



ERP TCO

Total Cost of Ownership


By Prof. Zaveri

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Do your homework
before embarking on to
the ERP journey

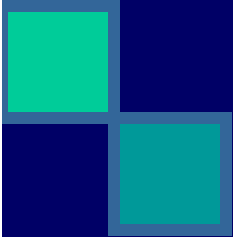



TCO of ERP package is based on all of the following, and *not only the cost of the ERP software.*

1. Computer Server
 1. Backup Server
 2. Network: (a) LAN components such as Switch router, LAN Cables, wireless LAN, etc. (b) In case multi-location units consider cost of fixed (static) I. P. address (from ISP)
 3. Computer used by users (called Client PC) as many required as many users are expected to be online.
 4. License software: (a) Sever Operating System (b) OS on client PC (c) the RDBMS software (d) Antivirus software.
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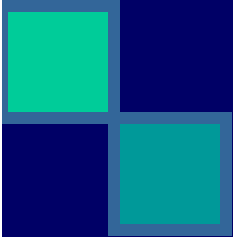



Additional budget required for...

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5. UPS
 6. Peripherals such as Dot Matrix Printer, Inkjet or Laser Jet Printers, Modem, etc.
 - 7. ERP software package itself.**
 8. Implementation cost paid to implementing professionals
 9. Consumables such as, CD for backup, toner cartridges, paper, etc.
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Also plan for the following....

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10. Consultant fees paid to IT Consultant who not only understands I. T. but also has Functional knowledge of various department processes. This may include training.
 11. Customization Charges.
 12. Annual Maintenance charges to be paid after the CRP run on ERP software to software vendor.
 13. Annual Maintenance charges to be paid to hardware vendor.
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Thanks

