Calculating RPA's total cost of ownership

The total cost of ownership, or TCO, of licensed RPA software differs greatly from RPA-as-a-Service. For clients who choose to build their own automation program, it is their responsibility to track the program's TCO in order to properly calculate the ROI produced by the program. There are a variety of costs that need to be factored into TCO, including the cost of technology as well as support personnel. **HfS Research estimates that licensing costs represent only 25-30% of RPA's TCO. The remaining 70-75% represents the ongoing cost of support personnel. Learn more about TCO.**

Licensed RPA Software	
Cost of Technology	**Cost of Support**
One-time	**One-time**
• RPA vendor licensing • RPA vendor training • Infrastructure setup • Third-party integrations • Proof of Concept	Establish a Center of Excellence (COE) • Hire/allocate analysts and RPA developers to plan, design, build, deploy the program • Secure IT support for infrastructure/deployment
Ongoing	**Ongoing**
• Annual license(s) renewal • Annual maintenance renewal • Annual third-party integration license fees • Infrastructure maintenance • Vendor management • SLAs	• Annual overhead for support personnel • Ongoing training • Continuous process optimization • Continuous expansion of automation program

RPA-as-a-Service	
Cost of Technology	**Cost of Support**
One-time	**One-time & Ongoing**
• Infrastructure setup of on-premises or cloud VMs	• Subject Matter Expert (SME) to explain process to automation specialist
Ongoing	
• Infrastructure maintenance to add VMs as the program scales	

RPA software pricing and licensing models are notoriously confusing. The technology set is typically broken down into separately-licensed modules dedicated to a specific use—bot builders, bot orchestrators, bot dashboards, and advanced analytics hubs. License models can be annual, perpetual, consumption-based, or SaaS. Licensing costs can also vary between unattended and attended automation, number of users, number of bots, number of machines, and run-time.

Important note on infrastructure: *Infrastructure costs will be incurred regardless of how you choose to automate. Whether deployed to on-premises or cloud VMs, robots require dedicated space to run. HPA estimates the setup cost per on-premises VM to be around $60-$80. Cost per cloud VM is dependent on the provider and the type of plan that you have.*