

Stephanie Cheng
Tier I to Tier III

Our company will be able to save \$24,114,528 by upgrading to a Tier III data center. Tier III data center will provide us with redundancy backup with planned and unplanned activities that may cause any disruption in the data center. Investing in the Tier III data can save us \$14,800 per minute of downtime.

Tier III data center with its redundant capacity components allows us to work while undergoing any planned and unplanned activities. Updated system offers backup power to make sure that the system will not incur as much downtime. In comparison to Tier I, Tier III offers backup power sources to keep IT operation on track by having alternate power redundancy. Tier III data center's greatest feature is that the system is concurrently maintainable meaning that normal IT operations will not be effected with any maintenances that will cause dramatic downtime.

By investing in Tier III data center, our company will gain the net benefit of \$13,229,056 over a three-year period. Total expense to this upgrade will be \$35,000,000. After year one, we will benefit \$24,114,528 dollars due to increase in uptime. Our net benefit is \$13,229,056 dollars with in a three-year period.

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| | Year 1 | Year 2 | Year 3 | Total |
|---------|--------------|--------------|--------------|--------------|
| Cost | \$35,000,000 | \$0 | \$0 | \$35,000,000 |
| Benefit | \$0 | \$24,114,528 | \$24,114,528 | \$48,229,056 |
| | | | Savings | \$13,229,056 |

| Min/ year | Availability (1-Percentage) | Downtime (dt* 14,800) | Total |
|-----------|-----------------------------|-----------------------|--------------|
| 525,600 | 99.67% | \$1734.48 | \$25,670,304 |
| 525,600 | 99.98% | \$105.12 | \$1,555,776 |
| | | Net Benefits | \$24,114,528 |

Work Cited

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