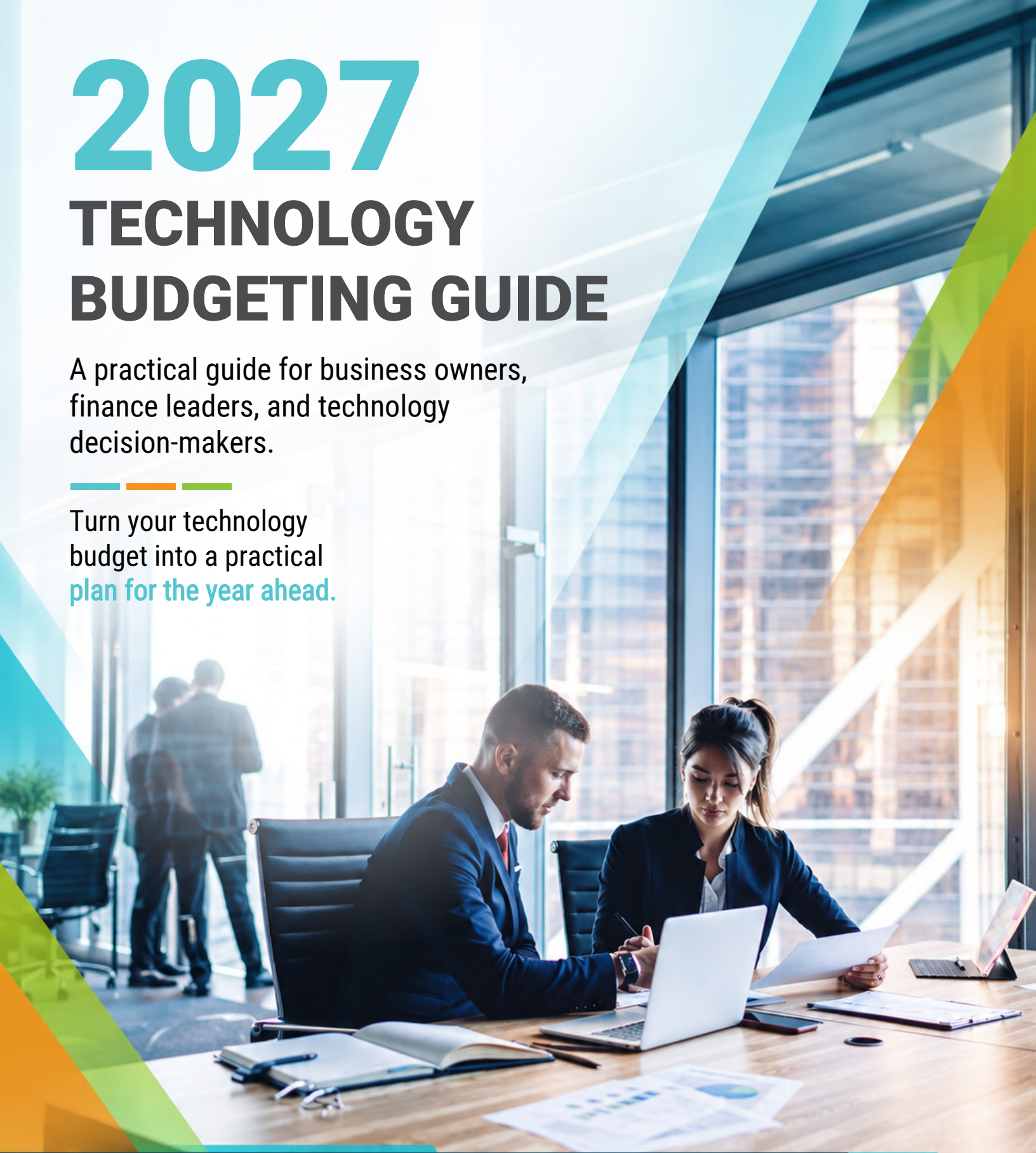
2027 TECHNOLOGY BUDGETING GUIDE

A practical guide for business owners, finance leaders, and technology decision-makers.

Turn your technology budget into a practical plan for the year ahead.



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Table of Contents

Planning a 2027 Technology Budget With More Confidence PAGE 2

Understand the Full Cost of Your Technology PAGE 3

Connect Spending to Business Priorities PAGE 4

Build the Right Budget Categories PAGE 5

Plan for Growth and Change PAGE 6

Spend With Greater Purpose PAGE 7

Build Flexibility Into the Budget PAGE 8

Use a Practical Budgeting Process PAGE 9

Your 2027 Technology Budget Checklist PAGE 10

Bring the Plan Together With Centriworks PAGE 11

Planning a 2027 Technology Budget With More Confidence

Technology costs have a way of showing up in more places than the IT budget. An aging computer slows down a department. An unplanned software renewal raises costs no one saw coming. A camera system that no longer covers the space it needs to can leave a real gap in physical security.

For most businesses, the real challenge isn't just deciding how much to spend in 2027. It's figuring out which investments should come first, which can wait, and how each one supports the business. That planning becomes even more important as a business grows, since changes in staffing, locations, and client requirements can quickly affect connectivity, security, equipment, and support needs.

Local Business Snapshot

Tennessee recorded **24,733 new business filings** in a single quarter, a 23.1% increase from the same period the previous year. Knox County ranked among the counties with the most new filings.

SOURCE: TENNESSEE QUARTERLY BUSINESS AND ECONOMIC INDICATORS REPORTS

Who This Guide Is For

Centriworks created this guide for business owners, office managers, finance leaders, internal IT teams, and anyone responsible for planning or approving technology spending. It can help you set clearer priorities, prepare for the unexpected, and connect technology investments to your broader business goals.

What You'll Learn

This guide will help you:

- Evaluate the full cost of your technology, not just the purchase price
- Organize spending into clear, useful budget categories
- Plan for replacements and growth before they become emergencies
- Account for cybersecurity as a planned part of the budget
- Present a budget that leadership can understand and support

By the end, you'll have a practical framework for tackling current priorities and planning for what's next.

Understand the Full Cost of Your Technology

Purchase price is only one part of a technology investment. Every device, license, platform, and service agreement creates costs throughout its useful life. Some show up on an invoice. Others show up as downtime, repeated support requests, frustrated staff, added security risk, or tasks that just take longer than they should.

Look at Total Cost of Ownership

Total cost of ownership includes the initial price, plus implementation, licensing, maintenance, supplies, support, energy use, training, and eventual replacement. It also includes the hit to the business when technology is unreliable or hard to use.

A cheaper workstation may struggle with the applications your team runs every day. An older printer may need frequent service calls and lack current security features. A camera system can look inexpensive right up until you factor in storage, network capacity, maintenance, and future expansion. Looking at the full cost over several years gives you a much better basis for comparison than the sticker price alone.

Account for the Cost of Waiting

Delaying an upgrade can preserve cash in the short term, but waiting has its own costs. Unsupported hardware and software are harder to secure. Aging devices fail more often. Older systems aren't always compatible with cloud applications, current operating systems, or newer security controls.

The question isn't whether every older system should be replaced. It's whether the cost and risk of keeping it outweigh the cost of a planned replacement. A technology assessment can help you figure out which items deserve attention first and which can stay in service a while longer.

Don’t Forget the Cost of Making a Change

Replacing technology can create costs of its own. Data migration, contract termination fees, secure device disposal, staff training, and a temporary overlap between old and new systems can all affect the budget. Before committing to a product or service, find out what will be involved when you eventually replace it.

Connect Spending to Business Priorities

A technology budget should start with a business plan, not a product list. Before deciding what to buy, think through what the organization expects to accomplish in 2027.

Growth, a new location, regulatory requirements, staffing changes, remote work, customer expectations, and new services can all change what your business needs from its technology.

Three questions can help connect technology spending to the business plan:

1. **What are our most important business priorities for 2027?**
2. **What technology limitations or risks could get in the way of them?**
3. **How will we know whether an investment delivered the result we wanted?**

These questions shift the conversation from a list of products to a set of business outcomes: a network upgrade that supports a larger team, licensing changes that improve security and clear out overlapping tools, new cameras that improve coverage and incident review across locations.
Those outcomes look different for every business, which is why it helps to see where priorities tend to land across the board before narrowing in on your own.

2027 Technology Priority Matrix

This matrix offers a general view of the technology investments businesses may prioritize in 2027. Your own priorities will vary based on your risks, requirements, and plans, but it's a useful starting point for the conversation.

CATEGORY	PRIORITY	WHY IT MATTERS	FIRST STEP FOR 2027
Cybersecurity and compliance	Critical	Protects data, accounts, and access while meeting client, insurer, and regulatory expectations — including the new risks that AI tools introduce.	Confirm that MFA, endpoint protection, monitoring, and backups are in place, and document required protections.
Business continuity and recovery	Critical	A backup is only useful if data and systems can be restored quickly enough for the business.	Determine how quickly critical systems and data must be restored, then test whether backups can meet that timeframe.
Aging devices and infrastructure	High	Unsupported or unreliable computers, servers, network equipment, printers, and copiers increase disruption and risk.	Create an asset list with age, warranty, support status, and planned replacement year.
Cloud and Microsoft 365	High	Licensing, access controls, storage, and collaboration tools affect both cost and security.	Match licenses to roles and review unused or overlapping services.
Physical security and cameras	High	Coverage, retention, image quality, and remote access affect how well the system protects people and property.	Review camera placement, blind spots, storage, cybersecurity, and expansion plans.
Communications and connectivity	Planned	Reliable internet, Wi-Fi, and voice services support staff, customers, cloud tools, and connected devices.	Compare current capacity and reliability with 2027 needs.
Innovation and growth projects	Variable	New capabilities can support growth when the business case and ownership are clear.	Define the problem, expected outcome, owner, cost, and review date before funding.

Not sure which of these deserve attention first? A technology assessment can help identify your current priorities and give you a clearer starting point for the budget.

Build the Right Budget Categories

Organizing the budget into different categories makes it easier to see what's covered, where costs overlap, and whether you've left something important out. The details will vary by business, but most technology spending falls into a handful of core areas.

Hardware and infrastructure

Computers, servers, network equipment, wireless access points, printers, copiers, scanners, and related warranties or replacement plans.

Software and licensing

Microsoft 365, operating systems, line-of-business applications, cloud subscriptions, and licenses matched to each person's role.

Cybersecurity and compliance

Identity and access controls, endpoint protection, email security, firewalls, monitoring, awareness training, assessments, and compliance work. This should also include the visibility and controls needed to use AI safely, not just the tools that keep attackers out.

Backup and business continuity

Data backup, off-site or cloud storage, recovery testing, continuity planning, and replacement equipment or alternate work arrangements.

Managed IT and support

Monitoring, patching, help desk support, strategic planning, vendor coordination, and support for internal IT staff where needed.

Cloud and communications

Azure, cloud storage, collaboration platforms, internet connectivity, Wi-Fi, and VoIP phone systems.

Physical security and security cameras

Cameras, recording and storage, analytics, access permissions, installation, network capacity, maintenance, and future expansion.

Account for the Costs Around Connected Technology

Some purchases affect several areas of the budget at once. A new camera system, for example, may require additional storage and network capacity. A printer or copier may involve supplies, maintenance, security updates, and support. Network equipment and communication systems may need installation, licensing, ongoing updates, or additional capacity.

Accounting for these related costs gives you a more accurate view of the full investment and reduces the odds that part of a purchase gets overlooked or filed under the wrong category.

Plan for Growth and Change

A 2027 budget should support the organization you expect to have, not just the one you have today. Hiring, new locations, acquisitions, hybrid work, additional production capacity, and new client requirements can all shift technology demand.

Budgeting Tip: Calculate the Technology Cost of a New User

Adding a staff member may involve more than purchasing a computer. Microsoft 365 and business software licenses, endpoint protection, backup, phone service, accessories, account configuration, and ongoing support can all add to the cost. Estimating that amount by role makes it easier to connect hiring plans to the technology budget.

Build a Multi-Year Replacement Plan

List major assets with their age, support status, warranty or lease expiration, business importance, and estimated replacement year. This makes it easier to phase investments and avoid replacing several critical systems all at once.

Not everything needs to be replaced on the same schedule. Performance, reliability, security support, and business impact matter more than age alone. Replace whatever's creating the greatest risk or disruption first, then plan the rest over a reasonable timeline.

Know When to Improve What You Have

A new purchase isn't always the right answer. Reassigning Microsoft licenses, turning on security features you're already paying for, updating firmware, adjusting network coverage, or consolidating underused print devices may solve the problem without a full replacement.

Optimization makes sense when the technology is still supported and capable of meeting the business need. Replacement makes more sense when the system is unsupported, unreliable, can't meet current security requirements, or costs more to maintain than the value it provides.

Spend With Greater Purpose

Cost control isn't simply cutting the budget. It's directing money toward the technology that delivers the most value and cutting spending that no longer serves a clear purpose.

Look for Overlap and Underuse

Start with a clear view of current spending. Gather invoices, recurring subscriptions, leases, service agreements, support costs, and recent repair expenses. This creates a baseline for the 2027 budget and can reveal costs spread across departments or quietly charged to individual company cards.

Review active users, assigned licenses, recurring subscriptions, vendor contracts, and tools with overlapping capabilities. A department may be paying for a file-sharing or communication product while the same capability already exists in Microsoft 365. Former staff accounts may still be active. Premium licenses may be assigned to people who never use the extra features.

Use Renewals as Decision Points

Schedule each review well before the contract or subscription renews. Confirm who uses the service, whether the current plan still fits, what other tools provide similar features, and how much notice is required to make a change. Waiting until the renewal date may leave little time to negotiate, reduce licenses, or consider another option.

Evaluate Value With More Than One Measure

Return on investment can include direct savings, but it can also include fewer outages, faster recovery, lower risk, stronger compliance evidence, fewer support requests, better visibility, or a better experience for staff and customers.

For each major initiative, define the intended result and how you'll review it. You might evaluate a camera project through improved coverage and faster incident review. A Managed IT agreement might be evaluated through system reliability, response time, security progress, and how predictable your technology costs have become.

Build Flexibility Into the Budget

Even a thoughtful plan can't predict a failed device, price change, business opportunity, or new requirement. A flexible budget gives your organization room to respond without postponing an essential fix or robbing another priority to pay for it.

Use a Contingency Based on Your Risk

There's no universal contingency percentage that fits every business. The right amount depends on the age of your environment, past unplanned spending, contract exposure, growth plans, and how much disruption the business can absorb. Recent surprise expenses and known risks are usually a better basis for a reasonable reserve than a generic percentage pulled from a template.

A useful starting point: look back at the technology expenses that weren't in last year's budget. Repeated emergency repairs, unexpected renewals, and equipment nearing the end of its useful life can help you estimate how much flexibility your business needs.

Review the Budget Throughout the Year

Treat the budget as a working plan. Quarterly reviews let you compare actual spending against projections, confirm projects are producing the results you expected, and adjust for changes in staffing, licensing, risk, or business direction.

Managed Services can also make portions of technology spending more predictable. A consistent monthly agreement for IT support, cybersecurity, cloud services, or print management can replace variable repair and support costs with something steadier, while still providing ongoing monitoring and planning behind the scenes.

Use a Practical Budgeting Process

1. **Set the business priorities.** Identify the goals, changes, and requirements that technology will support in 2027.
2. **Inventory the current environment.** Include devices, software, licenses, cloud services, support agreements, security controls, and cameras.
3. **Record important dates.** Note renewals, lease expirations, warranties, end-of-support dates, and planned business changes.
4. **Assess condition and risk.** Identify unsupported systems, recurring problems, security gaps, capacity limits, and areas without clear ownership.
5. **Estimate the full cost.** Include implementation, training, support, storage, maintenance, and other ongoing requirements.
6. **Prioritize the work.** Separate essential protections and replacements from strategic improvements and exploratory projects.
7. **Build the timeline.** Phase projects around business schedules, available resources, and the risk of waiting.
8. **Define the expected result.** Decide how each major investment will be evaluated.
9. **Review and adjust.** Revisit the plan at least quarterly and update it when business conditions change.

Present the Budget as a Business Plan

Leadership will follow the budget more easily when each request explains the business reason, the risk or limitation being addressed, the expected result, the timing, and the cost of waiting. That gives them a clearer decision to make than a spreadsheet full of product names and renewal amounts.

Your 2027 Technology Budget Checklist

Before you finalize your budget, take one last look at the costs, dates, risks, and business plans that could affect your technology spending. You may not have every answer yet, but this checklist can help you see what is already covered and where more information is needed.

- ☐ Do we have a current inventory of our devices,software, licenses, services, cameras, and related costs?
- ☐ Which systems are unsupported, unreliable, out of warranty, or approaching replacement?
- ☐ Do we know when our contracts, subscriptions, leases, and warranties expire?
- ☐ Are cybersecurity, compliance, backup, and recovery included as planned expenses?
- ☐ Do our licenses match current roles and actual use, or are we paying for unused or overlapping capabilities?
- ☐ Can our network, cloud services, communications, and equipment support expected growth?
- ☐ Have we reviewed camera coverage, storage, access, updates, and expansion plans?
- ☐ Have we accounted for implementation, training, maintenance, and support?
- ☐ Have we considered the security, data, and governance risks created by AI tools?
- ☐ Is each major investment connected to a business priority and a result we can evaluate?
- ☐ Have we included a contingency based on our actual risks and past unplanned costs?
- ☐ Do we have a schedule for reviewing spending and adjusting the budget throughout the year?

If some of the questions are hard to answer, those are useful places to begin. You don’t have to address every technology priority in the same budget year. Start with the areas that present the greatest risk, support the most important parts of the business, or require a decision within the coming year. From there, you can build a realistic timeline for everything else.

Bring the Plan Together With Centriworks

A network change can affect cloud performance, cameras, VoIP, printers, and security monitoring. A new application may bring additional licensing, data protection, training, and support costs. Looking at your technology as a whole makes it easier to see those connections before they create unexpected costs or problems.



Centriworks helps small and mid-sized businesses across Knoxville, the Tri-Cities, East Tennessee, Southwest Virginia, and Southeast Kentucky understand where their technology stands, decide what deserves attention first, and plan what comes next. Locally owned and serving clients since 1964, we bring Managed IT, advanced cybersecurity, cloud solutions, printers and copiers, VoIP, and security cameras together, so your technology plan reflects the needs of your whole business.

Whether you're preparing for an upcoming renewal, replacing aging equipment, addressing a security concern, or building a broader technology budget, Centriworks can help you sort through the options and create a practical roadmap for moving forward.

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