

# Business Technology Program

## How-To Guide: How to Assess the Cost of Technology Solutions

Referring to the Business Process Map worksheet you created during the SCORE workshop, write down the top 3 goals you want to achieve for your business this year, the tasks associated with those goals, and the possible technology solutions you might implement to simplify those tasks.

GOALS	TASKS	SOLUTIONS
1.		
2.		
3.		

### Total Cost of Ownership

The cost of owning and operating a technology product or service over time is referred to as the *Total Cost of Ownership (TCO)*. Since the TCO may be substantially higher than the initial upfront cost, a TCO comparison can help you decide between competing solutions that at first glance may seem equivalent. Generally, you will want to look at TCO over a period of 3-5 years, which is typically how long hardware and software lasts before needing replacement. Here are the key elements to consider in determining TCO.

- **Infrastructure:** Will you need to buy hardware and software to use this solution? If you need space, power and cooling to maintain in-house equipment, consider these costs. If you're buying SaaS (software as a service) or cloud solutions, you may need more bandwidth or networking capacity.
- **License or subscription fees:** If buying on-site software, what is the per-seat license fee? For SaaS or cloud solutions, what is the subscription fee? Are upgrades, patches and other maintenance included in these costs?
- **Design, installation and configuration:** If you are having a custom solution built, how much will it cost to design? For any solution, what are the costs to install, configure it and test it to ensure it works with your existing systems?
- **Maintenance and administration:** Who will maintain the solution and administer it on a daily basis, including troubleshooting and upgrading? Will this be handled in-house or externally and what is the cost?
- **Training:** How much will it cost to train your staff to use the solution? Include the cost of training IT staff to manage and maintain it, as well as training your



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other staff to use the solution productively. Include the cost of employees' time spent in training.

- **Support:** What type of support and warranties does the vendor provide and what is the cost?

Fill in the table here to compare the TCO of various technology solutions.

TCO	Year 1	Year 2	Year 3	Year 4	Year 5
<b>SOLUTION:</b>					
<b>Infrastructure:</b>					
<i>Hardware</i>					
<i>Software</i>					
<i>Space</i>					
<i>Power/Cooling</i>					
<i>Network</i>					
<i>Bandwidth</i>					
<b>License/Subscription:</b>					
<i>License / Subscription</i>					
<i>Upgrades</i>					
<i>Patches</i>					
<i>Maintenance</i>					
<b>Design/Installation:</b>					
<i>Design</i>					
<i>Installation</i>					
<i>Configuration</i>					
<i>Testing</i>					
<b>Maintenance:</b>					
<i>System administration</i>					
<i>Upgrades</i>					
<i>Troubleshooting</i>					
<b>Training:</b>					
<i>IT training</i>					
<i>Employee training</i>					
<i>Cost of time</i>					
<b>Support:</b>					
<i>Warranties</i>					
<i>Help</i>					
<b>TOTAL:</b>					

