

Whitepaper

The (hidden) Costs of Control

Why IT budgets are under pressure and TCO is no longer enough

An IT manager at a medium-sized healthcare institution sees his budgets getting tighter every year, while the bills continue to rise. Ten years ago, he managed a small data center. Costs were manageable, and risks were closer to home.

Now, he spends more and more time discussing cloud contracts, price changes, energy consumption, and hardware availability. Not because the organization is suddenly operating radically differently, but because the infrastructure it relies on has become more expensive and less predictable.

That story does not stand alone. IT costs are rising due to more data, more cloud usage, and more AI. But that is not the whole story. Costs are also rising because organizations are losing their grip on the factors that determine their costs. Energy prices fluctuate, hardware becomes scarcer, cloud licenses change, and public AI services add variable costs.

As a result, cost control is not just a financial issue. It also touches on digital sovereignty. Anyone who depends on external platforms, unclear pricing models, or infrastructure that is difficult to migrate loses control not only over data, but also over costs.

Total Cost of Ownership (TCO) primarily looks at visible expenses such as acquisition, licensing, and management. In today's market, that view is too limited. Organizations need a broader way of looking at things: Total Cost of Control (TCOC).

This whitepaper shows how energy prices, hardware scarcity, cloud licenses, vendor lock-in, and AI adoption are driving up costs for organizations in the Benelux. Afterwards, we look at how data classification, active archives, local AI, and hybrid infrastructure can help keep costs manageable without losing control.



Cost items that make IT budgets unpredictable

The demand for digital infrastructure has grown strongly in recent years. At the same time, energy prices, scarce hardware, and changing cloud models make it increasingly difficult to accurately predict IT costs.

On top of that comes the rapid adoption of AI. More AI means more computing power, more storage, more energy consumption, and more pressure on hardware availability. Cost control therefore becomes a topic that does not just sit with IT, but also lands in the boardroom.

1

Energy

The growth of data centers makes energy an increasingly important cost factor. According to CBS, Dutch data centers jointly consumed 5,100 GWh of electricity in 2024. That was 4.6 percent of the total electricity consumption in the Netherlands, more than three times the share in 2017.

At the same time, the predictability of energy costs is under pressure. The average day-ahead electricity price in the Netherlands rose from €75.1/MWh in 2024 to €83.0/MWh in 2025.

Fluctuations, in particular, make budgeting difficult. In 2025, the electricity price within a single day differed by an average of €124/MWh between the lowest and highest moment. In July, that difference even reached €477/MWh.

For energy-intensive IT infrastructure, this makes cost planning more complex, especially when systems must run continuously. As a result, not only capacity and purchase price matter, but also energy consumption, efficiency, and predictability over the full lifespan.

Energy is therefore shifting from a facility cost item to a permanent part of IT budgeting.

2

Hardware

The demand for AI chips and storage is driving up component prices. According to OVHcloud, identical servers in December 2026 are expected to be 15 to 35 percent more expensive than a year earlier. A major cause is that manufacturers are shifting capacity to AI memories, causing other segments to experience scarcity.

Storage is also affected by this. Due to tightening in the NAND market, the years-long decline in SSD costs turned into rising prices. According to figures referenced by IT Channel Pro, the price difference between enterprise SSDs and HDDs increased from about 4.9 times at the beginning of 2025 to about 22 times at the end of 2025.

These price movements make investment decisions more difficult. Waiting too long increases the price risk, while deciding too quickly can lead to choices that turn out to be expensive later on. Especially with storage, backup, and archiving, such choices impact costs, management, and dependency for years to come.

3

Cloud

Cloud providers face the same scarcity and pass these costs on. OVHcloud expects prices for certain cloud products to rise by 5 to 10 percent in 2026.

In addition, vendor lock-in creates hidden costs. The European industry association CISPE calculated that price increases and license changes at VMware following the acquisition by Broadcom caused costs for European cloud providers to rise by more than 1,000 percent.

This shows how dependencies can affect total costs. A cloud environment often seems flexible, but can become expensive when switching is technically, contractually, or operationally difficult.

AI implementations are also affected by this. The choice between public AI or local AI determines how much control an organization retains over sensitive data, compliance, security, and usage costs.

From Total Cost of Ownership (TCO) to Total Cost of Control (TCOC)

Total Cost of Ownership (TCO) primarily looks at visible costs. Think of acquisition, licensing, management, and maintenance. That remains relevant, but it no longer provides a complete picture.

In a market with scarce hardware, variable energy rates, public AI services, and vendor lock-in, costs can arise elsewhere. The cheapest choice on paper can become more expensive later due to energy consumption, token costs, migration costs, downtime, or compliance risks.

Therefore, a broader view is needed: **Total Cost of Control (TCOC)**. This perspective looks not only at what a solution costs, but also at what a loss of control can cost.

TCOC adds three cost layers:

1. Consumption and energy fluctuations

Variable electricity rates, token costs, and API costs make it difficult to predict expenses. Scalable AI services seem cheap per query, but with structural use, the bill can add up quickly.

Local inference often requires a higher upfront investment but has no variable token costs per query. This makes costs more predictable. With public AI, a change in token consumption or model behavior can also cause the same tasks to require more tokens than before. The result: higher costs without the usage directly changing.



2. Dependency and lock-in

Contract changes, such as the sharp increase in VMware licenses after the Broadcom acquisition, show how dependencies can drive up costs. Large providers can raise prices because switching is often complex.

Think of migration costs, dependencies in applications, redesigning management processes, and retraining teams. As a result, organizations formally still have freedom of choice, but in practice, they can hardly move without high costs or risks.

3. Risk and recovery costs

Ransomware, downtime, and fines due to, for example, GDPR or NIS2 can have major financial consequences. A good backup and archive policy limits these risks but does require investments in technology, processes, and management.

Think of immutable storage, a physical air gap, a good retention policy, regular recovery tests, and clear data classification. Without these measures, costs seem lower in the short term, but the financial risk during an incident increases. Wie alleen naar TCO kijkt, ziet deze verborgen kosten snel over het hoofd. TCoC helpt om energie, afhankelijkheden en risico's mee te nemen in investeringsbeslissingen.



Strategic Cost Control

Rising IT costs do not just require tighter budgets. Above all, they require better choices. Anyone who wants to maintain a grip on costs must know which data deserves which treatment, which workloads must remain local, and where cloud or public AI does make sense.

Cost control therefore starts with insight into data, infrastructure, risks, and dependencies.

Tip 1: Data classification

Many organizations store data as if everything is equally important. In practice, about 80 percent of data no longer changes over time. Without data classification, this data often remains on expensive primary storage and is included in every backup.

This leads to larger backup windows, higher storage costs, and more complex recovery. By classifying data, it becomes clear which data is actively used on a daily basis, which data only needs to remain available, and which data must be stored securely or verifiably.

Tip 2: Active archives

Data that no longer changes does not need to be included in the daily backup every time. By moving this data to an active WORM archive, it remains available, protected, and compliant without putting unnecessary pressure on the backup environment.

This reduces backup volume, decreases complexity, and provides greater control over costs. Cost control therefore does not start with buying less storage, but with better determining which data requires which storage layer.

Tip 3: Local AI

AI adds a new cost layer to the IT environment. With public AI services, you often pay based on usage, for example, via tokens, API calls, or subscriptions. This can be attractive for small-scale use, but becomes less predictable as soon as AI is deployed structurally.

Local AI offers an alternative for certain applications. The investment is more upfront, but the costs are more predictable. There are no variable token costs per query, and sensitive data does not have to leave the own infrastructure.

This does not mean that every AI application has to run locally. For smaller organizations or incidental use, public AI can make sense. For larger organizations with a lot of sensitive data, fixed AI workloads, or strict compliance requirements, local AI can help to apply AI without handing over control over costs and data.

Discover [Silent AI](#): an off-cloud, sovereign AI assistant



Getting Started: From Insight to Control

Cost control does not start with a single isolated saving. It starts with a better insight into data, infrastructure, risks, and dependencies. The following steps help to make Total Cost of Control practical.

1

Inventarize and classify data

Map out which data is actively used, which data no longer changes, which data is compliance-sensitive, and which data can be deleted. Look not only at storage costs, but also at security, retention, and auditability.

2

Optimize backup and recovery through an active archive

Reduce the backup volume by moving data that no longer changes to an active archive. This keeps this data available and protected, while the daily backup environment becomes smaller and clearer.

3

Monitor energy consumption and choose appropriate hardware

Energy has become a permanent part of IT budgeting. Therefore, actively monitor the energy consumption of storage, backup, and archive environments. Also, look for hardware that matches the workload, the desired availability, and the expected lifespan.

4

Avoid vendor lock-in

Pay attention not only to the purchase price, but also to migration costs, data access, export options, licensing models, and the freedom to adjust later. A solution that seems cheap today can become expensive later if switching proves difficult.

5

Make a TCOC estimate with a margin of uncertainty

Calculate not only acquisition, licenses, and management. Also include energy consumption, price fluctuations, token costs, egress costs, recovery costs, compliance risks, and dependencies. Because the market is volatile, a realistic margin of uncertainty belongs there.

6

Consider a hybrid strategy for storage and AI

Determine which data must remain local, which data is suitable for archiving, and which workloads could potentially run in the cloud. For backup and recovery, this means that speed, availability, immutability, and air gap must be well-coordinated.

This assessment is also important for AI. A local AI appliance can be a strong addition in environments where sensitive data, compliance, and security are central. Silent AI is an example of this: a local AI application that allows organizations to use AI without data having to be sent to public AI platforms.

7

Ask suppliers about price stability and transparency

In a market where some vendors adjust prices weekly or even daily, price stability becomes part of control. Therefore, ask suppliers not only about technical specifications, but also about the validity of quotes, price indexation, expected hardware availability, energy characteristics, and scalability.

Look not only at the purchase price, but also at the predictability of costs over multiple years. At FAST LTA, this is part of the proposition: systems are designed for a long lifespan and maintenance contracts are available for up to 10 years under fixed conditions. This helps organizations make investment decisions more carefully and limit surprises in operational costs.

Conclusion

Digital sovereignty is not just about where data resides. It is also about a grip on costs, risks, and dependencies. Energy consumption, hardware scarcity, cloud licenses, vendor lock-in, and AI adoption make IT budgets less predictable. Traditional TCO calculations therefore provide too limited a picture.

Total Cost of Control helps organizations look beyond purchase price, licenses, and management. It makes visible what a loss of control can cost: in energy, migration, recovery, compliance, and dependency.

With data classification, active archiving, immutable backup, local AI, and hybrid infrastructure, organizations can control costs without handing over control of data.

The cheapest choice on paper is not always the cheapest choice in practice. Cost control starts with control over data, infrastructure, and dependencies.



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