

Total Cost of PC Ownership

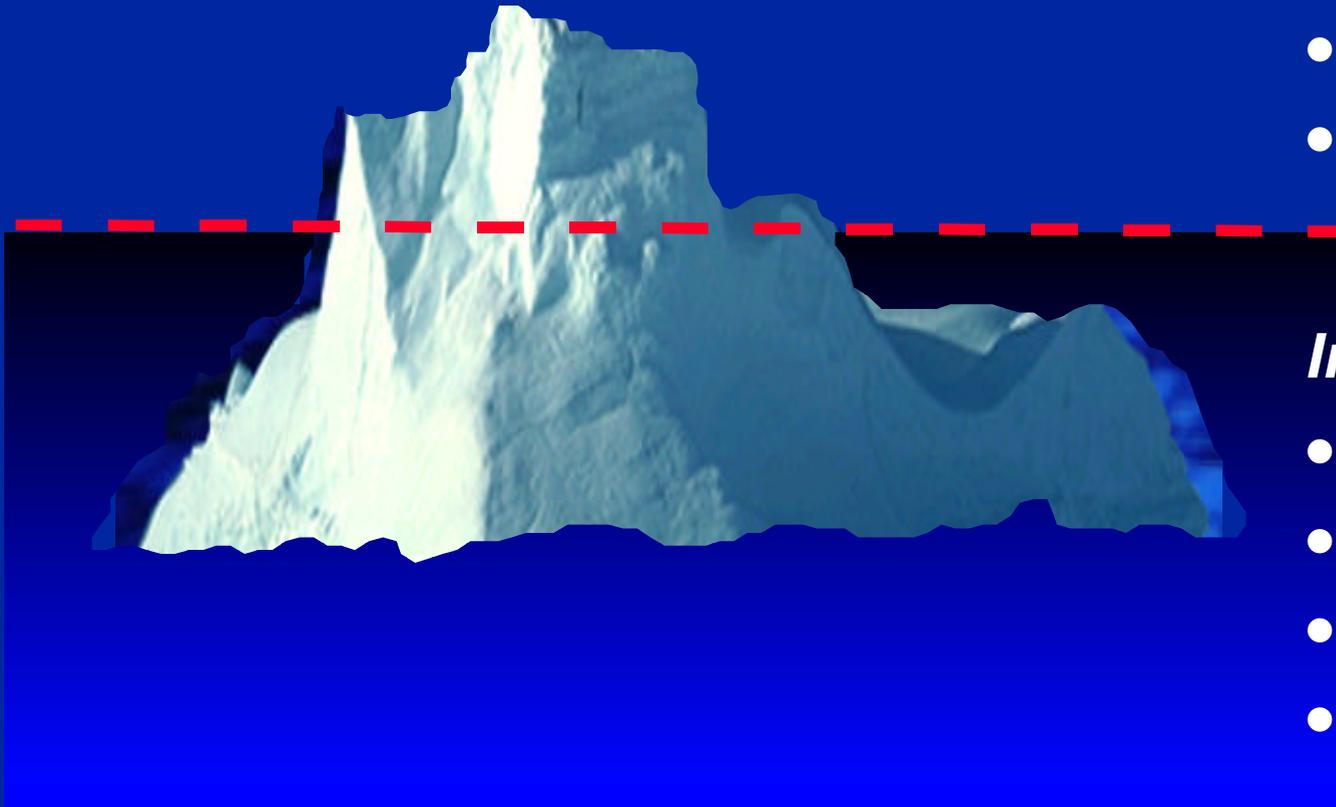
August 1996

Discussion Topics

- **Total Cost of Ownership -- A Growing Concern**
- **Addressing the TCO Issue**
- **Pentium® Pro processor based system is the ideal platform for reducing TCO**
 - **Optimized for 32-bit environment**
 - **Equipped with latest manageability features**
 - **A platform that lasts**

The Iceberg Factor

The Cost of Owning and Supporting PCs



Visible Cost:

- Initial purchase price
- Training

Invisible Costs

- Support
- Admin services
- Technology refresh
- “People downtime”

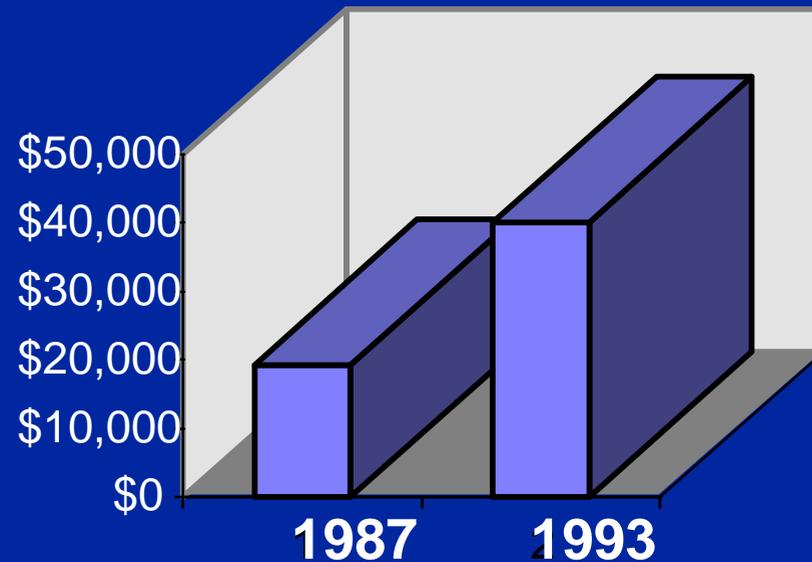
Source: Intel, Dataquest

TCO

A Business Perspective

- The real budget cost of every PC.
- Between 1987 and 1993, TCO costs increased 108%. *1
- Current costs are greater than \$40,000 per PC.*2

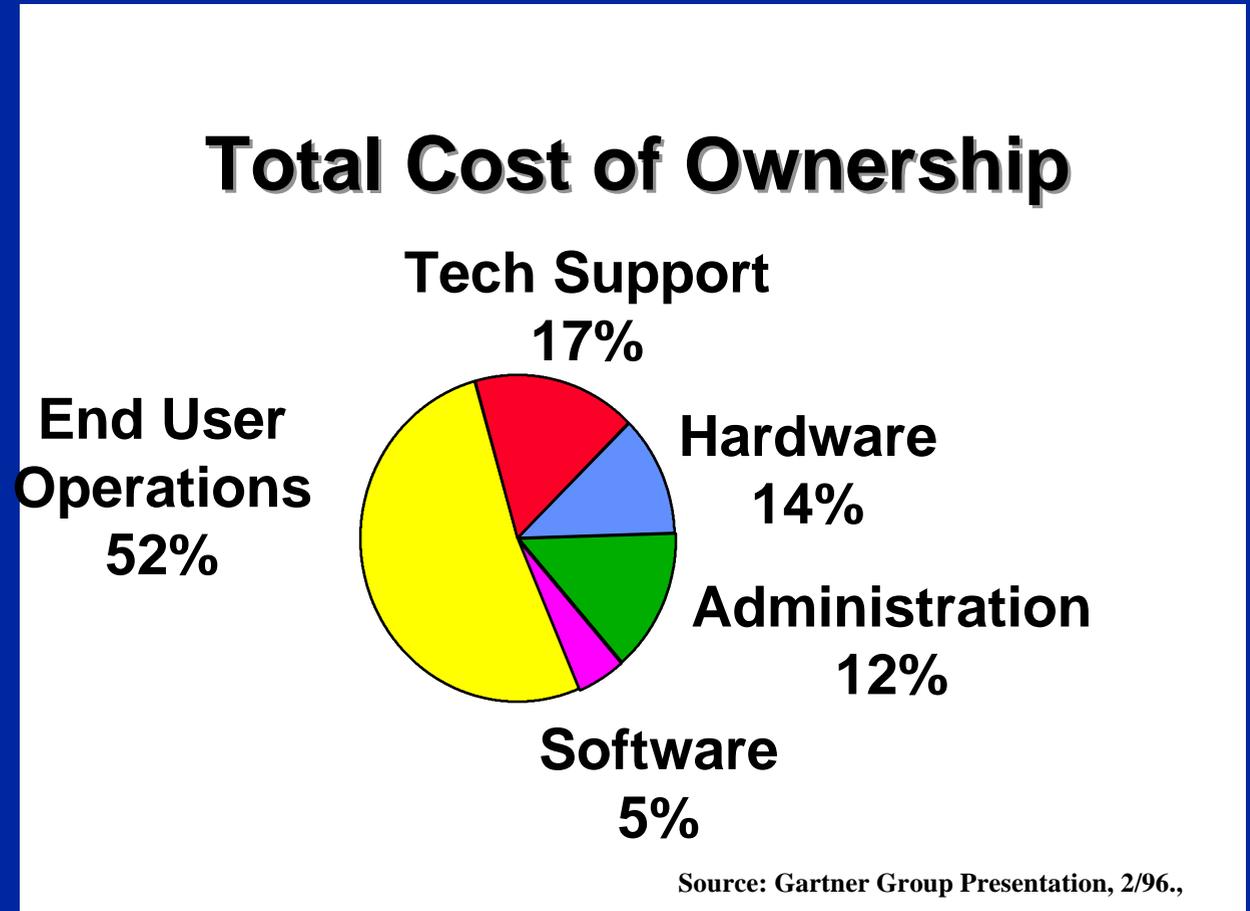
TCO A Historical Perspective



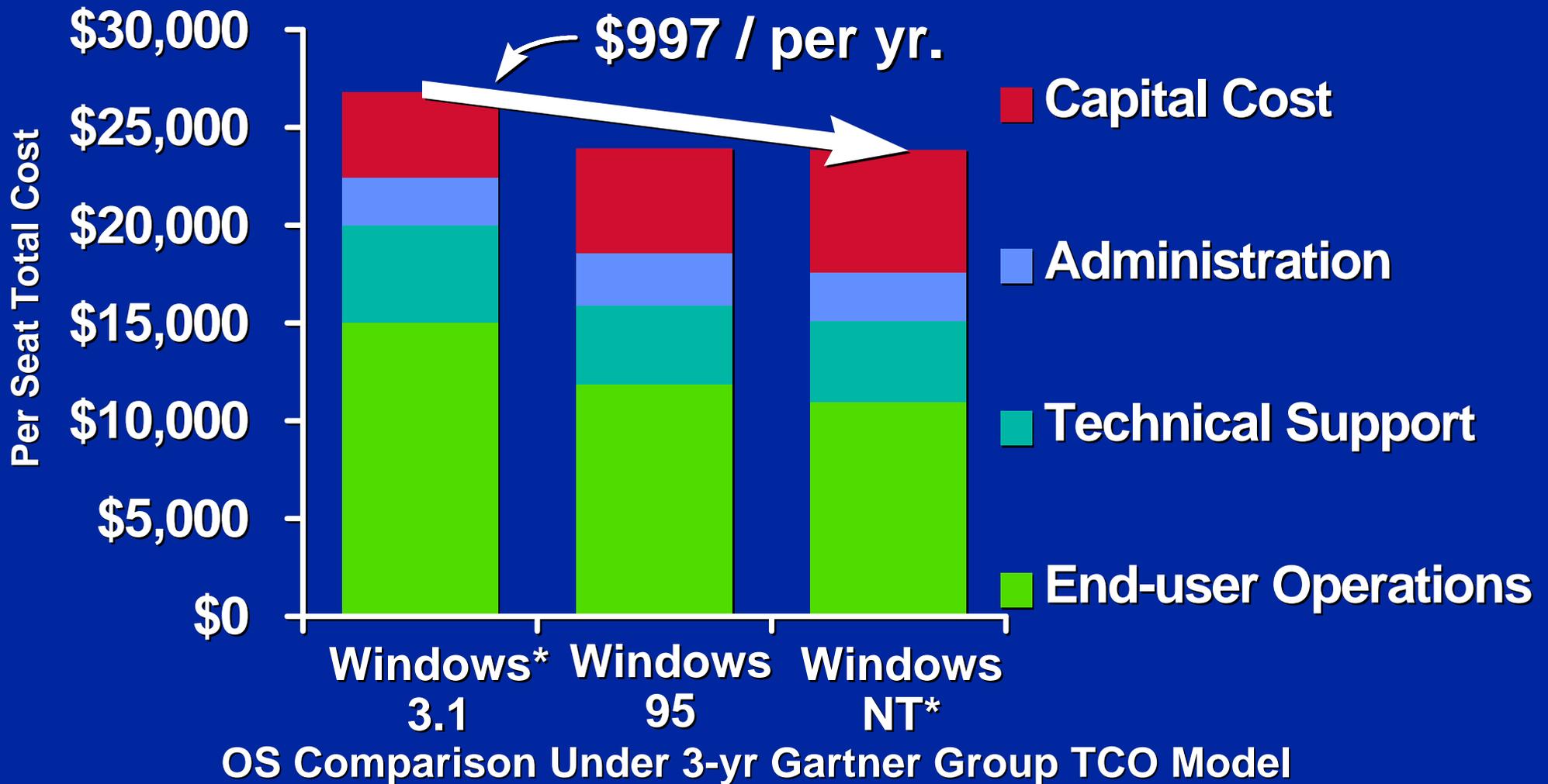
TCO

Major cost areas

- Support / operations costs are 69% of TCO.
- Hardware is a minor part of overall cost -- 14%.
- CPU is less than 2% of TCO.



32-bit OSs Reduces TCO



Source: W. Kirwin, Gartner Group



* Other brands and names are the property of their respective owners.

Management Solutions Converging

Standards

- ❑ Desktop Management Interface (DMI)
- ❑ Remote Desktop Management Interface (RDMI)
- ❑ Plug n Play

Operating Systems

- ❑ Reliable 32 bit OS

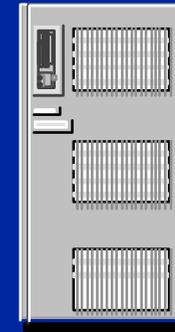
HW Features

- ❑ Temp, Voltage HW Monitors on MB
- ❑ Universal Serial Bus (USB)
- ❑ Error Checking and Correction (ECC)

Tools

- ❑ Browsers & Agents
- ❑ Management SW Suites

**Pentium® Pro
processor-based
Platforms**



Cost of opening the box

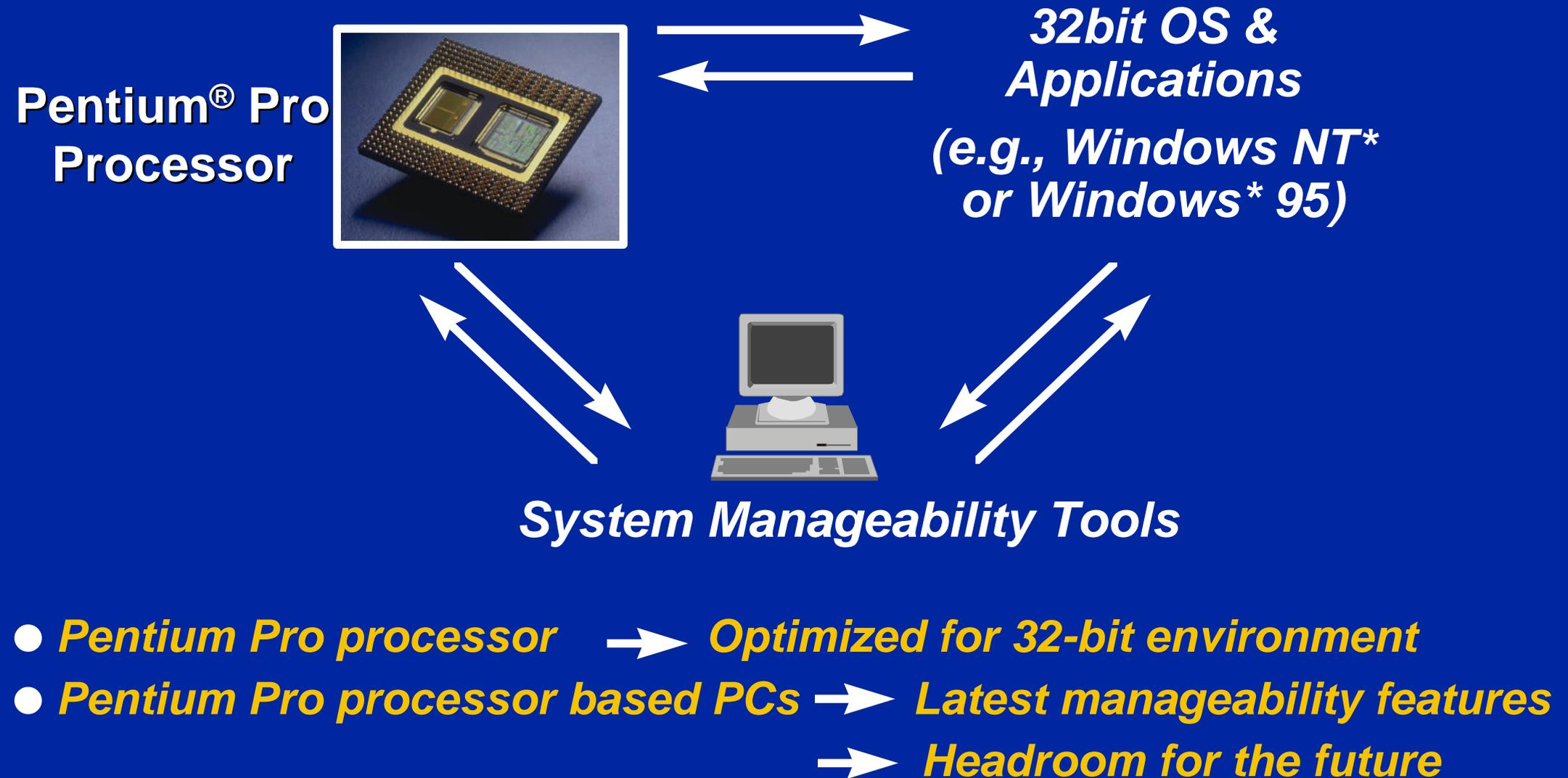
Buy the best: Get a PC that will last

“...every time you open the box (PC chassis), it costs your company at least \$100 to \$250 in support costs and lost productivity. That’s why you want to buy a PC that will make it to the year 2000...”

**PC Magazine,
Bill Howard**

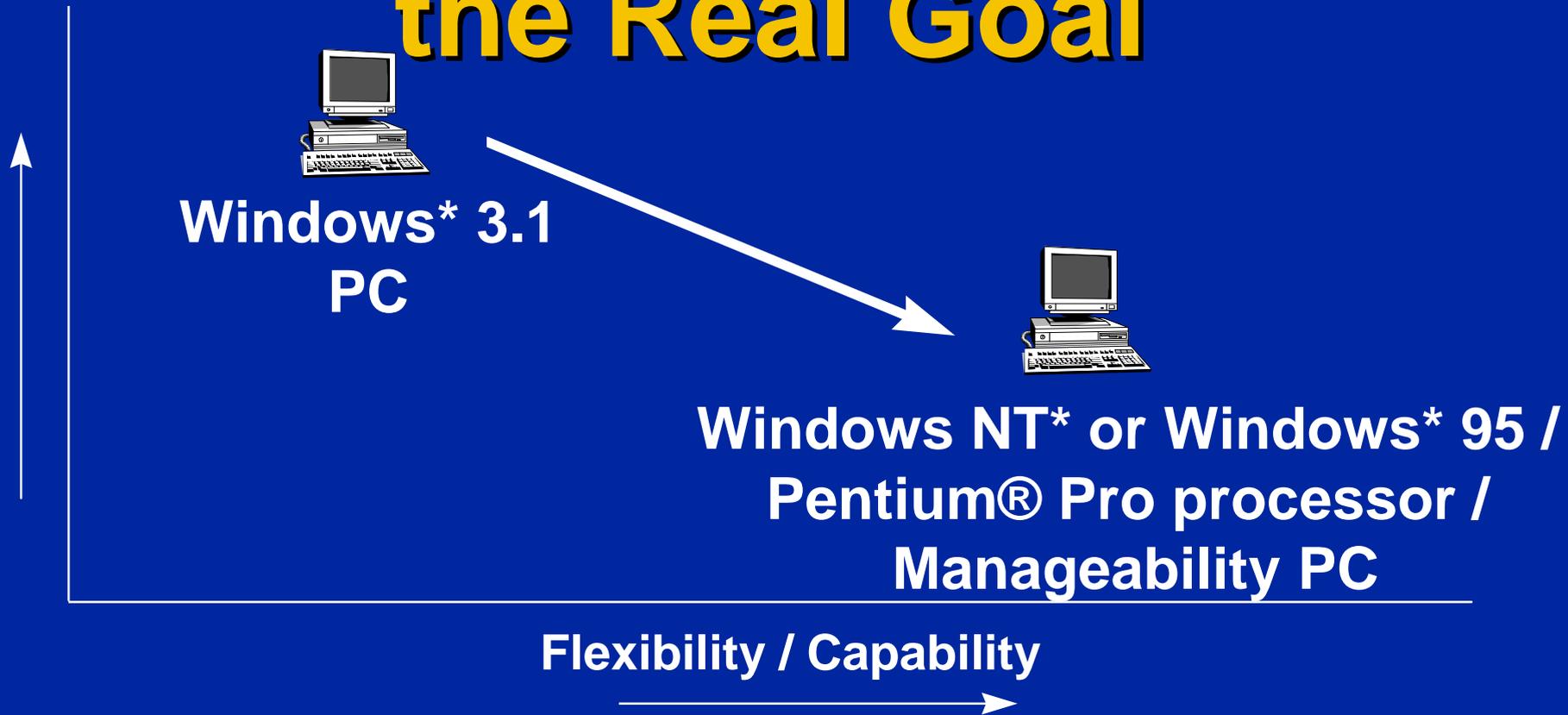
3/12/96

The BEST Platform to Address TCO



Cutting Cost of Ownership Without Sacrificing the Real Goal

Cost of Ownership / Year



***Distributed Desktops w/ Distributed Management Provide
Most Cost Efficient Productivity and Competitiveness***

TCO Observations

- Support / end user costs represent 7 of 10 TCO dollars
- New 32 bit OSs / new computer platform technologies can reduce these areas of TCO costs via manageability features
- Best platform for 32-bit software and manageability tools is Pentium® Pro processor based PC
 - End-user cost of buying the best today is small compared to the long-term benefits in productivity, manageability, and longer system life

TCO Conclusion

- TCO are real costs to you.
- Adoption of 32-bit OSs and Pentium® Pro Processor technology are key to TCO reduction strategy
- Reduce your costs to gain / maintain competitive advantage

The Next Wave in Business Computing

