

Modeling the Transition to Graphical Computing

Worksheet 3: Cost/Benefit Model

This worksheet contains the actual cost/benefit model.

No changes can be made to this spreadsheet.

Benefit Calculations (shaded areas are assumptions)

Productivity Data based on the graphical interface study (conservative)

0	Year 1 productivity gain per user (%)	Year 2:	0
Err:522	Year 1 reduction in support hours per user (%)	Year 2:	0
Err:522	Year 1 reduction in training hours per user (%)	Year 2:	0

Year 1 User Labor Cost Reductions (or New Labor Cost Avoidance)

Err:522	Hours per day spent on PC by average user
Err:522	Number of PC users who will move to graphical software
Err:522	Number of work days per year
	Work hours per year for one average employee
	Average cost of one employee per year (incl. salary, benefits, etc.)
Err:522	Hours per day saved per worker
Err:522	Hours per day saved by department
Err:522	Hours per year saved by department
Err:522	Number of man-years saved by department
Err:522	Dollar value of labor savings by department (year 1)

Year 1 Support Cost Reductions

Err:522	Cost of providing one hour of support
Err:522	Support hours currently required per user per year
Err:522	Average support hours savings per user per year
Err:522	Total support savings (year 1)

Year 1 Training Cost Reductions

0	Cost of providing one hour of training
0	Hours of training currently provided per user per year
Err:522	Average training hours savings per user per year
Err:522	Total training savings (year 1)
Err:522	Total cost reduction (or avoidance) from transition (year 1)

Cost Calculations

One-time training cost from transition to graphical software

Err:522	Hours of training per user required to move to graphical software
Err:522	One-time training cost per user to make transition
Err:522	Total one-time training cost as a result of transition

Cost of hardware transition

Cost of replacing hardware not capable of running Microsoft Windows

0	Labor cost to install a new PC and load software
0	Number of 8086/88 users moving to new 286 PCs (2 mb assumed)
0	Cost of new 286 machine with 2 mb of memory
0	Total hardware cost of new 286 PCs
0	Total labor cost to install new 286 PCs
0	Total cost to purchase and install new 286 PCs
0	Number of 8086/88 users moving to new 386 PCs (2 mb assumed)
0	Cost of new 386 machine with 2 mb of memory
0	Total hardware cost of new 386 PCs
0	Total labor cost to install new 386 PCs
0	Total cost to purchase and install new 386 PCs

0 Total cost of upgrading existing 8086/88 users to new hardware

Cost of upgrading existing 286/386 PCs to a 2 mb configuration

- 0 Cost of 1 mb of memory
- 0 Labor cost to upgrade one PC (install memory, etc)

Category of PC	No. of existing PCs	Added memory mb/PC	Total mb added memory	Total memory cost	Total Labor cost
286 with 1 mb-	Err:522		1	Err:522	Err:522
286 with 2 mb+	0		0	0	0
Sub- totals:	Err:522 xxx			Err:522	Err:522
386 with 1 mb-	Err:522		1	Err:522	Err:522
386 with 2 mb+	Err:522		0	0	0
Sub-totals:	Err:522 xxx			Err:522	Err:522

Err:522 Total cost of upgrading existing 286 PCs
 Err:522 Total cost of upgrading existing 386 PCs

Summary of costs of hardware transition

- 0 Total cost of purchasing and installing new 286 PCs
- Err:522 Total cost of upgrading existing 286 PCs
- 0 Total cost of purchasing and installing new 386 PCs
- Err:522 Total cost of upgrading existing 386 PCs
- Err:522 Total cost of hardware transition (including labor)

Cost of software transition

- 0 Number of Windows capable PCs for which new software is required

Cost of purchasing Microsoft Windows

- 0 Number of PCs needing Microsoft Windows
- Err:522 Average retail price of Microsoft Windows
- Err:522 Total cost of Microsoft Windows

Cost of purchasing a Windows Word Processor

- 0 Number of PCs needing Windows word processor
- 0 Average retail price of Windows word processor
- 0 Total cost of Windows word processor

Cost of purchasing a Windows Spreadsheet

- 0 Number of PCs needing Windows spreadsheet
- 0 Average retail price of Windows spreadsheet
- 0 Total cost of Windows spreadsheet

Cost of purchasing another Windows application

- Err:522 Number of PCs needing another Windows application
- 0 Average retail price of other Windows application
- Err:522 Total cost of other Windows application
- Err:522 Total cost of software transition

Summary of Costs and Benefits

Benefits

Err:522	Year 1 labor savings by department	Year 2:	Err:522	Year 3:
Err:522	Year 1 total support savings	Year 2:	Err:522	Year 3:
Err:522	Year 1 total ongoing training savings	Year 2:	Err:522	Year 3:
Err:522	Year 1 total benefits of transition	Year 2:	Err:522	Year 3:

Costs

Err:522 Total one-time training cost as a result of transition

Err:522 Total cost of hardware transition (including labor)

Err:522 Total cost of software transition

Err:522 Total costs of transition

Net Benefit (Cost)

Err:522 Year 1 net benefit (cost) of transition

Year 2:

Err:522 Year 3:

Year 3:	0
Year 3:	0
Year 3:	0

Err:522
Err:522
Err:522
Err:522

Err:522