Flash Research Assignment: SharePoint

I propose that we invest in Microsoft SharePoint, which will save us $1.84 million over the next three years (see Table 1). SharePoint is a browser-based collaboration and document management platform that will allow our PMPs collaborate and manage documents more efficiently (ImageTech Systems). Investing in SharePoint will increase the productivity of our PMPs and allow them to work an additional 400 billable hours out of 2,000 hours per year, increasing annual revenues by 23%.

SharePoint is a widely used collaboration and content-sharing platform that improves document management for enterprises (Low). The platform improves productivity of employees by reducing the time needed to share, organize, and manage documents. Currently our employees spend a considerable amount of time struggling with the management of documents, from sharing documents with clients and each other to managing multiple versions of the same document. However, with SharePoint employees can collaborate on one shared document, and changes will automatically be displayed to anyone working on the document. A recent Gartner report calls SharePoint “the most widely used document- and collaboration-centered platform,” and 78% of the Fortune 500 companies use SharePoint (Rackspace).

Investing in SharePoint will increase our revenues by $547,000 in the first year and $647,000 in each subsequent year, thanks to the additional 400 billable hours per year each PMP will gain. As Table 1 shows, for the cost of $154,000 over the next three years, our PMPs will increase their billing from $2.63 million to $3.29 million per year. Investing in SharePoint will increase our net benefits by 1.84 million over the next three years, and the business will continue to benefit in the years to come.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Table 1: Three-year cost/benefit analysis of implementing SharePoint** | | | | |
| **Without SharePoint (Current Setup)** |  |  | |  |
|  | **Year 1** | **Year 2** | **Year 3** | **Total** |
| **Costs** | - | - | - | **-** |
| **Revenues** |  |  |  |  |
| PMP Revenues | $ 2,625,000 | $ 2,625,000 | $ 2,625,000 | $ 7,875,000 |
| *(1500 hours \* $175 \* 10 PMPs)* |  |  |  |  |
| **Net Benefits** | **$ 2,625,000** | **$ 2,625,000** | **$ 2,625,000** | **$ 7,875,000** |
|  |  |  |  |  |
|  |  |  |  |  |
| **With SharePoint (Suggested Setup)** |  |  | |  |
|  | **Year 1** | **Year 2** | **Year 3** | **Total** |
| **Costs** |  |  |  |  |
| Purchase of SharePoint | $ 100,000 | - | - | $ 100,000 |
| SharePoint Maintenance | $ 18,000 | $ 18,000 | $ 18,000 | $ 54,000 |
| **Revenues** |  |  |  |  |
| PMP Revenues |  |  |  |  |
| *(1700 hours \* $175 \* 1 PMP)* | $ 297,500 | $ 297,000 | $ 297,000 | $ 892,500 |
| *(1900 hours \* $175 \* 9 PMPs)* | $ 2,992,500 | $ 2,992,500 | $ 2,992,500 | $ 8,977,500 |
| **Net Benefits** | **$ 3,172,000** | **$ 3,272,000** | **$ 3,272,000** | **$ 9,716,000** |

References

"6 Things Every Manager Should Know about Microsoft® SharePoint®." *Rackspace.com*. Rackspace, 18 July 2013. Web. 14 Oct. 2013. <http://www.rackspace.com/knowledge\_center/whitepaper/6-things-every-manager-should-know-about-microsoft%C2%AE-sharepoint%C2%AE>.

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