Over the past year, our organization has experienced 10 outages to our ERP system. During these outages, we cannot process orders, make products, or ship products. Every time an outage occurs we are losing thousands of dollars a minute. I am proposing we upgrade to a Tier III data center because it will create a net benefit of $13,229,056 in only 3 years. A Tier III data center has multiple pathways with redundant components which makes it very reliable if anything were to happen, such as a power outage.

The main advantage of a Tier III datacenter compared to a Tier I datacenter is that it is redundant. Tier III has multiple distribution paths and redundant capacity components. Multiple distribution paths and redundant capacity components make it less likely to have power outages. If a pathway has to get shut down for any reason, the datacenter will automatically go the next usable power source. Also, Tier I only have 99.67% availability while a Tier III datacenter has 99.88% availability, a 0.21% increase. Ultimately, this will decrease our downtime to only 1.6 hours per year.

The increased availability will save us $24,111,528 a year. Upgrading to Tier III datacenter will cost 35,000,000 million dollars at implementation in year 1. In year 2 and 3 we will benefit $24,114,528, making our total benefit $48,229,056. By the end of year three our net benefit will be $13,229,056.

Resources

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