

RETURN ON INVESTMENT

A COMPREHENSIVE CASE STUDY COMPARING SELF-MANAGED, IT SUPPORT ON T&M AND STAFFORD REMOTE CARE

This document is a comparative study of different methods you can employ to manage your IT infrastructure. For the purpose of comparison, we look at three different options in which you can manage your IT infrastructure- manage it yourself (Self-managed), manage through an IT support vendor charging you on a "Time and Material" basis or you can rely on Stafford Remote Care. The document discusses various facts related to achievable hard dollar savings and soft ROI benefits for each option. For illustration purpose, we will present a case study of a typical small or medium business having 40 user desktops, three servers (one Mail server, one Database server and one File/print server), one firewall, one router, two switches and one network printer. Below you will find a detailed analysis of the options available to you:

Self-managed

Consider a case in which you decide to manage your IT network by hiring your own full-time staff which comprise a decent network or IT administrator. It will cost you between \$40,000 and \$60,000 depending on your location and the local labor rates. For this illustration, we will fix this cost at an average of \$45,000. Additional costs for staff including benefits, sick and vacation leaves plus 7.5% payroll tax is about \$12,975. Furthermore, you will need to purchase IT management system and required hardware; we assume its one-time cost \$10,000. You staff training on the management software would cost you \$2,500 more. In sum, you end up spending \$60,475 annually and about \$10,000 as one time expense.

IT support on Time & Material basis

Suppose you decide on a third-party vendor to manage your IT infrastructure on a Time & Material basis. They would charge you approximately \$125 per hour with an average call time of 1.5 hour per call and \$45 towards travel charges. Assuming one call logged per server per month, a total of eight calls for workstations per month and an additional two calls per month to attend to problems related to Firewall, Switches and Network Printers. You end up spending \$3,022.50 per month or \$36,270.00 annually on this option. In this model, on an average 40% of the IT issues are managed by the vendor, the balance being handled by end users themselves.

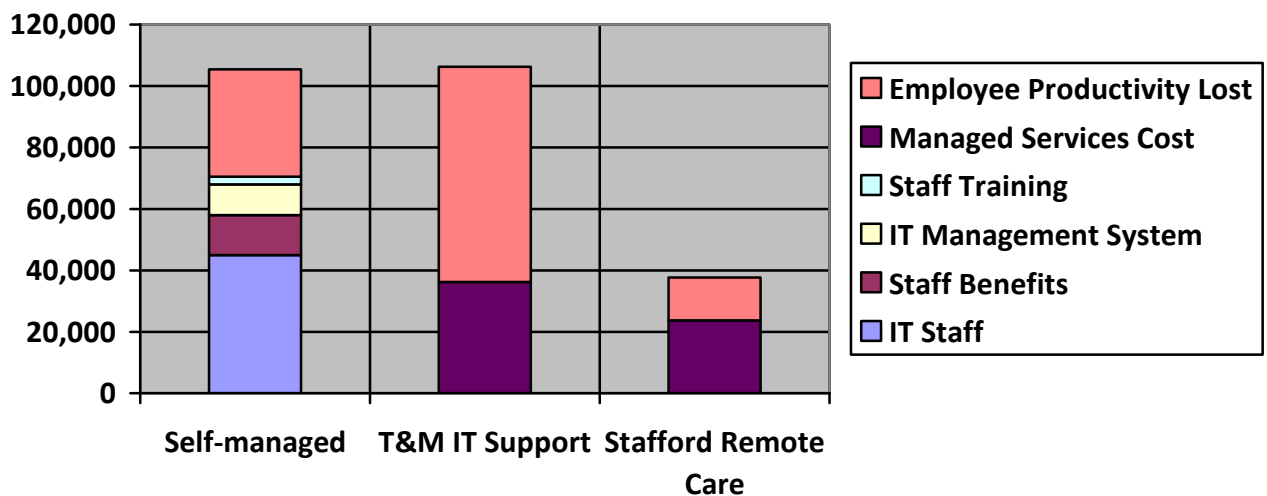
Stafford Remote Care

Stafford Remote Care service would include proactive monitoring your Servers and manages your Mail Sever and Database Server. It carries out preventive maintenance on your Desktop along with maintaining Network devices for optimal performance. End-users can call on toll-free number to inform us their day-to-day operational issues, which would be attended by our expert help desk staff. We charge for our Full services \$25 per month per Desktop, \$250 per month per Server which includes your Database Server and Mail Server, \$50 per month for Network devices, \$75 per month per Firewall, and \$50 per month per Network printer aggregating our total annual charges to \$23,700.

Pricing / Models	Self-managed		T&M IT support		Stafford Remote Care	
	Annual	One-time	Annual	One-time	Annual	One-time
IT Staff	\$45,000	\$0	\$0	\$0	\$0	\$0
Staff Benefits	\$12,975	\$0	\$0	\$0	\$0	\$0
IT Management System	\$0	\$10,000	\$0	\$0	\$0	\$0
Staff Training	\$2500	\$0	\$0	\$0	\$0	\$0
Managed Services cost	\$0	\$0	\$36,270	\$0	\$23,700	\$0
Total with Supervisor	\$60,475	\$10,000	\$36,270	\$0	\$23,700	\$0

Soft ROI factors	Self-managed	T&M IT support	Stafford Remote Care
Average time to response	Immediate	2-4 hours depending on time to travel to site	Immediate through NOC
Percentage of IT problems Addressed	100%, All problems are attended to by the in-house team	40%, End users try to fix some issues by referring to their colleagues to avoid the cost of calling for IT help. They sometime live with the problem till the next visit of the IT support engineer	100%, Using a toll free number end users report a problem. With remote control techniques, Stafford Associates resolves 93% of issues instantly.
Loss of productivity per year			
Per employee (hours)	25 hours	50 hours	10 hours
Total (hours)	1000 hours	2000 hours	400 hours
Estimated Dollar Cost	\$35,000	\$70,000	\$14,000
Type of Support	Reactive for 8 hours	Reactive to down situations	Proactive monitoring on 24x7 basis, toll free number for help desk

Lost of productivity is computed @ \$35 per hour per employee



Summary

The table given below presents the comparison of advantages and disadvantages of Stafford Remote Care, Time and Material IT support management and Self-managed IT support management. It shows the benefits you get when you opt Stafford Remote Care services to manage you IT infrastructure and how it worth going for.

Managed by:	Advantages	Disadvantages
Stafford Remote Care	<ul style="list-style-type: none"> • Proactive management of IT infrastructure • 24 x 7 monitoring by group of experts • Remote Management reduces mean time to repair • Comprehensive management related to Desktops, Servers, Networks and Email protection • Reporting portal - access to wealth of information related to inventory, availability and performance. • Enterprise Class IT management platform using Industry best practices. • Predictable monthly billing • SLA based 	<ul style="list-style-type: none"> • Dependency on third party • Most work performed off-site so customer does not see the tech/engineer
Time and Material IT Support	<ul style="list-style-type: none"> • Classical Model • Friendly vendors • Eliminates headache of hiring staff, training and system maintenance 	<ul style="list-style-type: none"> • Reactive management • No 24x7 monitoring • Pay as you use (unpredictable bills) • Billing on systems "Down" • Lack of expert group support • Delay in attending to problems due to physical travel to-site • Dependency on third party
Self-managed	<ul style="list-style-type: none"> • Complete control on the IT management process • Choice of management tools 	<ul style="list-style-type: none"> • IT management not a core business activity • Retaining IT experts may be difficult • High cost of training manpower