



EAGLE STUDIES

Total Cost of Ownership (TCO)

Do You Need Help Understanding Total Cost Of Ownership (TCO)?

Which IT infrastructure really costs less: a distributed platform, or mainframes? The answer is neither simple, nor the same for all companies. It depends on factors that are unique to each enterprise, and it depends on the timeframe you are considering.

IBM Total Cost of Ownership Study

IBM offers, at **no charge**, a Total Cost of Ownership Study to help our customers examine the cost differences between alternative approaches they are considering, and to provide recommendations to assist them in making a decision on their strategic IT infrastructure.

The TCO Study considers key costs in operating and IT platform over a span of five years, because a one-year study is insufficient to show the benefit of strategic spending. The study is tailored to a particular enterprise because the results are different for every customer.

Scope of the TCO Study

The TCO Study examines a comprehensive set of key cost factors related to operating an IT infrastructure:

- hardware acquisition, maintenance, refresh
- network and communication costs
- software acquisition and maintenance, including middleware and system management software
- migration costs
- disaster recovery
- energy costs including cooling
- real estate costs
- operations labor costs

These costs are analyzed separately for the mainframe and distributed alternatives, and compared over five years.

How It Works

Request a TCO Study through your IBM Client Representative, or contact the IBM TCO group directly (Craig Bender, csbender@us.ibm.com).

Project preparation - The IBM TCO team works with the IBM account team to prepare for the on-site customer meeting, gathering information in advance to minimize the customer's time requirements.

On-site Customer Meeting (one day) for gathering *business information* (business goals, growth strategies, current costs and pricing information) and *technical information* (details and costs of current IT infrastructure, applications, workloads, utilization, quality of service requirements, and approaches under consideration for improving the IT infrastructure).

Report Preparation - The report is prepared offsite by IBM (approximately two weeks), during which time the customer is available for phone/email consultation and clarification.

Report Presentation – In a follow-up customer meeting, the IBM team will deliver the final report to include all inputs, assumptions and the financials, reflecting key operating costs for all alternatives discussed. The full analysis is made available to the customer.

At the end, the customer will understand the costs of operating their IT platforms for business applications over a period of five years, for each approach they are considering.

Who We Are

The IBM TCO Team is part of the IBM Competitive Project Office. We provide a unique approach to working with IBM customers for analyzing individual situations, with a focus on factors that are the most important to each customer. The team consists of senior IT analysts who have worked with worldwide customers of all sizes in all industries.

Contact Craig Bender, csbender@us.ibm.com, to learn more about the **no charge** IBM TCO Study.