



Assessing the TCO of a Technology Infrastructure Monitoring System

The advent of newer technologies deployed in a hosted, software-as-a-service (SaaS) deployment model raises a question for IT Operations teams regarding how to compare the Total Cost of Ownership of premise-based technology infrastructure monitoring solutions against SaaS-based solutions. This paper presents an approach to evaluating the TCO for both premise-based and [SaaS-based monitoring solutions](#).

Total Cost of Ownership

The traditional time period to assess the total cost of ownership (TCO) of a monitoring system is four to five years of the total costs incurred over that period. The advent of newer technologies deployed in a remotely hosted, software-as-a-service (SaaS) deployment model raises a question for IT Operations teams regarding how to compare the TCO of premise-based solutions against SaaS solutions. Regardless of the deployment model, the TCO components to compare include the initial purchase, deployment costs, operational costs and maintenance/support costs. A TCO analysis for a premise-based solution typically considers the initial purchase cost of hardware and software, deployment and professional services costs, along with the ongoing equipment and software maintenance for the premise-based system. In contrast, the TCO for a hosted monitoring solution reflects the respective subscription cost over the same period in addition to any initial deployment costs, if applicable.

Assessing the TCO of a Technology Infrastructure Monitoring System

This free whitepaper was created for you by our team of IT experts at LogicMonitor. Get more at logicmonitor.com/resources.

On-Premise-Based TCO

When reviewing premise-based monitoring solutions, consider the following factors:

- Initial cost of the software
- Initial cost of the hardware
- Deployment costs
- Ongoing annual operating expenses:
 - Software
 - Hardware
 - Server and Storage

Initial Software Costs

You need to include the initial cost of your software purchase in your TCO. When calculating the initial software cost, include within that calculation any consulting, integration, and training fees. Beyond the initial outlay for the software, teaching your staff how to make the most of the software and integrating the new monitoring software with your other systems are key factors in software cost. Your time and your staff's time away from their production environment must be minimized to keep the hidden costs low. Yet, integrating with your other systems will also be key to keeping costs low over time.

Consulting fees and rollout fees also play into the initial software cost.

“Beyond the initial outlay for the software, teaching your staff how to make the most of the software and integrating the new monitoring software with your other systems are key factors in software cost. Your time and your staff’s time away from their production environment must be minimized to keep the hidden costs low.”

Assessing the TCO of a Technology Infrastructure Monitoring System

This free whitepaper was created for you by our team of IT experts at LogicMonitor. Get more at logicmonitor.com/resources.

Depending on the complexity of your solution and the ease with which it fits into your current environment, consider whether your rollout requires professional services or implementation services.

Initial Hardware Cost

When you review your initial hardware costs, include initial server acquisition, the cost of storage and backup hardware, high availability, redundancy, and failover considerations. Server class hardware has mimicked some of the falloff seen in the current market, but best of class disk speed ratings and controllers remain high cost items. Include within your hardware cost the need for redundant servers and whether you'll need hardware-based high availability.

Failover for your solution is key. You do not want an alert to be missed because your monitoring hardware failed and a failover methodology was not implemented. Whether you need to create redundant storage servers, multiple database clusters with log shipping, or both of these solutions, failover must be part of the plan.

If you need to monitor multiple geographically diverse locations, consider the hardware requirements involved. VPN connections between remotely deployed servers are a one-time cost repeated for each remote deployment.

Ongoing Annual Operating Expenses (OPEX)

Gartner reports that 80% of total IT cost actually occurs after initial purchase, recognizing this part of the cost of ownership often slips through the cracks during initial cost analysis. Your software cannot be ignored, there will be licensing fees and yearly support contracts to ensure you can upgrade. While you recognize training costs in the initial cost of acquisition, you must also factor in growth and the training of new staff in the use of the solution. Your datacenter and network fabric, whether it stays physical, becomes virtualized, or you implement a hybrid solution, will not stop growing and changing.

Assessing the TCO of a Technology Infrastructure Monitoring System

This free whitepaper was created for you by our team of IT experts at LogicMonitor. Get more at logicmonitor.com/resources.

Hardware installations result in variable costs that include server power consumption, storage power consumption, cooling of the server room and build out as your needs grow. As power costs fluctuate, your cost of ownership also fluctuates, most often rising.

Warranty coverage and obsolescence is also a concern for your hardware over the lifespan of your monitoring solution. Factor in the cost of replacement and warranty coverage into your on-premise costs.

Beside the ability to upgrade, you need to take into account the impact of actually upgrading. Time loss and the possible need to contract implementation help should be considered. Upgrades are not without their issues. While you know you have to stay compliant and need to make sure you have the most up to date security and performance enhancements, upgrades take time and may require hardware updates besides the loss of monitoring data and time and the loss of staff time used to upgrade.

Software-as-a-Service TCO

As you explore your options within the software-as-a-service (SaaS) space, you have equally important initial and long-term costs to consider.

Initial Cost to Implement

SaaS avoids the hardware and software impact on your environment, but you must take into account initial consulting and integration costs. Your cost in consulting should offset or be less than your loss in team time, should the team be tasked with doing the research themselves. Depending on their time and knowledge, your team may not have the exposure to the current monitoring solutions available to complete an analysis for you. A good solution will also help you get back time you currently do not have.

Assessing the TCO of a Technology Infrastructure Monitoring System

This free whitepaper was created for you by our team of IT experts at LogicMonitor. Get more at logicmonitor.com/resources.

As with on-premise solutions, you will need your monitoring to integrate with current authentication and reporting systems. Make sure that the solution you select provides the following:

- A professional services offering
- The ability to communicate with an active and responsive support team
- Escalation to development

If you need something monitored that is not covered by the system immediately and automatically, confirm that the solution is flexible enough to incorporate your needs or the provider is willing to expand the solution to accommodate you. Costs associated with this service need to be included in your initial implementation expenditure.

Ongoing Annual Operating Expenses

To determine the ongoing OpEx for a SaaS solution, the initial calculation is rather easy. Take the cost per host and multiply that cost by the number of hosts in your organization. Factor in a rate of growth and project that rate over the time you need to consider. If your provider adds charges based on the amount of data storage you consume, add these charges to the calculation. Any extraneous fees outside the base cost for a host should be computed into the longer term.

Management of the solution is still a consideration. While you are not managing the upgrade process and you are not reliant on server upkeep, you need to count employee time, as you would with any monitoring solution. When selecting a solution, keep this need top-of-mind. Select a solution with flexible escalation and alert capabilities. You do not want to have to constantly monitor your monitoring solution.

Remember the Goal

Monitoring should alert you before issues occur, allowing you to avoid costly failures and help you prepare and plan for future needs.

Assessing the TCO of a Technology Infrastructure Monitoring System

This free whitepaper was created for you by our team of IT experts at LogicMonitor. Get more at logicmonitor.com/resources.

Whatever solution you choose for your monitoring needs, it should be accessible at all times to those individuals who need it. When an alert comes in, whoever needs to answer that alert or review the information cannot be delayed by the availability of the solution. A web console that can be shared by your staff is key, allowing you to put the right eyes on the situation as soon as possible.

To truly limit operating expenses over time and avoid the pitfall of unmonitored devices, ensure your monitoring choice provides simple addition and removal of new or retired devices within your fabric and applications in your technology stack. Automation of these tasks would be ideal. Your hands will be full implementing the inevitable changes to your deployment.

Your monitoring tool should not add to the burden of datacenter updates, equipment changes and renewal. You need to scale and your solution needs to scale with you.

Thinking through the previous mentioned aspects in advance helps ensure you select a monitoring solution that suits your immediate needs as well as a solution that grows with you as you progress down the road to success. Contact LogicMonitor for a no-hassle trial and see how SaaS-based monitoring cuts deployment and management costs, giving you and your staff back precious time.

“Your monitoring tool should not add to the burden of datacenter updates, equipment changes and renewal. You need to scale and your solution needs to scale with you.”

Deliver optimal performance to the people you serve.

LogicMonitor is a SaaS-based performance monitoring platform that helps top IT teams deliver optimal performance to the people they serve. Learn more at logicmonitor.com