

Understanding Total Cost of Ownership (TCO)

By iDatatec

In today's business environment, many small businesses like most on Staten Island are extremely careful and hesitant when it comes to spending money. But, even a modest, carefully thought out investment in computer network maintenance will increase your profitability and reduce the total cost of ownership (TCO) of your network infrastructure in the long run.

The purchase price of hardware and software is typically less than 50% of the total cost of ownership (TCO). The remainder of the TCO, which is most often overlooked, is made up of what's referred to as hidden costs. These are reduced workflow and productivity due to unexpected downtime, improper network design, poor network performance and management, and equipment not designed to handle your company's workload. Costs can be significantly reduced and productivity greatly increased with proper planning and management. For example, the TCO for the average workstation on an unmanaged and poorly supported network is approximately \$7,000.00 the same workstation on a supported and properly supported network is approximately \$3500.00. In the long this means more money in your pocket.

Your business relies heavily on your network

Your income is directly tied to the reliability and performance of your network, because it's the backbone of your business. Your network runs important software applications, gives your employees the ability to communicate and gives customers access to your goods and services.

When your network crashes, your entire business will suffer. Employees will not be able to access resources they rely on to keep your business running smoothly and maximize productivity, and everyday means of communication, such as printing, filing, and emailing, that we all take for granted will all be unavailable. At the same time, customers will not be able to buy products or pay for services or even reach your employees. So you're forced to spend valuable time and money to get the system up and running, increasing your total cost of ownership (TCO). Bottom line: productivity comes to a halt which causes revenue to decline.

A properly designed and managed network will reduce your TCO

It goes without saying that it pays to reduce network reliability issues and downtime, and a properly designed and managed network will help you achieve this goal. Big business has been implementing such networks for many years, but as computer networks become more essential to smaller businesses in today's business environment, they are no longer considered an extravagance or a want, they have become a necessity.

A properly designed and managed network incorporates the necessary tools to keep network performance at a maximum, assist the network administrators to manage the system more efficiently, and a properly designed and managed network can monitor itself and provide feedback and warn of impending trouble. These benefits allow you to concentrate on running your business without the constant worry of stoppages, operate in a much more efficient manner and this cuts your costs and keeps revenue and productivity loss to the minimum, ultimately reducing the TCO of your network infrastructure.

iDatatec has over two decades of experience with computer network management support and training.

Throughout our many years of experience we have seen too many businesses spend unnecessary amounts of money on poorly designed systems. iDatatec feels that educating the business owner gives them the power and knowledge to operate at the greatest efficiency.