Effective Communication, Lower Ownership Costs:
Getting More Value from Email

Email Isn't Dead

While many people think email is antiquated, it is still the number one form of business communication happening in today's world. In fact, some studies indicate nearly 3 hours a business day are spent engaged in email activity of some sort.* Given the importance of this communication medium—you need an email platform that's both effective and cost-conscious. Email solutions should both deliver email and appointments/calendars, along with other features like instant messaging and mobile access at an affordable cost per user. **However, determining your total cost of ownership for any email solution can be difficult. How much is email really costing you?**

Knowing Your Email's True Cost

Without a doubt, there are many ways to figure your email solution's total cost of ownership (TCO). However, there are 7 critical factors you should always consider in any TCO evaluation. They are:

1. **Software/licensing costs are king.** The most obvious place to start is the cost of your actual software licenses per year. Depending on your licensing model, you may have perpetual licenses or annual "subscription" licenses. Perpetual licenses lower ownership costs after their initial purchase, so total cost of ownership (TCO) may be higher in the first year, but drops afterwards since new licenses do not need to be purchased. Annual licenses may offer lower TCO in year one and even into year two—but may actually raise your TCO in the long run..

2. **Maintenance/support costs are critical.** Most software companies

Minutes per day spent in business communication
Osterman Research 2016

179	54	49	33
Email	Telephone	Smartphone	IM
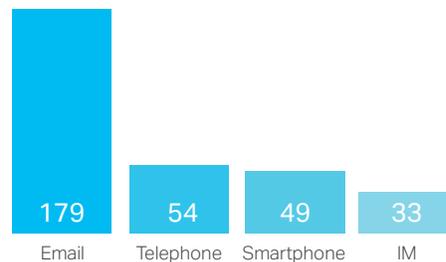
charge some sort of "maintenance" on email licenses which covers patches, upgrades, and access to support and support resources. Depending on the licensing model used, sometimes maintenance is "wrapped up" into the subscription cost. Knowing exactly what your maintenance on the software is can help you determine the true cost of ownership of your email system.

3. **Your server OS may be a hidden cost.** Some email systems run on Linux which may be free or may be included with your email license itself. If this is the case, then OS costs aren't applicable. However, running a "paid" OS to host your email servers means you need to include the licensing costs of the OS into your TCO evaluation.

4. **Hardware really may not impact your cost.** Surprisingly, hardware costs have relatively small impact on the TCO of your email system. Hardware costs can be spread out over many years of operation and many users.

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* Source: Osterman Research 2016

Questions to Ask About Your Email Solution

- *What is my true cost of ownership for email?*

- *How easily can end-users access email from desktop, mobile, or web?*

- *Does my email solution include additional features like secure chat or mobile access?*

- *Can end-users customize their email experience without IT help?*

Unless you need major system upgrades to run your email system, any hardware costs are fractional compared to license and/or maintenance costs. However, smaller companies needing major hardware upgrades or purchases should figure this into their TCO analysis.

5. **Administration may be costing you dearly.** The cost of maintaining and administering your email system should figure into your TCO analysis. This is particularly true in smaller organizations that do not have the large number of users. Since a common way to figure TCO is per user—administration and labor costs quickly impact smaller organizations who do not have a large group of users to distribute the administration costs against. Knowing how many users a single administrator can or does support is critical to any TCO analysis.

6. **The "soft cost" of downtime can hurt.** Knowing the amount of hours in a year you experience email system downtime is critical to your TCO evaluation, but is often overlooked. Many times, this is considered a "soft" cost—but lost user productivity and any increase in the amount of time your spend troubleshooting problems should impact your ownership costs. After all—if your email system isn't operational, it's costing you productivity and potentially business.

7. **Migration is more expensive than you think.** Chances are, you already have an email solution. If you're considering replacing whatever you have now for a new email solution—you need to be aware of your migration costs. Not only will all of the above costs still apply, but there are additional training costs, lost end user and administrator productivity, and oftentimes—professional services costs. All these should figure into your TCO analysis if you are considering migrating away from your current solution.

Getting A Bigger and Better TCO Picture

Osterman Research recently did a total cost of ownership analysis of several email platforms including Micro Focus® GroupWise®, Microsoft Exchange, and Office 365. Depending on your organization's size, GroupWise clearly has the lowest TCO in a three-year analysis when it comes to these popular email solutions. Would you like to know more? Look for the full report at: **www.novell.com/products/groupwise**

Micro Focus
UK Headquarters
United Kingdom
+44 (0) 1635 565200

U.S. Headquarters
Rockville, Maryland
301 838 5000
877 772 4450

Additional contact information and office locations:
www.microfocus.com

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