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WHITE PAPER

Paying too much for technology?

A practical cost-review guide for Los Angeles businesses: software, internet, phones, cloud, hardware and energy.

Who it's for
Owners, office and finance managers

Time to read
About 12 minutes

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EXECUTIVE SUMMARY

Technology costs rarely jump. They drift.

Few businesses decide to overpay for technology. It happens one auto-renewal, one forgotten license and one expired promotional rate at a time.

Spending is spread across many vendors, each billing on its own schedule. No single invoice looks alarming, so nobody reviews the total. Meanwhile prices are moving: Microsoft raised list prices on several Microsoft 365 plans on July 1, 2026, and California's average commercial electricity price passed 30¢ per kWh.[2,3]

36%

of SaaS licenses are left unused on average, against industry-recommended utilization.

Zylo, 2026 SaaS Management Index[1]

$9,455

median SaaS spend per employee across the organizations Zylo studied.

Zylo, 2026 SaaS Management Index[1]

30.4¢

per kWh, the average California commercial electricity price in September 2026.

U.S. EIA, via YCharts[3]

This guide explains where technology spending typically drifts, what to look for in each category and how to run a 30-day cost review. You can do it yourself, or ask Support Bay to do it for you at no cost.

WHY COSTS DRIFT

Five patterns we see again and again

Auto-renewals nobody reviews

Contracts renew on their own, often at the vendor's current list price rather than the rate you first negotiated.

Promotional rates that expire

Introductory internet, phone and software pricing ends quietly, and the bill steps up without anyone noticing.

Licenses that outlive employees

When people leave or change roles, their software seats, phone lines and devices often keep billing.

Overlapping tools

Two teams buy two tools that do the same job, or a new platform is added while the old one is never cancelled.

Plans that no longer fit

A plan chosen five years ago for a 10-person office may be the wrong size, speed or tier for the business you run today. Plans are rarely right-sized after the initial purchase.

WHERE TO LOOK

A category-by-category review

1. Software and licensing

Software subscriptions are usually the fastest place to find savings, because seats are easy to add and easy to forget. Zylo's 2026 index found organizations leave an average of 36% of their SaaS licenses unused.[1]

Microsoft 365 deserves a specific look this year. List prices for several commercial plans changed on July 1, 2026; existing customers move to the new price at their next renewal.[2]

Microsoft 365 plan (per user / month, annual)	Before July 1, 2026	From July 1, 2026
Microsoft 365 Business Basic	$6.00	$7.00
Microsoft 365 Business Standard	$12.50	$14.00
Microsoft 365 Business Premium	$22.00	$22.00
Office 365 E3	$23.00	$26.00
Microsoft 365 E3	$36.00	$39.00

- **Reclaim inactive seats.** Compare licensed users against active sign-ins over the last 90 days.
- **Right-size each user.** Not everyone needs the top tier. Mixing plans by role is often allowed and can lower the total.
- **Consolidate overlapping apps.** File sharing, video meetings and e-signature tools are common duplicates.
- **Check what you already own.** A higher-tier plan can include security or backup features you are paying for separately.

2. Internet and connectivity

- **Compare speed to need.** Some offices pay for speeds they never use; others struggle on connections too slow for cloud apps and video.
- **Find circuits nobody uses.** Backup lines, old DSL and lines at closed locations often keep billing.
- **Check contract status.** Services past their term may have moved to higher month-to-month pricing.
- **Consider SD-WAN for multiple sites.** It can combine lower-cost connections with automatic failover.

3. Phones and customer communication

- **Count lines against people.** Unused extensions, fax lines and alarm lines add up.

- **Review taxes and fees.** On some bills, surcharges are a large share of the total.
- **Evaluate a cloud phone system (UCaaS).** It can replace on-premises equipment and separate long-distance or conferencing charges.
- **Look at the contact center separately.** If customers call, text or chat, a contact-center platform (CCaaS) may cost less than tools bolted together.

4. Cloud infrastructure

- **Find idle resources.** Test servers, old snapshots and unattached storage keep billing after projects end.
- **Right-size servers.** Many cloud servers run well below their capacity.
- **Use commitment discounts carefully.** Reserved capacity lowers cost for steady workloads but locks you in.
- **Confirm backups and disaster recovery.** Savings never justify losing the ability to recover.

5. Hardware and logistics

- **Track every device.** Know who has which laptop and phone, and recover them when people leave.
- **Plan replacements.** Buying on a schedule usually costs less than emergency purchases, and keeps devices under manufacturer support.
- **Dispose of devices securely.** Retired equipment should be wiped, documented and recycled.

6. Energy

California's average commercial electricity price was 30.38¢ per kWh in September 2026, up from 30.17¢ a year earlier.[3] At those rates, energy is worth reviewing alongside technology.

- **Review your rate plan.** Time-of-use plans reward businesses that can shift usage away from peak hours.
- **Look at on-site options.** Solar, storage, LED lighting and EV charging may qualify for utility or government incentives.
- **Include water and waste.** These are often managed by the same team and overlooked for the same reasons.

A PLAN YOU CAN FOLLOW

The 30-day cost review

1

Week 1: Gather

Collect the last three months of invoices for every technology and energy vendor, plus any contracts you can find.

> Tip: search your accounting system by vendor for recurring charges. It finds subscriptions nobody remembers.

2

Week 2: Inventory

Build one list: vendor, service, monthly cost, number of users or lines, contract end date and the person who owns it.

3

Week 3: Compare

Mark anything unused, duplicated, oversized or out of contract. Request quotes for the largest items from at least two other providers.

4

Week 4: Decide and calendar

Cancel what you don't need, renegotiate or switch where it pays, and put every renewal date on a calendar with 90 days' notice.

What to gather

- [ ] Internet, phone and mobile bills (all locations)
- [ ] Microsoft 365 or Google Workspace license list and invoices
- [ ] Other software subscriptions, including those on company credit cards
- [ ] Cloud hosting invoices (Azure, AWS, Google Cloud and others)
- [ ] Hardware list: who has which device and when it was purchased
- [ ] Electricity, gas, water and waste bills for the last 12 months
- [ ] Contract end dates and cancellation-notice terms

Prefer to hand it off? Get a free Technology Cost Review.

Support Bay is a vendor-neutral technology advisor. Send us your current bills and we will compare your services against leading providers, show you where you may be overpaying and handle any changes you approve. Providers compensate us, so the review and ongoing advocacy come at no added cost to you.

Call 310.294.8969 · supportbay.com/technology-advisory

Sources

1. Zylo, "The 2026 SaaS Management Index," January 29, 2026. zylo.com/news/2026-saas-management-index
2. Microsoft, "2026 Microsoft 365 packaging and pricing updates," prices effective July 1, 2026 (USD, suites with Teams). microsoft.com/licensing/news/2026-m365-packaging-pricing-updates
3. U.S. Energy Information Administration, California average retail price of electricity, commercial sector, September 2025 and September 2026, via YCharts.

This guide is general information, not financial or legal advice. Prices and plan terms change; confirm current terms with each provider. Support Bay, LLC is a Los Angeles technology company founded in 1988 and the parent of SupportMax and Telling Marketing.