

Redefining Total Cost of Ownership in the AI Era

EBook



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01 The technology opportunity cost

Today's technology decisions affect more than just your costs – they determine your organisation's future. Generative AI has arrived as a transformative force, reshaping how work gets done across every industry. With **75%** of knowledge workers already using AI tools in their daily work,¹ organisations face a clear mandate: deliver a secure and integrated foundation for innovation, or risk falling behind as competitors gain efficiency advantages. Success requires rethinking how you measure technology value, considering the complete impact of your choices on business outcomes.

True total cost of ownership (TCO) in the AI era goes beyond licence fees and infrastructure. It's about understanding the advantages of enabling seamless productivity, ensuring enterprise-grade security and creating an environment where innovation can thrive. It's equally important to consider the cost of not enabling an AI-ready foundation: missed opportunities, security vulnerabilities and productivity gaps that grow wider as AI adoption accelerates. These challenges are amplified by disconnected point solutions that, while seemingly cost-effective initially, create hidden expenses through security vulnerabilities as well as integration and AI adoption barriers.

This eBook introduces a fresh framework for evaluating technology investments in today's workplace. You'll learn how to:

- Calculate the real costs of IT environments
- Make strategic decisions that increase capabilities
- Build an integrated and AI-ready environment where your people can do their best work

Whether you're just starting your AI journey or looking to optimise your current investments, these insights will help you chart a clear path forward – one that transforms TCO from just a cost metric into a strategic advantage.

02

A new understanding of TCO

Total cost of ownership used to be a simple equation around licences, infrastructure and maintenance. But adding AI to the mix changes the equation. It's about long-term effects – on cost, security, scalability, productivity and more – that either multiply or minimise operational challenges across your organisation and tech stack.

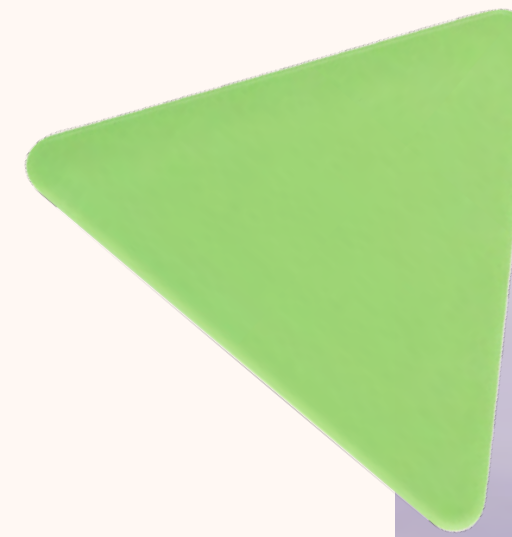
The complexity multiplier

The more solutions you add, the more challenging they become to manage. It's important to consider the additional IT management challenge each new solution brings along with its benefits.

Organisations using 11 or more tools experience an average of

202

security incidents per year, compared to just **139** for those using 10 or fewer tools.²



Consider the impact of new solutions across these key cost drivers:

Security and compliance

Security risks can grow with each new solution you add, creating vulnerability points and potential blind spots where overlapping tools fail to provide complete visibility. Additionally, more solutions can require more time from IT to control access and manage what data each solution can access, sometimes stretching security teams beyond their capacity.

Operations and maintenance

A complex technology environment requires more resources to manage effectively. Multiple systems mean juggling different update schedules, security patches and maintenance protocols. As your business grows, these challenges multiply – each separate tool requires dedicated management, making your technology landscape increasingly difficult to scale.

Data silos

When systems don't connect, information gets trapped in separate 'data islands'. This prevents effective collaboration and makes it impossible to see the complete picture of your business operations. Without unified data, everyone from leaders to team members wastes valuable time gathering information instead of acting on it, resulting in slower decisions based on incomplete insights.

The innovation opportunity

Employees lose productivity as they build proficiency across multiple interfaces and try to navigate between disconnected systems. Time that could be spent on breakthrough thinking is instead wasted moving work from one tool to another. The constant context-switching and learning curve across different platforms drains productivity and slows innovation.

Acquisition and integration

The upfront costs of purchasing licences, installation, customisation and system integration multiply with each new solution. Your IT team spends more time connecting systems, building custom configurations and ensuring compatibility across your technology stack, extending implementation timelines and increasing initial investment.

AI adoption

Disconnected AI tools can't access your complete data ecosystem, limiting their insight potential. Employees must manually gather information, increasing both workload and data oversharing risks. Without integrated systems, AI solutions can create security gaps and governance issues, preventing you from capturing the full productivity and innovation benefits these technologies offer.

Why an integrated solution is best

The right solution delivers value that grows over time. An integrated approach ensures your technology investments build a secure, scalable foundation for both current needs and future innovation. While fragmented systems create barriers to progress, a well-integrated tech stack becomes your platform for transformation – especially when agility and intelligence give you the competitive edge.





03

A strategic framework for TCO evaluation

Now is the time to move beyond the cost of individual tools and focus on how your technology works together. Evaluate your entire digital ecosystem: does it seamlessly support security, scalability and productivity?

By assessing the total cost of ownership and return on investment for each solution with this comprehensive approach, you can make more informed decisions for your organisation. A complex, disconnected tech stack limits the power and promise of AI. Robust data governance is a must, along with a strong security foundation and streamlined integration capabilities. Effective technology solutions must do more than just adapt – they should empower your organisation to create change, turning future challenges into competitive advantages and giving you control over your digital transformation journey.

The following framework will help you better understand your technology's cost and true potential. →

Step One

Map your current state

Start by developing a comprehensive picture of where you are today. Think of this as creating a map of your technology landscape. You need to know where you're starting from before you can chart a path forward.



A

Document your direct investment

- List all your existing tools and systems
- Calculate total licensing costs across all tools
- Pinpoint where redundant tools serve the same purpose
- Spotlight any gaps in functionality and innovation

B

Examine productivity and collaboration performance

- Track how well your tools support teamwork
- Gather user satisfaction with current tools
- Locate communication bottlenecks
- Monitor access to resources across locations

C

Analyse your security and compliance

- Inspect your current security vulnerabilities
- Survey compliance capabilities and gaps
- Test security monitoring effectiveness
- Uncover potential risk areas across systems

D

Gauge AI readiness

- Review current data governance measures
- Check data accessibility
- Track existing AI usage
- Evaluate infrastructure scalability

Step Two

Quantify the broader impact

Do an in-depth analysis of the indirect costs and broader impact of your current systems. Remember, some costs are hidden and hard to quantify like employee productivity and engagement.



A

Implementation and migration costs

- Measure the impact of implementation services and challenges
- Examine any migration expenses

B

Training and change management

- Determine the cost of training programmes
- Detect any inefficiencies in employee onboarding

C

Operational impact

- Audit ongoing infrastructure management
- Tally the cost of security and compliance monitoring
- Estimate employee productivity impacts, such as time switching between tools

D

Customisation and configuration

- Clarify costs of adapting tools to your workflows
- Record integration expenses with existing systems
- Factor in costs for specialised set-ups and configurations

E

Support and maintenance

- Calculate technical support expenses
- Observe the impact of software updates
- Include help desk and user support costs



Step Three

Set your sights on the future

Having a comprehensive solution that reduces tech stack complexity, optimises IT management and offers advanced security features is crucial for staying competitive. Look past today's needs toward tomorrow's opportunities with tools that simplify rather than complicate your digital landscape.



A

Future-ready considerations

- Determine AI integration capabilities and ethical deployment approaches
- Plan for security, compliance and data quality requirements
- Assess scalability and long-term innovation opportunities
- Evaluate ROI potential and alignment with business priorities

B

Planning for implementation

- Specify resource requirements
- Recognise timeline considerations
- Develop a risk mitigation approach
- Create a change management approach



Step Four

Evaluate your options

With this lens, it's time to evaluate your options, considering what makes sense for the long term.



A

Integrated versus point solutions

- Calculate the total cost impact
- Weigh security implications
- Address management complexity
- Review the user experience

B

Future flexibility

- Investigate potential upgrade paths
- Look into future options for expansion
- Evaluate whether AI tools can integrate into your current tech investments
- Verify supplier support



04

The power of coming together

Unlock a fully integrated, cost-effective and AI-ready solution with Microsoft 365 E3. This unified suite delivers comprehensive productivity apps with advanced security features built on Zero Trust principles. Microsoft 365 E3 streamlines endpoint management while protecting your data through built-in governance controls. Stay secure with continuous updates and make AI adoption simpler when you add Microsoft 365 Copilot to your licence for seamless integration. Transform how your teams work with solutions that maintain data privacy while boosting productivity in today's evolving workplace.

As you look to transform your organisation while keeping costs in check, Microsoft 365 E3 offers a unique advantage: seamless integration that drives innovation.

A recent Total Economic Impact™ study by Forrester Consulting found that over a three-year period Microsoft 365 E3 delivered:

197%

return on investment (ROI)³

USD 101.6M

net present value (NPV)³

27%*

reduction in software deployment hours³

* Based on a survey of 208 IT decision-makers.

Results are based on a composite organisation with 30,000 employees and an annual revenue of USD 10 billion, over a three-year period.



Microsoft 365 E3 transforms your technology landscape in three key ways:

Simplified management for real savings

By consolidating multiple tools into one platform, Microsoft 365 E3 helps reduce per-user licensing costs by **USD 60**,³ eliminating the need for redundant licences across communication, collaboration, file sharing, endpoint management and more. It also lightens the IT workload, cutting **45%** of help desk tickets.³

Security that works smarter

Microsoft 365 E3 offers a robust security framework that protects your organisation's data, devices and users while ensuring regulatory compliance. Advanced identity protection and centralised endpoint management simplify IT operations, automating updates, patch management and configurations. This can provide endpoint deployment and management time savings of **25,000 hours** over a three-year period.³

An AI-ready foundation

With built-in data governance, adaptive security controls and the ability to seamlessly add Microsoft 365 Copilot, Microsoft 365 E3 lays the groundwork for your AI journey. Empower employees with AI-driven insights to boost productivity and streamline workflows – future-proofing your organisation.



05

The bottom line

Total cost of ownership is more than just numbers – it's about the impact to your business. The right technology investment meets both basic needs while also becoming a strategic advantage. Microsoft 365 E3 offers a future-proof, scalable solution that drives growth, fosters innovation and strengthens security – all while maximising your resources.



Take the next step today

Sources:

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