1.1 A practical example of an investment plan

Let's assume the company "Information Systems, PLC", which intends in the next calendar year to make a significant upgrade of its information system (HW and SW), both at the central level and on the terminal workstations of the users. The investment plan usually has a tabular form, which contains all the elements that we intend to purchase within the specified period, including the estimated financial costs. The table may be at different levels of detail, where we either specify a particular quantity of units, including the unit price, or choose a variant of the aggregate price. In our case, we choose the first option. Part of the investment plan may also be the justification of the respective expenditures, but under this condition it is always necessary to consider the clarity of the resulting investment plan.

Category	Priority in plan	Priority in category	Expected purchase date	Expected number of pieces	Expected price for MU	Expected total price
Strategic IS						
Special expert system for decision-making support (own development)	12	2	August 2009	1	8300000 CZK	8300000 CZK
Purchase and implementation of Oracle Discoverer	11	1	October 2009	10	90 000 CZK	900000 CZK
High potential IS						
Blade HP ProLiant BL460c	5	1	June 2009	15	65 000 CZK	975 000 CZK
Data storage FSC FibreCAT SX80	8	1	June 2009	9	262 000 CZK	2 358 000 CZK
Company IS						
MS Office for new and some existing NTBs	3	2	January 2009	84	4 100 CZK	344 400 CZK
Notebook HP COMPAQ 6530b	2	2	January 2009	40	26 230 CZK	1 049 200 CZK
SAP licence annual fee	1	1	July 2009	10	28 000 CZK	280 000 CZK
Auxiliary IS						
Purchase of car for IT administrators	10	4	April 2009	1	270 000 CZK	270 000 CZK
Network infrastructure – cabling (1 m)	7	2	May 2009	1 800	4 CZK	7 200 CZK
Router	6	2	May 2009	13	1 020 CZK	13 260 CZK
Firewall	9	3	June 2009	1	92 000 CZK	92 000 CZK

Copier Konica-Minolta biz HUB C250	4	1	November 2009	1	94 000 CZK	94 000 CZK
Total investment						**CZK 14,683,060**

Table 1 Example of the company investment plan

It is clear from the example above that the company plans to make IT investments in the amount of CZK 14.638.060, with the largest share of investment spending being the expert system for decision-making support, which the company plans to develop by itself. Other major investments also include the purchase of data storage and blade servers.

The table shows several levels of breakdown, namely by:

- specified categorisation (see the category column),
- priority in the plan, which determines the relative importance of individual investment projects compared to the others. It can be said that it determines the logical succession of investments as the company would prefer in a situation where no other conditions would be set;
- priority in a category expresses the mutual importance of the investments in the given category,
- expected date of purchase determines the planned period in which the investment should be made. Determination of the expected date of investment is important to ensure sufficient financial resources.

Using multiple structuring attributes can provide us with sufficient data, based on which we can conclude that it is preferable to modify the schedule of investments because the originally set values of the elements are colliding and their rescheduling is more favourable for the company.

Based on the above, we can easily create an overview of the investment actions we want to carry out and to ascertain the expected volume of funds that will be associated therewith. If we want to sort projects within the categories in a more sophisticated manner, then it is possible to use one of the methods of multi-criteria evaluation of the variants