



“Solutions that Empower your Workforce”

Organization: Enterprise IT – Public Sector
Project: Microsoft SharePoint
Technologies: SharePoint 2010 – 2013

With a Mentoring investment of \$100,000 the organization saved approximately \$1,434,464 by not outsourcing. Visit our blog: <http://thesagegrpmentoring.com/> to see ROI Data

Project Background

A large organization possessed an Intranet with limited capabilities that needed upgrades in order to meet expanding business needs. The Intranet had limited content management, forms, data, document storage, and roles capabilities. Out of the box features solved some business requirements; however, business units requested customized features tight business integration. SharePoint customization was required to meet these greater business demands.

Planning

IT management had to overcome the following challenges: roughly defined requirements, SharePoint installation/administration, business customization talent, and of course cost.

After deliberating IT management determined that the scope of the first enterprise version would be an enterprise portal to replace the existing Intranet along with sub-sites or team sites for the individual Business units. Development efforts would include: an enterprise-wide enterprise portal, customized and branded intranets and user interfaces, customized lists and document repositories, customized permissions, workflows, and forms.

Solution and Results

IT management considered the challenges, and applied a return on investment and cost savings analysis. Management decided to develop the SharePoint solution using in-house resources with enhanced learning provided by a Sage Group Mentoring program. This approach was the most efficient and cost-effective one especially considering the business process changes to the organization. Enhancing the SharePoint skills of in-house resources proved to be a very good investment for the organization. With a mentoring investment of approximately \$100,000, the organization saved approximately \$1,434,464 by not outsourcing. The money saved by

insourcing was allocated to other key organizational initiatives to purchase hardware, software, services and additional mentoring.

SharePoint

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Microsoft SharePoint Cost Savings and Return on Investment

Management entered the following data in the calculation.

		Insource	Outsource
1	Primary Resources	4	3
2	Project timeline (months)	18	18
3	Average Hours per Week	40	40
4	Resource Cost Rate	\$60	\$200
5	Mentoring Costs (insource)	\$100,000	\$0
6	Support Resource Costs	\$587,520	\$1,836,000
7	Labor Burden Costs (insource)	\$383,616	\$0
8	Maintenance/Assurance (first year)	\$0	*\$0
	Total Costs	\$1,762,336	\$3,196,800
	Cost Savings using insourced team	\$1,434,464	

*Software Maintenance/Assurance of up to 20% may be required in future years.