

Thompson Nguyen

Flash Research Assignment: WordPress

Our company has an opportunity to save \$2,451,000 over a three year period by investing in WordPress. WordPress is a content management system that allows website developers to create a website more efficiently. The increase in efficiency will allow the company to reduce its headcount and save money by not paying additional annual salaries.

WordPress is an open-source content management system that allows you to quickly build your own website. It features a multitude of themes that can be installed in order to customize the look of your website. It also contains many plugins that can be downloaded and installed onto your website to improve its functionality and customize its features to the specific needs of the company. These features will minimize the amount of coding that is done by our web developers. As a result, this would increase the efficiency of our web developers by 77.8% which will allow us to reduce our headcount by 7.

By investing in WordPress, our company will be able to reduce our headcount by 7 which reduces our annual salary for our web developers from \$4,500,000 to \$1,875,000. This results in a total savings of \$2,625,000. In addition, our company will incur expenses totaling \$174,000. These expenses consist of a one-time cost for purchasing the hardware and system software, a one-time cost for the training and lost productivity of our website developers, and an annual cost for maintaining our hardware and software. As a result of this investment, our company will realize a net benefit of \$2,451,000.

Original Web Development Team	3
WordPress Team Before	9
Reduce HeadCount	7
WordPress Team After	2
Annual Salary	125,000
Hardware & System software	100,000
Annual Hardware & System Maintenance	18,000
Training and lost productivity per developer	10,000

Old Salary Costs	Year 1	Year 2	Year 3	Total
Original Web Development Team(12)	1,500,000	1,500,000	1,500,000	4,500,000
New Salary Costs	Year 1	Year 2	Year 3	Total
Original Web Development Team (3)	375,000	375,000	375,000	1,125,000
WordPress Team(2)	250,000	250,000	250,000	750,000
Total	625,000	625,000	625,000	1,875,000
Savings	Year 1	Year 2	Year 3	Total
Reduce Headcount(7)	875,000	875,000	875,000	2,625,000
Additional Costs	Year 1	Year 2	Year 3	Total
Hardware & System Software	100,000	0	0	100,000
Annual Hardware & System Maintenace	18,000	18,000	18,000	54,000
Training and lost productivity cost(2)	20,000	0	0	20,000
Total	138,000	18,000	18,000	174,000
Benefits	737,000	857,000	857,000	2,451,000