# **GROUNDWORK** MONITOR

# GroundWork Monitor Return on Investment Analysis

### INTRODUCTION

Most IT organizations recognize that a well-designed, smartly deployed network monitoring system improves application availability and performance, and boosts IT service levels to end users. Less recognized is that monitoring provides the information engine to drive IT business processes, including service desk activities, configuration management and capacity planning. It enables IT staff to identify and fix problems quickly, and to manage network growth efficiently. In short, a comprehensive monitoring system provides the information and insight needed to run IT with the accountability of a business.

# HARD DOLLAR SAVINGS

To cost-justify a GroundWork Monitor deployment, it is useful to separate soft (non-quantifiable) from hard (quantifiable) benefits. Soft benefits include improved customer service, increased IT insight and higher IT staff confidence and control. For many IT organizations, these benefits validate a decision to deploy GroundWork. Those seeking evidence of a hard dollar return on investment need not look further than the ample savings GroundWork provides in the following three areas:

- Increased IT staff productivity
- Increased employee/end-user productivity
- Capital cost savings

#### IT staff productivity

GroundWork Monitor provides real-time network-wide visibility of your servers, network devices and applications. Armed with information, you'll be able to spot potential problems and proactively address them before they affect your endusers. Trouble tickets will decrease and be resolved more quickly. We estimate GroundWork Monitor will cut the time your staff spends on user support, help desk activities, network troubleshooting and repairs by at least 20%. In calculating ROI, this productivity increase results in measurable saved salary cost.

#### End-user productivity

When your network goes down, your end-users are stopped in their tracks no email, no Web access, and no access to production applications. We estimate that GroundWork Monitor cuts network downtime by 50%. Because employees may be able to continue working productively for some period of time without application access, we conservatively estimate that productivity is only affected half of the time. For example, if your network is down for four hours per month, GroundWork Monitor will reduce your downtime to two hours per month or less, and that of this two hours of downtime. end-users will lose one hour (50%) of productive time. The decrease in lost productivity is measured as saved salary cost.

#### Capital cost savings

With GroundWork Monitor, you'll be able to track in-depth data about CPU usage, storage capacity and hundreds of other factors that alert you to needed capacity adjustments in your network. Rather than buy unneeded equipment based on guesswork, GroundWork Monitor provides the information needed to make informed capacity investments at the right time. We estimate you'll save at least 10% in infrastructure capital costs when armed with the insight GroundWork Monitor provides.

# LOW COST INVESTMENT

Because GroundWork Monitor is based on open source software, the total investment required for a GroundWork solution—including software, deployment and support— is a fraction of what is typically required for a comparable commercial software solution. GroundWork Monitor is sold for a fixed price that includes enhanced open source software and GroundWork's deployment services. Support is sold separately. Your unique network characteristics and IT management needs in four areas determine the price of the system:

- The size of your network (the number of servers, devices, etc.)
- The type of devices to be monitored (servers, routers, applications, etc.)
- The depth of monitoring information and analysis you require
- The level of deployment assistance and support you require

# EXAMPLE: NEXT BIG THING COMPUTER COMPANY

The Next Big Thing (NBT) Computer Company sells computer equipment direct to 1500 distributors and retailers through telephone ordering and a secure Web site. Serving 300 employees and its network of customers, NBT's network consists of approximately 70 Unix and Windows servers, 15 network devices and four primary applications that require basic monitoring. NBT's IT staff includes six service desk professionals and five network and system engineers charged with maintaining the infrastructure.

The only current monitors in place are basic, manual checks. Otherwise, employees and/or customers often provide the first notice of poor application performance or an outage. The IT department estimates that some or all of the infrastructure is unavailable about two hours per month on average. Further, it estimates NBT will invest \$300,000 in new capital equipment in each of the next three years.

#### Key facts about NBT:

<b>Company</b> Employees Average employee cost / year (including benefits)	5	300 100,000
IT Staff and Capital spending		
Average IT staff cost / year (including benefits)	5	110,000
IT staff working on user support / help desk		6
IT staff working on troubleshooting, repair		4
Estimated IT capital spending estimate next 3 years	5	300,000
Network		
Estimated network elements (network devices, servers, etc.)		85
Estimated downtime hours per month		2

To calculate "return", we add the hard dollar cost savings from 1) iincreased IT staff productivity, 2) increased employee end-user productivity, and 3) capital cost savings.

#### 1) Increased IT staff productivity is calculated as:

IT staff assigned to user support x IT staff cost per hour x 2000 hours x 20% savings or,

6 x \$55 x 2000 x 20% = \$132,000 (in year 1) plus,

IT staff assigned to troubleshooting & repair x IT staff cost per hour x 2000 hours x 20% savings or,

4 x \$55 x 2000 x 20% = \$88,000 (in year 1)

= \$220,000 total (in year 1)

#### 2) Increased employee end-user productivity is calculated as:

Employees x employee cost per hour x reduction in hours of downtime per month x 12 months x 50% or,

300 x \$50 x 1 x 12 x 50% = \$90,000 (in year 1)

#### 3) Capital cost savings are calculated as:

Estimated capital expenditures x estimated 10% savings or,

\$300,000 x 10% = \$30,000 (in year 1)

Total savings from 1, 2 and 3 are \$220,000 + \$90,000 + \$30,000 = \$340,000 in year 1. For years 2 and 3, we estimate that salary costs increase 5 percent per year (impacting salary savings) increasing savings in year 2 to \$355,500 and in year 3 to \$371,775. Total savings for years 1-3 are \$1,067,275, or \$953,787 discounted to present value using a 12 percent discount rate.

The next step is to estimate the three-year investment cost in a GroundWork Monitor deployment for NBT's network. Based on NBT's network size and deployment assistance needs, we estimate NBT's year 1 investment in GroundWork will be \$95,000, and approximately \$30,000 per year in years 2 and 3 to cover support and expanded monitoring coverage as the network and application services grow. Total investment over three years is \$154,840. Using a 12 percent discount rate, the present value of the three year investment is \$145,566.

To calculate ROI, we simply subtract the present value of the 3-year investment cost from the present value of the 3-year savings and divide by the present value of the 3-year savings, as follows:

(Present value of savings - present value of investment) / present value of investment

or,

(\$953,787 - \$145,566) / \$145,566 = 555% ROI

The following table details the ROI calculations over three years:

#### Figure 1. Next Big Thing Computer Company ROI

Calculations	Year 1	Year 2	Year 3	Total	% Total
Tools investment					
Hardware cost	\$ 3,000	\$ 0	\$ 0	\$ 3,000	2 %
Software cost (license)	\$ 0	\$ 0	\$ 0	\$ 0	0 %
Deployment cost	\$ 77,600	\$ 15,520	\$ 15,520	\$ 108,640	70 %
Support cost	\$ 14,400	\$ 14,400	\$ 14,400	\$ 43,200	28 %
Training cost	\$ 0	\$0	\$0	\$ 0	0 %
Total investment	\$ 95,000	\$ 29,920	\$ 29,920	\$ 154,840	100 %
Present value	\$145,566				
IT staff productivity/salary savings					
User support/help desk	\$ 3,000	\$0	\$0	\$ 3,000	2 %
Troubleshooting/repairs	\$ 0	\$ 0	\$ 0	\$ 0	0 %
Subtotal	\$ 95,000	\$ 29,920	\$ 29,920	\$ 154,840	100 %
Employee/end-user productivity	\$ 90,000	\$ 94,000	\$ 99,225	\$ 283,725	27 %
Capital cost savings					
Improved capacity planning	\$ 30,000	\$ 30,000	\$ 30,000	\$ 90,000	8 %
Total savings	\$340,000	\$355,500	\$371,775	\$1,067,275	100 %
Present value ROI	\$953,787				555 %

# SUMMARY

GroundWork Monitor provides the foundation for monitoring and managing your IT infrastructure. You'll benefit from reduced system downtime, increased application performance, and improved control over your IT environment. Cost justifying a GroundWork installation is straightforward, as the system delivers hard dollar savings in IT staff, employee productivity and capital cost savings from more efficient and timely investments in system capacity. Combined with GroundWork's market-leading affordability made possible through open source software, these savings deliver a significant and measurable return on investment.

# ABOUT GROUNDWORK

GroundWork Open Source Solutions, Inc. provides open source-based IT infrastructure management solutions such as network and systems monitoring, service desk management and IT dashboards. GroundWork's solutions enable IT management to leverage the flexibility and low cost of open source tools to achieve enterprise-level availability, performance and operational efficiency for a fraction of the cost of commercial software.

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