TRACE3 DIGITAL CONSULTING

IT RATIONALIZATION: SERVICE OFFERINGS WHITEPAPER

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Table of Contents

Overview

Worldwide IT spending reached $6.37 trillion in 2026, up 14.2 percent year over year (Gartner, July 2026), and the increase spans data centers, software, devices, and services, not cloud alone. The controls meant to manage that spend have not kept pace. The average enterprise now runs 305 SaaS applications, and 51 percent of provisioned SaaS licenses sit completely unused (Zylo, 2026 SaaS Management Index). 87 percent of SaaS is bought and managed outside of IT. 72 percent of companies exceeded their cloud budget last year, and 88 percent of CFOs say cloud costs are still rising (FinOps Foundation and Azul, 2026). 44 percent of organizations still lack real visibility into where the spend goes.

This is not a technology problem. It is a governance problem, and it is exactly what a standing IT rationalization discipline is built to close.

Trace3's IT Rationalization practice converts fragmented IT spend into a Finance-approved baseline, a ranked savings backlog, and a business case the business can verify. The practice sizes and governs the cost reduction opportunity; execution (decommission, migration, and modernization) is delivered by Trace3 Digital Services and Cloud under a separate statement of work, so the same firm that sizes the number also stands behind delivering it. The practice is the financial spine that funds and proves the programs Trace3 already runs, not a competing sale.

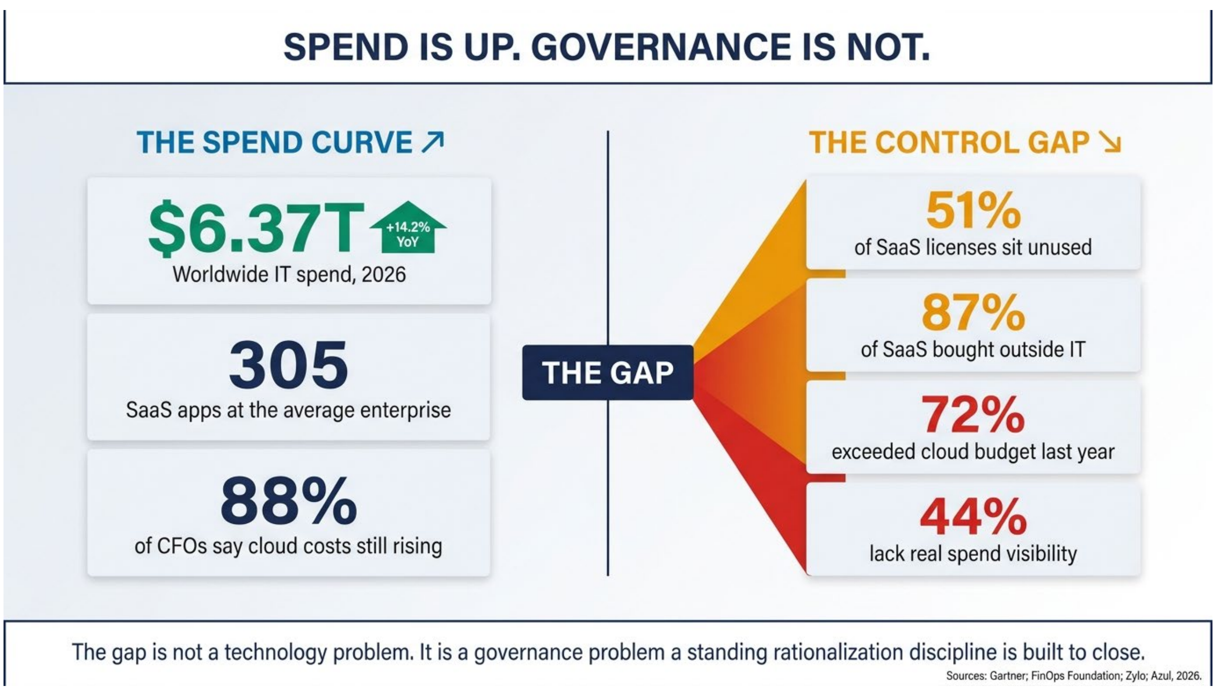

Figure 1 - IT spend governance gap scorecard. Budgets are expanding faster than the controls meant to manage them.

A note on where this attaches:

IT Rationalization is the financial spine beneath the programs Trace3 already delivers:

- With AI Strategy: it frees run-rate to fund the roadmap and governs net-new AI spend.
- With Digital Services: it is the pre-modernization baseline that proves the program's business case.
- With Cloud and FinOps: it extends consumption discipline across the full software estate.
- As a standalone entry: it is a short, low-risk diagnostic that opens a CFO conversation.

Four account signals tell an account lead when to raise it: a renewal cliff (a major contract or ELA renewal inside two quarters), tool sprawl (post-merger duplication or overlapping platforms by domain), a flat or cut IT budget with new demand still arriving, or an AI and modernization push with no funding source. If any one is present, there is a CFO-level opening today.

How We Approach This Work

Eight principles, shaped by what we have seen go wrong, govern every engagement:

- **Finance owns the number.** If Finance will not sign it, it is not a saving. Sign-off comes first.
- **Evidence before opinion.** Contracts, invoices, and usage data decide disposition, not preference.
- **Directional before exhaustive.** Point leadership at where the waste is early, then deep-dive the hot spots.
- **Engage owners with data.** Application owners defend their tools. We arrive with facts, not verdicts.
- **Business value, not tool count.** Reduction targets follow capability and risk, never a headline number.
- **Time it to the notice window.** Leverage is a calendar problem, and the deadline that matters is the notice-of-non-renewal date, not the expiry date. Sequence waves to it.
- **A program, not a cleanup.** One-time sprints refill with waste. A standing queue keeps it out.
- **Prove it in the budget.** Savings are real when they leave next year's budget.

The Five Offerings

The practice is organized as five flagship offerings. Offering 1 is the universal entry point: it produces the Finance-signed baseline and the ranked backlog that scope and fund everything after it. Each offering is independently purchasable, and each rolls up the underlying capabilities so a client buys an outcome, not a stack of micro-engagements.

#	Offering	What it Covers	Primary Buyer
1	IT Estate Diagnostic and Baseline	Costed inventory, Finance-signed baseline, ranked backlog, and Phase 0 data-readiness	CFO, CIO, IT Finance
2	Application, SaaS, and Sourcing Rationalization	Applications (TIME), SaaS and licenses, vendor contracts, and the modernization handoff	Enterprise Architecture, Procurement, CIO
3	Cloud and Infrastructure FinOps Rationalization	Compute and storage right-sizing, zombie kill, data-center consolidation, and ESG reporting	Infrastructure, FinOps, CIO
4	Specialized Domain Deep-Dives	4A Security stack; 4B Data and GenAI FinOps	CISO, Chief Data Officer
5	Value Realization and Governance	Business case, realization office, and the standing operating model (managed or transfer)	CFO, CIO

Table 1

Figure 2 - The five offerings. Offering 1 is the universal entry point, and each offering is independently purchasable.

The Disposition Taxonomy: One Language for Finance, EA, and Delivery

Rationalization work uses three vocabularies that must reconcile, or stakeholders talk past each other: the financial disposition Finance signs, the architectural intent Enterprise Architecture assigns (Gartner TIME), and the technical path delivery executes (the six Rs). Every item in the scored backlog carries all three, mapped as follows.

THE DISPOSITION ROSETTA STONE

One language for Finance, EA, and delivery

FINANCIAL DISPOSITION (baseline)	ARCHITECTURAL INTENT (TIME)	TECHNICAL EXECUTION (six Rs)	RESULT
Optimize	Tolerate or Invest	Retain, Replatform (right-size)	Keep the capability, lower the cost
Consolidate	Migrate or Eliminate	Repurchase, Rehost to surviving platform	Fewer instances, one platform per capability
Renegotiate	Tolerate or Invest	Retain	Same tool, better price and terms
Retire	Eliminate	Retire	Decommission, data archived
Modernize	Migrate or Invest	Replatform, Refactor, Repurchase	Re-architected on a modern stack

Repurchase (replace with a better tool) is a **Consolidate** or **Modernize** outcome, not a **Retire**.

Figure 3 - The disposition Rosetta Stone. Every backlog item carries one financial, one architectural (TIME), and one technical (six-R) label.

Eliminate (TIME) and Retire (six Rs) both end the application, but Repurchase, replacing a tool with a better one, often SaaS, is a Consolidate or Modernize outcome, not a Retire. The matrix keeps that distinction explicit so Finance, EA, and delivery agree on what "kill this app" actually means before anyone acts.

Offering 1: IT Estate Diagnostic and Baseline

The universal entry point. Combines the rapid diagnostic, the full cost baseline, and the Phase 0 data-readiness work that makes a defensible baseline possible.

Description

This engagement converts a client's IT spend into a defensible, Finance-signed number. It assembles a costed inventory of every tool, contract, and owner; normalizes cost and usage; maps cost pools to towers to services; and locks a run-rate baseline that every downstream savings claim is measured against. It runs on eight record types and a four-stage calculation layer (baseline and taxonomy, redundancy and waste, value and risk modeling, realization tracking); cost resolves to quantity times price, and every stage traces back to the locked baseline, so no number appears without a basis. The redundancy heat map consistently surfaces more overlap and more unused entitlement than leadership expected, which is what creates the urgency to act.

Where the client cannot provide clean cost, contract, and usage extracts, a Phase 0 data-readiness track is included in scope rather than sold as a surprise change order: it deploys SaaS-management and discovery tooling, remediates the CMDB, mines expense and contract data, and instruments usage telemetry so the baseline rests on evidence. Thin data extends the baseline phase; absent or untrustworthy data triggers Phase 0.

Why Now

Every trigger converts the same way: a short diagnostic that ends in qualified, Finance-agreed pipeline. A renewal cliff without usage data means auto-renewal at list price. Post-merger sprawl means synergy targets nobody can defend. A flat budget means savings claims nobody can prove. The diagnostic is the low-risk first move that turns any of these into a sized, sponsored plan.

SAMPLE OUTPUT: REDUNDANCY HEAT MAP

Anonymized client example. Illustrative.

	Corporate	Operations	Revenue	Engineering	Finance	People	Duplicate Spend
Collaboration and Productivity	Crit	Crit	High	High	High	Crit	$3.4M
Cloud and Infrastructure	Med	Crit	Med	Crit	Low	None	$2.1M
Applications and Platforms	Med	High	Med	High	Med	Med	$1.8M
AI, Data and Analytics	Low	Med	High	Crit	Med	Low	$1.6M
Security and Resilience	High	High	Med	Med	Low	Low	$1.2M
Finance and FinOps	Med	Low	Low	None	Crit	Low	$0.9M
ERP	Low	Med	Low	None	High	Low	$0.4M
Procurement and Suppliers	Low	Low	None	Low	Med	Low	$0.3M

REDUNDANCY INDEX	None	Low	Med	High	Crit

Every duplicate-spend figure resolves back to the Finance-signed baseline.

Figure 4 - Redundancy heat map (anonymized sample). The diagnostic sizes tool overlap by domain and business function

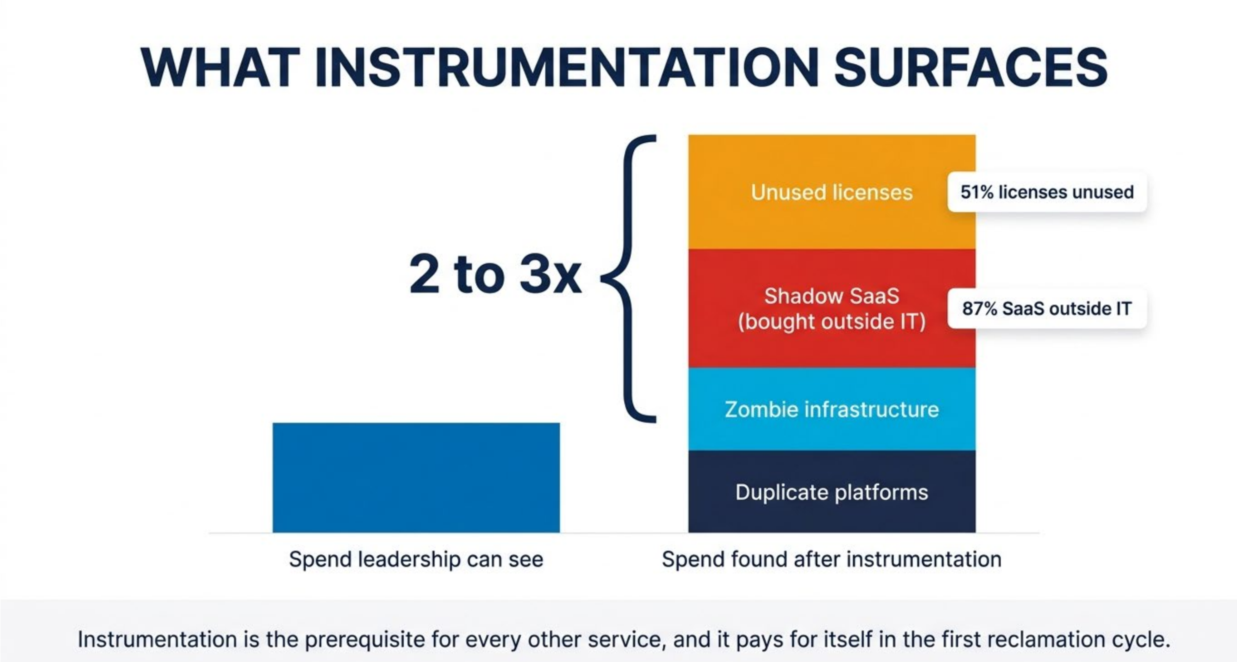

Figure 5 - Shadow and unused spend. Instrumentation typically surfaces 2 to 3 times the spend leadership can see.

Target Buyer	Key Deliverables	Engagement Type	
CFO/VP Finance (economic buyer), CIO/CTO (executive sponsor), IT Finance/TBM lead (daily counterpart); ITAM/CMDB owner for Phase 0	• Costed asset and contract inventory • Locked, Finance-signed cost baseline with cost-to-serve by business unit • Redundancy heat map with duplicate spend by domain • Renewal and negotiation calendar keyed to each contract's notice-of-non-renewal deadline (60, 90, or 120 days before expiry), not just the expiry date • Scored savings backlog with disposition and named owner per item • Phase 0 (when needed): governed system of record, discovery and SaaS-management tooling deployed, usage telemetry instrumented, CMDB remediated • Directional savings range and a scoped plan for the next phase *For detailed deliverable descriptions, see Appendix 1.*	Diagnostic and Baseline (with optional Phase 0 data-readiness) **Duration:** 2 to 3 weeks (rapid diagnostic, one to two domains) to 8 to 10 weeks (enterprise-wide baseline); Phase 0 adds 4 to 8 weeks when data must be instrumented **Scope Basis:** Standard diagnostic pricing covers one to two tool domains for a mid-size estate. Enterprise-wide baselines, multi-entity structures, and estates needing Phase 0 are tiered by complexity and scoped before engagement start.	

Table 2

Offering 2: Application, SaaS, and Sourcing Rationalization

The core software engine. Rationalizes applications, SaaS and licenses, and vendor contracts together, through to the modernization handoff, because in the real world they are one problem, not three.

Description

This engagement rationalizes the software estate end to end, avoiding the artificial handoffs that separating applications, licenses, and contracts would force on a tool like Salesforce, Workday, or ServiceNow. At the application layer it uses the frameworks EA buyers expect: Gartner TIME for disposition, business-capability mapping to expose redundancy, and pace-layering; it addresses the high-overlap core-systems cases (multi-instance and regional ERP, ITSM/ITOM platform consolidation); and it builds an integration and interface dependency map first (APIs, batch and ETL, shared schemas, SSO and identity, middleware) so no disposition breaks a mission-critical pipeline. At the SaaS and license layer it reclaims unused licenses, right-sizes tiers, eliminates shadow SaaS, and treats collaboration and productivity (the single largest pool of duplicate spend: messaging, meetings, file sharing, whiteboarding) as a primary target. At the sourcing layer it consolidates vendors, renegotiates ELAs and master agreements, and sequences a negotiation calendar keyed to the notice-of-non-renewal deadline.

The engagement carries through to the modernization handoff: it applies the six Rs to the disposition shortlist, sequences waves to renewals and dependencies, and builds a per-wave business case that prices the dual-run (bubble) cost of overlapping platforms and includes a data archival, read-only tombstoning, and regulatory-retention plan (SOX, tax, HIPAA, SEC), so retired applications leave no zombie infrastructure. Execution is handed to Trace3 Digital Services and Cloud under a separate statement of work. This advisory is delivered independent of Trace3's reseller relationships: the practice is walled from the resale channel, so disposition and vendor recommendations carry no resale incentive, and any procurement execution is contracted and disclosed separately.

Why Now

Portfolio bloat compounds: every redundant application carries license, integration, support, and security cost, and blocks the modernization move. Renewal leverage closes when the notice window passes, not on the expiry date. And a modernization roadmap without a funding source stalls, which is exactly the funding this engagement produces. A capability-mapped disposition, backed by a dependency map and a defensible business case, is what lets a CIO cut with confidence and fund the roadmap from the savings.

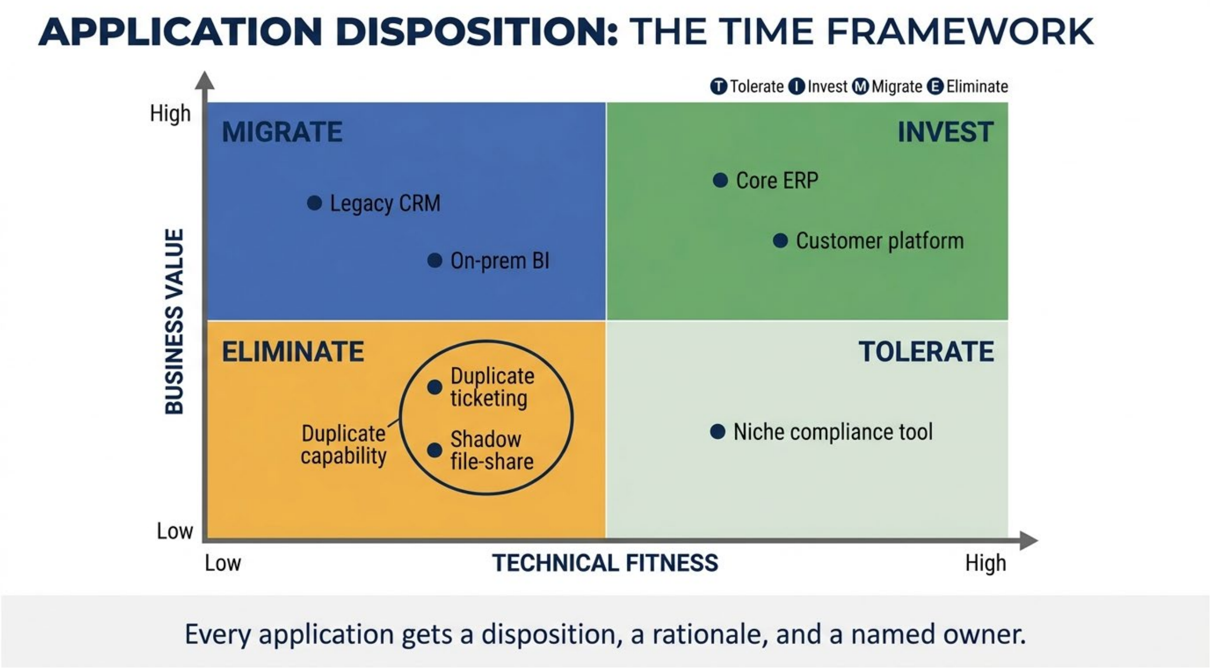

Figure 6 - TIME disposition quadrant. Each application is placed by business value and technical fitness, then dispositioned.

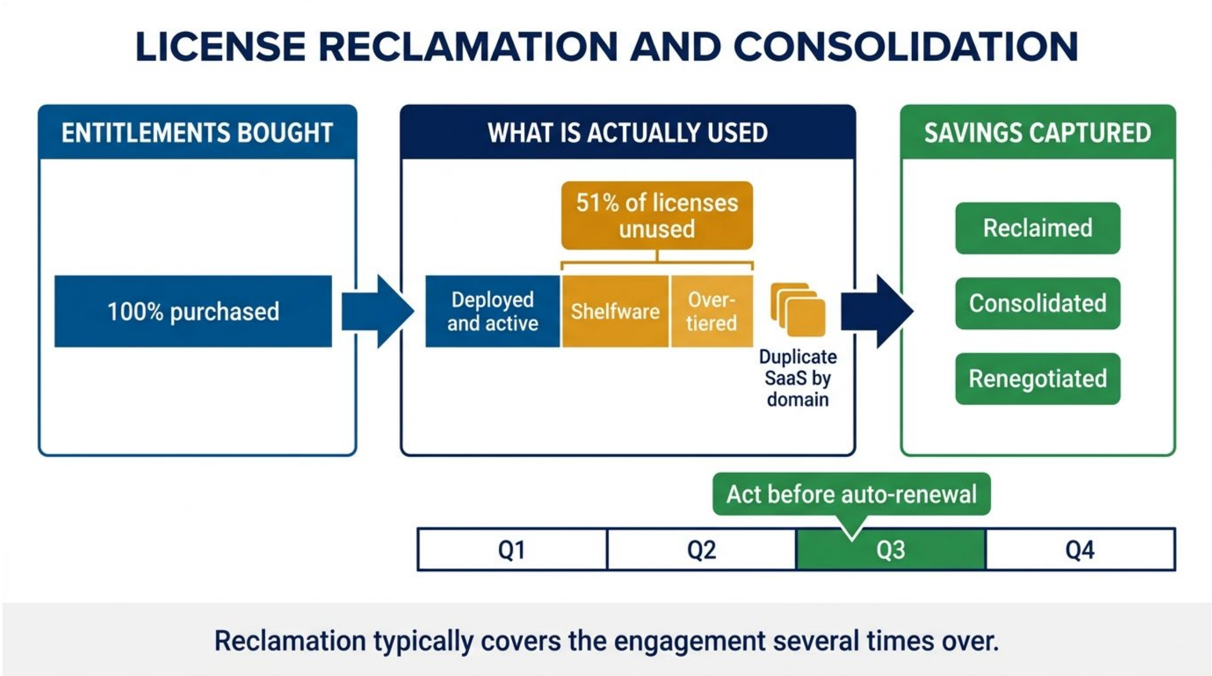

Figure 7 - License reclamation and consolidation. Unused, duplicate, and over-tiered entitlements become sequenced savings.

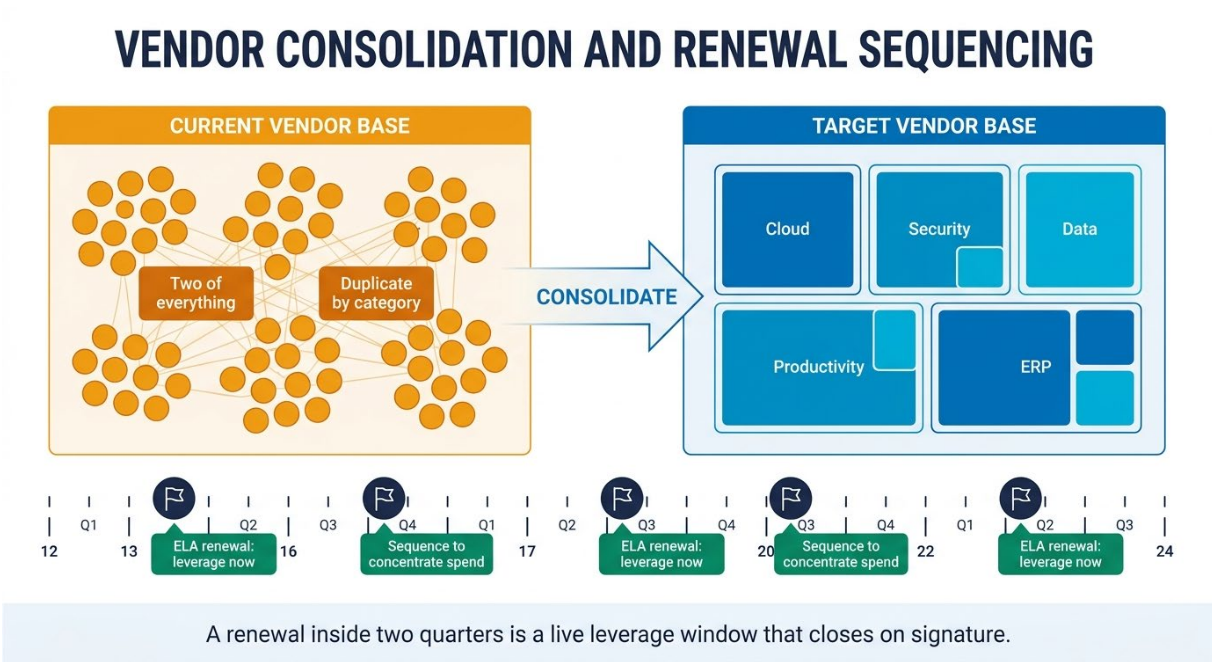

Figure 8 - Vendor consolidation and renewal calendar. Renewals are sequenced to the notice window so leverage is used, not missed.

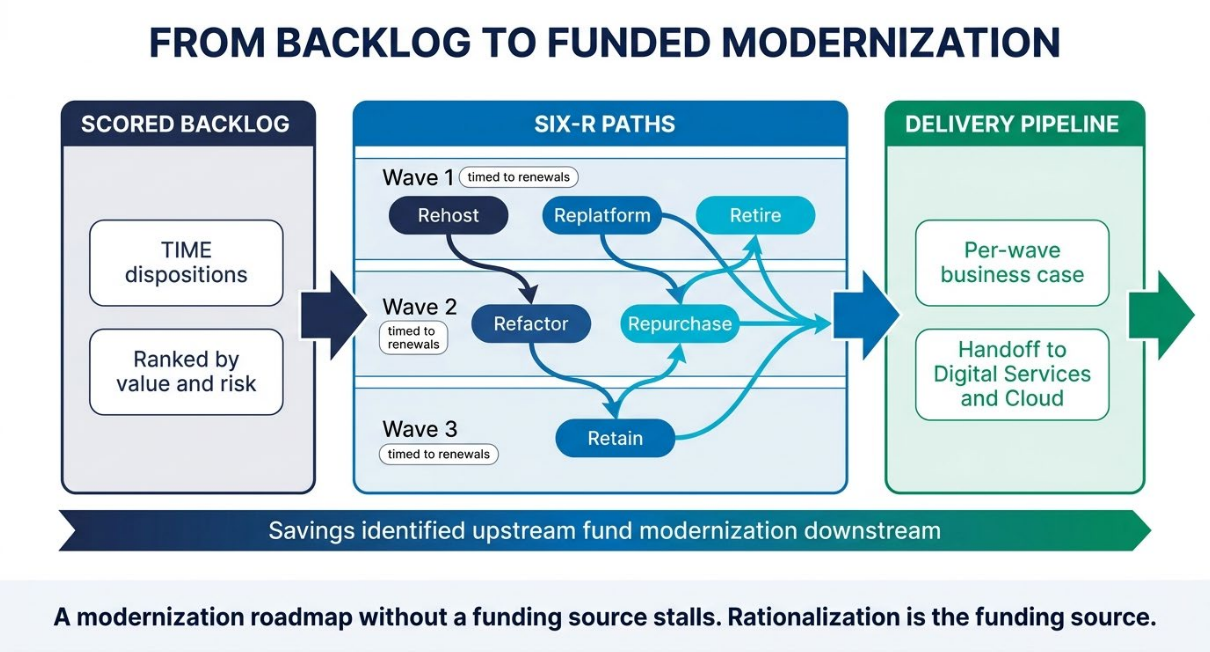

Figure 9 - Rationalization-to-modernization bridge. The backlog becomes funded, wave-sequenced modernization the savings pay for.

Target Buyer	Key Deliverables	Engagement Type
Enterprise Architecture, CIO, Procurement/Vendor Management, IT Finance	• Business-capability map with TIME disposition, rationale, and named owner per application • Integration and interface dependency map (APIs, batch and ETL, shared schemas, SSO and identity, middleware) • Redundant-capability register with consolidation candidates, including ERP multi-instance and ITSM/ITOM • License reclamation and SaaS consolidation plan, with collaboration and productivity as a named focus, plus a shadow SaaS inventory and remediation path • Vendor consolidation plan and renewal-sequenced negotiation calendar keyed to notice-of-non-renewal deadlines, with ELA and master-agreement renegotiation strategy • Modernization handoff: six-R disposition, wave sequencing, per-wave business case with dual-run (bubble) cost, and decommission runbooks with	Assessment and Advisory, with modernization handoff **Duration:** 8 to 14 weeks, scoped to estate size and the number of layers in scope

	data archival, tombstoning, and regulatory-retention handling • Delivery handoff package to Trace3 Digital Services and Cloud (separate SOW) *For detailed deliverable descriptions, see Appendix 2.*	

Table 3

Offering 3: Cloud and Infrastructure FinOps Rationalization

The compute and data-center engine. Extends consumption discipline from cloud across the full infrastructure estate.

Description

This engagement right-sizes compute and storage, eliminates zombie infrastructure, consolidates data-center footprint, optimizes cloud commitments and reservations, and, where the numbers support it, evaluates selective repatriation. It extends the existing Trace3 Cloud and FinOps practice rather than competing with it, applying the same locked-baseline rigor to on-premises and hybrid spend that FinOps applies to cloud.

For enterprises under mandatory climate reporting (EU CSRD, California SB 253 and SB 261), data center and hardware rationalization directly reduces Scope 2 and Scope 3 emissions. The consolidation outputs feed the sustainability and ESG reporting office, unlocking secondary sponsorship from the Chief Sustainability Officer a pure cost argument does not reach.

Why Now

72 percent of companies exceeded their cloud budget last year and 88 percent of CFOs report cloud costs still rising. A data center lease or hardware-refresh decision is a once-in-a-cycle leverage point; rationalizing before that decision, not after, avoids locking in oversized capacity, and it now feeds a mandatory climate-disclosure obligation as well.

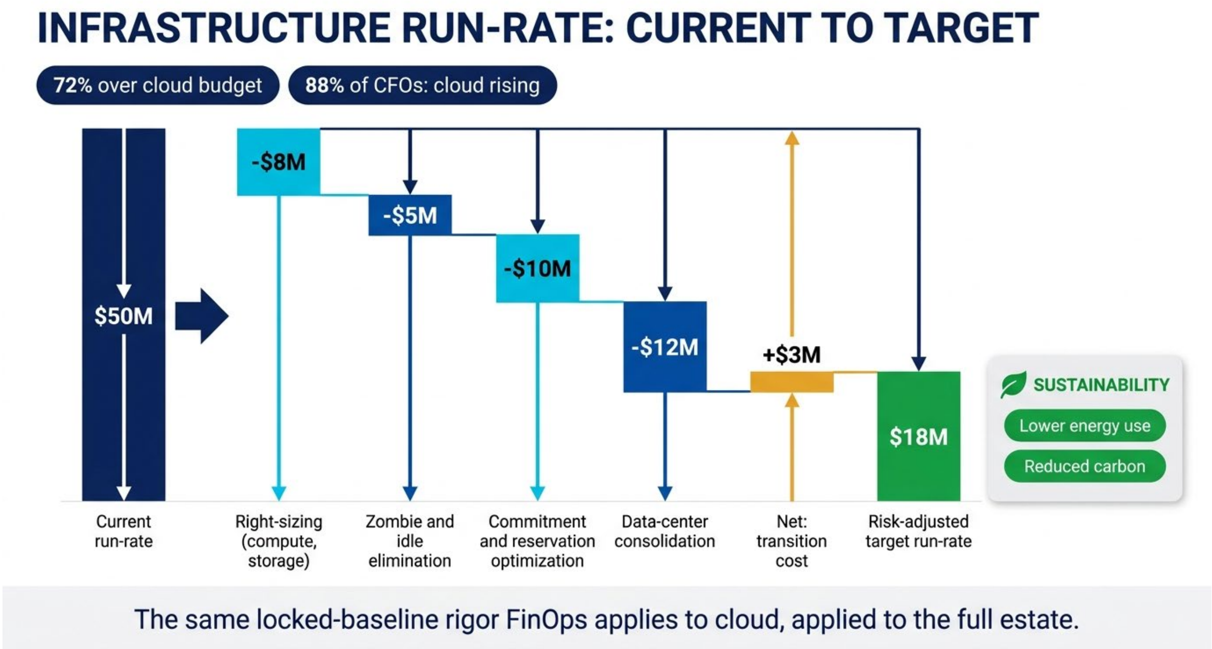

Figure 10 - Infrastructure spend waterfall. Right-sizing, zombie elimination, and consolidation net to a risk-adjusted target run-rate, plus an energy and carbon reduction.

Target Buyer	Key Deliverables	Engagement Type
Cloud and Infrastructure lead, FinOps, CIO, Chief Sustainability Officer (secondary)	• Infrastructure right-sizing plan (compute, storage, network) • Zombie and idle-resource elimination register • Data center consolidation roadmap with lease and refresh timing • Cloud commitment and reservation strategy aligned to consumption • Repatriation analysis where economically supported • Energy and carbon reduction estimate, with an ESG and climate-disclosure data pack (CSRD, SB 253/261) drawn from the consolidation plan *For detailed deliverable descriptions, see Appendix 3.*	Assessment and Advisory **Duration:** 6 to 10 weeks

Table 4

Offering 4: Specialized Domain Deep Dives

Targeted sprints for two domains where waste is high and the buyer holds a separate budget: security tooling (CISO) and data and GenAI (CDO). Purchased as modules, alone or alongside Offering 2.

Description

Module 4A: Security Stack Rationalization. Security stacks accumulate overlapping tools faster than almost any other domain, and the goal is to reduce cost and attack surface without reducing coverage. This module maps every security tool to the controls it provides, identifies redundant capabilities, designs a consolidation plan that preserves or improves coverage, and closes any gaps the consolidation surfaces. It is delivered with the CISO, never over them, and the value story is coverage and reduced attack surface as much as cost.

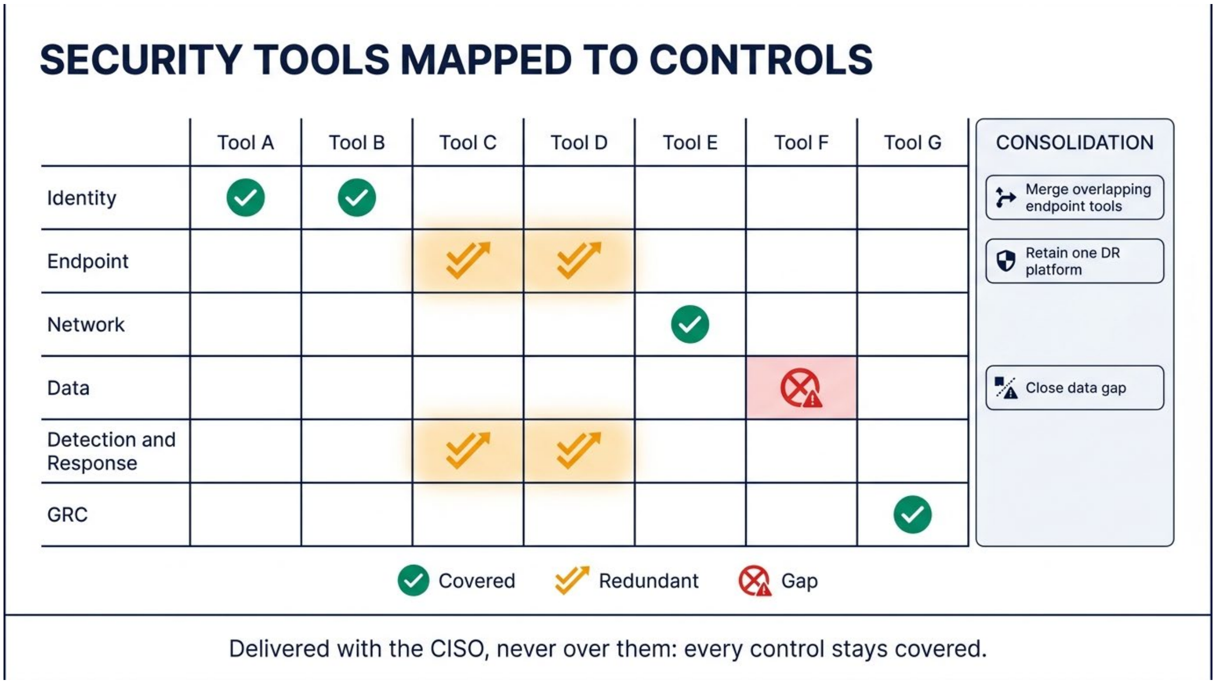

Figure 11 - Security control-to-tool coverage matrix. Overlap is cut and gaps closed without reducing control coverage.

Module 4B: Data and GenAI FinOps. The data, BI, and AI/ML estate are the fastest-sprawling and least-governed enterprises. This module rationalizes overlapping data platforms and BI tools, and the redundant AI copilots, model endpoints, and shadow AI across business units. In 2026 the fast-growing waste is in LLM API and token spend hitting corporate cards without rate limits or caching (OpenAI, Anthropic, Bedrock, Azure OpenAI), duplicate vector databases (Pinecone, Weaviate, Qdrant), and oversubscribed GPU and reserved instances idle between training runs. It is the direct bridge to Trace3's Financial Services and Healthcare AI CoE practices and the AI FinOps methodology.

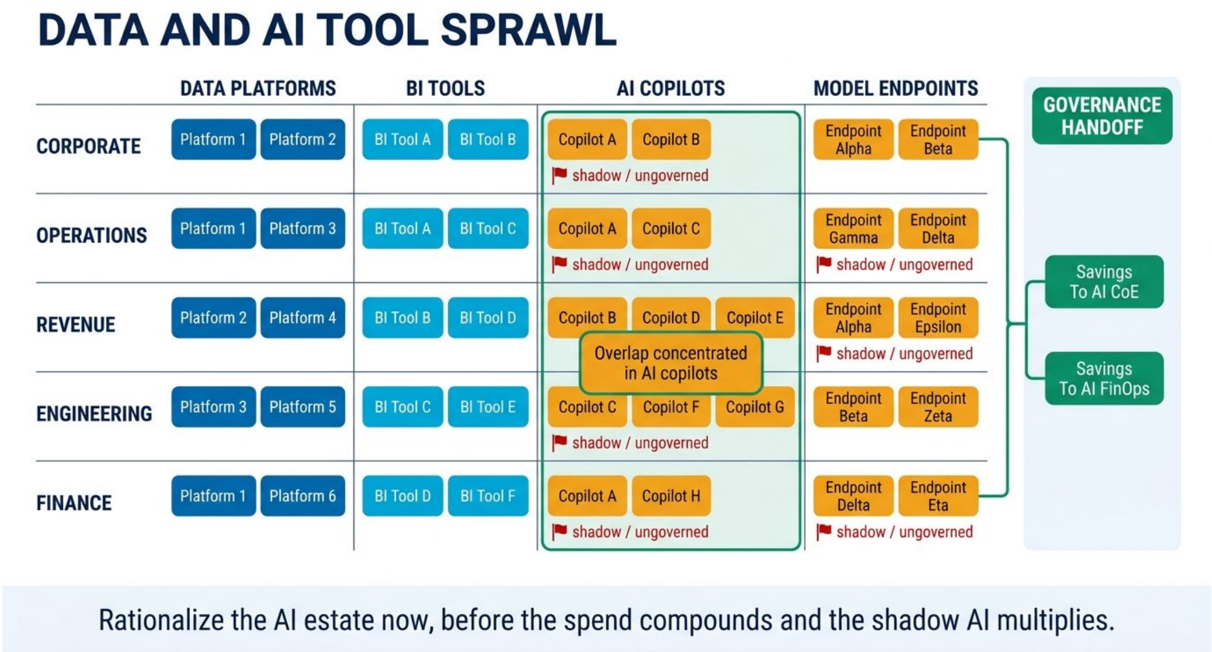

Figure 12 - Data and AI tool sprawl. Overlapping platforms and ungoverned AI copilots, endpoints, and token spend are surfaced and consolidated.

Why Now

Security tool overlap is expensive, and budget pressure is intensifying, but a cut that opens a coverage gap is worse than the overspend, so a control-mapped consolidation is the only safe way to reduce it. And AI spend is growing faster than any control around it, with every business unit buying its own copilot, vector database, and GPUs; rationalizing before the spend compounds is both a cost play and a governance prerequisite.

Target Buyer	Key Deliverables	Engagement Type
CISO and Security Architecture (4A); Chief Data Officer and Head of Data and Analytics (4B)	• 4A: control-mapped security tool inventory; redundant-capability register; coverage-preserving consolidation plan; gap-closure recommendations; attack-surface and cost-reduction summary • 4B: data and analytics tool portfolio with overlap sizing; AI copilot, model-endpoint, and shadow-AI inventory; GenAI token and API cost-to-serve with rate-limit and caching recommendations; GPU and reserved-instance right-sizing; consolidation plan including duplicate vector databases; governance handoff to the AI CoE and AI FinOps practices *For detailed deliverable descriptions, see Appendix 4.*	Assessment and Advisory (per module) **Duration:** 6 to 10 weeks per module

Table 5

Offering 5: Value Realization and Governance

The standing sustainment engine. Builds the business case, stands up the realization office, and then runs it as a managed program (Track A) or transfers it to the client's team in 12 months (Track B).

Description

A business case is only real when the cost actually leaves the budget and the savings are reflected in the go-forward baseline. This offering builds the Finance-signed business case (NPV, ROI, payback, benefit-cost, cost to achieve, with a confidence band), nets the dual-run (bubble) cost that a gross run-rate reduction hides, and stands up the realization office that keeps savings from leaking back: a standing portfolio board, a locked baseline, actuals tracked by period, and a reason code for every variance. Business-unit exceptions run through a showback-to-chargeback maturity model, staged so the program never jumps straight to punitive cross-charging: first visibility (publish cost-to-serve per unit), then accountability (flag a redundant-tool retainer as an unapproved budget variance at the board), and only then enforcement (direct P&L cross-charge plus a security non-standard surcharge, after a grace period).

Because renewals and sprawl are continuous, the realization office is designed to run standing, and it is offered in two delivery tracks: **Track A, Managed Program (Rationalization-as-a-Service)**, where Trace3 runs the standing board and a continuously refreshed backlog under a master agreement with draw-down funding; or **Track B, Capability Transfer**, where Trace3 stands up the operating model (TBM, FinOps, portfolio governance), configures the tooling, trains the internal team, and exits cleanly at month 12 with optional scoped advisory afterward. Track B directly answers the consultant-lock-in objection.

Why Now

Governance programs compete for budget as pure cost until someone proves the savings are real, and a cleanup that is not sustained is a cost that recurs. The realization office converts a modeled number into a banked number and keeps it out; boards increasingly want the durable internal capability that Track B leaves behind.

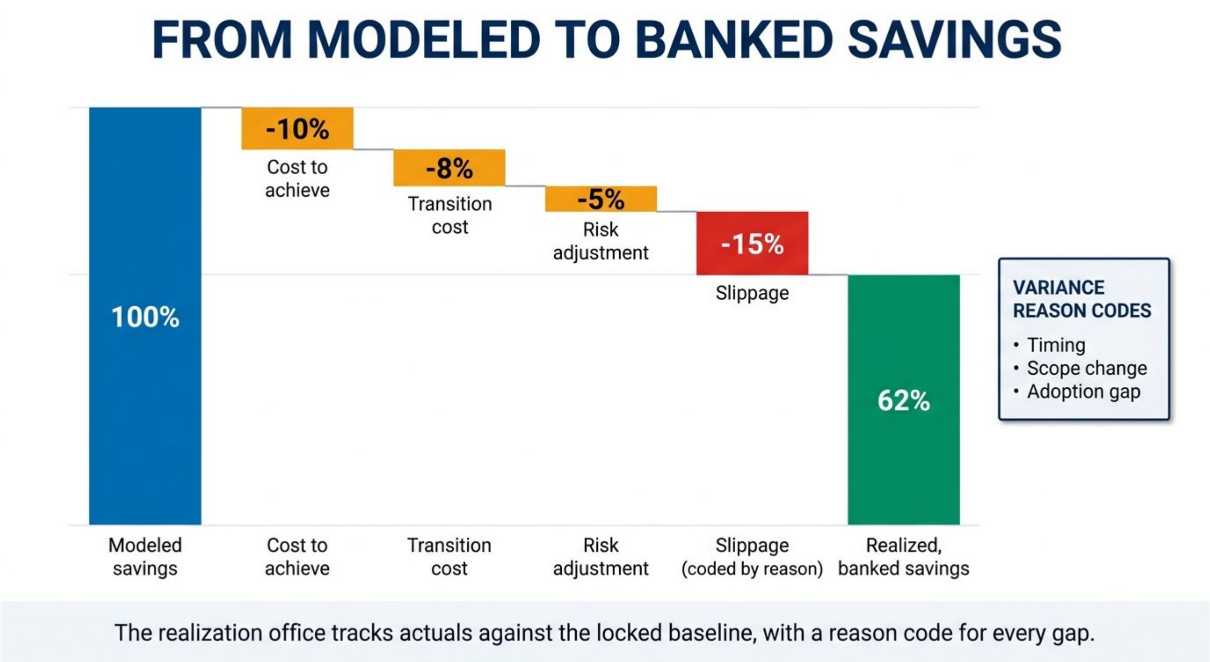

Figure 13 - Modeled versus realized savings. What survives cost-to-achieve, dual-run, and slippage is the number that leaves the budget.

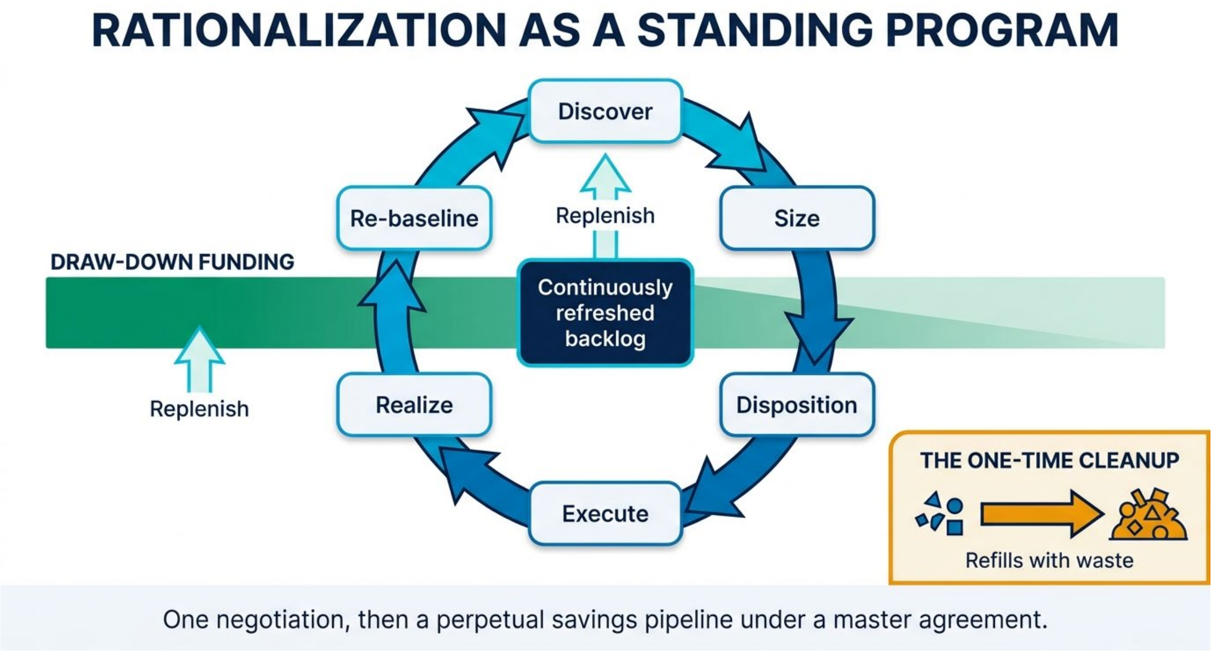

Figure 14 - The standing program loop. A continuous discover-to-re-baseline cycle keeps waste out, where a one-time cleanup refills.

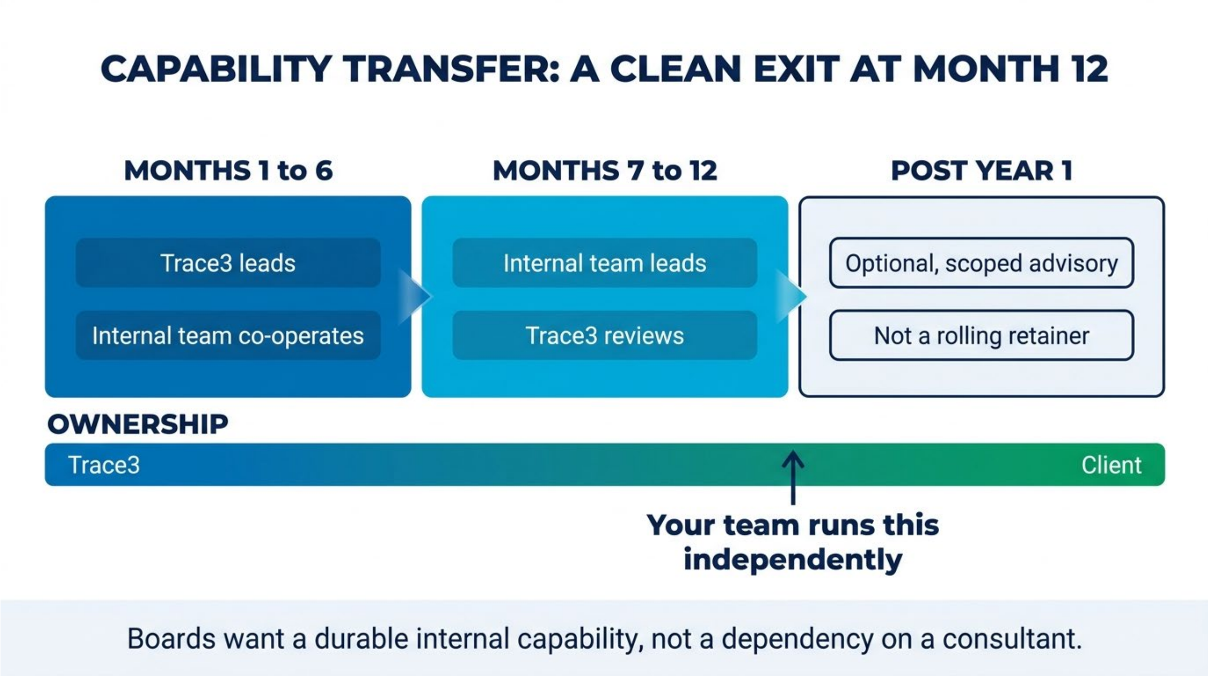

Figure 15 - Capability transfer arc. The client's team runs the program independently by month 12.

Target Buyer	Key Deliverables	Engagement Type
CFO/VP Finance, CIO, Executive Sponsor, PMO, IT Finance/TBM lead (Track B)	• Finance-signed business case (NPV, ROI, payback, benefit-cost, confidence band), netted of cost-to-achieve and dual-run (bubble) cost • Locked baseline, CFO-ready savings scorecard, and quarterly re-baseline • Standing portfolio board charter, and a savings realization tracker with variance reason codes • Showback-to-chargeback maturity model: staged visibility, accountability, and enforcement, with grace periods and the security non-standard surcharge • Track A (Managed): continuously refreshed backlog, renewal-calendar-driven action queue keyed to notice windows, master-agreement and draw-down funding structure • Track B (Transfer): internal operating model (TBM, FinOps, portfolio governance), RACI, tooling configuration and runbooks, trained team, and a clean month-12 exit *For detailed deliverable descriptions, see Appendix 5.*	Advisory plus ongoing realization; Track A managed service (annual) or Track B 12-month capability transfer **Duration:** 6 to 10 weeks to establish; then Track A annual and renewing, or Track B 12 months

Table 6

Engagement Model, Pricing, and Packaging

Trace3's IT Rationalization engagements are scoped and priced by estate size, number of domains in scope, data readiness, and the savings backlog produced in the diagnostic phase. Offering 1 (IT Estate Diagnostic and Baseline) is the recommended entry point: it produces the costed inventory and Finance-signed baseline that scope and sequence every other offering.

Four governed phases. Every engagement runs the same four governed phases, Discover, Analyze, Business Case, and Realize, each ending at a funding gate with a client-usable handoff (baseline at the first gate, value case at the second, roadmap at the third, banked savings at the last). Funding releases on evidence, not elapsed time.

Advisory sizes the cut; delivery executes it. This practice sizes and governs the cut and produces the Finance-signed number. Execution, the decommission, migration, and modernization, is delivered by Trace3 Digital Services and Cloud under a separate statement of work. The boundary is deliberate: it keeps the sizing independent of the delivery revenue, the same demarcation the financial model has always drawn.

The funding mechanism for cost-center resistance. Rationalization competes for budget as pure cost until the savings are proven. The fast, visible savings in Offerings 2 (SaaS and sourcing) and 3 (cloud and infrastructure) are structured to become the CFO's business case for funding the broader program. Lead with them where finance holds the gate.

Packaged Tracks (bundles priced with an advantage over a-la-carte scoping):

- **Renewal Cliff Track:** Offering 1 + Offering 2. For an ELA or major renewal inside two quarters. The fastest path from exposure to leverage.
- **Post-Merger Synergy Track:** Offering 1 + Offering 2 (+ Module 4A where security stacks doubled), delivered on an M&A clock:
- Day 1 to 30: quick-kill license reclamation and duplicate-vendor notice execution, before auto-renewals lock.
- Day 31 to 60: core application overlap scoring (TIME) and the redundancy heat map.
- Day 61 to 100: target-state architecture roadmap and a Finance-signed synergy realization scorecard for the board.
- **CFO Funding Track:** Offering 1 + the fast-savings work in Offerings 2 and 3, then Offering 5. The cost-recovery entry whose identified savings fund the broader build.
- **Modernization Funding Track:** Offering 1 + Offering 2 through its modernization handoff. Rationalization as the funding engine for the AI and modernization roadmap.
- **Enterprise Program:** Offering 1 + Offering 5, activating Offerings 2, 3, and 4 by backlog priority. The full standing discipline.

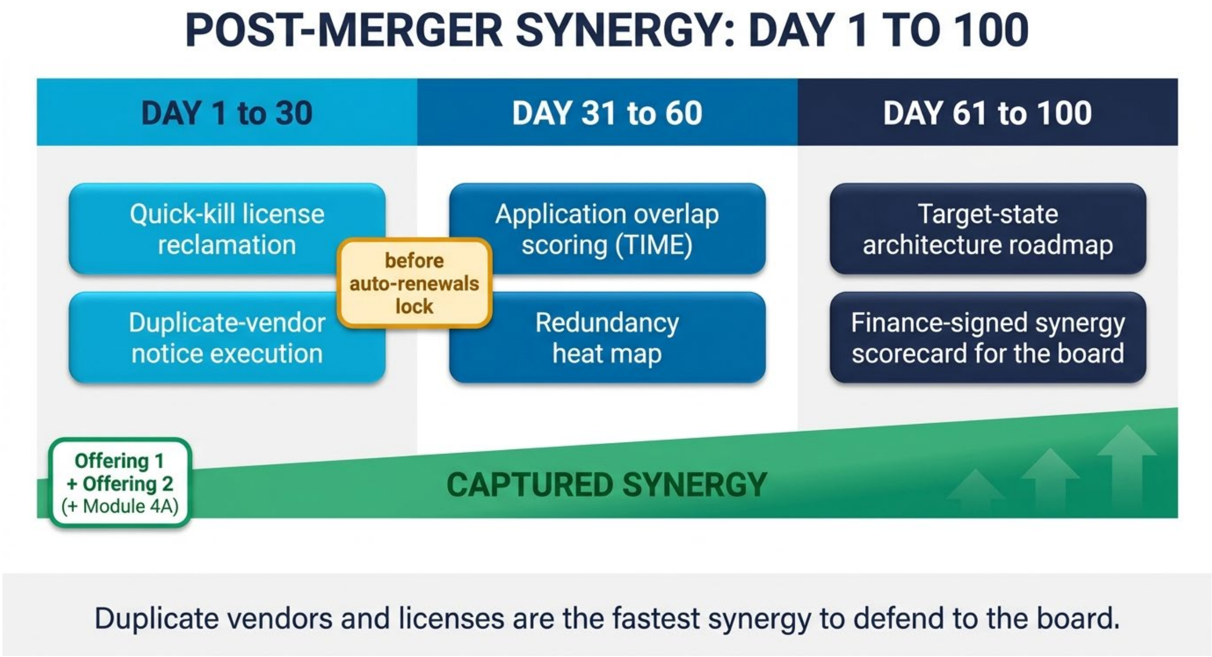

Figure 16 - M&A Day 1 to 100 synergy timeline. Duplicate licenses and vendors are the fastest synergy to capture and defend to the board.

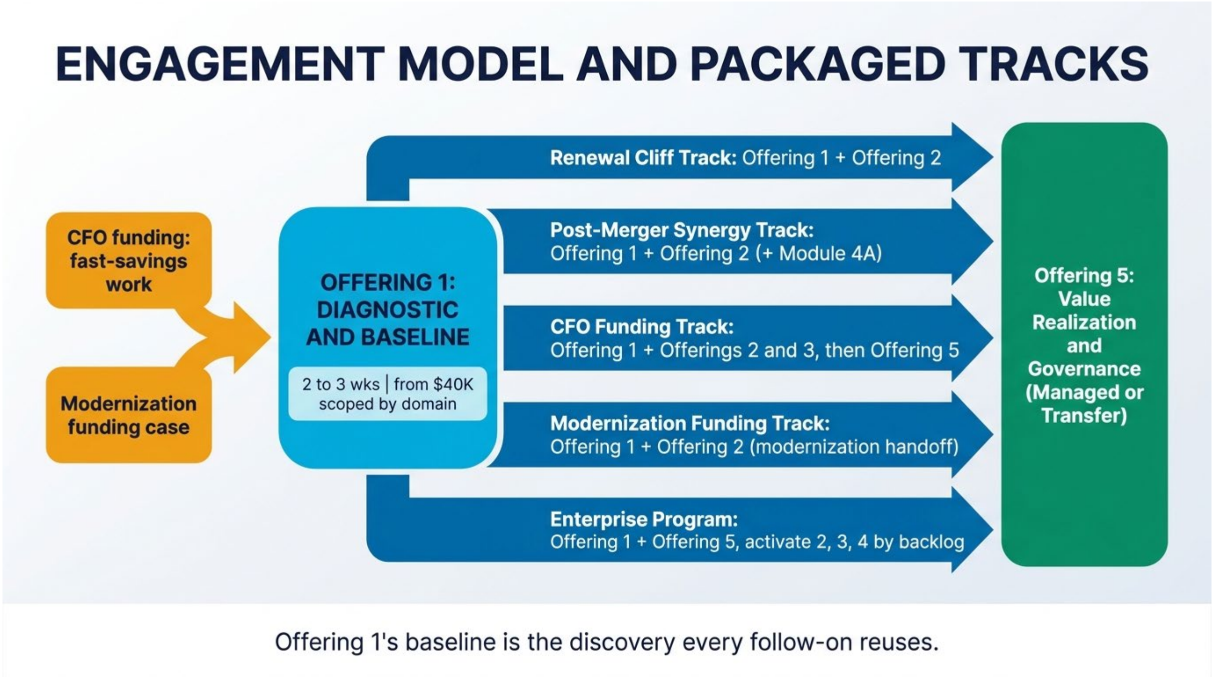

Figure 17 - Engagement model and packaged tracks. One entry point, Offering 1, branches into five bundled tracks.

A standing vehicle for a continuous problem. Renewals never stop and sprawl never stops, which makes rationalization the ideal fit for a **master agreement with draw-down**

funding (the commercial equivalent of a blanket purchase agreement): rates, terms, and security review are negotiated once; each wave, advisory, then delivery, then managed operations, is added as a task order under the standing vehicle. The client pre-funds a balance, draws against it as work is authorized, and replenishes as it depletes. When the next renewal cliff or acquisition lands, work starts in days, not at the end of a procurement cycle.

Lighthouse terms: for a first-mover reference client in each target vertical, Trace3 will consider preferred pricing in exchange for reference rights and a jointly published case study, subject to executive approval.

Engagement Sequencing Guidance

Offering 1 is the universal entry point; the savings backlog it produces prioritizes the rationalization offerings (2, 3, and 4) by where the waste actually is, funds the build through the fast-savings work in Offerings 2 and 3, and activates the business case and realization office in Offering 5. Offering 5 then sustains the discipline (Track A) or transfers it to the client (Track B). The typical arc runs 8 to 12 weeks for the baseline and value case, then two to three quarters of realization and domain execution.

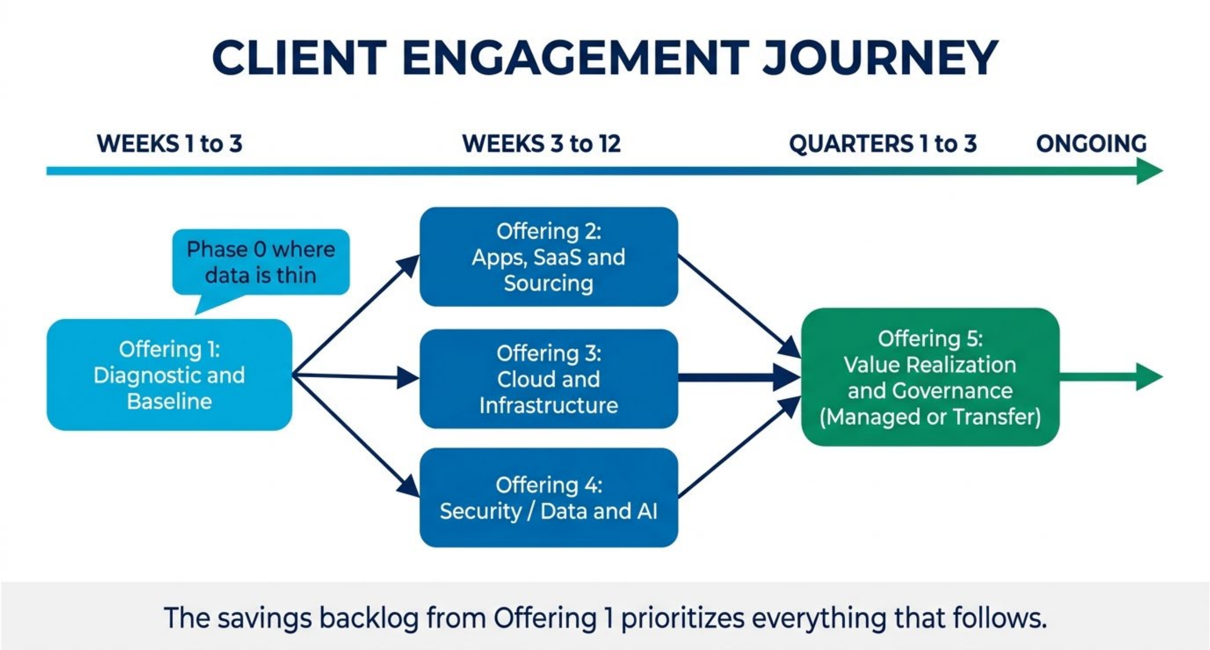

Figure 18 - Client engagement journey. One diagnostic sequences a multi-offering relationship over a typical 12-month arc.

Why Trace3

We size the number and govern the cut. Big 4 and strategy firms produce a rationalization slide and leave. TBM and SaaS-management tool vendors sell a platform and leave. Trace3 produces a Finance-signed baseline and governs the cut through to a banked saving. Execution, the decommission, migration, and modernization, is delivered by Trace3 Digital Services and Cloud under a separate statement of work, so the same firm that sizes the number also stands behind delivering it. That span, from sized number to banked saving to executed roadmap, is the differentiator.

We bridge financial rigor, architecture, and infrastructure. Most rationalization advice is financial-only or architecture-only. Trace3 does both, and the target state it recommends can be delivered through Trace3's delivery practices under a separate SOW, so the disposition is not just recommended, it is buildable.

We are independent of what we resell. Trace3 does not resell a TBM or SAM platform, and the rationalization practice is walled from Trace3's reseller channel. Disposition and vendor recommendations carry no resale incentive, and any procurement execution is contracted and disclosed separately. Consolidation calls are driven by the client's estate, not by a product we are trying to sell.

We run the practices the savings fund. Trace3 runs the AI, Cloud, and FinOps practices that rationalization funds, so the savings do not evaporate; they are redeployed into a roadmap Trace3 delivers.

We are honest about what savings survive contact with the budget. Modeled savings are not banked savings. Trace3's realization office tracks actuals against the locked baseline with a reason code for every variance, and nets dual-run and cost-to-achieve, so the number a board sees at year end is the number that actually left the budget.

TRACE3 VERSUS TYPICAL ADVISORS

	Big 4 and strategy firms	TBM and SAM tool vendors	TRACE3
Sizes a Finance-signed number	✓	◐	✓
Executes the cut (decommission, migration)	✗	✗	✓
Bridges financial rigor and architecture	◐	✗	✓
Vendor-neutral (no platform to sell)	✓	✗	✓
Runs the practices the savings fund	✓	✗	✓

Trace3 signs the number and cuts it. That end-to-end span is the whole differentiator.

Figure 19 - Trace3 versus typical advisors. We size the number and cut it; Big 4 and tool vendors each do only one.

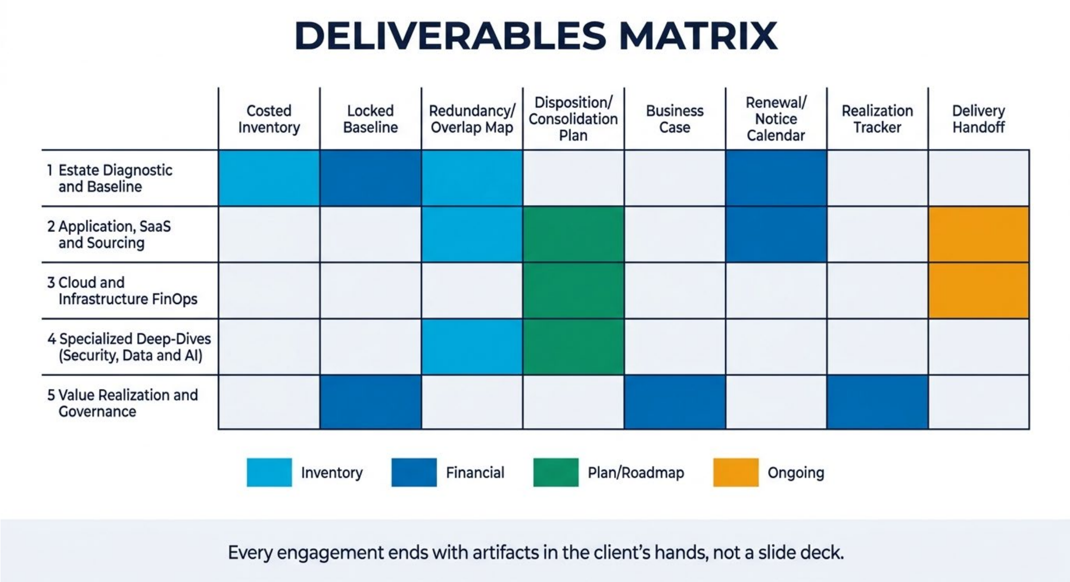

Figure 20 - Deliverables matrix. Which artifacts each of the five offerings produces.

If you're interested in learning more, or scheduling a 45-minute initial scoping call, please contact us at DL-Digital@trace3.com or find us at Trace3.com.

Appendix

Appendix 1: Offering 1 Detailed Deliverables: IT Estate Diagnostic and Baseline

- Costed asset and contract inventory: every tool, application, owner, and vendor with a price against it, tagged by domain, criticality, and lifecycle stage
- Locked cost baseline: a Finance-signed run-rate and cost-to-serve by business unit, with cost pools mapped to towers to services, and run separated from change
- Redundancy heat map: overlap by domain crossed with business function, with duplicate spend per domain and a redundancy index from low to critical
- Renewal and negotiation calendar: every renewal sequenced by its notice-of-non-renewal deadline (60, 90, or 120 days before expiry), so leverage is used, not missed
- Scored savings backlog: ranked actions, each with a disposition (consolidate, optimize, retire, renegotiate, modernize) and a named owner
- Phase 0 data-readiness (when needed): one governed system of record for assets, contracts, cost, and utilization with a named owner per field; SaaS-management and discovery tooling deployed and populated; expense and contract data mined and reconciled; usage telemetry instrumented; CMDB remediated
- Directional savings range and scoped plan for the next phase

Appendix 2: Offering 2 Detailed Deliverables: Application, SaaS, and Sourcing Rationalization

- Business-capability map with application-to-capability alignment and redundancy exposed by capability
- TIME disposition per application, with rationale, dependencies, and a named owner
- Integration and interface dependency map: upstream and downstream APIs, batch and ETL jobs, shared database schemas, SSO and identity dependencies, and middleware
- Redundant-capability register with consolidation candidates and duplicate-spend sizing, including ERP multi-instance and ITSM/ITOM platform consolidation
- License reclamation plan (unused, underused, over-tiered) and SaaS consolidation plan by domain, treating collaboration and productivity (messaging, meetings, file sharing, whiteboarding) as a primary target, with a shadow SaaS inventory and remediation path
- Vendor base map, vendor consolidation plan with duplicate-spend sizing, renewal-sequenced negotiation calendar keyed to notice-of-non-renewal deadlines, and ELA

and master-agreement renegotiation strategy with recommended terms (auto-renewal, notice window, price protection, exit provisions)

- Modernization handoff: six-R disposition, wave sequencing timed to renewals and dependencies, per-wave business case with cost to achieve and dual-run (bubble) cost, and decommission runbooks with tested rollback including data archival, read-only tombstoning, and regulatory-retention handling (SOX, tax, HIPAA, SEC)
- Delivery handoff package to Trace3 Digital Services and Cloud, executed under a separate SOW
- Note: delivered independent of Trace3's reseller relationships; any procurement execution is contracted and disclosed separately

Appendix 3: Offering 3 Detailed Deliverables: Cloud and Infrastructure FinOps Rationalization

- Infrastructure right-sizing plan across compute, storage, and network
- Zombie and idle-resource elimination register
- Data-center consolidation roadmap with lease and refresh timing
- Cloud commitment and reservation strategy aligned to consumption
- Repatriation analysis where economically supported
- Energy and carbon reduction estimate, plus an ESG and climate-disclosure data pack (CSRD, California SB 253/261) feeding the sustainability reporting office

Appendix 4: Offering 4 Detailed Deliverables: Specialized Domain Deep-Dives

Module 4A: Security Stack Rationalization

- Control-mapped security tool inventory (each tool mapped to the controls it provides)
- Redundant-capability register with consolidation candidates
- Coverage-preserving consolidation plan, sequenced and delivered with the CISO
- Gap-closure recommendations for any coverage the consolidation surfaces
- Attack-surface and cost-reduction summary for board and audit reporting

Module 4B: Data and GenAI FinOps

- Data and analytics tool portfolio with overlap sizing across platforms and BI tools
- AI copilot, model-endpoint, and shadow-AI inventory by business function
- GenAI token and API cost-to-serve (OpenAI, Anthropic, Bedrock, Azure OpenAI), with rate-limit and caching recommendations

- GPU and reserved-instance utilization and right-sizing analysis
- Consolidation plan for data and BI platforms, including duplicate vector databases (Pinecone, Weaviate, Qdrant)
- AI-tool governance handoff package to the AI CoE and AI FinOps practices

Appendix 5: Offering 5 Detailed Deliverables: Value Realization and Governance

- Finance-signed business case: NPV, ROI, payback, and benefit-cost with the cost to achieve and a confidence band, netted of transition cost and dual-run (bubble) cost, risk-adjusted
- Agreed, locked baseline and CFO-ready savings scorecard, with quarterly re-baseline
- Standing portfolio board charter: a Finance and Engineering forum that outlives the engagement, with a defined cadence and decision rights
- Savings realization tracker: actuals by period against the locked baseline, with a variance reason code for every gap
- Showback-to-chargeback maturity model: a three-stage progression for business-unit exceptions, visibility (cost-to-serve showback per unit), accountability (redundant-tool retainers flagged as unapproved budget variances at the board), and enforcement (direct P&L cross-charge plus a security non-standard surcharge after a defined grace period)
- Assumption audit trail: discount rates, hurdle rates, and benchmarks versioned with author, date, and rationale
- Track A (Managed): continuously refreshed scored backlog; renewal-calendar-driven action queue keyed to notice windows; master-agreement and draw-down funding structure with replenishment triggers
- Track B (Transfer): internal operating model covering TBM, FinOps, and portfolio governance; RACI and governance-forum design; tooling configuration and runbooks; trained internal team with competency documentation; optional, scoped post-year-1 advisory plan (not a rolling retainer)

Appendix 6: Data-Entity Lifecycle Traceability

The financial model runs on eight core record types. This table maps each to the offerings that instantiate and maintain it, so the data model stays coherent across a multi-offering relationship.

Record type	Instantiated by	Updated and maintained by
Asset and Application	Offering 1	Offerings 2 and 4
Contract and Renewal	Offering 1	Offering 2
Cost	Offering 1	Offerings 3 and 5
Utilization	Offering 1 (incl. Phase 0)	Offerings 2 to 4
Decision	Offerings 2 to 4	Offering 5
Value Case	Offerings 2 and 5	Offering 5
Baseline	Offering 1	Offering 5 (re-baseline)
Realization	Offering 5	Offering 5

Table 7

About Trace3

Trace3 is an IT solutions and services company helping organizations accelerate innovation through technology. The AI Efficiency Advisory practice advises enterprise clients on AI cost governance, model optimization, and building the internal capability to manage AI spend as a strategic investment. Contact your Trace3 account executive to learn more.