

General Requirements Info:

VAR/Sales Rep/Analyst: The company or person preparing the analysis.

Client Name: This is reproduced on each page of output. Normally, it is the name of the organization which is considering purchasing an imaging system.

Configuration Description (default Tech Data Imaging Configuration): This is text which defines what this configuration is for. For example, 'Purchasing Department', 'Correspondence Peak Load'.

Analysis Date (default today): This is reproduced on each report, and helps identify the analysis. This date is saved when you Save the analysis to a file.

Start Date (default today + a month): This is the month and year when the imaging system will be installed.

Total # of Months (default 24): This is the total time (in months) of the project.

Annual Growth Rate (default 0): This is the projected growth rate of your business.

Discount Rate: The Discount Rate is used for the Net Present Value calculation on the CBA Report.

Corporate Tax Rate: Your tax rate expressed as a percentage (used in the CBA Report).

Installation %, Maintenance % for Hardware, Software, Prof. Services: This is the percentage of the total cost that you expect to pay to maintain and install the imaging system. These values are used in the Configuration Report to compute the cost of installing and maintaining the imaging system. (*Note:* For the Prof. Services, the Maintenance % can be used to account for a retainer fee that might be paid for consulting services over the life of the project. Also the Installation % can be used to account for travel expenses.)

System Requirements

Average # of Documents per Folder (default 10): The number of documents that is typically found in each folder that you store, regardless of the number of pages in the document.

Average # of Pages per Document (default 1): The average number of physical sheets of paper in each document. This can be expressed as a decimal number (for example: 2.5).

Average # of Images per Page (between 1 and 2, default 1): If all pages are one-sided, this number should be 1. If all of them have information you need to store on both the

front and the back, this number should be 2. If half are double-sided, the number should be 1.5, and so on.

Average Compressed Image Size (default 50KB): The approximate average size of a stored image.

Number of New Document Arrivals per Day (required): This is the number of new documents that arrive every day, regardless of the number of pages in the document. This number is an estimate, but should be as accurate as you can make it.

If the number of documents is expected to grow over the time period, the estimate should be the number expected at the middle of the period, for example at the end of the first year of a two year period.

You can investigate the effect of peak loads simply by rerunning the Image Report with a larger number in this field.

Number of Documents Retrieved from File per Day: The number of previously stored documents that are retrieved each day.

Number of Documents Printed per Day (average): An estimate of the average number of documents to be printed each day.

Number of Documents Faxed per Day (average): An estimate of the average number of documents to be faxed each day.

Number of Worksteps per New Document (workflow): Number of processing steps from the time the document arrives to the time it completes processing.

Search fields per Document: The number of characters in those fields in the document index that are set up for primary or efficient searches..

Non-Search fields per Document: The number of characters in those fields in the document index that are used for secondary searches.

Search fields per Folder: The number of characters in those fields in the folder index that are set up for primary or efficient searches.

Non-Search fields per Folder: The number of characters in those fields in the folder index that are used for secondary searches.

Documents are defined as a set of pages indexed as a unit. Folders are defined as a set of documents indexed as a unit.

CBA Input

The CBA Input option takes you to the CBA (Cost/Benefit Analysis) Input dialog box, where you select and/or enter the various costs that you want to be part of your CBA. When you Add a cost, a dialog box is displayed showing detailed information about the cost and allowing you to specify the type of cost, the per unit cost, and the number of units (quantity) of this type of cost. For each Existing cost (i.e., current cost), you can specify the % Improvement that you expect when imaging is installed. For example, if you have 5 File Clerks now but you plan to need only one once you have an imaging system, then the % Improvement is 80%.

Category: Lists categories of costs from our cost database.

Choices: Lists cost items for the selected category.

Costs: Shows the list of cost items you have added. Each cost is either existing, new one time, or new ongoing. For existing costs, specify the % improvement (100% = the cost is totally eliminated with proposed system). New one-time costs include the onetime hardware, software, and professional service costs associated with the imaging project. New ongoing costs include such things as employees to operate scanners, annual maintenance costs, etc.

Clicking one of the following will show the relevant cost in the Total Cost box:

Current Annual: The sum of the existing costs.

Proposed Annual: The sum of the new ongoing costs and the existing costs that are not being eliminated by the imaging system.

Proposed One Time: The sum of the costs associated with the purchase and installation of the new system.

Add: Allows you to add a cost item from the cost database to the cost list. Clicking on the Add button will display the 'Cost Details' screen.

Type of Cost: Requirements Assistant sets the default for you based on the information in the cost data base.

Annual Cost per Unit: You enter this value. It can be in whole dollars or dollars and cents. (DON'T include the dollar sign (\$) or commas.)

Quantity: Specify the number of units for this cost item.

Improvement: For an existing cost, specify what percent of this cost will 'go away' as a result of the implementation of the imaging system.(Don't include the percent [%] sign.) For example, if you have 5 clerks now, but you plan to only need one once you have an imaging system, then the improvement is 80%.

Clicking OK (to accept) or Cancel will bring you back to the CBA Input screen. The remaining selections are as follows:

New: Allows you to add a new cost that is user defined. This choice will bring up the same dialog box as the Add choice with two differences: You must select the Type of Cost and you must enter a Name for the cost.

Remove: Removes the selected (highlighted) cost from the Costs list.

Clear: Removes all cost items from the Costs list.

Close: Records changes and closes the CBA Window.

Editing Features

Requirements Assistant allows you to pick the location for the new items that you add to the Costs list during CBA Input. For example, to insert a new item at a specific location in the Cost list:

- 1) In the Cost list, select the item that you want the new item inserted above.
- 2) In the Category list, select a category.
- 3) In the Choices list, select a cost item to add to the Cost list.
- 4) Click on the Add button and enter the cost details.
- 5) Press the OK button in the Cost Details window. The new item will be inserted in the Cost list at the location you selected.

CBA Report

This option invokes Requirements Assistant's Cost/Benefit Analysis and displays the results on screen, with cash flow, Internal Rate of Return (IRR, also known as Return on Investment or ROI), and Net Present Value (NPV) calculated. You can use the scroll bars to move around the report. If you choose Print from the File menu, Requirements Assistant will send the report to the printer. If you highlight all or part of the report on screen, you can use Edit/Copy to copy the report to the Windows clipboard.

PLEASE NOTE: The CBA Report is an illustration only, it is not meant to be an auditable statement of financials or tax advice. Consult your financial or tax advisor to discuss the financial and tax consequences of the proposed system.

Current Costs: This section shows all the Existing costs for the project. If a non-zero Annual Growth Rate was specified in the General Information screen, then that rate is applied to years 2 through 5. The illustration above shows a 5% annual growth rate.

Proposed On-Going Costs: This section shows all the New - Yearly costs for the project (from the CBA Input: Cost Details). Again, if a non-zero Annual Growth Rate was specified in the General Information screen, then that rate is applied to year 2 through 5. Please note that depreciation is NOT shown here since depreciation is not an annual operating cost.

Net Operating Benefit: This is the Total Current minus the Total Proposed On-Going Cost. A positive value indicates a positive benefit. A negative value indicates that the proposed system is more expensive to operate than the existing system.

Proposed System Costs: This section shows the system cost. The system costs are not placed into one of the annual cost columns because the system costs are your initial,

upfront investment. The costs in the Year 1 through Year 5 columns show the results of the investment at the end of each year.

The next four items illustrate the impact of depreciation on the calculation of taxes:

Tax Basis Before Depreciation: This is the same as the Net Operating Benefit. It is repeated here to make the calculations more apparent.

Depreciation of System Costs: This is calculated as the Total Investment divided by 5 (Requirements Assistant uses 5 years straight line depreciation). Included in the depreciation is Prof. Svcs and Installation. For illustration purposes, depreciation is represented as a negative number.

Tax Basis After Depreciation: This is the difference between the Tax Basis Before Depreciation and the Depreciation of System Costs.

Tax: This is calculated by multiplying the Corporate Tax Rate (from the General Information screen) by the Tax Basis After Depreciation. A negative number means you are paying tax on the profit from the new system. A positive number means you are getting a tax benefit (deduction) due to the loss that the new system is creating for that year.

Cash Flow: The first number represents the initial investment. For illustration purposes, this is represented as a negative number. The remaining numbers are calculated as the Net Operating Benefit adjusted to account for the annual Tax. Requirements Assistant assumes that the taxes are paid in the current year. The Cash Flow illustration on the previous page shows that for an initial investment of \$172,820 there is a resulting positive return at the end of each of the 5 years.

Net Present Value (5 years): This is computed based on the initial investment, 5 year Cash Flows, and on the Discount Rate (specified in the General Information screen).
Internal Rate of Return: This is computed based on the initial investment and the 5 Year Cash Flows.