

# ROI Selling

## Total Cost of Ownership

No project analysis is complete without understanding the total cost over time. In today's environment it is necessary to compare your total cost to a competitor. ROI Selling provides tools to compare acquisition cost, deployment cost and life cycle cost over a three year period. Enter the competition (or status quo) and enter your cost figures, ROI Selling does the rest with a report that displays not only the cost comparison, but the ratio differences and more graphics to help your prospect see you are the greater value.

**Value Estimation - Total Cost of Ownership**

Company: ABC Medical Associates Date: November 3, 2007

This Total Cost of Ownership (TCO) model is designed to perform multiple functions. First, this model will capture and calculate your cost of acquisition, deployment and life cycle of your investment. Second you are able to enter data from one competitor to perform a TCO cost analysis comparison

**Acquisition**      The initial cost of the solution including server or network infrastructure upgrades, operating system upgrades, other software necessary to fully utilize the features.

**Deployment**      The costs associated with delivering the ROI Selling solution, personnel costs for implementation, and installation.

**Life Cycle Management**      The cost of maintaining, operating and supporting the solution, including hardware and software updates, locate and fix bugs.

**Total number of years (Based on the annual ROI):** \_\_\_\_\_

Cost Categories	Initial cost basis	Allocate percentage	Adjusted cost basis	Total Cost of Ownership	One time cost?
Initial Software cost:					
ROI4Sales:	\$83,000	100%	\$83,000	\$83,000	<input type="checkbox"/>
Joess ROI:	\$25,000	100%	\$25,000	\$75,000	<input type="checkbox"/>
ROI4Sales:	\$0	100%	\$0	\$0	<input type="checkbox"/>
Joess ROI:	\$36,000	100%	\$36,000	\$108,000	<input type="checkbox"/>
ROI4Sales:	\$45,000	20%	\$9,000	\$9,000	<input type="checkbox"/>
Joess ROI:	\$45,000	100%	\$45,000	\$45,000	<input type="checkbox"/>
ROI4Sales:	\$5,000	100%	\$5,000	\$5,000	<input checked="" type="checkbox"/>
Joess ROI:	\$25,000	100%	\$25,000	\$25,000	<input checked="" type="checkbox"/>
<b>ACQUISITION SUMMARY TOTALS</b>				ROI4Sales:	\$97,000
				Joess ROI:	\$253,000

  

**Value Estimation - Total Cost of Ownership**

Company: ABC Medical Associates Date: November 3, 2007

This Total Cost of Ownership model is designed to compare ROI4Sales, Value Estimation against one competitor. The cost categories are separated by Initial acquisition costs, (cost of acquire solution), Initial deployment costs, (Cost to execute implementation of value estimation solution, and on-going life cycle costs. (Cost to keep application running over the life of project). Summary total are displayed for each section and overall total cost of ownership.

	ROI4Sales	Joess ROI	Variance
<b>Acquisition Costs</b>			
Initial Software cost:	\$83,000	\$75,000	
Additional Operating System Licenses:	\$0	\$108,000	
Database costs:	\$9,000	\$45,000	
Hardware purchases required:	\$5,000	\$25,000	
<b>Acquisition cost summary:</b>	<b>\$97,000</b>	<b>\$253,000</b>	<b>38%</b>
<b>Deployment Costs</b>			
Initial Training: (One time cost)	\$5,000	\$3,500	
Initial Staging and Start up:	\$0	\$19,500	
Consulting Services:	\$0	\$15,000	
<b>Deployment cost summary:</b>	<b>\$5,000</b>	<b>\$38,000</b>	<b>13%</b>
<b>On-Going Life Cycle Costs</b>			
Annual Maintenance:	\$0	\$3,600	
Integration: (Include SFA, Sales process, Proposal, etc.)	\$135,000	\$135,000	
System Administration:	\$0	\$37,500	
<b>On-going life cycle cost summary:</b>	<b>\$135,000</b>	<b>\$172,500</b>	<b>78%</b>
<b>Total Cost of Ownership summary:</b>	<b>\$237,000</b>	<b>\$463,500</b>	<b>51%</b>

TCO is becoming the most important factor in the decision making process. When you lose to competition or to status quo, ROI Selling provides custom objective and credible tools to help you create a Total Cost of Ownership comparison for your prospects. To make informed decisions, it is necessary to see the whole picture, and the ROI Selling TCO program provides insight into the total cost of acquiring, deploying and utilizing your products or services.



**ROI4Sales**  
sales tools to drive value