

ROI Projection for Elearning Corporation

ROI Analysis

Rev4.0-08/21/01
mjb

1 Date: 06/08/01

2 Project Name: PROJX

3 Brief Description (2 lines or less):

Server Implementation

2 units this order

4 Related Website:

Revised Date:

(ALL DOLLAR VALUES SHOULD BE IN THE THOUSANDS)

			2002	2003	2004	2005		
			Year 0	Year1	Year2	Year3	Totals	
5	Revenue		1,311	1,639	2,048	2,561		7,559
	Growth			25.00%	25.00%	25.00%		
6	Headcount							0
6a		Personnel						0
6a1		OS	0.675	2	3	3	3	3
6a2		Java	0.2	1	1	1	1	1
6a3		Web App	0.05	0	0	0	0	0
6a4		Third Party	0.025	0	0	0	0	0
6a5		Server App	0.05	0	0	0	0	0
6b		Facility						0
6c		Facilitator (if applicable)						0
6d		Coordinator/Admin cost						0
6e		Ops Personnel						0
6f		Other (explain)						0
		Total Headcount		3	4	4	4	4
		Total Cost						0
	utilization	0.55	1	4	4	4.4	4.84	
	Expenses(\$K)				0.1	0.1	0.1	
	no. of facilities			1	1	1	1	
7	Compensations/Bonuses			409	473	520	572	1973
	Comp adj				0.05	0.05	0.05	
8	Maintenance							0
8a		Back up						0
8b		Ongoing Audit						0
8c		Contracts						
9	Marketing/Communication/Sales		236	295	369	461		1,361
10	Services							0
10a		Consulting						0
10b		Contractor/Temp						0
11	Travel Cost		30	40	40	40		150
12	Software Cost (under \$3K)							0
12a		License cost						0
12b		Upgrade Cost						0
12c		Maintenance						0
12d		Other (explain)						0
13	Miscellaneous Cost							0
13a		Parts & Supplies		3	4	4	4	15
13b		Off-site Meetings		6	8	8	8	30
13c		Freight						0
13d		Testing						0
13e		Occupancy		55	60	66	73	253
13f		Training Cost						0
13g		Fees						0
13h		Facilities		0	0	0	0	0
	growth	0.1						

Subtotal Operating Costs		743	885	1,012	1,163	3,782
Capital (over \$3K)						0
14 Equipment						0
14a	Servers	1,150	50	50	50	1,300
14b	Desktops	0	0	0	0	0
14c	Software	0	0	0	0	0
14d	Other (explain)	0	0	0	0	0
Sub-total		1,150	50	50	50	1,300
Subtotal capital Costs-Depr		383	400	417	50	1,300
Internal offset-expense		-935	-375	-375	-375	-2,060
Total Cost		192	910	1,054	838	5,082
Revenue/Cost Savings						0
15	Reduced Headcount					0
16	Maintenance Savings					0
17	Other (explain)					0
Total Revenue		1,311	1,639	2,048	2,561	7,559
CCM		1119	729	995	1722	
GM		85.39%	44.49%	48.56%	67.26%	
Intangible Benefits		103.39%	62.49%	66.56%	85.26%	
(see Help menu for more details)						
18	More control of RC operations					
19	Increase in customer satisfaction					
20	Improved trend analysis					
21	Better metrics & statistics leading to improved efficiency					
22						

	2002	2003	2004	2005	
	Init.	Invest.	Year1	Year2	Year3
					Totals
26 Operating Cash Flows	1,119.40	729.1	994.8	1,722.30	4,565.60
27 Depreciation	383.3	400	416.7	50	1,250.00
28 Taxable Amount	1,502.70	1,129.10	1,411.40	1,772.30	5,815.60
29 Tax Rate used =	38% (from the tax dept.)	571	429.1	536.3	673.5
					2,209.90
30 Net after Tax Cash Flow	931.7	700.1	875.1	1,098.80	3,605.70
31 Net Present Value Pre Tax	1,306.70	2,160.50	3,088.50	4,101.90	5,057.10
32 Net Present Value After Tax	810.2	1,339.50	1,914.90	2,543.20	4,335.80
33 EXPLANATIONS:					
positive npv					
34 Discount Factor used = 15% (WACC)	15% (WACC)				

