# Cost & Revenue Estimation

We made a 3 years period of Cost & Revenue Estimation should be fine, because costs will change very rapidly after 3 years.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Cost Item | Year 0 | Year 1 | Year 2 | Year 3 |
| **Initial Costs** | | | | |
|
| Office Equipment (PC, Printer, Server, Peripherals...) | 570 |  |  |  |
| Deliver Equipment(Phone, Pad) | 300 |  |  |  |
| Training | 20 |  |  |  |
| Installing and Testing | 20 |  |  |  |
| Software (window, office...) | 42 |  |  |  |
| Total | 952 |  |  |  |
| **Annual expenses** | | | | |
|
| Staff |  | 300 | 330 | 363 |
| Maintenance |  | 50 | 55 | 60 |
| General |  | 20 | 22 | 24 |
| Total |  | 370 | 377 | 447 |
| **Monthly benefit** | | | | |
|
| Reduction on Office Supplies |  | 12 | 13 | 13 |
| Reduction Management expenditure |  | 20 | 21 | 21 |
| Reduction on Stuff |  | 22 | 23 | 23 |
| Reduction of Cost Of Marketing |  | 22 | 24 | 24 |
| Total |  | 76 | 81 | 81 |
|  |  |  |  |  |
| Annual Net Benefit | -952 | 500 | 514 | 560 |
| Annual ROI |  | 52% | 53% | 59% |
|  |  |  |  |  |
|  |  |  |  |  |
| Net Present Value (i=10%) | 287.75 | | | |
| Discounted Payback Period | 1.88 Year | | | |
| Internal rate of return | 29% | | | |

The cost of hardware is calculated under following standard:

PC: 6000 \* 30 = 180,000

Printer: 8000 \* 5 = 40,000

Server: 60000 \* 5 = 300,000

Peripherals: 50,000

Phone: 1000\*150

Pad: 1000\*150

And consider of average salary of the same industry, for the basic level employees the salary, their monthly salary will be 2000RMB. And it will increase 10% for every year.

According to our annual net benefit we can get our npc is 287.75.And the Disconted Payback will be 1.88 year.