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Over the past year, our ERP system experienced ten outages, causing 28.9 hours of downtime and costing us over $25.6 million. This downtime was caused by inadequate facilities running our primitive data center. By upgrading the data center, we will net $13.2 million in benefits over the course of three years.

The key capability is the upgraded data center's ability to safeguard company data. A data center upgrade will decrease system downtime by 27.3 hours per year, and dual power important equipment. In the slight chance of downtime, we will be able to enjoy 72 hours of outage protection. Upgrading our data center will allow us to be more productive and cost efficient.

It will take one year to build the new data center, and cost approximately $35 million. The decreased downtime of 27.3 hours per year will lead to $48.2 million in savings (Appendix A), and a net of $13.2 million in benefits in just three years (Appendix B). This new infrastructure will allow us to expand our business with confidence that our systems will support the growth trajectory we are on.

Appendix A

	Minutes/Year	Availability	Downtime (Minutes/Year)	Downtime Cost
Tier I	525,600	99.67%	1,734.48	$25,670,304
Tier III	525,600	99.8%	105.12	$1,555,776
			Savings	**$24,114,528**

Appendix B

	Year 1	Year 2	Year 3	Total
Costs	$35,000,000	$0	$0	$35,000,000
Benefits	$0	$24,114,528	$24,114,528	$48,229,056
3-Yr Net Benefits				$13,229,056

References

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