

## The true cost of computing

**You may well be tempted by all those cut price offers that you see from computer companies but, there is a great deal more to the cost of running a PC or network than the initial price tag.**

### Getting started

Of course you may feel that you don't need an adviser from the outside and that you can handle the technology yourself. But if there is any doubt in your mind about this at all it might be wise to reconsider. One good way to think about this is to make a rough calculation about how much your own time is worth. If you, as an owner-manager, hope to take out £50,000 a year in salary then a week of your time is worth roughly a £1,000.

### The Price of Advice

This varies from customer to customer and depends largely on timing; the earlier advice is sort, the better. Many seemingly small decisions can lead to costly resolutions, for instance a customer who bought five new PC systems online and was advised upgrading to XP professional was very easy, were surprised when they had to buy the five additional XP Professional licences and then whilst installing the new versions also had to seek out help and purchase a day of labour.

Our advice however is free, as is our initial consultation, so it costs you nothing to talk to us and find out what is on offer from your local supplier and get the right advice.

### The Plan

You need a plan for your IT, just like you need a Business plan, without this vital tool how do you control where you are going and measure your performance, as you will read later your computer systems can seriously affect your bottom line. By understanding the business needs and growth, your computer systems can be better integrated, for example customer X who was relocating their remote warehouse, was unaware of the ability to remotely connect to their Sage accounting system live, buy implementing new equipment as per our advice, this ability has streamlined their order and despatch process and can allow their sales team to reliably check stock items and despatched orders. This has reduced the number of over orders and despatch errors, giving their clients improved customer service, whilst lowering customer X running costs.

### So what does it cost?

Working out how much your investment in IT will save you is not easy, as it varies from business to business. Here is a rough guide to making your calculation and with a little effort you should be able to get some reliable figures. Firstly look at what you have in place today, how much that is contributing to the business and how much it is costing you. You then need to look at how much less time you will have to spend managing IT and keeping them up and running. Finally, you need to factor in the capital cost of the equipment.

Let us for example, say that you have 10 staff working on desktops that were purchased three years ago. On average these staff costs are £10 an hour and they work 40 hours per week; that's 400 hours per week and a total labour cost of £4000.

Let's assume that buying 10 new PCs and Office software will give you a 5% increase in productivity. This is an arbitrary figure but you are bound to get some improvement, as the new systems will be faster and have improved functionality, this figure can increase if your original computer equipment is older than 3 years and if you purchase more powerful PC systems. If you were to buy so that staff can work while on the move or at home and save on travelling cost and dead time, the appeal is even greater.

That 5% would be worth £200 per week, or around £10,000 per annum so that's a pretty good start. You will need to add into this the savings from your time, involvement in research £1000, supporting your staff on minor issues such as email and printing problems, this will be handled by remote support. Assuming you spend 2 hours per week helping staff this will equate around 12.5 days per year £2500. Then there's peace of mind not having to worry about down time. You can look at other costs to, reduced maintenance, software licences savings and reduction in the amount of equipment you require, i.e. number of printers, servers etc. You then need to calculate these savings multiplied by the presumed lifecycle of the systems. In simple terms, assuming a saving of £13,500 per annum, the improvement will be worth £40500- this will out way the initial cost of the upgrade and probably pay for it self within a year.

## In summary

This is why it is worth looking in detail at the cost-reduction and life-cycle feature of systems when you buy them. At the power saving, reliability features, at warranty terms and conditions, and how much that we the reseller trust and respect the vendors we use. The overall savings you will make will be much greater if systems cost less to run and deliver better reliability and performance.

## Timing

The other question of course is when is the best time to upgrade? You are always going to get improved productivity and lower costs if your systems are 3-5 years old. But if there are new computers and software versions on the horizon, should you wait? Only you can decide because there will always be newer technologies available.

The thing to do perhaps, is to talk to us, as this is our domain, we should know of new products that are about to hit the market, we will help you decide when to wait, one example is that we have all ready made the move to 64Bit ready computer systems, while others still sell old technology which is likely to be out of date by the end of 2006.

## Advice you can trust

Please use this advice to make a comparison with us to other IT companies, we are proud of the services we provide and confident we can help you improve your business performance. We have provided below a list of common questions to help you make the right decision for your business.

Ask yourself the following questions:		Our Strategy:
<ul style="list-style-type: none"> <li>▪ Who will fix your PC if it fails?</li> <li>▪ Will this person also fix the network, and or server?</li> <li>▪ How does this affect their other duties within the business?</li> <li>▪ Where do you buy your PC's, notebooks, Printers, Faxes, Consumables?</li> <li>▪ If you had to send one of your PC's away for repair how would this affect the way your business operates?</li> <li>▪ If you buy a printer online and should you have an issue, it's highly likely they will shrug off the problem. The printer works, after all, it just may not be working on your systems.</li> </ul>	<ul style="list-style-type: none"> <li>▪ How will you do backups? On tape or disk or CD / DVD or by using an on-line service? Make sure you can restore from the system yourself, you know where all your original media disks are, and your back up data is kept off site.</li> <li>▪ If your computer breaks down? Will the warranty cover you and allow your business function, or is it a strict swap and repair policy? An engineer may very well turn up on your door step within four hours to fix a system, but will this include restoring it to the state it was in before the fault occurred, does this really help?</li> </ul>	<ul style="list-style-type: none"> <li>▪ Our contracted services mean that all of the issues here are addressed, we realise the affects on your business caused by low performance and unreliable systems. Our proactive approach aims to set these issues straight while working with your company to produce targets and goals. By using our products you allow us to provide you with the highest level of customer service; we take care of every aspect of your IT infrastructure from planning, to installation, maintenance and up keep.</li> </ul>

## How much will it cost?

Example: Company with 10x 3 year old PC's running office applications, accounts software, email and internet.

Capital Expenditure year 1: PC Systems £6650 + MS Office Professional £2190 + Labour £924 = £9764

On Site support per year = £2880

Year 1 Savings based on 5% increase in productivity and reduced costs = £13500 -£12644 = £856

Year 2 Savings based on 5% increase in productivity and reduced costs = £13500 -£2880 = £10620

Year 3 Savings based on 5% increase in productivity and reduced costs = £13500 -£2880 = £10620

So by buying new equipment and contracted support you will invest £18404 over a 3 year period. This investment can show a saving of £40500 over the course of 3 years. These figures can be higher depending on the age of the computers to start with. Once started repeating the process every 3 years means keeping up productivity and therefore self funding.

### Standard Service

Adhoc support charged by the hour.  
£49 per hour

### Remote Support

Guaranteed response times  
Unlimited telephone support  
Unlimited remote support  
Discounted on-site rates  
Discount on hardware purchases  
30 point monthly health checks  
From £8.50 per PC per month

### On-site Support

Guaranteed response times  
Unlimited telephone support  
Unlimited remote support  
Unlimited onsite support  
Hardware maintenance included  
Discount on hardware purchases  
30 point monthly health check  
Quarterly recommendations & reviews  
From £24.00 per PC per month