

Modeling the Transition to Graphical Computing

Worksheet 2: Assumptions

This worksheet contains general assumptions believed to be applicable to most companies. You may run the model using the assumptions provided, or change them if you think they may differ for your organization.

TYPE in any changes to these assumptions you like. Then press ENTER.

PRESS TAB to move to the next input cell.

Assumptions about your company's operations

End user assumptions

- 250 Number of work days per year
- 2000 Work hours per year for one average employee

Support assumptions

- 10 Support hours currently required per user per year
- 40 Cost of providing one hour of support

Training variables

- 40 Cost of providing one hour of training
- 8 Hours of training per user required in Year 1 to move to graphical software

Productivity Assumptions

Based on: Temple, Barker and Sloane interface study. The assumptions used below are lower than the findings or inferences in the study, to produce a more conservative analysis.

Incremental Gains

0.25	Year 1 productivity gain per user (%)	Year 2:	0.05	Year 3:	0.05
0.05	Year 1 reduction in support hours per user (%)	Year 2:	0.15	Year 3:	0.1
0.25	Year 1 reduction in training hours per user (%)	Year 2:	0.05	Year 3:	0.05

(DO NOT include transitional Year 1 training , included on previous worksheet)

Assumptions about the cost of hardware upgrades

- 100 Cost of 1 mb of memory
- 3000 Cost of new 286 machine with 2 mb of memory
- 4000 Cost of new 386 machine with 2 mb of memory
- 40 Labor cost to upgrade one PC (install memory, etc)
- 60 Labor cost to install a new PC and load software

Assumptions about software prices

- 120 Average retail price of Microsoft Windows
- 350 Average retail price of a Windows word processor
- 350 Average retail price of a Windows spreadsheet
- 350 Average retail price of another Windows application

Assumption about discount rate (cost of capital)

- 0.14 Discount rate applicable to this project

You have completed filling in the model.

To see the results, HOLD DOWN THE CONTROL KEY AND PRESS C.