

# Small Worldwide CRM Project Using Sugar CRM



## Cost Comparison: Internal vs. On-demand vs. PrimaCloud Managed Solution

This document examines the infrastructure cost of implementing and maintaining a worldwide CRM system for a medium-sized company, based on Sugar CRM. It compares three different implementation methods: a traditional in-house implementation, the "Sugar On-Demand" hosted CRM product, and 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 as application setup and 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%
Project returns equal benefits regardless of implementation (tax savings not calculated)	
Staffing to administer user data and application setup is not considered (equivalent in all choices)	
Maximum server load (1-minute average) is 30% typical	

### In-House Infrastructure Implementation:

		Count	Unit Cost	Startup Cost	Monthly Depreciation
<b>Capital Cost</b>					
<b>Servers</b>	Dual Core, 2G RAM, 100G RAID1	2	\$ 6,200	\$ 12,400	\$ 4,133
<b>Backup</b>	DLT Library	1	\$ 4,000	\$ 4,000	\$ 1,333
<b>Network</b>	Router, switch	1	\$ 2,000	\$ 2,000	\$ 667
<b>Power</b>	UPS	2	\$ 1,000	\$ 2,000	\$ 667
				<b>\$ 20,400</b>	<b>\$ 6,800</b>
<b>Expense</b>			<b>Rate</b>	<b>Yearly Cost</b>	<b>Monthly Rate</b>
<b>Staff</b>	Part-time admins (1/10th time)	3	\$ 120,000	\$ 36,000	\$ 3,000
<b>Software</b>	Sugar Enterprise	100	\$ 449	\$ 44,900	\$ 3,742
<b>Bandwidth</b>	10 Mb/Sec or T1				\$ 400
					<b>\$ 7,142</b>
Present Value Of Project Costs					\$ (226,418)
<b>Expected ROI</b>					<b>\$ 33,963</b>

### Sugar On-Demand

Service	Count	Unit Cost	Yearly Cost	Monthly Rate
Sugar Enterprise On-Demand	100	\$ 900	\$ 90,000	\$ 7,500
Present Value of cash flows				\$ (216,355)
<b>Effective ROI</b>				<b>15.70%</b>

### PrimaCloud Hosting (Equivalent hardware capability)

	Count	Unit Cost	Yearly Cost	Monthly Rate
<b>Hosting</b>	PrimaCloud			\$ 280
<b>Software</b>	Sugar Enterprise	100	\$ 449	\$ 44,900
				<b>\$ 4,022</b>
Present Value of cash flows				\$ (116,014)
<b>Effective ROI</b>				<b>29.27%</b>