

Microsoft Operations Manager 2005

MOM 2000 to MOM 2005 Upgrade (28% ROI)
 Application: Line of business, Messaging/Exchange
 Managed devices : 500 (25,000 end-users)

3 YEAR RESULTS | ROI: 28% | IRR: 21% | NPV: \$163,812 | PAYBACK (YRS): 2.08

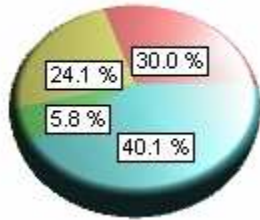
Financial Assumptions	Results Over Time	Chief Financial Officer SnapShot					
Tax Rate: 32.3%		Initial	Year 1	Year 2	Year 3	Total	
Cost of Capital: 7.9%		Benefit	\$0.00	\$327,036	\$362,952	\$394,467	\$1,084,454
Depreciation Threshold: \$100,000		Cost	\$77,881	\$85,515	\$89,968	\$93,803	\$347,167
Depreciation Method: Straight line		Budgeted	-\$77,881	\$241,521	\$272,983	\$300,664	\$737,287
Depreciation Period: 5 years		Capital Cost	-\$306,970	\$0.00	\$0.00	\$0.00	-\$306,970
		Depreciation	\$0.00	\$61,394	\$61,394	\$61,394	\$184,182
		After-Tax	-\$359,696	\$183,340	\$204,640	\$223,380	\$251,664
		NPV	-\$359,696	\$183,340	\$175,771	\$177,820	\$177,235
		ROI	n/a	-43%	-3%	28%	28%

BENEFITS SUMMARY

Category	Benefit	Per device	Assumptions
Time Savings	\$239,165	\$478.33	Your end-users benefit from 2.33 fewer hours of server downtime per year Your cost per hour of downtime grows from \$30,986/hr to \$37,375/hr in Year 3
Personnel Savings	\$651,431	\$1,302.86	You can redeploy 78.3% of your IT staff over the life of your project IT personnel savings assume a fully loaded annual salary of \$95,060
Operational Savings	\$193,859	\$387.72	You can eliminate systems management licenses for 25 new and 500 existing clients/year You can expect a reduction of 0% in outsourcing cost and \$22.42 in 3rd party software/server/yr
Revenue and Security Savings	\$0	\$0.00	You can potentially reduce operator errors by 100% You can potentially speed up your server consolidation planning by 94%

Feature Analysis

MOM 2005 has four main capabilities: 1) Uptime and availability monitoring, 2) Performance monitoring and troubleshooting; 3) Custom reporting; and 4) MOM automation.



MOM 2005 automation and alert forwarding provides your greatest annual benefit of \$277.8 per device or 40.1% of your total benefits. You can also expect MOM 2005 uptime and availability monitoring to provide an annual benefit of \$207.8 per device or 30.0% of your total benefits. MOM 2005 performance monitoring and troubleshooting can deliver an annual benefit of \$167.3 per device or 24.1% of your total benefits while MOM 2005 automation and alert forwarding can generate savings of \$40.4 per device or 5.8% of your total benefits.

COST SUMMARY

Category	Cost	Per device	Assumptions
Software + Support	\$328,287	\$656.57	2 MOM 2005 Licenses, 502 MOM 2005 OMLs, 2 SQL Server CPU Licenses initially By year 3 you need an additional 78 MOM 2005 OMLs Software support terms are 22% of list with 0 years of support prepaid
Servers, Network, Facilities + Support	\$245,127	\$490.25	1 Management Group: 4 servers / 4.3GB database on 2 disks initially 1 Management Group: 4 servers / 5GB database on 2 disks by Year 3 Server support terms are 6% of list with a 1-year warranty
Services	\$62,933	\$125.87	Your time to market is 21.1 days with 2.40 dedicated FTEs @ \$1,840/FTE/day A 100% delay in time to market will delay payback by 3.4 months
Training and Ongoing Personnel	\$17,790	\$35.58	You will require 0 additional FTEs You should budget for 15.5 days of MOM 2005 training

Risk Analysis - Increasingly IT business cases need to include some sort of risk analysis or risk adjustment. The optimal way to evaluate risk is to determine what will happen if your project runs into unexpected implementation challenges. In your Snapshot analysis, a 100% delay in your project roll-out would raise your costs by \$62,381 and increase time to market to 42.1 days. This would lengthen payback by 3.4 months, lower your project NPV by \$48,765, and reduce your ROI to 19%.

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