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university

“Running” vs. “Hosting” a Website A Breakdown of the Real Costs

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BEFORE WE GET STARTED

- ✘ Getting “apples-to-apples” is almost impossible
- ✘ Goal is to get educated / total clarity
 - ✘ Verify business objectives are being met
 - ✘ Minimize surprises (hidden costs, scope gaps, etc)
- ✘ Purpose is to discuss ongoing costs after the setup
- ✘ Sanity check on the vendor & setup price / scope
 - ✘ Direct experience
 - ✘ Very clearly defined scope / price
 - ✘ Get a live demo of exactly what you are getting
 - ✘ No screen shots, static images, descriptions
 - ✘ Front end website (product catalog, cart, tracking, etc)
 - ✘ CMS
 - ✘ ERP integration (product edits, orders in, orders / invoices out)
 - ✘ Check references

AGENDA

- ✘ Breakdown of the WSP Monthly Fee
- ✘ What You'll Learn
 - + Hosting
 - + Access to New Software Versions
 - + Website Software Maintenance / Support
 - + ERP Integration Maintenance / Support
 - + Content-Data Support
- ✘ Detailed Explanation of Each Area
 - ✘ (provided in separate videos)

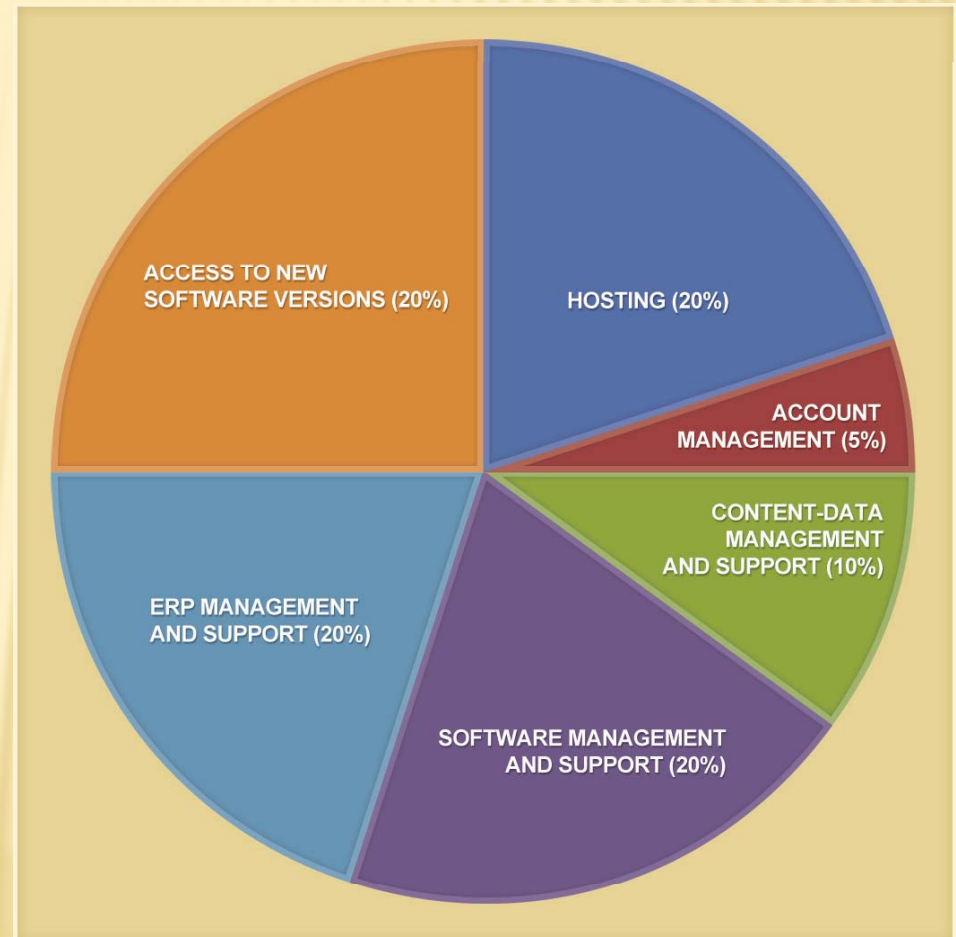
BREAKDOWN OF THE WSP MONTHLY FEE

✘ Assumption

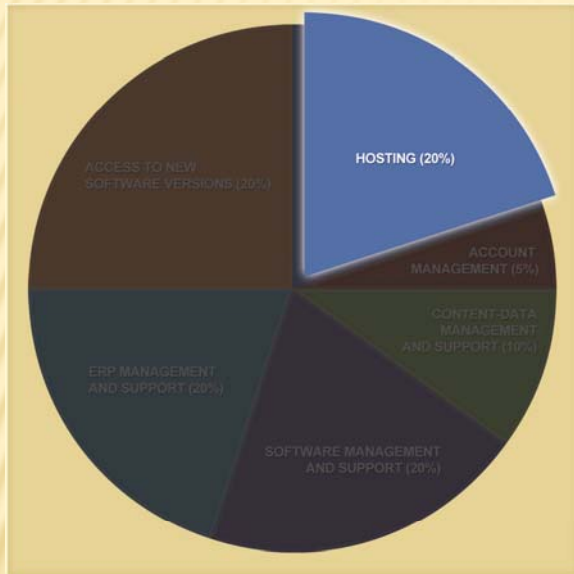
- + Clients want a mission-critical ecommerce site with real-time ERP integration

✘ Offering Objectives

- + Complete solution to “run” the website
- + Enterprise-level hosting

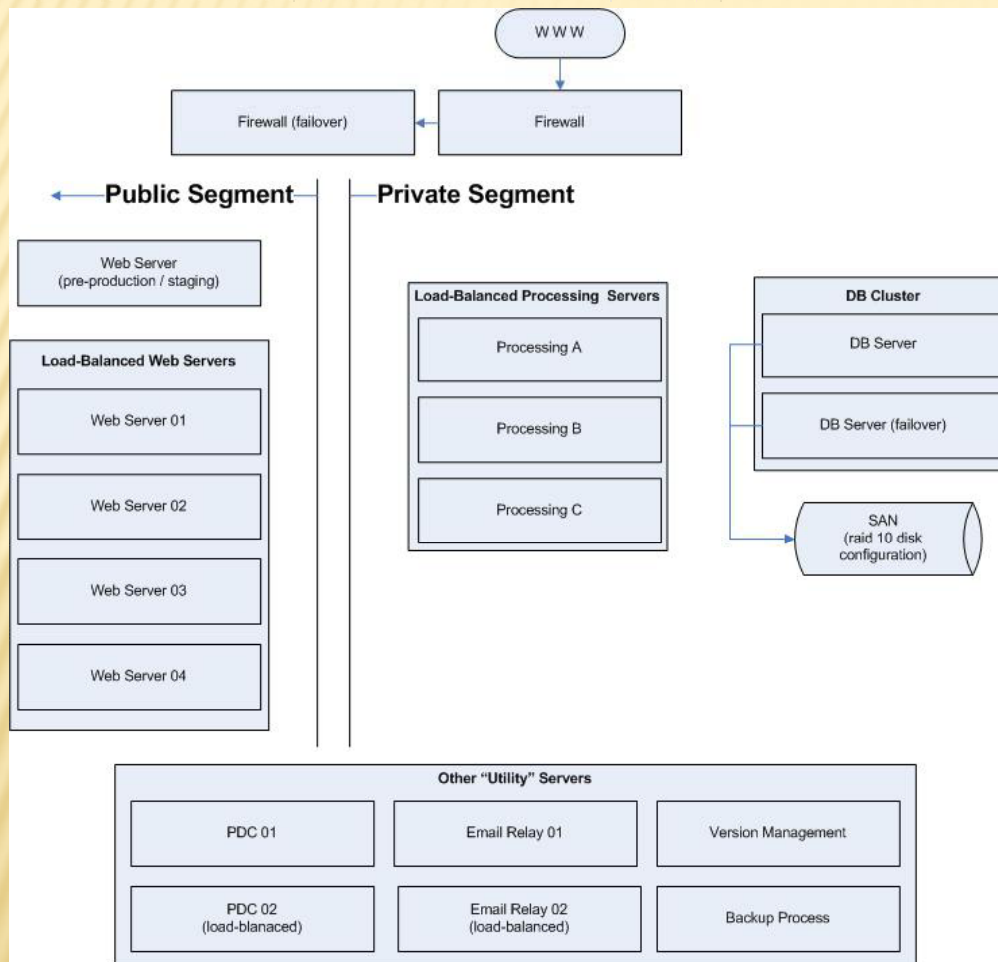


HOSTING



- ✘ WSP's monthly fee is to "Run" the website and ERP integration
- ✘ "Hosting" a website <> "Running" a website
- ✘ Approx 20% of WSP's monthly fee is for hosting
- + If you just got "apples-to-apples" competitive pricing on hosting, the price would be several times higher than WSP ENTIRE monthly fee.

NETWORK DESIGN – WSP (SL1)

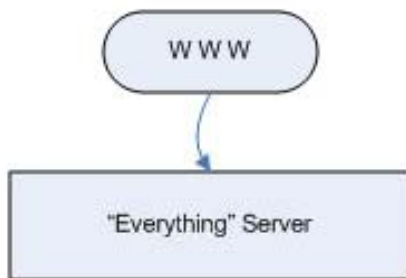


- ✘ All critical web and processing servers are load-balanced
- ✘ DB servers are redundant
- ✘ DB runs world-class setup (SAN, fiber)
- ✘ Network is segmented (so data is not on public facing IP address)
- ✘ Servers are single (improves performance and stability)

NETWORK DESIGN – OTHER OPTIONS

Commodity Hosting

Hosting.com, Go Daddy, Blue Host, etc



Key Talking Points

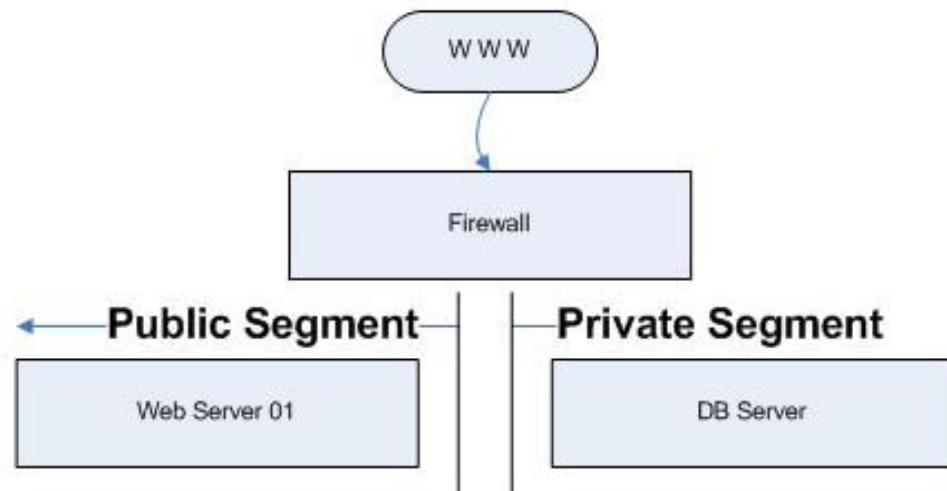
- 1) Cheap
- 2) Storage Space
- 3) Bandwidth

Don't Talk About

- 1) No Redundancy
- 2) No Load-Balancing
- 3) No Server "Duty" Assignments
- 4) No Network Segmentation
- 5) Slow DB Performance

Minimum Needed

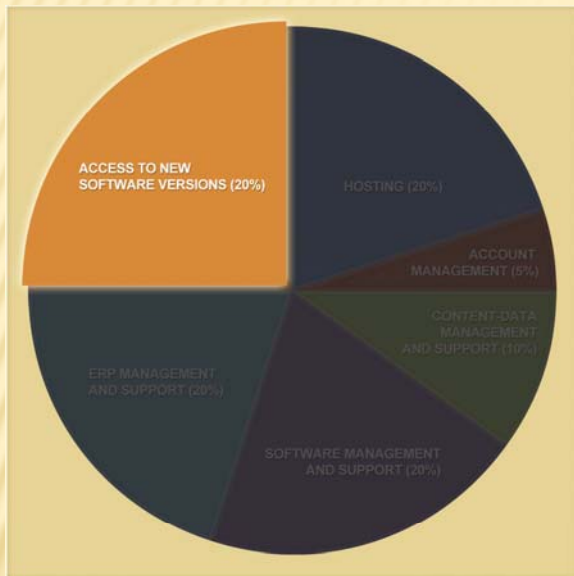
Rackspace, Dellhost



Remaining Issues

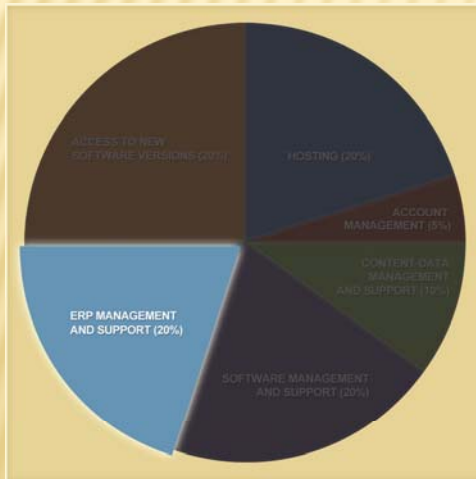
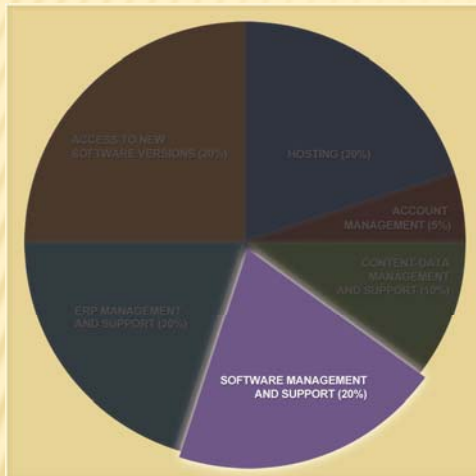
- 1) No Redundancy
- 2) No Load-Balancing
- 3) Some Shared "Duties"
- 4) Slow DB Performance

ACCESS TO NEW SOFTWARE VERSIONS



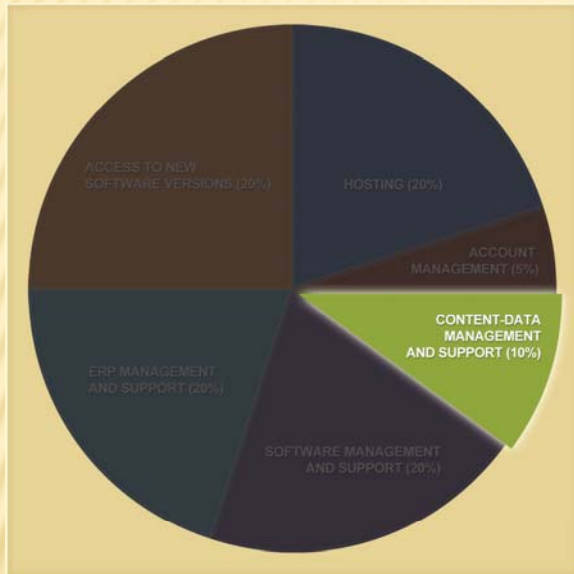
- ✘ Approx 25% of WSP's monthly fee is for what the traditional (ERP) software industry calls "maintenance" (we call it "access to new software versions")
- + If you used the same % traditional software companies use (18-20% per year), it is comparable to our ENTIRE monthly fee to "run" the website.
- + If you are not "subscribing" to a company that is actively investing in your software, you will pay for a complete tear-down / rebuild of your website every 2-5 years (the true cost for this is 2-3 x the acquisition cost).

SOFTWARE/ERP INT. MAINTENANCE / SUPPORT



- ✘ Approx 40% of WSP's monthly fee is for Website Software and ERP Integration maintenance, monitoring, and support / issue resolution.
- + This is NOT included in ANY hosting fee.
- + Only a small portion of this is included in a traditional software company's maintenance fee
- + This will either be
 - ✘ NOT DONE = down time, performance issues, lost credibility / sales you aren't even aware of
 - ✘ PARTIALLY DONE = will pay an employee (opportunity cost), or a contractor (hourly)
 - ✘ DONE COMPLETELY = people have correct training, have a deliberate plan to accomplish, have a process to mature
- + If you have the talent on staff... "Just because you CAN, doesn't mean you SHOULD".
- + If done even PARTIALLY, it will cost you 50% to 500%+ of WSP's entire monthly fee.

CONTENT-DATA SUPPORT



- ✘ Approx 10% of WSP's monthly fee is to support your employees in using the CMS (Web Driver)
- + This includes an ongoing investment in training tools / video tutorials
- + This includes live people answering phone calls and emails

CONCLUSIONS

- ✘ You are “hiring” WSP to “run” your website & ERP integration for < 20% (probably < 10%) of the price of ONE IT employee.
 - + We come with servers, software licensing, direct expertise your website and ERP integration software, a passion for the business, and a \$1M+ / year investment in the core software and ERP integration technology that we’re making available to you.
- ✘ Conclusion:
 - + WSP’s monthly fee is may be more expensive than you thought, but it is justified and completely worth it.