

Step 3: Envision the Ideal State

Document the ideal state and the costs associated with it.

3a. Define the Ideal State

State the “resolution”: _____

ex. new system, upgrade, integration, etc

3b. Cost of Change

Document all of the resolution costs, including implementation, training, licensing, hosting, etc.

Types of Costs	Estimated Cost
<i>Ex. Implementation</i>	<i>\$100,000</i>

NOTE: If more then one “fix” is needed, repeat this table for each one

Total B:

This is the total cost to change to an ideal state

3c. Cost of Change After the First Year:

Some costs are one-time, others recur. Use this formula to calculate costs for year two and beyond.

Total B: – Year 1 only costs = **Total C:**

Step 4: Compare!

How does the cost compare in year 1 and future years?

	Year 1	Year 2	Year 3
<i>Current System</i>	Total A:	Total A:	Total A:
<i>New System</i>	Total B:	Total C:	Total C:
Per Year Difference:			

Calculate the Cost of Your Tech Debt

How To Use This Worksheet

Use this worksheet to calculate the technical debt and resolution cost for **one system**. To assess a full journey or department, repeat it for each system in your tech stack.

Step 1: Document the Current State

Document your existing system, it's known costs, and the issues it creates for you.

The System With Tech Debt: _____

Costs of the System	Issues Caused by the System
Ex. \$40,000/Year	Lack of Audience Segmentation

Step 2: Evaluate the Impact

Identify each workaround for the issues and its associated cost (staff time, lost revenue, etc)

Issues Caused by The System	Work Around You Use	Workaround Cost
Ex. Lack of audience seg.	1 staffer manually cuts lists	\$150,000 (1 FTE Salary)

Continue on back! ⌵

Total A:

This is the total cost to keep your current system each year
(Cost of system and workarounds)