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Managing IT Spending in 2023

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As the first half of 2023 unfolds, the approach companies take with IT spending will play an important role in delivering positive year-end results. Faced with the challenge of managing costs while maintaining security and efficient operations, at FLEETCOR we've implemented strategic measures to address IT spending. This includes how we are responding to the evolving landscape and controlling expenses associated with software tools.

Controlling the Proliferation of Business Software Tools

Recognizing that unchecked adoption of software tools can lead to escalating costs, we have taken a proactive stance by implementing tighter controls and guidelines. In an interview with the Wall Street Journal in April, I noted FLEETCOR's efforts to curtail the proliferation of business-software tools that employees sign up for independently, which IT ultimately has to pay for. Instead, we streamline the number of vendors we work with and purchase suites of multi-function products. By ensuring that employees adhere to these protocols, FLEETCOR aims to rein in unnecessary expenses and optimize the utilization of existing IT resources.

Negotiating Price Caps and Leveraging Third-Party Data

To address the challenge of escalating costs, FLEETCOR has adopted a strategic approach by negotiating price caps at the onset of contracts. By setting predetermined maximum prices, FLEETCOR can mitigate the risk of price hikes during contract renewal. This practice enables the company to maintain budgetary control and avoid unforeseen financial burdens. Furthermore, we utilize third-party data to inform the negotiation process and set favorable terms. By leveraging reliable market insights, we ensure that contracts align with industry standards and remain cost-effective.

Responding to Ballooning Software Prices

The rising cost of software has become a significant concern for many organizations. FLEETCOR acknowledges this challenge and has taken proactive steps to navigate this complex landscape. As I noted in another Wall Street Journal article, FLEETCOR recognizes the need for a comprehensive evaluation of the value offered by software tools. By scrutinizing the benefits and costs associated with different solutions, we make informed decisions to optimize our software spending. We aim to strike a balance between acquiring necessary tools and avoiding unnecessary expenses, ensuring that IT spending remains aligned with our business objectives.

Conclusion

In the face of economic uncertainty, FLEETCOR has demonstrated a proactive and strategic approach to managing IT spending. By addressing the proliferation of business software tools, negotiating price caps, and carefully evaluating the value of software investments, we aim to optimize our resources and control costs. FLEETCOR's commitment to efficient IT spending underscores our dedication to providing reliable business payment solutions while maintaining financial stability in an evolving market. As the landscape continues to evolve, FLEETCOR remains vigilant, adapting its strategies to ensure long-term success in an increasingly cost-conscious environment.