



CIO's Guide to Smarter IT Cost Optimization with AI: Optimize Cost & Maintain Quality

Introduction

A CIO at a growing financial services company stares at her quarterly budget review with growing concern. Senior leadership just announced another round of cost reduction targets — 15% across all departments.

Cut cloud spending even further perhaps? Freeze hiring? Maybe renegotiate vendor contracts.



Unfortunately, the reality is that traditional cost-cutting measures like pausing projects or slashing budget line items only offer temporary relief, and fail to address underlying inefficiencies. Each option is kicking the problem down the road rather than solving it.

It's the same pressure IT leaders are facing everywhere. [More than half of IT leaders report](#) increased demand to reduce spending while simultaneously improving service delivery.

The challenge is finding sustainable ways to operate more efficiently — without sacrificing the technology foundation your business already depends on.

Real IT cost optimization strategies are about spending smarter (not just spending less) by eliminating inefficiencies and automating the work that drains your IT budget most.

What IT cost optimization really means today

IT cost optimization is a strategic approach to reducing spend and boosting operational efficiency by spotting what's not working, automating repetitive tasks, [streamlining tools](#), and reallocating IT resources.

The catch? You need to do all of this without compromising service quality, employee experience, or long-term growth potential.

To be clear, this isn't cost-cutting. Cost-cutting typically means reducing resources — less technology, delayed projects, or fewer people. Cost optimization means using your existing budget more effectively by removing inefficiencies, rather than eliminating capabilities.



Effective IT cost optimization initiatives cover several key areas:

- **Automating repetitive tasks** that currently require manual intervention
- **Consolidating redundant tools** that serve similar functions
- **Eliminating unnecessary vendor spend** through better utilization
- **Streamlining workflows** that span multiple systems and teams

Automation often gets overlooked here because it feels like a “next-phase” investment rather than a

cost-saving measure. But that’s where a mindset shift matters: the right automation solutions can deliver immediate ROI while building long-term operational resilience.

Consider [Databricks](#), which saved nearly \$1.5 million by implementing AI-powered automation in one year. Today, 73% of their IT tickets are resolved without human intervention, freeing up their team to focus on more strategic initiatives — rather than routine support tasks like password resets or access requests.

Their 2026 goal: To deflect four out of every five tickets, while continuing to boost first-time resolution rates and employee satisfaction.

The hidden cost of doing nothing

When IT teams delay cost optimization, several expensive patterns can emerge and compound over time.

- **Support tickets grow while headcount stays flat.** Your team handles more requests with the same resources, leading to longer resolution times, employee frustration, and IT staff burnout.
- **Vendor costs increase during contract renewals.** Without automation reducing your reliance on managed service providers (MSPs), you lose SLA leverage when it's time to renegotiate.
- **Technical debt accumulates faster than you're able to address it.** Innovation takes a backseat to maintaining legacy systems that become increasingly expensive to operate.

Many organizations unknowingly overpay by maintaining the status quo. Legacy service desks, fragmented support tools, and manual IT management processes create hidden costs — from productivity loss and longer [mean time to resolution \(MTTR\)](#), to over-reliance on humans for routine tasks like password resets.

The opportunity cost goes even further. When your IT team spends time on low-value requests instead of strategic initiatives, you're effectively paying high-skilled professionals to do work that technology could handle more efficiently.

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“Since implementing AI, we’ve seen a remarkable 50% reduction in live agent chats, enabling our team to focus on more complex issues.

The AI Assistant has become indispensable, helping in-store employees multitask efficiently and reducing help desk calls, ultimately optimizing our service delivery and paving the way for future innovations.”



Joe Lombardi

AVP, Digital Workplace, CVS Health

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Where to focus your IT cost optimization efforts first

The highest-impact cost optimization opportunities often involve tasks performed repeatedly at high volume.

Begin with repetitive and resource intensive tasks.

These areas are ideal for automation because they rely on predictable, repeatable patterns — often within [enterprise software systems](#) like [ServiceNow](#), [Workday](#), [Okta](#), and Azure Active Directory.

Table 01: IT automation categories to enable cost savings at scale

IT Automation Category	Description	How it Enables Cost Savings at Scale
Infrastructure as Code (IaC)	Managing and provisioning infrastructure through code instead of manual processes. This includes servers, networks, databases, storage, and more.	• Eliminates manual configuration errors • Speeds up provisioning • Ensures consistency across environments • Reduces labor costs for setup and maintenance
Cloud Cost Optimization	Automating the monitoring, analysis, and optimization of cloud spending to ensure resources are used efficiently and cost-effectively.	• Prevents over-provisioning • Identifies and eliminates wasted resources • Optimizes pricing models, reduces overall cloud expenditure

IT Automation Category	Description	How it Enables Cost Savings at Scale
DevOps Automation (CI/CD)	Automating the entire software development lifecycle, from code commit to deployment Includes building, testing, and releasing applications	• Accelerates time-to-market, reduces human errors in deployments, • improves software quality, frees up developers for innovation rather than manual tasks.
IT Service Management (ITSM) Automation	Automating routine IT service desk processes, incident management, request fulfillment, and problem management	• Reduces help desk workload, • Improves resolution times • Enhances end-user satisfaction • Frees up IT staff for more complex issues

This isn't an exhaustive list. Today's enterprises often consider other areas of investment that are critical for security, compliance, or to power specific teams like:

- **Cybersecurity (SecOps) Automation:** Automating threat detection, incident response, and compliance checks to reduce manual effort, speed up security operations, and mitigate the financial impact of breaches.
- **Network Automation:** Automating network configuration, monitoring, and troubleshooting to reduce manual errors, accelerate changes, and drastically improve network reliability and performance, directly cutting down on costly downtime.

- **Governance, Risk, and Compliance (GRC) Automation:** Streamlining processes for managing enterprise governance, identifying and mitigating risks, and adhering to regulations to reduce audit burden and legal exposure – protecting both reputation and bottom line.

Your biggest cost-savings? Internal support

Optimizing internal support not only reduces direct costs but can also boost employee productivity and satisfaction, making it a major area for cost savings and business impact. This is due to:

1. **High Cost of Service Desks:** Running internal support desks (like IT or HR helpdesks) is

expensive, especially when agents spend time on repetitive, menial tasks instead of higher-value work. Many organizations also struggle to provide 24x7 support, leading to productivity losses when employees can't get help quickly.

2. Employee Productivity: Employees spend a significant portion of their workweek searching for information, documents, or the right person to help them. This inefficiency leads to unproductive employees and skyrocketing service costs. In fact, a notable percentage of company revenue is spent on technologies, support, and operations for employees, with a portion of tech spend being underutilized or wasted every year.

3. Inconsistent Support Experience: Without streamlined internal support, employees experience inconsistent service, which can lead to missed SLAs, flagging internal CSAT, lower morale, and higher turnover.

4. Opportunity for Automation: By automating internal support with AI, organizations can resolve issues end-to-end, reduce the need for manual intervention, and lower the total cost of ownership. This leads to faster resolution times, better employee experiences, and significant cost savings.

5. Headcount and Attrition: As organizations grow, the cost and complexity of internal support increase. Improving support efficiency helps manage headcount growth and reduces attrition due to poor employee experience.

Automating these processes reduces workload and improves the experience on both sides, without adding staff or compromising your team's service quality.

Table 02: Internal IT support categories to enable cost savings at scale

IT Automation Category	Description	How it Enables Cost Savings at Scale
Self-Service & Knowledge Base Automation	Empowering end-users to find solutions, submit requests, and resolve issues independently through comprehensive, easily searchable knowledge bases and intuitive self-service portals.	- Reduces incoming ticket volume - Decreases reliance on human L1 support - Improves user satisfaction by providing immediate answers - Lowers operational costs per interaction

Incident Management Automation	Automating the lifecycle of IT incidents, including creation, categorization, prioritization, routing, escalation, and resolution, to minimize service disruption.	• Accelerates incident resolution • Reduces manual effort in ticket handling, • Improves service availability • Minimizes impact of outages • Frees up technicians for complex issues
Request Fulfillment Automation	Automating the processing and delivery of common IT service requests like software access, hardware provisioning, password resets, and new user onboarding.	• Speeds up service delivery • Reduces manual request processing errors, • Reduces labor costs for routine fulfillments, • Improves user productivity by faster access to resources.
Problem Management Automation	Automating the identification, analysis, and resolution of the root causes of recurring incidents to prevent future occurrences and improve overall IT stability.	• Reduces recurring incidents • Improves system stability • Minimizes long-term operational costs associated with repeated fixes, • Frees up senior IT staff for strategic work.
Virtual Agents & Chatbots	Deploying AI-powered conversational interfaces to provide instant support, answer frequently asked questions, guide users through troubleshooting, and initiate service requests.	• Provides 24/7 support • Reduces call volume to the help desk, • Improves response times, • Handles high volumes of simple queries, • Lowers labor costs for basic support.

Why cutting headcount doesn't equal optimization

Reducing team size without reducing demand often creates more problems than it solves. Not to mention there is already a [shortage in IT professionals](#), reducing talent will delay true innovation in addressing the problem. 87% of IT leaders in North America are already reporting delays in Digital Transformation projects due to lack of sufficient IT skills on hand.

If you try to shrink your IT team without addressing the underlying volume of requests, you create a different set of (expensive) problems, including burnout among remaining staff, longer wait times for employees, missed SLAs, and higher escalation rates.

Automation offers a sustainable path. By absorbing repetitive work through technology, your team stays lean without becoming overloaded. This lets you redirect support staff from Level-0 and Level-1 tasks toward higher-priority, business-critical projects that require human expertise.

For example, if a company tries to reduce costs by cutting 30% of Tier 1 support roles without first reducing ticket volume through automation, it's likely to see ticket queues spike, SLAs slip, and escalations increase.



How to measure the KPIs and metrics that matter most

To enable successful IT scaling, [Gartner research indicates](#) that CIOs should begin by prioritizing metrics and KPIs that demonstrate the ability of the IT infrastructure to handle increased workload and support business growth efficiently and effectively.

Leaders should also seek to ensure metric accuracy and relevancy, which is dependent on having robust monitoring tools, ongoing access

to updated data, and commitment to periodically review and adjust KPIs as your business grows and markets evolve.

These measurements are some of the most important to understanding how IT can enable successful organizational scale.



Table 01: Success metrics for IT automation

IT Automation Category	Description
Infrastructure as Code (IaC)	• Provisioning time reduced • Configuration drift percentage • Deployment frequency • Number of manual errors
Cloud Cost	• Cloud spend reduction (%)
Optimization	• Resource utilization rates • Cost per service/user • ROI of optimization tools
DevOps Automation (CI/CD)	• Deployment frequency • Lead time for changes • Change failure rate • Mean time to recovery (MTTR) • Test coverage percentage
IT Service Management (ITSM)Automation	• Ticket deflection rate • FTE savings (productivity hours reclaimed) • Ticket resolution time • First contact resolution rate • Number of manual tickets • User satisfaction (CSAT) • Cost per ticket
IT Budget Management	• IT Spend as a Percentage of Revenue • Cost per User/Service • ROI and Cost Savings from Automation and AI Projects
Robotic Process Automation (RPA)	• Process cycle time reduction • Error rate reduction • FTE savings (productivity hours reclaimed) • Throughput increase • Cost per transaction

These metrics are just the beginning. Successful scale and transformation also depends on alignment between **business outcomes, technology, and operating model** — and it's at the intersection of the three that the magic happens.

To enable rapid growth, there needs to be a solid foundation of technical use cases to outcomes, value, and measurable KPIs along with platform capabilities tightly aligned to capacity needs. From an operational perspective, delivery processes, operations, enablement, analytics, and change management need to be clearly defined.

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“AI is revolutionizing our approach by not only minimizing the hours needed to complete tasks but also enhancing our operational capabilities.

By shifting KPIs away from conventional metrics and simplifying processes through the '5 WHYS' method, we're implementing technology that genuinely enhances productivity and employee satisfaction.”



Alexandra 'Lexy' Gunther
SVP & CIO, Leidos

When to shift from outsourcing to automation

Traditionally, many organizations have turned to managed IT service providers to reduce internal workload and control costs. While outsourcing can relieve some immediate pressure, it often introduces other challenges — limited visibility, inflexible pricing models, and difficulty scaling alongside business growth.

Automation offers operational relief from the pitfalls of outsourcing — and helps reduce the trade-offs. It enables faster response times,

consistent service quality, and lower long-term costs, all while maintaining internal control and data transparency.

Here’s a practical example: a mid-sized enterprise might pay a vendor \$25 per ticket resolved. With automation, those tickets are still logged for tracking and compliance but are resolved automatically before they ever reach a support queue — eliminating per-ticket costs while preserving audit trails.

Table 01: Success metrics for IT automation

Approach	Cost Structure	Control and Visibility	Scalability
Outsourcing	Fixed per-ticket pricing	Limited visibility into processes	Expensive and rigid as needs grow
Automation	Upfront investment, lower ongoing costs	Full control and real-time insights	Scales efficiently with minimal added cost

Cloud services and infrastructure are ready for optimization

Cloud environments create even more opportunities for cost optimization, but they also create their own complexities that require careful management.

Having too many IT systems, redundant cloud services, and disconnected platforms can drive up cloud costs and make support more complicated. Juggling multiple platforms, overlapping tools, and manual setups often leads to hidden inefficiencies.

\$1.23M

**In IT cost savings
over two years**

How bioMérieux grew IT cost savings

bioMérieux provides diagnostic solutions to improve patient health and ensure consumer safety.

For bioMérieux, a focus on ROI revolves around tangible metrics and real-world impact— reduced workloads, higher employee satisfaction, and significant cost savings. By successfully engaging over 13,800 active users, they saved over \$1.23 million over just two years.

Ways to use Agentic AI to accelerate IT optimization

The move from traditional to agentic automation is a big step forward in how organizations handle IT operations. Traditional automation replaces manual tasks with scripted IT processes, but agentic automation, and especially agentic AI, is able to tackle more complex challenges with minimal oversight.

Agentic automation tools can plan, reason, automate, and improve over time. But agentic AI isn't just about saving time (though that's a big plus). It's about making your life easier and helping your business thrive.

They can also help you:

- **Scale service delivery:** Automate common IT requests to resolve them faster and improve service levels.
- **Reduce operational costs:** Cut [IT operational costs](#) by streamlining processes without sacrificing performance or user satisfaction.
- **Reduce Managed Service Providers (MSPs) spend:** Autonomously manage routine tasks, independently execute workflows, and rapidly address user queries.
- **Improve accuracy:** Minimize human error in routine tasks, leading to fewer incidents.
- **Facilitate compliance:** Help enforce policies more consistently and reduce risk with standardized automated workflows.

"ROI is about both metrics and real-world impact. It's about reduced workload, employee satisfaction, cost savings and cost avoidance. We saw a clear trend of volume shifting to digital support with our AI Assistant.

We have 40K interactions per month and 2,000+ contacts of the service desk kind deflected. Additional business partners workflows are tagged at a higher cost depending on the use case... so this is enabling anywhere from \$15 to \$50 unit cost savings. "



Saumil Gandhi
SVP Technology of Digital
Workplace, LPL Financial

Optimize IT costs without cutting corners

True IT cost optimization doesn't mean shrinking your team or offloading work to third parties. It means working to eliminate repetitive requests, manual escalations, and inefficiencies that drain your budget without adding value.

A 15% rise in employee headcount shouldn't have to mean a 15% increase in managed service provider costs.

[Modern AI assistants](#) can help maximize the return on existing technology investments. Many IT teams invest in self-service resources like knowledge bases and request forms, only to see the same volume of tickets.

AI-powered systems are able to make better use of these tools by surfacing answers exactly when your employees need them and helping to resolve issues before they become tickets — helping to deliver the [ROI and economic impact](#) that stakeholders expected from those investments.

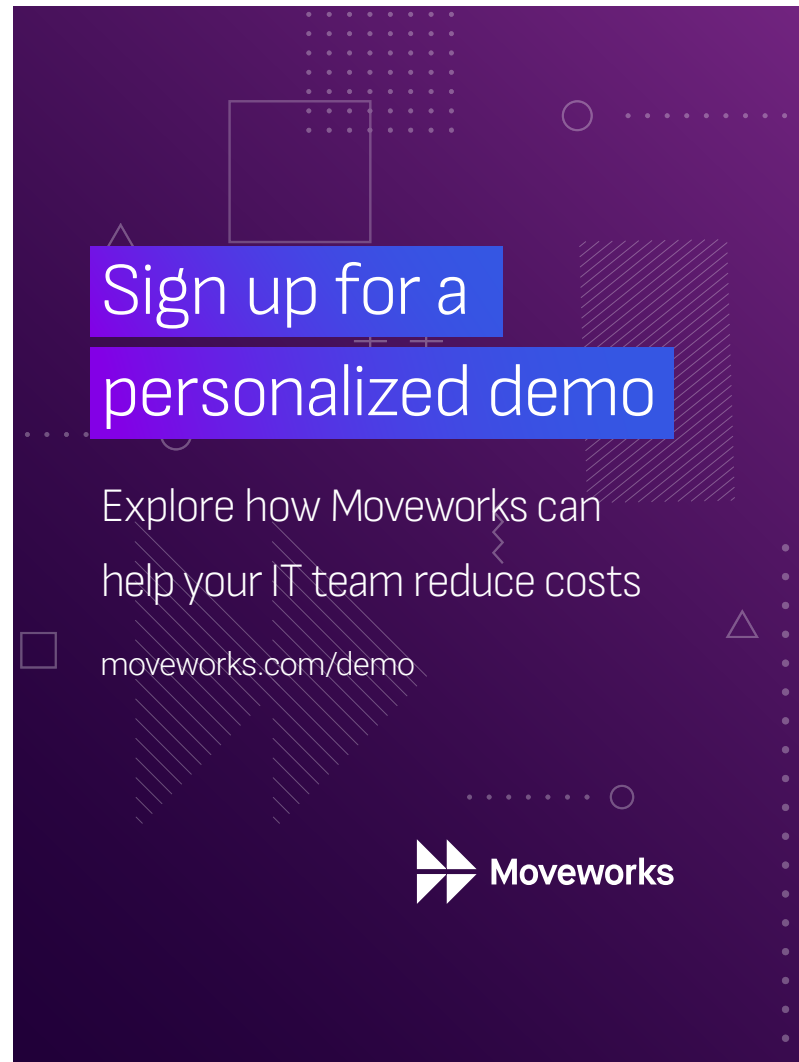
Advanced solutions like [Moveworks](#) help enterprise IT teams reduce costs without having to compromise service quality — by significantly reducing the manual work that slows teams down and drives up support volume.

With Moveworks AI Assistant, you will be able to:

- Resolve L1 support requests automatically
- Deflect high volumes of routine issues like password resets, access requests, and software installations

- Reduce MTTR and escalation rates by providing instant, AI-powered resolutions
- Help Enhance employee satisfaction with 24/7 support in tools they already use, like Slack and Microsoft Teams
- Maximize the value of your existing systems — including ServiceNow, Okta, Azure AD, and others
- Build and deploy custom automations with [Moveworks Agent Studio](#) to scale support across your organization

Moveworks helps deliver greater ROI from your current technology investments — helping your IT team do more with less, without needing to sacrifice speed, experience, or control.



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help your IT team reduce costs

moveworks.com/demo

