

TOTAL COST OF OWNERSHIP

Having a TCO helps in maintaining and improving on a system, with common standards across a network and proper definitions, leaders are enabled to make decisions.

Using this list from an [Australian research paper](#) on TCO of open source software for public schools we can start to identify the things we would need in our own report.

Components commonly identified to be included in a TCO include:

- *hardware purchases and maintenance;*
- *software acquisition and upgrade costs;*
- *software compliance costs;*
- *vendor management costs;*
- *direct labour support costs;*
- *security and anti-virus management;*
- *service and lease costs;*
- *telecommunications and network costs;*
- *dedicated costs for housing and running ICT;*
- *technical training and user professional development.*

To maintain good coverage of the project requirements we should also follow the advice outlined on the site [business-case-analysis](#):

In addition, suggestions for finding relevant cost categories may come from other sources, including:

- *Firstly, the owner's experience with other assets in the current setting or another setting.*
- *Secondly, local policies for asset life cycle management.*
- *Thirdly, industry standards. These may come from publishing consultants as well as professional standards organizations.*
- *Fourthly, vendor recommendations and vendor experience.*
- *Fifthly, published TCO analyses from other analysts and publishing*

consultants.

- *Sixthly, project plans for using the asset. These should include, at a minimum, resource requirements for labor and energy. Project plans, in fact, should include a complete work breakdown analysis.*
- *Finally—and very importantly—the firm's long range business plan. Sources in the plan include the firm's business model, with revenue and cost forecasts for major categories. And, the plan should also anticipate cost trends due to inflation, price changes, customer demand, technology, and government regulation.*