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MIS 2501-002

**WordPress**

Given the speed with which webpages can be built in WordPress, we can generate a three-year net benefit of $2,451,000 by reducing our developer headcount from twelve to five developers. WordPress is a web development platform that provides pre-built frameworks, giving developers packages of code that can be implemented with minimal line by line coding.

The key capability of WordPress is the technology’s library of source code that provides developers with pre-built functionality, increasing efficiency of development. With WordPress, 77.8% of the functionality would already be available via the library. This would allow our developers to spend their time customizing our financial services platform while increasing the number of pages they can build in a given timeframe. As a result, we can maintain our development team’s current level of efficiency with only 42% of the resources and 43% of the costs.

The cost of a WordPress-enabled development team over three-years is $2,049,000 consisting of salaries, hardware, software, maintenance, training and short-term drop in productivity. Over three years WordPress will result in a cost avoidance benefit of $4,500,000 by avoiding the cost of keeping seven additional developers on board. The three-year net benefit of WordPress is $2,451,000, making this a compelling investment for our company.

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| --- | --- | --- | --- | --- | --- | --- | --- |
| **Traditional Upfront Costs** |   |  |  | **Year 1** | **Year 2** | **Year 3** | **Total** |
| Cost  |   |  | **Costs** |   |   |   |   |
|   |   |  | **Upfront** | $120,000.00 |   |   |   |
|   |   |  | **Variable** | $643,000.00 | $643,000.00 | $643,000.00 |   |
| **Total Upfront Cost** |  |  |  |   |   |   | **$2,049,000.00** |
|  |  |  | **Total Costs** |   |   |   |  |
| **Traditional Variable Cost** |   |  |  |   |   |   |   |
| **Developer Count** | $12.00 |  | **Cost Avoidance Benefits** |   |   |   |   |
| Salary/benefits | $125,000.00 |  | **Variable** | $1,500,000.00 | $1,500,000.00 | $1,500,000.00 |   |
|   |   |  |  |   |   |   |   |
| **Total Annual Cost** | **$1,500,000.00** |  |  |   |   |   |   |
|  |  |  | **Total Benefits** |   |   |   | **$4,500,000.00** |
|  |  |  |  |   |   |   |   |
| **New Upfront Costs** |   |  | **Net Benefits** |   |   |   | **$2,451,000.00** |
| Hardware | $100,000.00 |  |   |   |   |   |   |
| Lost Prod | $20,000.00 |  |  |  |  |  |  |
| **Total Upfront Cost** | **$120,000.00** |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| **New Variable Cost** |   |  | Team | 12 |  |  |  |
| WordPress Developer | $2.00 |  |  |  |  |  |  |
| Trad Developer | $3.00 |  |  |  |  |  |  |
| Maintenance | $18,000.00 |  |  |  |  |  |  |
| Salary | $125,000.00 |  | 0.416666667 |  |  |  |  |
| **Total Annual Cost** | **$643,000.00** |  |  |  |  |  |  |
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