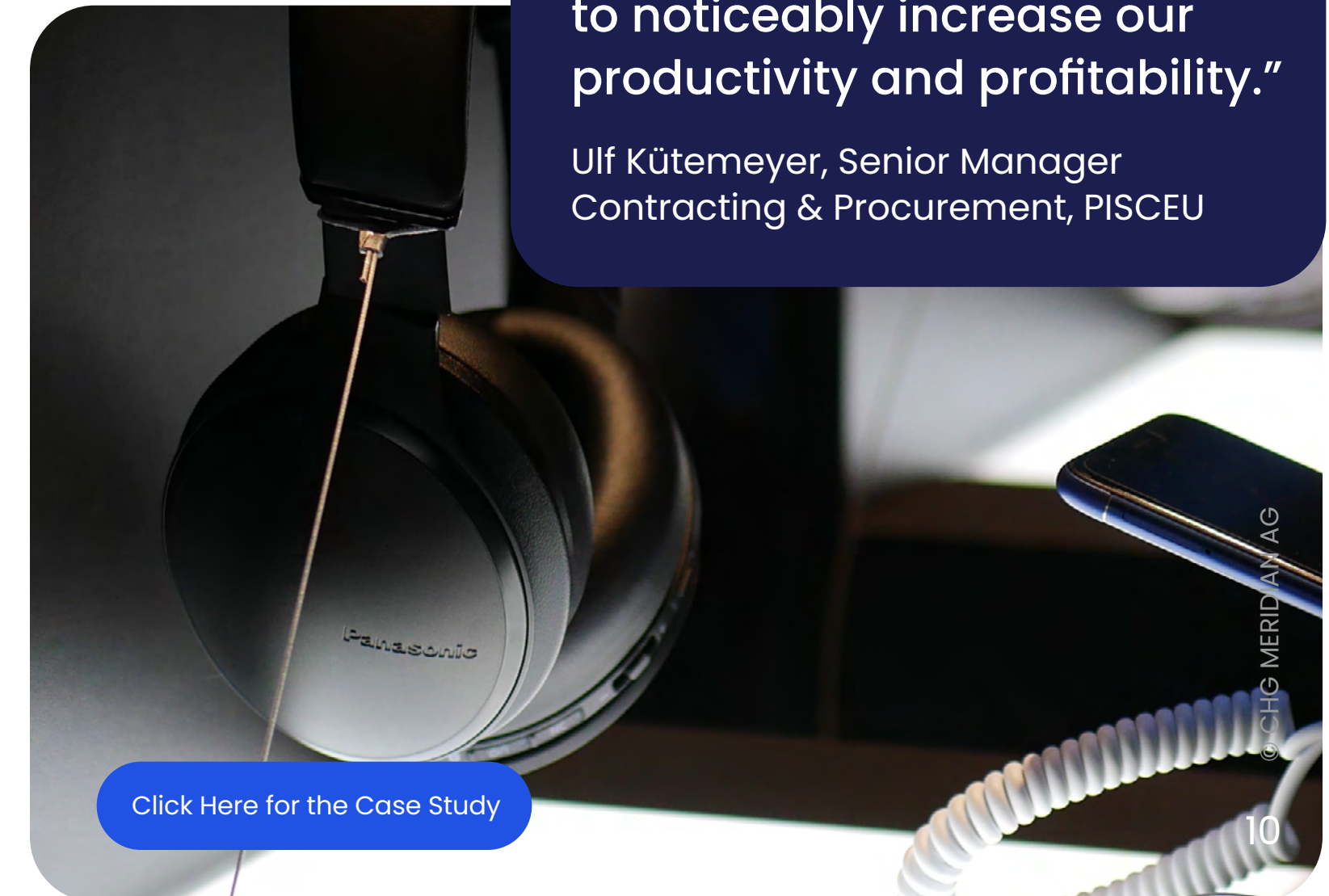
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“CHG-MERIDIAN gives us a truly complete package, from advice and procurement to end-of-lease and data erasure. This has enabled us to noticeably increase our productivity and profitability.”

Ulf Kütemeyer, Senior Manager
Contracting & Procurement, PISCEU

[Click Here for the Case Study](#)



Progress Can Be So Simple.

Discover where capital is tied up, where lifecycle costs are hidden and how to create more flexibility for future investments.

**Get in Touch
Now!**

Book Your Review

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