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Assignment #3 SharePoint

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By investing in SharePoint, our company has the opportunity to increase our revenue by $1,800,000 during the next three-year period. Microsoft SharePoint offers a platform for information storing, organizing, sharing and accessing from almost any device. With SharePoint, we can increase the productivity of our PMPs by eliminating the huge backlog of work.

Microsoft SharePoint is the simplest and most cost-effective online content management system for business. The key capability provided by SharePoint is that it boosts our PMPs’ work productivity since its Document Libraries feature supports the ability to edit, store, share and synchronize documents on Internet. With SharePoint, PMPs can quickly and easily share, organize and keep track of certain versions of documents that each client is able to access, which will surely increase work efficiency for our company. The capabilities that SharePoint provides will significantly increase each PMP’s billable hours from 1500 hours / year to 1900 hours / year.

The total cost for installing SharePoint including initial investment, maintenance costs and administrative costs will be $253,750 in three years. In the same period, our PMPs are estimated to generate $2,100,000 in benefit. Overall, investing in SharePoint will bring our company a three-year net benefit of $1,846,250.

**Appendix**

|  |  |  |
| --- | --- | --- |
| Curren Yearly Revenue | $175\*1500\*10= | $2,625,000 |
| Estimated Yearly Revenue | $175\*1900\*10= | $3,325,000 |
| Yearly Benefit | $3,325,000-$2,625,000= | $700,000 |
|  |  |  |
| Maintainance Cost | $100,000\*18%= | $18,000 |
| Administering Cost | $175\*1900\*10%= | $33,250 |

|  |  |  |  |
| --- | --- | --- | --- |
|  | Year 1 | Year 2 | Year 3 |
| Yearly Benefit | $700,000 | $700,000 | $700,000 |
| **3-Year Benefit** |  |  | $2,100,000 |
| Initial Investment | $100,000 | 0 | 0 |
| Maintenance Cost | $18,000 | $18,000 | $18,000 |
| Administering Cost | $33,250 | $33,250 | $33,250 |
| Sum of costs | $151,250 | $51,250 | $51,250 |
| **Total Cost** |  |  | $253,750 |
| **Net Benefit** |  |  | $1,846,250 |

**Reference**

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