

WHAT DOES A TYPICAL SHOP SPEND ON INFORMATION TECHNOLOGY (IT)?



Have you ever sat down and calculated your Information Technology (IT) expenses each year? If you answered NO, then you aren't alone. Most shop owners have no idea how much they spend on Servers, PC's, Software licenses, Firewall Software, Internet Service, Disaster Recovery Software, and of course, the largest cost: the IT labor to keep everything running smoothly.

We surveyed hundreds of shop owners across North America to come up with the average, overall IT cost for a typical shop. The results will surprise you!

		Annual Costs
Server	Other than the software purchase, your next biggest expense will most likely be your server. The recommended server for a midsize shop will range in costs of \$7,000 - \$9,000. Running a server 24/7 for 365 days a year does take its toll. Servers have an average lifespan of 5 years which is something to consider now rather than later.	\$1,500
Microsoft SQL Licenses	Once you purchase your server, you will then need to buy SQL server licenses. These start at \$800 with an additional \$200 per CAL and a minimum of five. Depending on the size of your shop and your needs, the total cost of licenses will vary.	\$1,500
Security and Virus Protection	You can never be too safe when it comes to the security of your shop's data. Virus protection is equally as important to avoid getting your data encrypted or lost to individuals outside your shop. A good firewall protection software is vital to keeping your shop's most valuable information secure.	\$1,000
IT Labor Costs	IT expenses can be tricky and costly. An IT consultant will typically set up your hardware needs, install your software, manage your updates, control security, and manage your network. The national average for an IT Consultant is \$150 an hour, and a 40-hour contract will cost near \$13,500. Your shop may determine it may be beneficial to add an in-house IT employee.	\$13,500
Data Backups	Losing information on quotes, estimates, part history, and jobs can be tragic for a shop. It is critical to ensure that your data is backed up. A good product, such as Mozy Pro or other services, will be a higher cost, but it is also recommended.	\$1,000
	Cost Per Year	\$18,500

A typical 25 man shop spends around \$18,500 per year on their IT. And, this doesn't even include all of the hidden costs associated with on-premise software, such as the downtime of updating your systems and all the other headaches that come along with it.

The rising costs of IT is why more manufacturers are moving to SaaS software. The beauty of SaaS is that you only need an internet connection and your PC. Web-based software offers reduced overall IT costs, scalability, business continuity, collaboration efficiency, flexibility of work practices, access to automatic updates, and much more.