



Total Cost of Ownership

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Presenters

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- Wade Crosswhite, V.P. of Sales, RoofConnect
- Steven Totty, Sr. Account Manager, Comfort Systems USA

Agenda

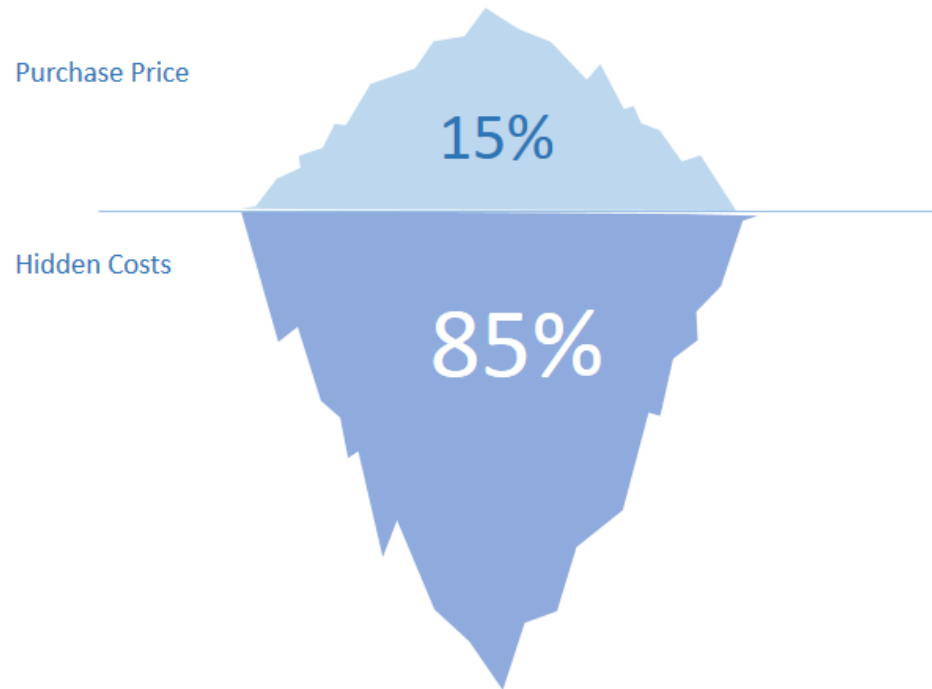
- Define 'Total Cost of Ownership' (TCO)
- Review 3 Examples of TCO from 3 Supplier Industries
- Exercise: Develop a TCO Slide for your company/industry

Definition

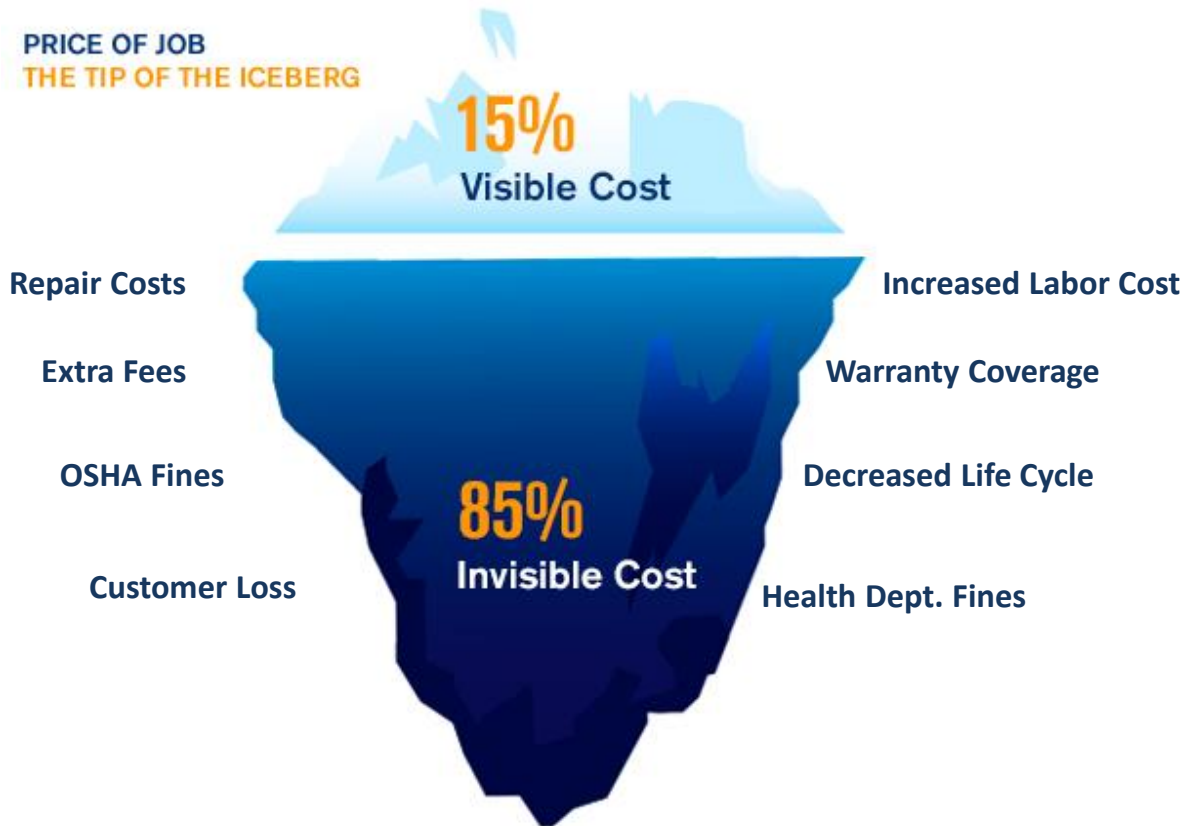
- TCO – Is an analysis meant to uncover all the lifetime costs that follow from owning certain kinds of assets; for this reason, TCO is sometimes called **life cycle cost analysis**.
 - TCO – When incorporated in any financial benefit analysis, provides a cost basis for determining the total economic value of an investment:
 - TCO – Analysis includes total cost of acquisition and operating costs as well as costs related to replacement at the end of the life cycle.

Graphic Representation of TCO

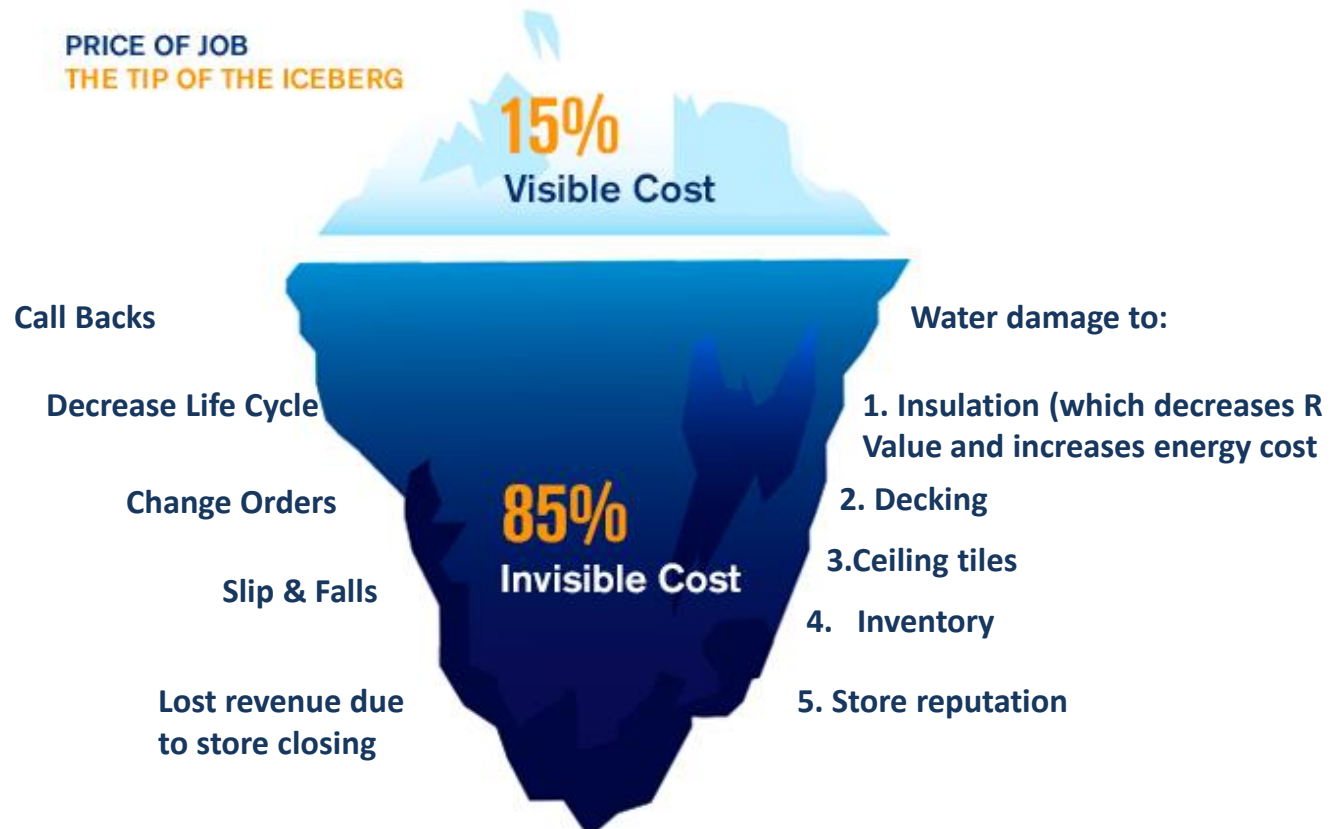
The Iceberg Principle Calculating Total Cost Of Ownership



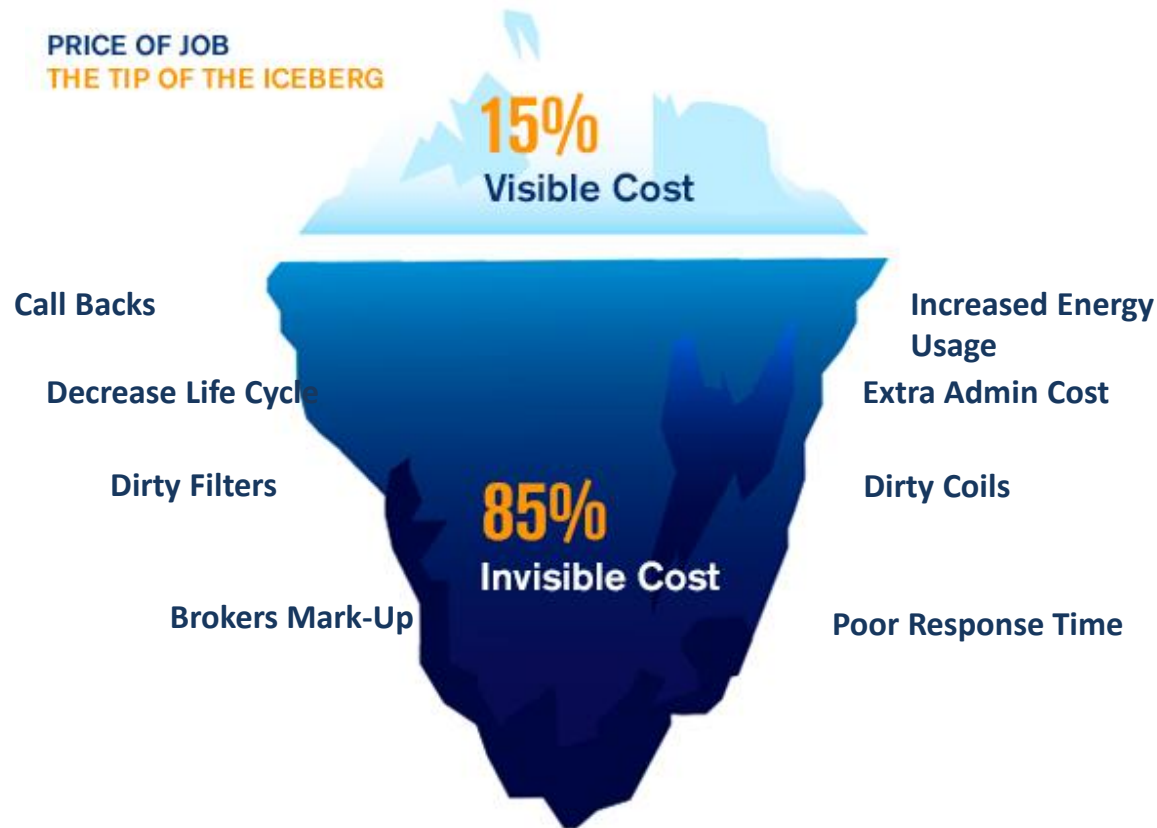
The Iceberg Principle - Equipment Mfg.



The Iceberg Principle - Roof Service



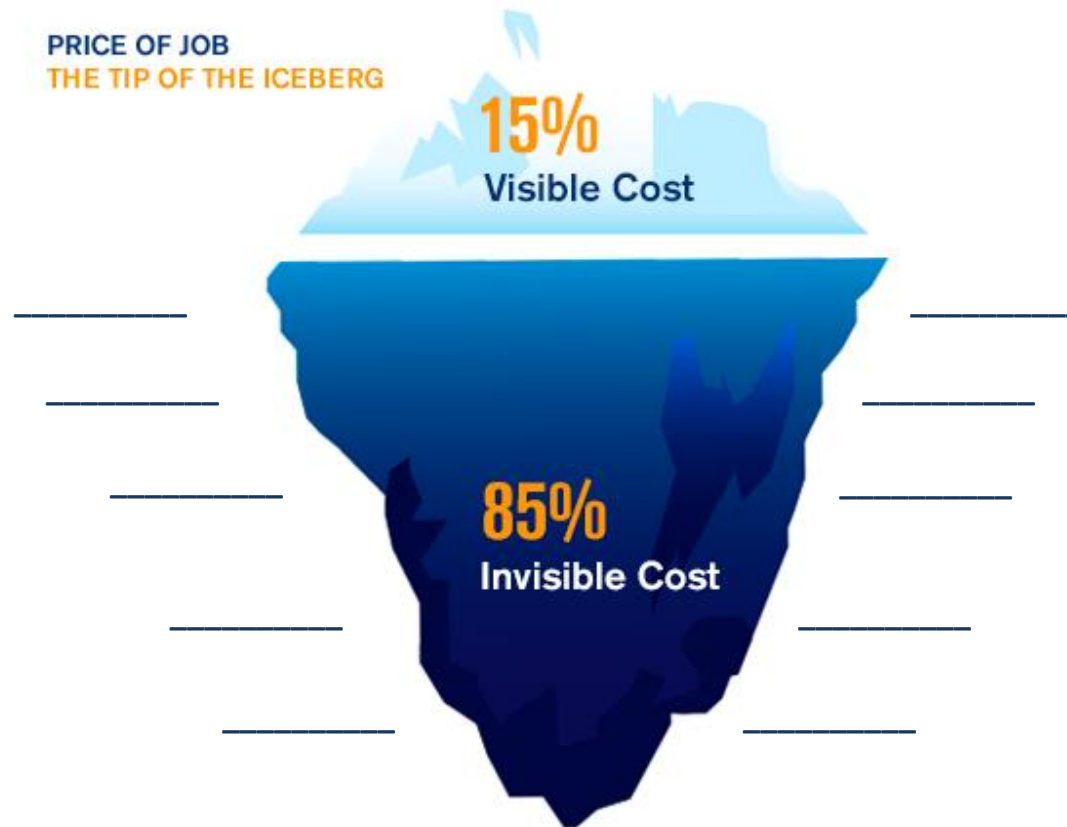
The Iceberg Principle - HVAC Service



Exercise

- Using the ‘Iceberg Principle’ what are the hidden costs in your business?

What are the hidden costs in your business?



Additional Resources

- Website: <https://www.business-case-analysis.com/total-cost-of-ownership.html>
- Books:
 - “Total Cost of Ownership 21 Success Secrets – 21 Most Asked Questions on Total Cost of Ownership – What You Need” – by Victor Garrett
 - “Enterprise Software TCO: Calculating and Using Total Cost of Ownership for Decision-Making” by Shaun Snapp
- Future Webinar: “How do we communicate TCO to our retail customers?”

Q&A and Contact Information

- Questions?
- Contact Information:
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