

**SAVE \$400K+ NEXT YEAR WITH A  
MANAGED CLOUD SOLUTION FOR  
ENTERPRISE ANALYTICS**

Analysis prepared exclusively for Your Company.

**MicroStrategy**<sup>®</sup>

Intelligence Everywhere

# TABLE OF CONTENTS

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<b>Table of Contents</b>	<b>2</b>
<b>Financial Benefits of a Cloud Solution For Analytics</b>	<b>3</b>
Five-Year Financial Outlook	3
Initial Investment	4
Return on Investment	5
Analysis Details	6
<b>Benefits of Adopting the Managed Services Model</b>	<b>7</b>
Enterprise Analytics with the MicroStrategy Cloud Service	7

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## CONTACTS

Please reach out to the following MicroStrategy team members if you have any questions about this analysis. We look forward to speaking with you soon.

## FINANCIAL BENEFITS OF A CLOUD SOLUTION FOR ANALYTICS

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Delivering critical capabilities like enterprise analytics in the cloud offers organizations agility and high performance while reducing cost.

On behalf of Your Company, MicroStrategy prepared the following financial analysis to demonstrate the cost savings of implementing the recommended managed cloud solution for its enterprise analytics. These preliminary projections may be further qualified in collaboration with Your Company's business intelligence (BI) team.

### Five-Year Financial Outlook

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Our analysis indicates that Your Company will save \$2,188,833 over the next 5 years by adopting the MicroStrategy Cloud Service to deliver its enterprise analytics capabilities.

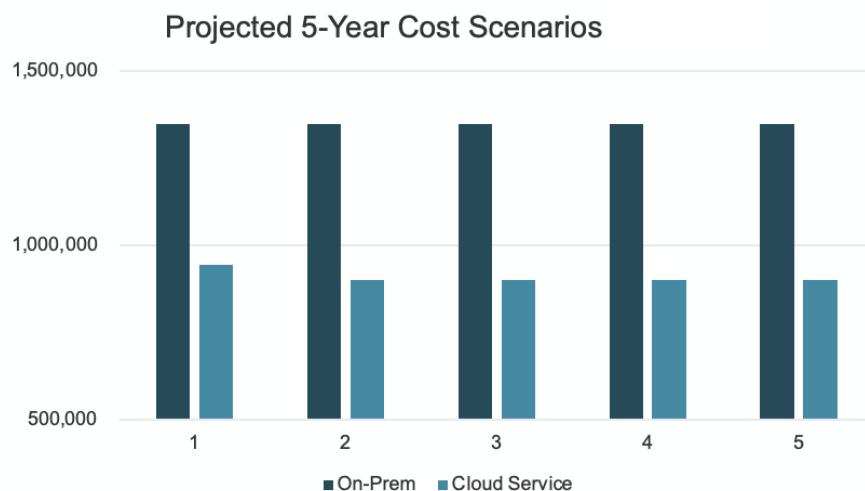
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*Your Company is projected to save \$2.18M+ or 32% of current costs over the next 5 years with a managed cloud solution for analytics.*

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Your Company will spend \$6,737,500 to maintain and operate its existing on-premises BI deployment over the next 5 years. This projection does not include any additional investments in the hardware or infrastructure on which the environment operates, which may be required.

The projected cost to migrate its current deployment to the MicroStrategy Cloud Service this year, and operate it for the next 5 years, totals \$4.55 million. This represents an average savings of 32% of its total current state costs over the next 5 years.



## Initial Investment

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This year, Your Company will need to invest \$43,667 toward a 1-month cutover period in order to migrate its current on-premises deployment to the MicroStrategy Cloud Service. This investment will enable Your Company to achieve projected savings of \$2.18 million over the next 5 years.

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*Your Company is projected to save 30% of its planned cost this year by migrating to the managed cloud service for enterprise analytics.*

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Your Company's one-time, non-recurring investment of approximately \$44K will be added to its projected recurring spend of \$901K annually to convert its current deployment to the managed cloud service.

Your Company's first year spend will total \$944,667 with a total of \$402,833 in savings this year. By comparison, this represents a 30% decrease in Your Company's projected year 1 spend of \$1.35M to retain its current deployment.

In years 2-5, Your Company's annual savings will exceed \$440K each year. Over the next 5 years, Your Company would achieve an average savings of 32% when compared to the cost to maintain its current state deployment.

Annual Cost Analysis	Cost Type	Year 1 Cost	% of Current
<b>Current: Retain As-Is Deployment</b>	Recurring	1,347,500	100%
<b>Recommended: Adopt Cloud Service</b>	Recurring	901,000	70%
	Non-Recurring	43,667	
<b>Projected Savings</b>		<b>402,833</b>	<b>30%</b>

## Return on Investment

The projected payback period required for Your Company to offset the initial investment required to migrate its current deployment to a managed cloud service for enterprise analytics is 19 months.

*Your Company is projected to payback its cloud investment in 19 months and achieve a 5-year ROI exceeding 323%.*

After the initial non-recurring investment by Your Company to execute its migration to the managed cloud service, its return on investment (ROI) will further increase in years 2-5. Your Company is projected to realize a total ROI of 323% after 5 years.

Five-Year Financial Outlook for Your Company							
Annual Cost	Cost Type	Year 1	Year 2	Year 3	Year 4	Year 5	Total
<b>Current: Retain As-Is Deployment</b>	Recurring	1,347,500	1,347,500	1,347,500	1,347,500	1,347,500	<b>6,737,500</b>
<b>Recommended: Adopt Cloud Service</b>	Recurring	901,000	901,000	901,000	901,000	901,000	<b>4,548,667</b>
	Non-Recurring	43,667	-	-	-	-	
<b>Projected Savings</b>		221,833	341,500	341,500	341,500	341,500	<b>2,188,833</b>
<b>Return on Investment (ROI)</b>		<b>63%</b>	<b>130%</b>	<b>196%</b>	<b>260%</b>	<b>323%</b>	<b>--</b>
<b>Payback Period (Months)</b>							<b>19</b>

## Analysis Details

As detailed below, Your Company will realize the strongest financial value by adopting the MicroStrategy Cloud Service to deliver enterprise analytics.

Our assessment compares its current state financial outlook with two options for migrating to a cloud-based infrastructure: moving to a bespoke public cloud solution in which Your Company would custom-build its current architecture and adopting the MicroStrategy Cloud Service in which the hosted environment is optimized for its needs.

While the financial outlook may be further refined upon validation of requirements in collaboration with the BI team, we believe that adoption of the MicroStrategy Cloud Service will remain the best value cloud solution for Your Company.

<b>Projected Costs</b>	<b>Scenario 1</b>	<b>Scenario 2</b>	<b>Scenario 3</b>	
Cost Comparison to Maintain Current On-Premises Deployment As-Is, Migrate Existing Environments to a Public Cloud, or Migrate Existing Environments to the MicroStrategy Cloud Service	<b>Current State: No Change</b>	<b>Future State: Public Cloud</b>	<b>Future State: MicroStrategy Cloud Service</b>	
	<b>Total Cost</b>	<b>Total Cost</b>	<b>Non-Recurring Cost</b>	<b>Recurring Cost</b>
<b>Software &amp; Support</b>				
MicroStrategy				
Perpetual license	-	N/A	-	N/A
Term licenses	-	-	-	786,000
Maintenance	524,000	524,000	43,667	Included
Premium Maintenance	-	-	-	Included
Third-Party Software	66,000	60,000	-	Included
<b>Hardware</b>				
Fixed Costs				
Initial Investment	-	N/A	-	N/A
Depreciation	220,000	N/A	-	N/A
Variable Costs				
Cloud Infrastructure	-	200,000	N/A	115,000
<b>Services</b>				
Consulting	-	-	-	N/A
Education	53,000	53,000	-	Included
<b>Labor</b>				
Migration	N/A	142,500	-	Included
Upgrade	142,500	142,500	-	Included
3rd Party Certifications	114,000	114,000	-	Included
System Administrator	114,000	114,000	-	Included
Platform Administrator	114,000	114,000	-	Included
<b>Total Costs</b>	<b>1,347,500</b>	<b>1,464,000</b>	<b>43,667</b>	<b>901,000</b>
<b>Benefits</b>				
Licenses	N/A	N/A	N/A	180,000
Application Benefits				
Speed of deployment	N/A	TBD	N/A	TBD
Modern Software	N/A	TBD	N/A	TBD
Risk Mitigation				
Security	N/A	TBD	N/A	TBD
System Availability	N/A	TBD	N/A	TBD
<b>Total Benefits</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>180,000</b>

## BENEFITS OF ADOPTING THE MANAGED SERVICES MODEL

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Managed services adoption has increased across industries as vendor investments in optimizing their software solutions for the cloud have grown.

Managed services solutions optimize specific applications to run on the cloud while also centralizing elements of software operations to offer significant efficiencies in comparison to on-premises deployments.

Additionally, managed services offer further efficiencies than bespoke deployments since a lift-and-shift approach requires significant additional investment to establish the ideal architecture and strict security required to effectively operate and govern as-is systems on a public cloud.

Managed cloud solutions have reached a tipping point in which they consistently deliver high performance and better value than both on-premises and public cloud deployments—meaning the best time for you to move to the cloud is now.

### Enterprise Analytics with the MicroStrategy Cloud Service

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MicroStrategy customers are uniquely positioned to realize significant 5-year savings when adopting the MicroStrategy Cloud Service. Most customers realize a positive ROI within an 18-month period with a further decrease in operational costs over time.

Our platform-as-a-service (PaaS) hosted solution offers industry-leading capabilities for enterprise analytics with an optimized cloud architecture, a fully managed infrastructure, and a best-in-class security posture. Collectively, this solution is designed to drive scalability, flexibility, efficiency, and performance.

Regular software updates are regularly applied on each customer's behalf as part of our managed cloud service. Additionally, customers who adopt our fully managed cloud solution may be eligible to receive additional discounts on licensed software and expert services as part of their implementation.

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*MicroStrategy customers worldwide spend less and do more with the managed cloud service. Request your production-ready environment today to experience the difference for yourself.*

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## Assumptions

This financial analysis conducted on behalf of Your Company incorporates the actual annual cost for operating its current MicroStrategy deployment as-is. Actual costs include software licenses, maintenance, support, and any professional services Your Company is currently leveraging.

Additionally, this analysis includes projected costs estimated in good faith for Your Company to adopt a managed cloud solution for enterprise analytics. The cost estimates for both fixed and variable costs included in this analysis utilize industry-standard assumptions as outlined below.

- Third-party software cost for the current state deployment is estimated at 30% of hardware costs based on our understanding of your current system architecture and the relative costs of similar on-premises customer deployments.
- Fixed costs for hardware depreciation are calculated at 25% of current cost estimates in accordance with generally accepted industry standards for technology asset depreciation.
- Fixed costs for hardware with the current deployment do not reflect any infrastructure components that may be nearing end-of-life. Additional investment may be required in order to maintain and operate current state enterprise analytics systems. Therefore, for customers facing end-of-life infrastructure considerations, adopting the managed cloud solution would likely achieve greater savings value than that reflected in this preliminary assessment.
- Projected on-recurring costs associated with adopting the cloud service this year include an estimated 1-month transition period in which a proportionate amount of the current annual maintenance cost would be paid.
- For the purposes of calculating ROI in comparison to your as-is deployment, current estimates do not include new development and optimization work for planned enterprise analytics initiatives. This analysis does include the projected cost estimates required to administer, operate, and maintain the current environment.
- Labor projections associated with security and compliance consider the processes and procedures leveraged by technical resources outside the purview of the BI team perform vulnerability and incident management, conduct related work required to remediate any issues, and undergo third-party audits to ensure system security performs against industry-accepted baselines. Cost projections leverage hours and labor rates for the resources who perform these activities, which we estimate according to our understanding of your as-is implementation and the relative costs required to administer, operate, and maintain on-premises deployments for similar customers.
- Labor projections associated with platform and system administration activities leverage hours and labor rates estimated according to our understanding of your as-is implementation and the relative costs required to administer, operate, and maintain on-premises deployments for similar customers. These costs typically decrease significantly with the adoption of our managed cloud service as many of activities are centrally delivered on the customer's behalf, allowing these resources to spend more time developing and enhancing BI solutions for the user base.

