

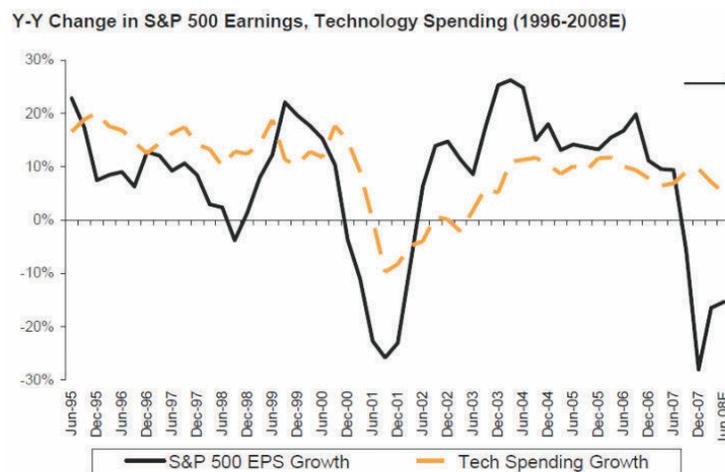
Reduce your IT Budget and Realize Greater Business Service Levels by Focusing Spending in Cost Reduction Areas

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IT Spending Trends

IT spending is slowing as a result of economic conditions and companies are under pressure to reduce cost. Last year (2007) IT budgets grew about 5% according to Computer Economics. This year the median IT operational budget is projected to grow by 4%, however, based on the decline in GDP, this may be optimistic and is a decline from last year. The median organization is spending about 1.5% of its revenue on IT in 2008, which is a decline from last year of about 1.8%. Median IT spending per user is also declining from last year and is projected to be about \$6,667 per user according to Computer Economics. The median IT spending in 2009 is projected to show zero growth. It is important to note that these statistics will vary based on the size of organizations and industry segments. Computer Economics projects that the bottom 25% of companies will reduce their IT budget by about 3%, whereas the top 25% of companies may increase their budget by 5%.

Technology Spending Depends On The Economy



Source: Bernstein Strategy Group; First Call

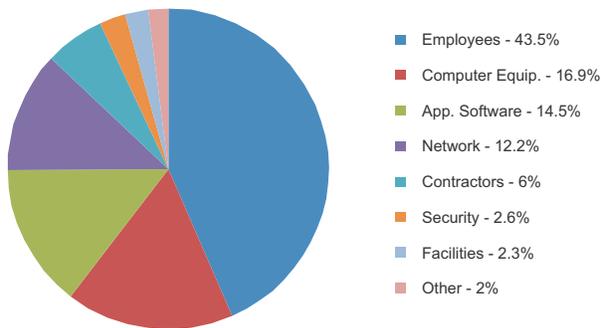
Macro Trends for 2008 - 2010

- ⇒ IT spending is at as low as in 2000-2001 time-frame
- ⇒ Prices will move downwards
- ⇒ IT budgets will focus less on enhancements and more on maintenance
- ⇒ Marketing spend and sales expenses will need more justification
- ⇒ Companies that have a must have product and a cash flow positive will succeed and get more funding.

Source: Sequoia Capital

The typical medium-size company's IT budget composition is broken down as follows, according to Computer Economics:

Typical Medium-size Co. IT Budget

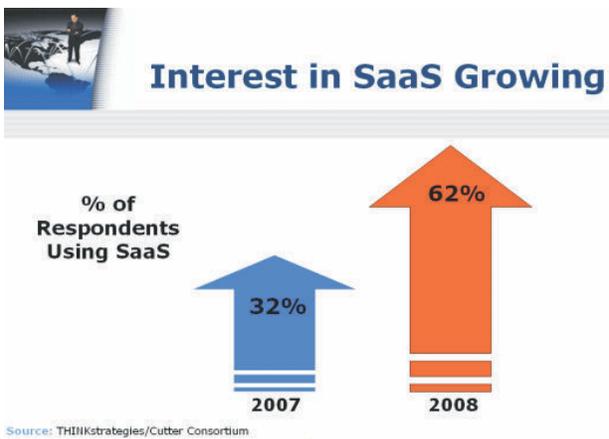


Forrester estimates that North American enterprises will spend an average of 29% of their total IT budget on software related costs in 2008. Maintenance fees will account for about 33% of the total software budget.

Where to Spend Money to Manage IT Cost and Reduce the Overall IT Budget

Companies are struggling to keep IT budgets in line and under control, and are spending money in areas that result in cost reductions. Examples of areas to spend money on that will reduce the overall IT budget include:

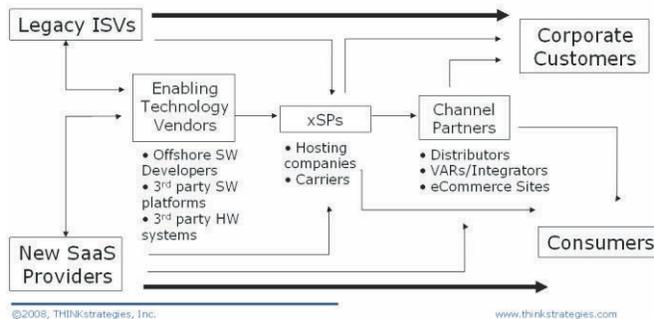
- ❑ Reducing the cost of IT software development , maintenance and support by either outsourcing and moving it offshore and/ or to a SaaS model.
- ❑ Moving to a Software as a Services (SaaS) model.



Interest in SaaS

For small to medium enterprises with 50-999 employees, the SaaS model provides a better Total Economic Impact over an on premise model over a 7-10 year ownership cycle. Hence more companies are moving towards or exploring the SaaS model today.

SaaS service-oriented architecture (SOA) and Web 2.0 technologies are changing the way organizations work, interact with customers and partners, collaborate and manage information. In addition, these technologies are process versus functional or department oriented and are restructuring business processes, operations and the way software is licensed, priced and supported.



Moving to SaaS Outsourcing

Technology vendors will use offshore vendors, 3rd party software, hardware, hosting solutions and channel partners to move to the SaaS model demanded by the market.

Source: THINKstrategies, Inc

- ❑ Leveraging technology products and services to increase worker productivity and the way they work, communicate, collaborate and manage information. An example of improving worker productivity is implementing Microsoft's SharePoint Server or Online Services and migrating away from IBM's Lotus Notes and Novel's GroupWise.
- ❑ Using open source solutions to leverage the lower cost structure inherent with these solutions.
- ❑ Consolidating database, application server technologies and the aligned information systems by migrating to Microsoft's SQL Server and Windows Server 2008 or MySQL in a Linux environment and away from Oracle's Database 11g and IBM's Db2.
- ❑ Adopting virtualization management to reduce hardware and management, as well as support staff.
- ❑ Using Salesforce.com CRM, SugarCRM, Microsoft's Dynamics CRM or Oracle SiebelCRM On Demand and moving away from Oracle's SiebelCRM.
- ❑ Utilizing MS Office Performance Point Server for reports and analysis, budgets, dashboards and business analytics which uses the Business Intelligence platform and migrating away from Oracle/Hyperion, IBM/Cognos and SAP/Business Objects.
- ❑ Implementing Voice over Internet protocol (VoIP) and Unified Communications, and moving away from the traditional PBX.
- ❑ Minimizing travel costs by implementing Microsoft's Office Communications Server.
- ❑ Reducing IT services and support cost by leveraging offshore IT services.

Companies are not increasing IT head count and are holding the line on head count. Additionally, companies are outsourcing more work to offshore locations. Major areas targeted include application development, maintenance and support; testing and quality assurance; database administration; website and e-commerce; business processes; data center operations; help desk and desktop support. This trend is occurring across all sizes of companies including SMB organizations.

How Trigent Can Help You Reduce Your IT Costs and Achieve Greater Value

Trigent has been serving companies for over 13 years and supporting the growing need to reduce IT costs, add staffing flexibility, increase overall value and service levels and reduce time to market. If you would like to learn more about how to reduce your IT budget, please schedule a free one hour conference and consultation session with Trigent Software. We will review and discuss your IT budget and suggest ways for

About Trigent Software Inc.

Trigent is a privately held, professional IT services company and a Microsoft Gold Partner with its U.S. headquarters in the greater Boston area and its Indian headquarters in Bangalore. We provide consulting services in various technologies including Microsoft Solutions. Our operating model is to conduct sales, customer relationships and front-end consulting (e.g., business case, requirements, architecture) onsite with our clients and perform the detail design, development, integration, testing and quality assurance offshore at our world class development and support center in Bangalore. We are a SEI CMM Level 4 company and is ISO 9001:2000 TickIT certified organization.

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