

Group 9 - Library Website Cost Benefit Analysis

As of October 2013

	2013	2014	2015	2016	2017	Total
Development Costs						
Server	\$17,500.00	\$0.00	\$0.00	\$0.00	\$0.00	
Printers	\$1,000.00	\$0.00	\$0.00	\$0.00	\$0.00	
Hardware	\$1,250.00	\$0.00	\$0.00	\$0.00	\$0.00	
Software	\$750.00	\$0.00	\$0.00	\$0.00	\$0.00	
Installation Labor	\$3,000.00	\$0.00	\$0.00	\$0.00	\$0.00	
Total Development Costs	\$23,500.00	\$0.00	\$0.00	\$0.00	\$0.00	\$23,500.00
Operational Costs						
Hardware Maintenance	\$0.00	\$2,000.00	\$2,000.00	\$2,000.00	\$2,000.00	
Software Maintenance	\$0.00	\$1,250.00	\$1,250.00	\$1,250.00	\$1,250.00	
Labor	\$0.00	\$45,000.00	\$45,000.00	\$45,000.00	\$45,000.00	
Hardware Upgrades	\$0.00	\$0.00	\$0.00	\$10,000.00	\$0.00	
Software Upgrades	\$0.00	\$0.00	\$0.00	\$1,850.00	\$0.00	
Total Operational Costs	\$0.00	\$48,250.00	\$48,250.00	\$60,100.00	\$48,250.00	\$204,850.00
Benefits						
Increased Sales	\$0.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	
Reduced Labor Costs	\$0.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	
Reduced customer Service	\$0.00	\$1,500.00	\$1,500.00	\$1,500.00	\$1,500.00	
Reduced material Costs	\$0.00	\$850.00	\$850.00	\$850.00	\$850.00	
Total Benefits	\$0.00	\$62,350.00	\$62,350.00	\$62,350.00	\$62,350.00	\$249,400.00
Total Costs	\$23,500.00	\$48,250.00	\$48,250.00	\$60,100.00	\$48,250.00	\$228,350.00
Total Benefits - Total Costs	(\$23,500.00)	\$14,100.00	\$14,100.00	\$2,250.00	\$14,100.00	\$21,050.00
Net Cash Flow	(\$23,500.00)	(\$9,400.00)	\$4,700.00	\$6,950.00	\$21,050.00	

Return on Investment 0.09218

Break Even Point 2.66667

<u>Development Labor</u>	<u>Projected</u>
Iteration 0	30
Iteration 1	150
Iteration 2	150
Iteration 3	150
Total	480