

Cost Category	Description	Year 1 On-Premise	Year 3 On-Premise	Year 5 On-Premise	Year 10 On-Premise	Year 1 Cloud	Year 3 Cloud	Year 5 Cloud	Year 10 Cloud
Hardware & Infrastructure	Traditional on-premises servers and related hardware can be expensive to purchase, set up, and maintain. Shifting to the cloud eliminates the need for significant upfront capital expenditure on these systems. Hardware maintenance is typically 10% in maintenance. Hardware usually needs to be replaced every five years.	\$ 40,000	\$ 52,000	\$ 60,000	\$ 120,000				
Energy & Cooling	On-premises servers consume electricity and require cooling. Cloud solutions alleviate these costs.	\$ 1,000	\$ 3,000	\$ 5,000	\$ 10,000				
Software Licensing & Updates (Based on average GP licence costs*)	Cloud solutions often come with software as a service (SaaS) model, where updates and patches are handled by the provider, removing the need for individual license purchases or updates.	\$ 15,000	\$ 45,000	\$ 75,000	\$ 150,000	\$ 24,000	\$ 72,000	\$ 120,000	\$ 240,000
IT Personnel & Maintenance	With IT needs largely managed by the cloud service provider, the practice may not require as extensive IT support. Assume \$2,000 per month on call support and disaster recovery. Business hours only. Implementing robust backup and recovery solutions on-premises can be expensive. Cloud providers usually incorporate these into their offerings.	\$ 24,000	\$ 72,000	\$ 120,000	\$ 240,000				
Scalability & Upgrades	If the practice expands, cloud solutions can be scaled without significant additional costs. In an on-premises setup, expansion often requires substantial infrastructure investments.	\$ 2,000	\$ 6,000	\$ 10,000	\$ 20,000				
Space Savings	Without the need for on-site servers and related equipment, valuable real estate can be repurposed for clinical use or other essential functions. Space 2m*2m	\$ 2,500	\$ 7,500	\$ 12,500	\$ 25,000				
Cyber Security Insurance	Cyber security insurance coverage	\$ 8,000	\$ 24,000	\$ 40,000	\$ 80,000				
Security Audit and Penetration Testing	New regulations will require tighter controls regarding data storage and protection.	\$ 20,000	\$ 60,000	\$ 100,000	\$ 200,000				
Downtime Reduction	A large practice stands to lose more during system downtimes due to the sheer volume of patients and operations. Cloud providers typically have high uptime percentages.	\$ 1,000	\$ 3,000	\$ 5,000	\$ 10,000	\$ 500	\$ 1,500	\$ 2,500	\$ 5,000
Total Estimated Costs		\$ 113,500	\$ 272,500	\$ 427,500	\$ 855,000	\$ 24,500	\$ 73,500	\$ 122,500	\$ 245,000