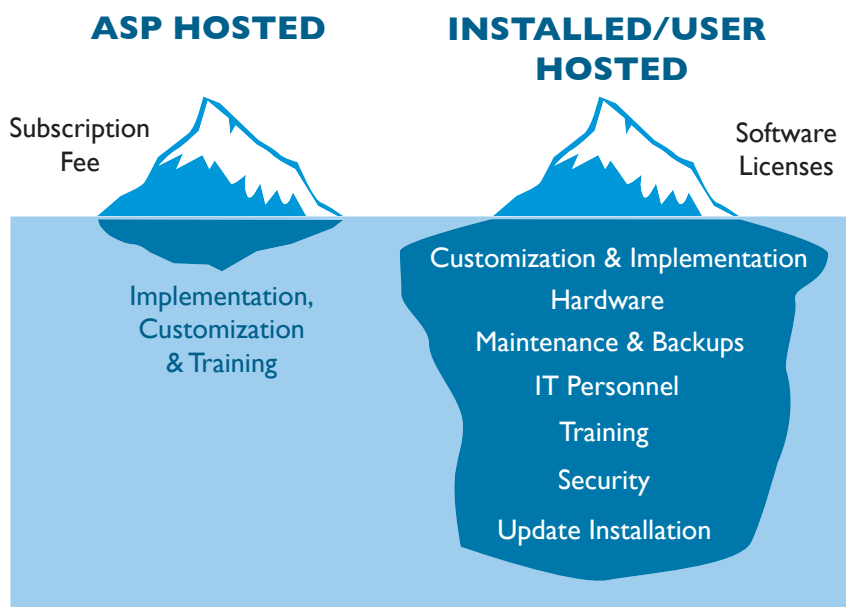


ASP Hosted Software Subscriptions vs. Installed Software: Calculating the Real Cost

One of the biggest differences between a browser-based fundraising solution offered by an Application Service Provider (ASP) versus an installed solution accessed through thin client software (such as Terminal Services, Citrix, etc.) is total cost.

Tip of the Iceberg

Many nonprofits evaluate cost based on the total cost at the time of purchase. However, the hidden costs in additional people and technology can quickly add up over time.



Total Cost of Ownership Example

An analysis of the average costs between the two solutions, using five (5) users as an example, shows a savings of up to 90% for ASPs over traditional remotely accessed installed solutions.

	ASP Hosted (e.g. DonorPerfect Online)	Installed/User Hosted (e.g. Major Vendor)
Initial Costs		
Application License	\$0	\$17,000
Implementation & Customization	\$295	\$2,500
Training Costs (Admin & End Users)	\$540	\$3,500
Total Initial Costs	\$835	\$23,000
Yearly Costs		
Application Subscription	\$2,940	\$0
Phone Support Costs	\$1,068	\$3,000
IT Infrastructure/Hosting Costs	\$0	\$8,000
IT Personnel Support	\$0	\$12,000
Total Yearly Costs	\$4,008	\$23,000
First Year Total Costs	\$4,843	\$46,000
Third Year Total Costs	\$12,859	\$92,000
Total Cost in Five Years	\$20,875	\$138,000

Note: This cost example is based on 5 users.

A major reason an ASP can be much less expensive is simply economies of scale –all of the software, hardware and personal costs are shared among all of the ASP’s customers. With a thin client solution, each nonprofit organization must bare all of these costs alone – every year. In addition, since ASPs concentrate all their resources into one area of expertise, subscribers benefit from the ASP’s investments in the latest technologies and more efficient processes. For example, ASPs continually:

- Purchase new hardware to provide faster and more powerful solutions.
- Upgrade their systems to utilize the best solutions for Web security.
- Obtain the fastest, most reliable remote access to data.
- Take advantage of the Web’s informational power with integrated hyperlinks.
- And much more...

Improved Return on Investment

Since ASPs eliminate the large up-front capital investment, as well as the long-term cost mentioned previously, nonprofits will enjoy a much larger return on their investment. In addition, the ability to get up and running in hours instead of days, weeks or months, means the organization will be seeing this return in a much quicker time frame.

Total Cost Comparison (Installed vs. ASP Solution)

