

To: CIO  
From: Vince Galasso  
Re: WordPress Investment

75% of the work currently being done by the Web Development team could be done more efficiently using WordPress. WordPress is an online platform that will allow our developers to build customized websites using premade “widgets” and “plug-ins” without having to spend valuable time building the website from scratch. The increased efficiency will allow XYZ financial Services to realize a net benefit over three years of \$2.45 million through reducing the number of web developers required to effectively operate the business.

WordPress provides an open-source platform for developers to build a website without using extensive HTML and PHP programming which saves developers a significant amount of time in the website development process. The open-source platform allows any user to create and edit tools for other WordPress users to adapt to their own custom websites. Within WordPress these tools are called “widgets” or “plug-ins”. For example, XYZ Financial Services may want to have a tool that lists the current market value of certain equities on its website. XYZ’s developers could search WordPress for compatible plug-ins which are already coded to accomplish this function. Meanwhile, XYZ’s developers will only have to fine-tune certain aspects of the premade tool in order to make it ready to use instead of having to build the tool from scratch. Therefore, overall developer efficiency is increased through using WordPress’s premade plug-ins and adapting them to XYZ’s needs.

XYZ can realize a three year net benefit of \$2.45 million by using the WordPress platform for website development (see figure-1). The increased efficiency that WordPress will provide XYZ’s development team will allow XYZ to reduce its developer headcount from 12 to 5, which will yield a total three-year benefit of \$2.62 million. These benefits will be offset by total three-year costs of \$0.17 million for training, purchasing hardware and software and maintenance. Therefore, XYZ should invest in utilizing the WordPress platform for its website development in order to reduce its labor costs and realize the net three-year benefits of \$2.45 million.

Figure -1 WordPress Three-Year Cost-Benefit Analysis

	Year 1	Year 2	Year 3
<b>Gross Benefits</b>			
Status Quo Development Costs			
Payroll (12@125,000)	1,500,000	1,500,000	1,500,000
WordPress Development			
WordPress Team (2 @ 125,000)	250,000	250,000	250,000
Developer Team (3 @ 125,000)	375,000	375,000	375,000
Annual Benefit from WordPress	875,000	875,000	875,000
<b>Total 3 Year Benefit</b>			<b>2,625,000</b>
<b>Costs</b>			
Hardware and Software	100,000		
Maintenance	18,000	18,000	18,000
Training time (2 developers @ 10,000)	20,000		
Annual Costs	138,000	18,000	18,000
<b>Total 3 Year Costs</b>			<b>174,000</b>
<b>3 Year Net Benefits</b>			<b>2,451,000</b>

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