

(?) AS A SERVICE

TCO & ROI with coffee makers





WHY THIS VIDEO?





WHO IS THIS FOR?

- Consumers in B2B and B2C (buyers)
- Product & services vendors (sellers)
- Individuals who never looked at this before





SUBSCRIPTIONS ARE EVERYWHERE

- Food
- Consumables (printer ink anyone?)
- Software & IT
- Car leases & maintenance
- Music & entertainment
- Subscription boxes





DEFINING TOTAL COST OF OWNERSHIP (TCO)

- Financial estimate intended to help buyers and owners determine the direct and indirect costs of a product or service over a period of time

COFFEE, MY COFFEE, MY COFFEE...





DEFINING NEEDS, WANTS & TARGETS

- Needs: fill gaps, augment capacity, control spending
- Wants: lower costs, raise margins, faster turnaround
- Targets to measure success





(?)AAS VS ACQUISITION

Item	(?)AAS	Acquisition
Initial Acquisition Costs & accessibility	Usually lower	Usually higher
Ongoing costs	Usually higher	Usually lower
Service & Support	Usually included	Usually priced as options
Mindset	End-user leases and never owns	End-user owns





THE WORLD OF COFFEE MAKERS

- **Open standards:** buy the coffee beans in the format you want where & when you want
- **Proprietary:** prepackaged and 3rd parties are licensed, limited options





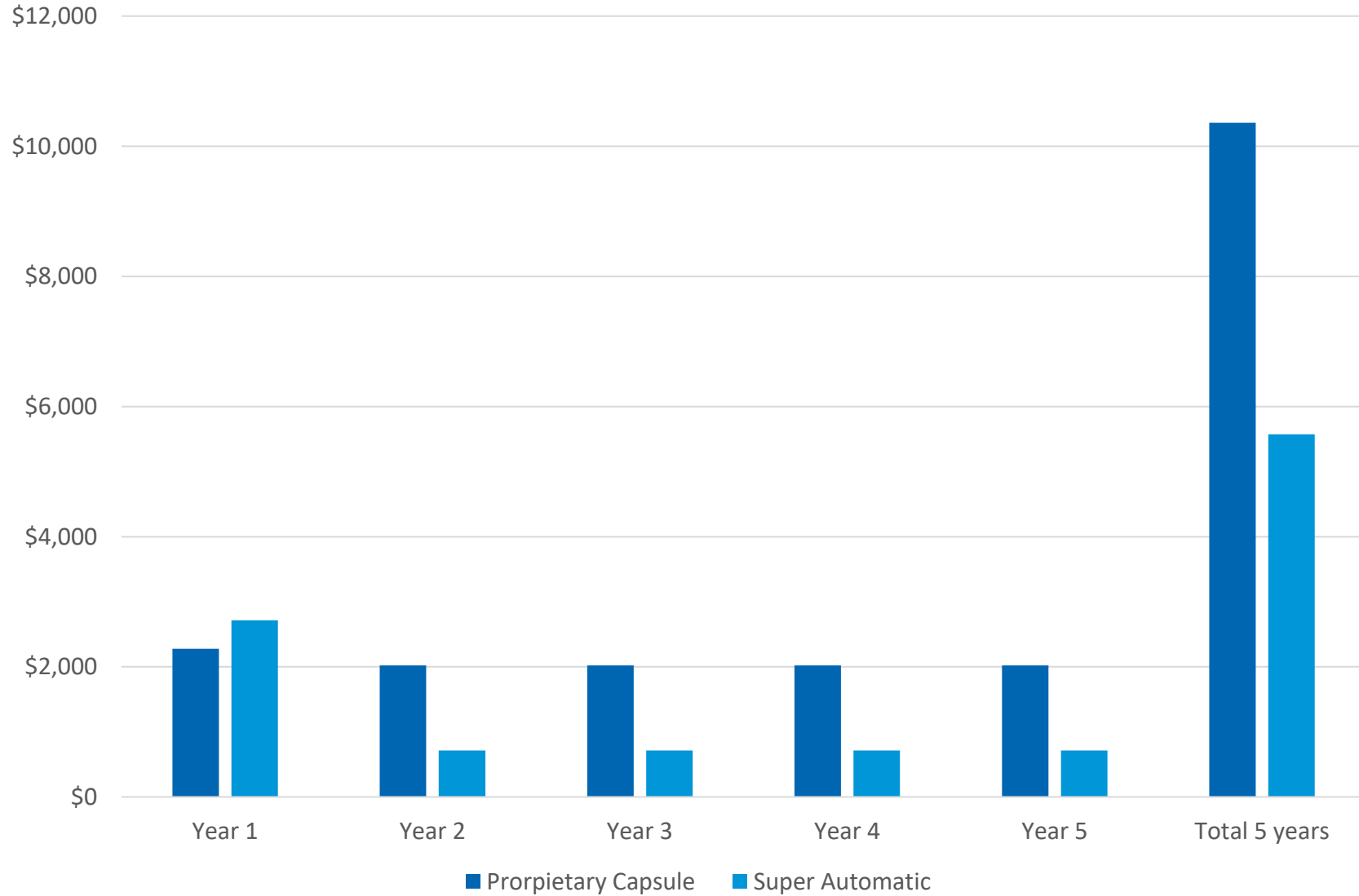
COMPARING COFFEE MAKER BUSINESS MODELS

	Proprietary capsule-based	Super automatic coffee maker
Acquisition price	\$259	\$1999
Price per coffee cup	\$1.10	\$0.35
Monthly costs (5 cups /day – 30 days/month)	\$165	\$52.50
Yearly costs – Coffee	\$1980	\$630
Yearly costs – maintenance	\$40	\$85
Year 1 total costs	\$2279	\$2714
Year 2 & beyond total costs	\$2020	\$715
TCO on 5 years	\$10 359	\$5574

All \$s Canadian, before applicable taxes, at MSRP. Brands omitted by design.



A 5-YEAR PERSPECTIVE





COFFEE MAKER ROI TIME

- ***Return On Investment***: a commonly used measurement of gain and loss generated on an investment relative to the amount of money invested
- Cost of self-management Vs coffee-as-a-service:
Which is best for me/us?





CALCULATING ROI

$$\text{ROI} = \frac{\text{Net Income}}{\text{Cost of investment}} * 100$$



$$\text{ROI} = \frac{\$4785}{\$5574} * 100 = 85.84\%$$

(or \$4785 in savings over 5 years)





OFFICE COFFEE MAKER ROI FACTORS

- Team: do you have someone for this responsibility?
 - Inventory management
 - Maintenance of equipment
- Supplying consumables:
 - Ease, cost, time
 - Coffee beans, tools & condiments
- Qualitative variables:
 - Experience
 - Culture



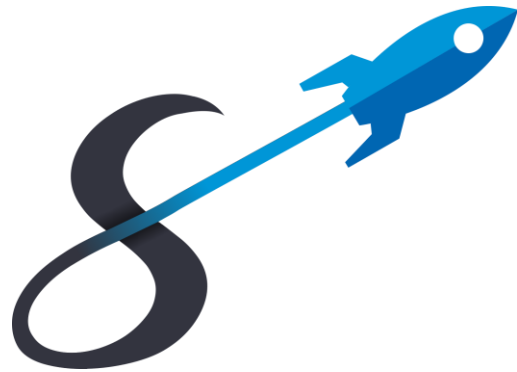


IT'S ALL ABOUT THE DESIRED VALUE

- How does this affect your ability to grow your business?
- Examples to ponder:
 - Office Telephony Vs self-hosted
 - Hosted email Vs Self-hosted
(Office 365 / Google Workspace Vs the classical methods)
 - Office space
 - Personal vehicle(s)
 - Corporate vehicle(s)
 - Office coffee machine(s)!



THANK YOU



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