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Winning IP Applications: Solve the ROI Dilemma

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What Will Be Covered

1. TCO vs. ROI
2. Why XML Applications are Important to Users
3. Applications Types and Examples
    a. Buy or Build?
4. Establishing the Relevance of Business Applications
5. Employees Targeted for Productivity Gains
6. Measuring Benefits…What's in it for the Company?
7. Measuring Employee Productivity
8. Things to Take Away

TCO vs. ROI

Total Cost of Ownership (TCO) is the simplest – Add all the costs associated with a particular IT investment.

TCO typically is used for comparative purposes such as matching up the costs of one solution versus another. In addition to software costs, you also need to know:

- Number and cost of servers required
- Additional storage needed
- Support and maintenance costs
- Professional services required for implementation
- IT staff required for ongoing support
- Networking expenditures
- Training costs
- Facility requirements
- Downtime associated with each solution

Source: CIO View http://www.cioview.com/eUpdate/CIOnews_20030107.html

TCO vs. ROI

Return on Investment (ROI) measures benefits vs. the costs of implementing a specific project. ROI represents of a suite of calculations that include:

- Return on Investment – ROI (Benefits divided by costs over Years)
- Net Present Value – NPV (Benefits less costs in Dollars)
- Internal Rate of Return – IRR (Cost of Capital from start to production)
- Payback – How Long? (Months/Years)

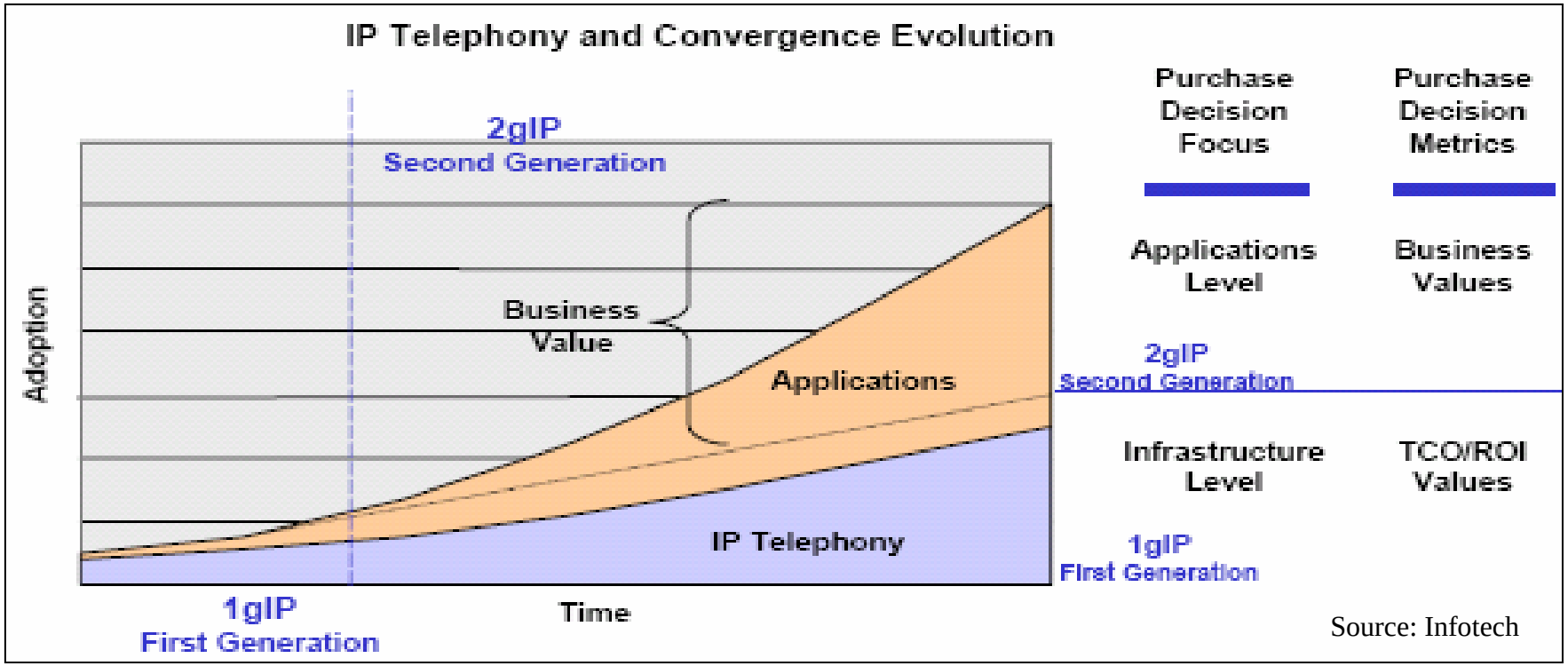
These four measures together - ROI, NPV, IRR, and Payback -- are collectively thought of as ROI and allow a CFO typically to decide whether a particular project meets the company's financial goals.

Some companies will place more weight on projects with a large NPV, since those projects will have a bigger impact on the business.

Often, smaller companies, where cash flow is more an issue, may use some combination of payback and ROI to make a purchase decision.

Source: CIO View http://www.cioview.com/eUpdate/CIOnews_20030107.html

Why Applications are Important to Users



- Need to play a role in VoIP applications
- XML delivers productivity to the IP phone - inexpensive and highly customizable
- Help customers, across industry segments, change their business model and help improve efficiencies

There are many applications for IP Communications. The key is in establishing relevance and business value.

Inventory Check

Flight Schedule

Interest Rates

Employee Directory

Class Registration

Emergency Bulletin

Wake up Call

Time Card

Headline News

Shipment Tracking

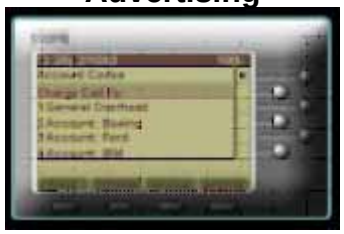
Advertising

Instant Messaging

Purchase Requisitions

Conference Manager

Outlook Integration


Account Codes

Unified Messaging

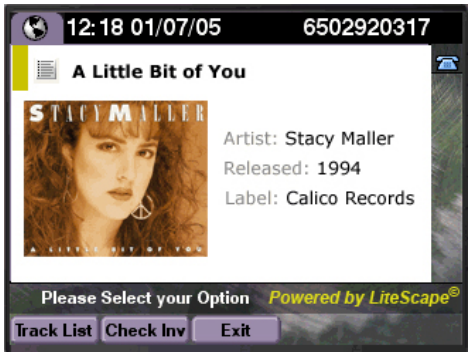
Employee Benefits

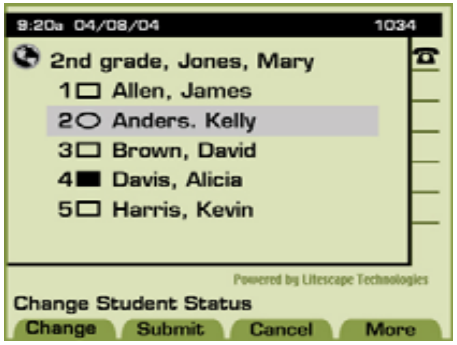
Local Attractions

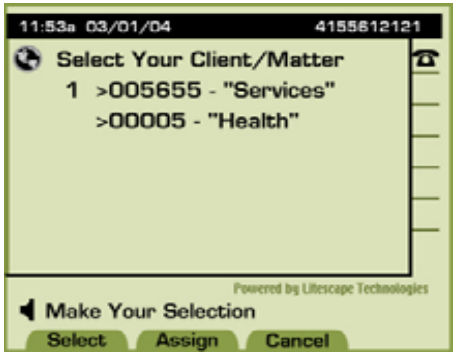
Room Service

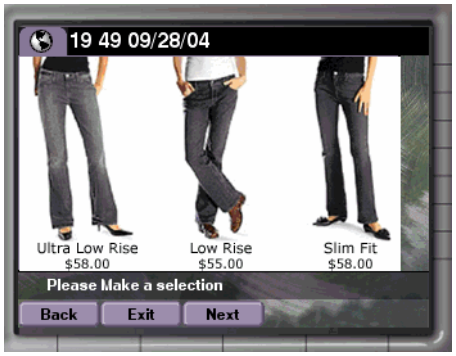
Source: Cisco

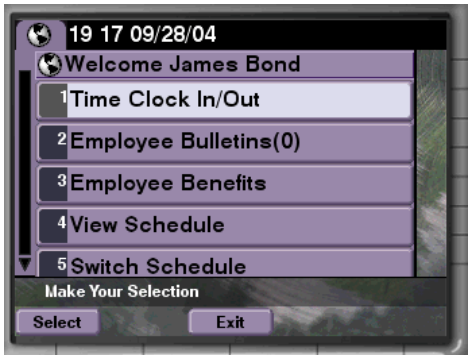
More…establish relevance and business value.











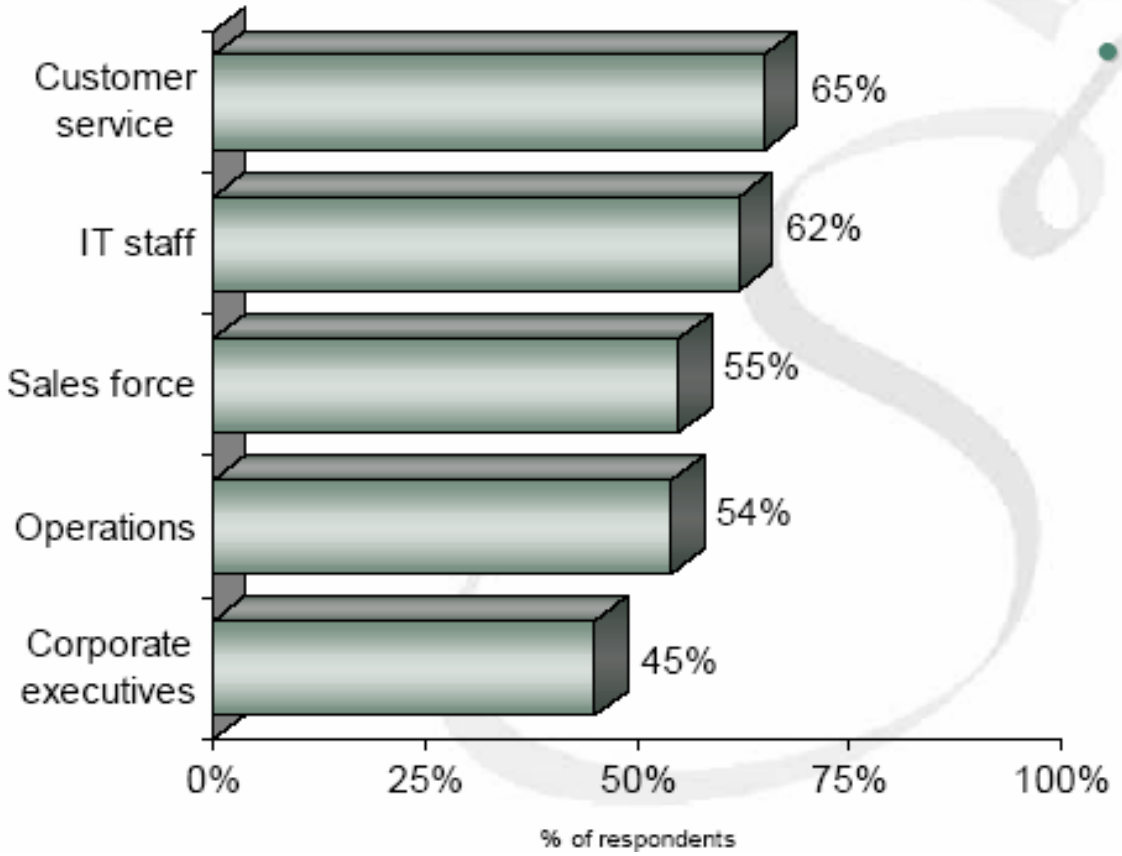
Buy vs. Build

Enterprise Options for Integrating Voice into Business Applications

Option	Pros	Cons
Buy application from IP PBX vendor	Inexpensive	Cookie cutter, hard to customize
Buy from ISV	Vertical focus	Expensive, may be difficult to tie desired functions together…
Build in-house	Customized to business	Expensive, big time and resource commitment

Source: IDC Technology Assessment,
What Lies Ahead: VoIP Applications, April 2006

Employees Targeted for Productivity Gains (1)



- Diverse job functions are widely targeted for productivity gains

Measuring IT Staff Benefits

Realized IT Benefit	Percent of Population Receiving the Benefit	Average Benefit Level Experienced
Faster moves, adds, or changes	72%	1.5 hrs per move
New office opening completed quicker	55%	3.8 weeks per new office opening
Improved productivity within the IT dept.	45%	5.4 hrs/wk, or 35 days per year
IT staff time saved as end users can use telephony features without help	43%	5.5 hrs/wk/IT employee involved with phone support
Reduced need for IT staff to travel	42%	13 hrs/mo/IT employee, or 19 days per year

Source: Sage Research

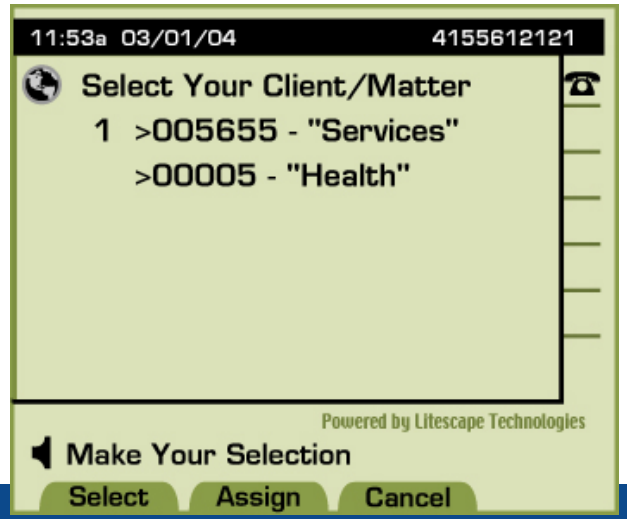
Non-IT Staff Benefits

Realized Non–IT Benefit	Percent of Population Receiving the Benefit	Average Benefit Level Experienced
Easier move, add, or change process allows employees to move workspaces more often	71%	3 more moves per year
Improved corporate headquarters employee productivity	51%	Saves 4 hrs per HQ employee per week, or 26 days a year
Less telephone tag for all employees	50%	3.9 hours week per employee, or 25 days per year
Improved remote office employee productivity	48%	4.3 hours per remote office employee per week, or 28 days per year
Improved telecommuter productivity	47%	5 hrs per week, or 33 days per year

Source: Sage Research

Case Study- Law firms

- **Problem pain / aggravation points**:
  - Time intensive manual reconcile and inaccurate billing of client telephony
  - Needed access to directories at multiple sites
  - Emergency and group notification capability needed
  - Poor group meeting attendance due to inadequate notification
- **Productivity and ROI:**
  - Capture and reconcile all Client and Matter Codes
  - Time saving access to information
  - More secure environment
  - Better meeting participation



Case Study – Government

- **Problem pain / aggravation points**:
  - No directory visibility outside of local CallManager
  - No easy group and departmental broadcasts
  - Needed secure access to information
  - No authenticated and reconciled telephone use

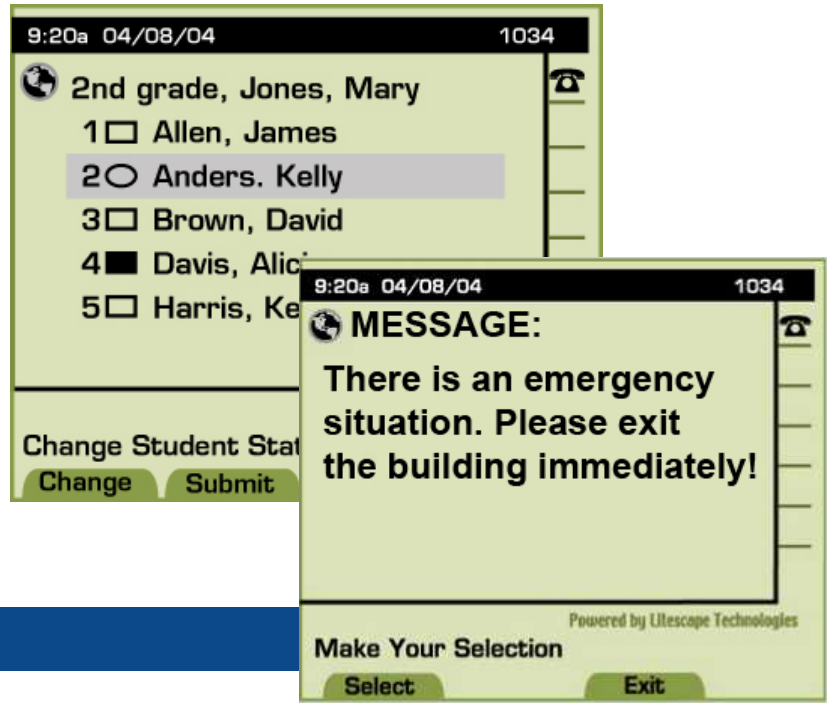
- **Productivity and ROI**:
  - Increased productivity with secure access to all network directories from the phone
  - Secure profile management giving employee simple access to extension mobility
  - Call usage tracked by department

Case Study- Retail

- **Problem pain / aggravation points**:
  - Long waiting time in fitting rooms for customers
  - More sales associates needed
  - Time spent checking inventory
  - Time consuming manual processes for sales associates
- **Productivity and ROI:**
  - Added convenience and reduced wait time for customers increased sales
  - Real-time inventory tracking
  - Stronger customer loyalty
  - Associate self-service saves time

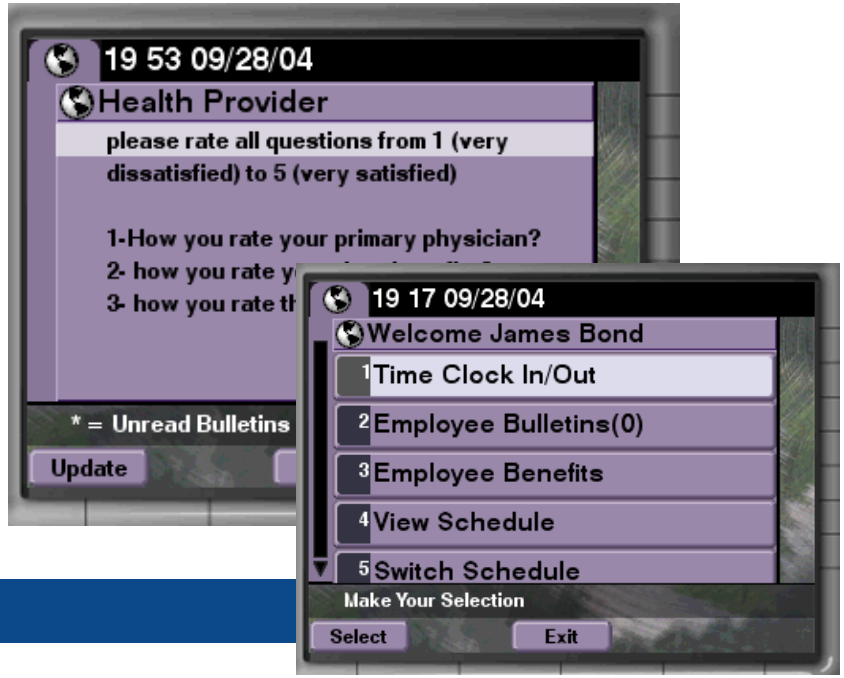
Case Study- Education

- **Problem pain / aggravation points**:
  - Manual attendance tracking and reporting loosing thousands of dollars per student not accounted
  - Demand for increased communications to parents, yet only 2-3 phones available in school office
  - No central information accessible to teachers or medical staff
  - Time consuming manual processes for administration
- **Productivity and ROI:**
  - Automated attendance
  - Centralized student information
  - Bulletins keep teachers and staff informed on important information
  - Increased environment safety with broadcasts to every classroom, or selected rooms

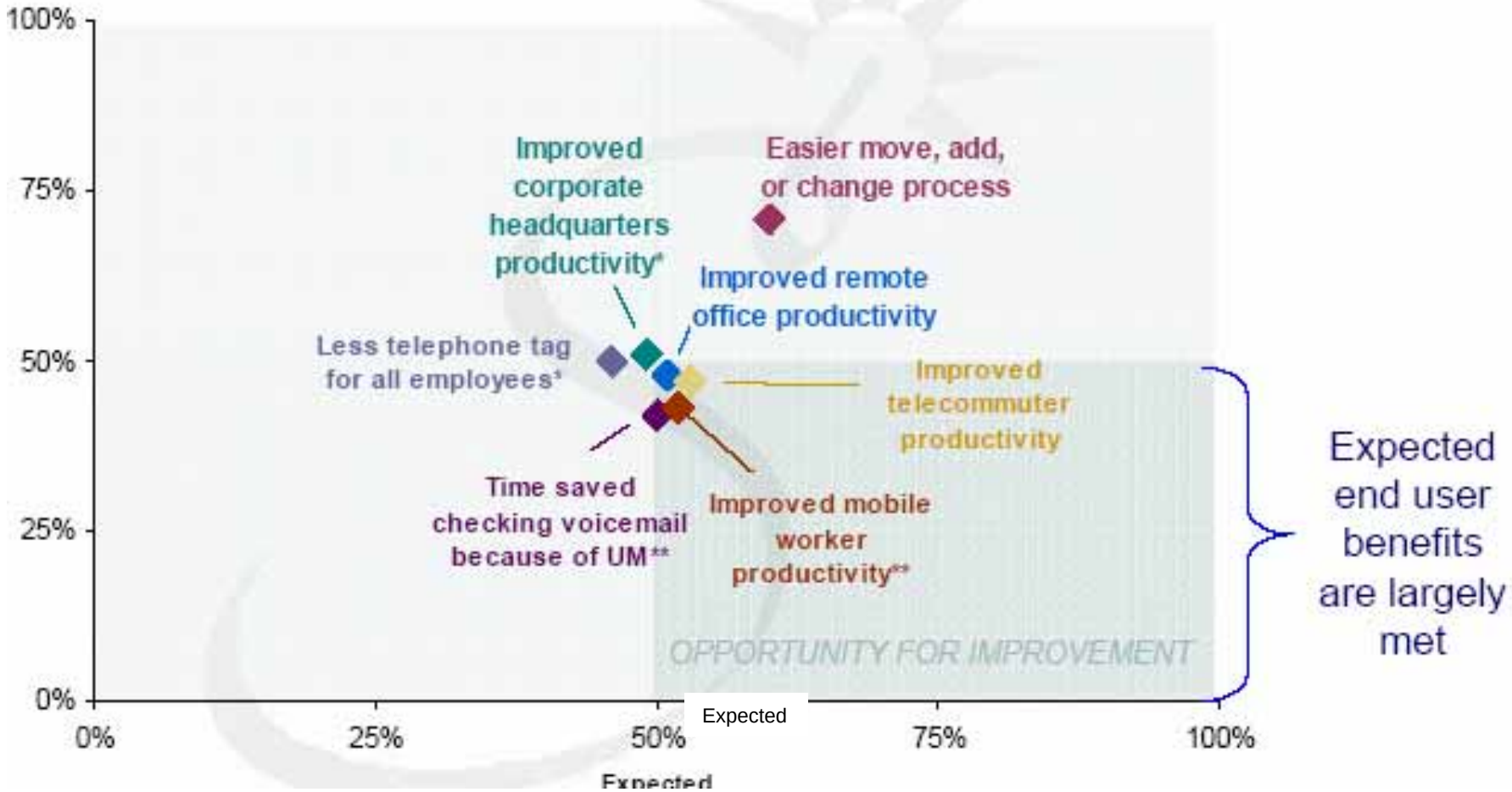


Case Study- Healthcare

- **Problem pain / aggravation points**:
  - No system or way to connect nurses and doctors at critical points
  - PA would disrupt whole hospital instead of specific rooms
  - Needed centralized access to patient information
  - Time consuming manual process to track vendors and supplies
  - Time consuming routine broadcasts delayed
- **Productivity and ROI:**
  - Eliminated need/cost of installing new PA system
  - Automated clock in and out
  - Nurses and doctors located quickly without disruption to rest of hospital
  - Automated routine reminders and announcements
  - Gained ability to chargeback calls to patients

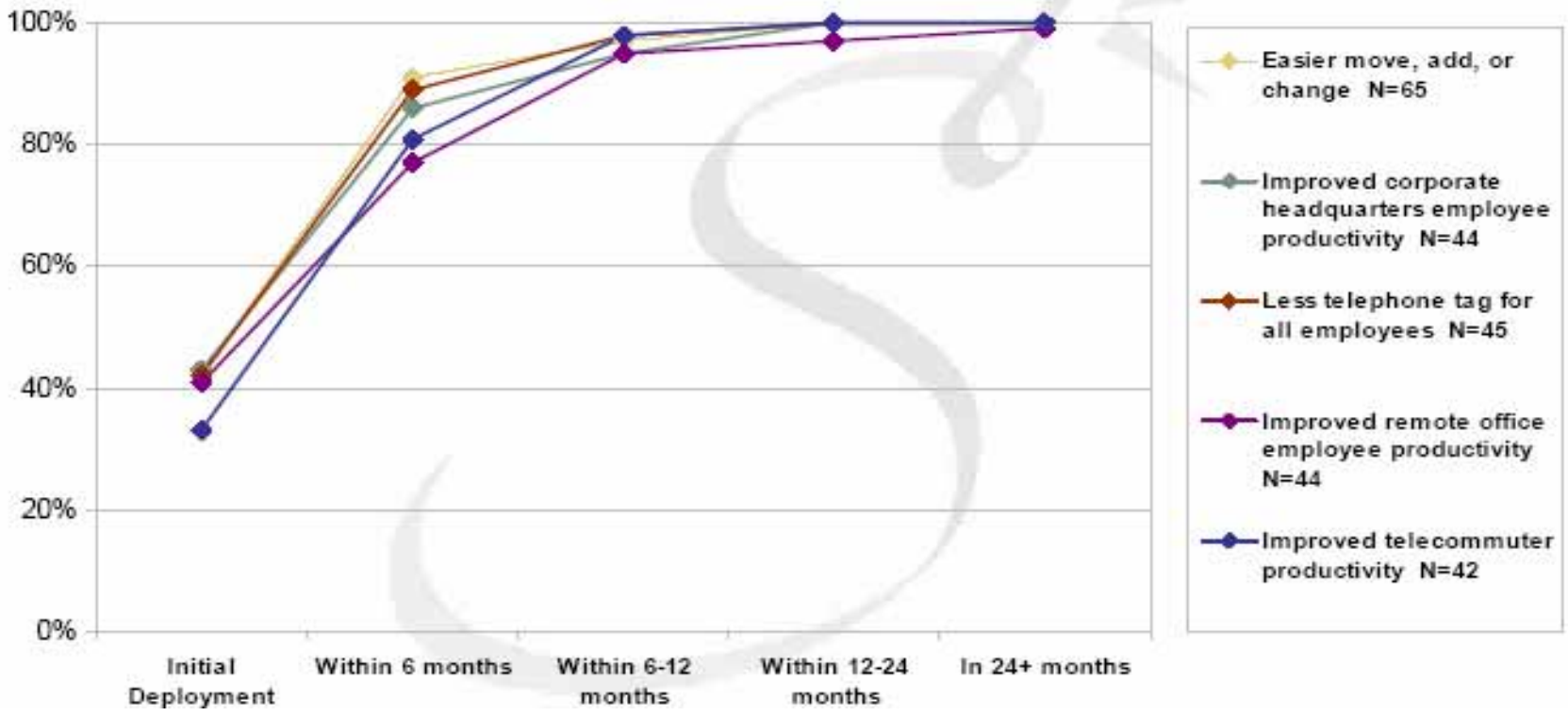


End User Productivity



The Continuum: IPT & End User Productivity

- Most people who realize a benefit at all, realize it within 6 months



Key Points to Take Home

- Applications increase productivity, security and/or facilitate compliance
- Can VoIP applications be implemented within days, not months?
- Look for significant ROI, when?
- Buy with development platform that includes SDK
- Directory access across multiple locations and clusters saves time
- Is a physical IP-security solution that increases security available?
- Will vertically focused / CRM modules personalize my IP network?

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QUESTIONS?

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