

Worldwide CRM Project

Infrastructure Cost Comparison: INTERNAL vs. HOSTED



This document examines the infrastructure cost of implementing and maintaining a worldwide CRM system for a medium-sized company. It compares a traditional in-house implementation versus PrimaCloud Managed Cloud Services. Equipment capital cost as well as monthly telecommunications and staffing expenses for maintaining the infrastructure are included in the internal costs. Expert operations services such application maintenance and complex system administration are not included.

Project Assumptions:

Number of Seats (used for server sizing)	100
Project Timeframe (years)	3
Expected Return on Investment	15%
Depreciation schedule (years, straight-line)	5
Tax Rate	36%
Project returns equal benefits regardless of implementation	
Follow-the sun (24x7) hardware support is necessary, including failover capability	

In-House Infrastructure Implementation (Reference Case)

		<i>Count</i>	<i>Unit Cost</i>	<i>Capital Outlay</i>	<i>Monthly Depreciation</i>
Capital Cost					
Servers	2G RAM, 100G RAID1 disk	2	6,200.00	12,400.00	206.67
Backup	DLT Library	1	4,000.00	4,000.00	66.67
Network	Router, switch	1	2,000.00	2,000.00	33.33
Power	UPS	2	1,000.00	2,000.00	33.33
				\$ 20,400.00	\$ 340.00
Expense					
		<i>Count</i>	<i>Rate</i>	<i>Yearly Cost</i>	<i>Monthly Rate</i>
Staff	Part-time admins (1/10th time)	3	120,000.00	36,000.00	3,000.00
Bandwidth	10 Mb/Sec or T1				400.00
					\$ 3,400.00
Present Value Of Project Costs incl. tax savings					\$ (69,048.82)
Expected Present Value of ROI (dollars)					\$ 19,399.07
Effective Average ROI					9.36%

PrimaCloud Hosting (Equivalent hardware capability)

PrimaCloud hosting charges*	\$ 299.00
Present value of PrimaCloud hosting charges including tax savings	\$ (5,520.21)
Effective ROI, Compared to Internal Implementation	117.14%

*Charges are representative of equivalent service and do not constitute a quote.