



**Total Cost of Ownership**  
 In-House vs. ClubDrive IT  
 Based on 10 Users

	<b>In-House IT</b>	<b>ClubDrive IT</b>
<b>Initial Upfront Costs</b>		
Hardware	\$6,800	\$0
Software	\$1,863	\$0
Implementation	\$6,200	\$7,440
<b>Total Initial Upfront Costs</b>	<b>\$14,863</b>	<b>\$7,440</b>
<b>Recurring Annual Costs</b>		
Hardware Support	\$1,824	\$0
Windows Support	\$1,011	\$0
User Support Services	N/A	\$3,000
Disaster Recovery*	\$1,850	\$0 (Included)
<b>Total Recurring Annual Costs</b>	<b>\$4,685</b>	<b>\$3,000</b>
<b>Recurring Monthly Costs</b>		
Facilities	\$630	\$0 (Included)
High-Speed Internet	\$800	\$0 (Included)
Virtual Desktop & Applications	Not Included	\$1,850
In-House Personnel	\$3,750	\$0.00
<b>Total Recurring Monthly Costs</b>	<b>\$5,180</b>	<b>\$1,850</b>
<b>Year 1 Costs</b>	<b>\$81,708</b>	<b>\$32,640</b>
<b>Year 2 Costs</b>	<b>\$66,845</b>	<b>\$25,200</b>
<b>Year 3 Costs</b>	<b>\$66,845</b>	<b>\$25,200</b>
<b>Total Costs For 3 Years</b>	<b>\$215,398</b>	<b>\$83,040</b>
<b>Average Total Per User Per Month Cost</b>	<b>\$598.32</b>	<b>\$230.66</b>

## **General Comments**

It is important to note that these calculations are not depreciated so they do not accurately reflect the true value of the capital. This is important to note because most hardware will need to be replaced every 3-5 years, thus requiring the heavy investment in capital semi-frequently, making the in-house costs even higher in the long-run. Additionally these numbers are based on one location, if your business has multiple locations additional hardware will be required.

- **Implementation:**

Assumed 20% markup on in-house costs as our team is experienced at installation and set-up of the platform and applications. Also based off of the 40 man hours typically required for an installation.

- **Hardware support:**

Only firewall and storage arrays support is included in this number. Server support would be in addition to this.

- **Managed Services Support:**

This is the cost for additional support for various projects beyond the scope of typical production. This number is an average of our typical customers scaled to size. There is not a charge automatically, rather it is based on additional support required on further IT projects ranging from cabling your office to helping you with internet problems or dealing with your internet provider. While you will require in-house IT staff, ClubDrive's support personnel offer a wide breadth of knowledge and expertise on a variety of IT issues and can resolve your issues remotely allowing you to keep your business running smoothly.

- **Virtual Desktop and Applications:**

This includes ClubDrive's virtual desktop, the full Microsoft suite, a host of business and productivity applications, and storage and backup of your data.

(This number includes an average of seven relevant business line applications)

- **\*Disaster Recovery:**

While in this TCO we compare costs for disaster recovery it is important to note the differences in quality of the in-house system and ClubDrive's. ClubDrive offers continuity beyond data storage minimizing down-time in the case of a terrible event, allowing you to keep your business up and running. In this TCO this is compared to data storage that is off-site as to protect your data, but does not offer the continuity that ClubDrive can and does. Through this

back-up system your data would be secure but it would take days, or most likely weeks, to get fully operational again as you would have to repurchase and reinstall all of the equipment and transfer all data to new computers, a very tedious process. With ClubDrive however we maintain extra servers and allow you to simply pickup another device and log in to see your desktop and all of your data sitting there waiting for you.

## **Comments Regarding In-House IT Numbers**

- Hardware:

- 1 Servers at \$5,000 each
  - 1 Switches at \$1,020 each
  - 1 Firewalls at \$780 each

Market Value

Note: The number of firewalls and switches is based on one location, if your business has multiple locations you will need an additional firewall and switch per location.

- Software:

- 1 Windows server licenses at \$880 each
  - 10 Microsoft Office licenses at \$205 each
  - 1 Microsoft Exchange server licenses at \$668 each
  - 10 Microsoft Exchange licenses at \$77 each
  - 10 Microsoft server access points at \$33

Quote from CDW

- Implementation:

- See note above in 'General Comments'

- Hardware Support:

- Firewall annual support \$468
  - Storage Array's annual support \$1,356

Market Value

- Windows Support:

- Support for:

- 1 Windows server licenses at \$439 each
    - 10 Microsoft Office licenses at \$185 each
    - 1 Microsoft Exchange server licenses at \$334 each
    - 10 Microsoft Exchange licenses at \$32.67 each
    - 10 Windows server access points at \$19.52 each

Quote from CDW

- Facilities:

This includes power, cabinet space for the servers, and internet at the facility. This does not include the physical server or the internet connection to get to the data center. This number is based on current market rates.

- Disaster Recovery

In the 'In-house' column, this number refers to 8 Terabyte off-site storage through Barracuda, which will back-up your data but will not provide the business continuity in case of disaster that ClubDrive can and will.

For more information see 'Disaster Recovery' under 'General Comments'.

- Managed Services Support:

Based on an average cost of additional support to our clients on supplementary products or services outside of the Scope Services.

- Virtual Desktop & Applications:

See note above in 'General Comments'

- In-House Personnel:

1 Full Time Support Employee @ \$45,000 per year (tech level employee for 10 person office)