

Return On Investment (ROI) for IP Communications

Agenda

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- **General ROI Trends**

- Changes in the Capital Budgeting Process**

- Building the Business Case for New Technologies**

- Feedback from the CIO**

- 5 Simple Steps to ROI**

- **The ROI for IP Communications**

- The Benefits of IP Communications**

- Profile of Customer Engagements**

- Factors that Drive a Positive/Negative ROI**

- Overall Findings**

- Vertical Industry Benchmarks and Case Studies**

General ROI Trends

Business Trends Driving the Focus on ROI

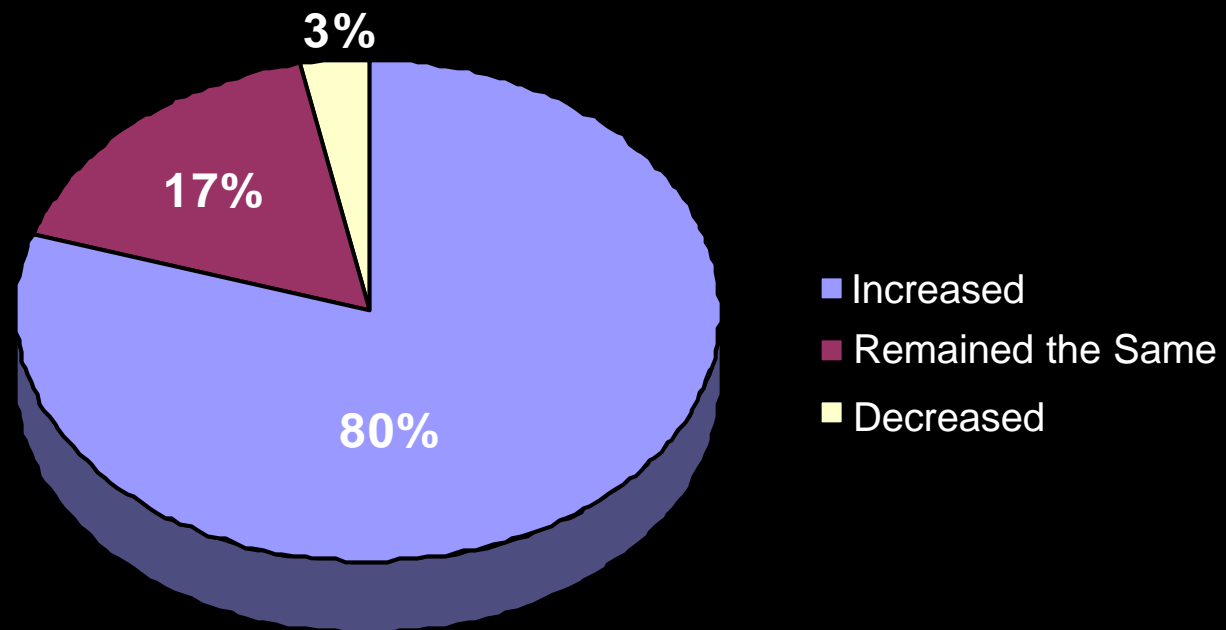
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*Source: Information Week Research

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Traditional

A structured financial process to **“MEASURE”** the relevant costs and benefits in an effort to determine the financial impact of an investment

Evolving

Organizations are beginning to use ROI to compare the relative business contribution of multiple capital investments in an effort to **“MAXIMIZE”** the value of the complete portfolio



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Benefits of IP Communications

Hard Cost Savings - Equipment

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The ROI for IP Communications

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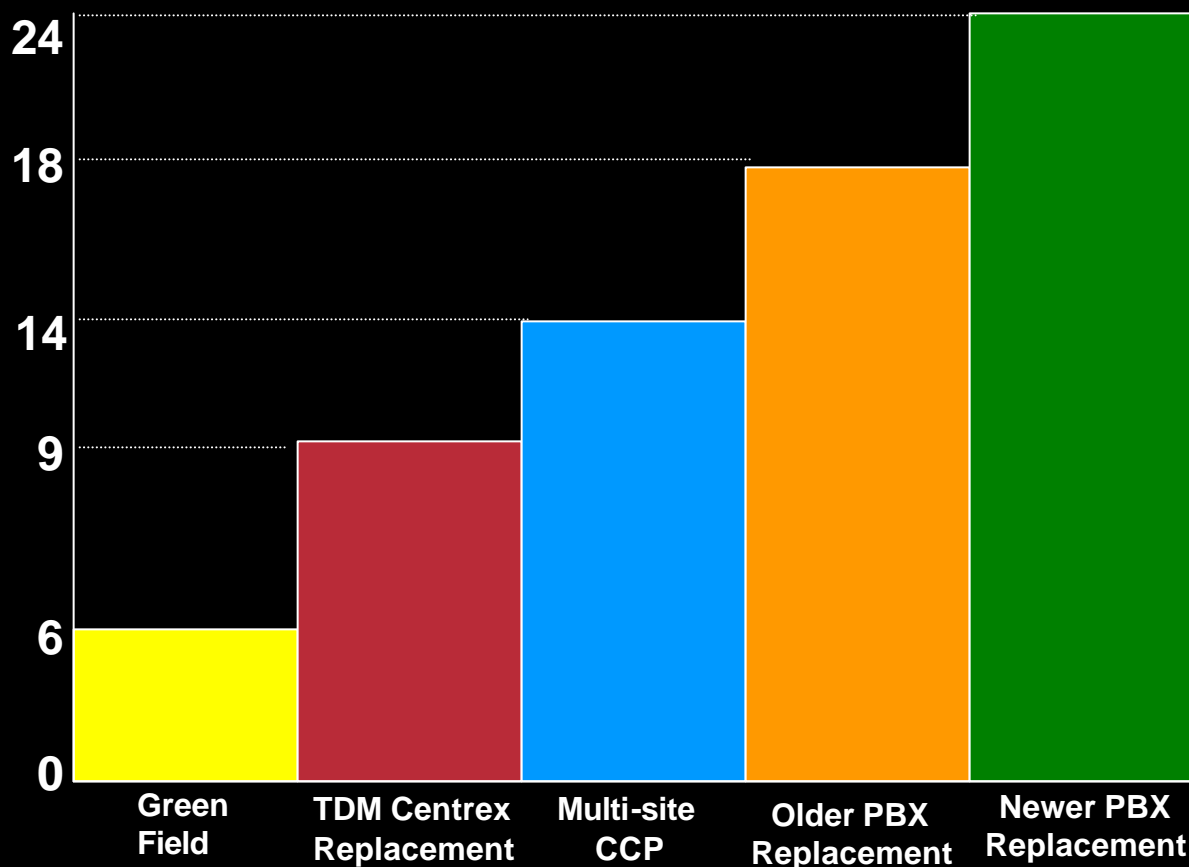
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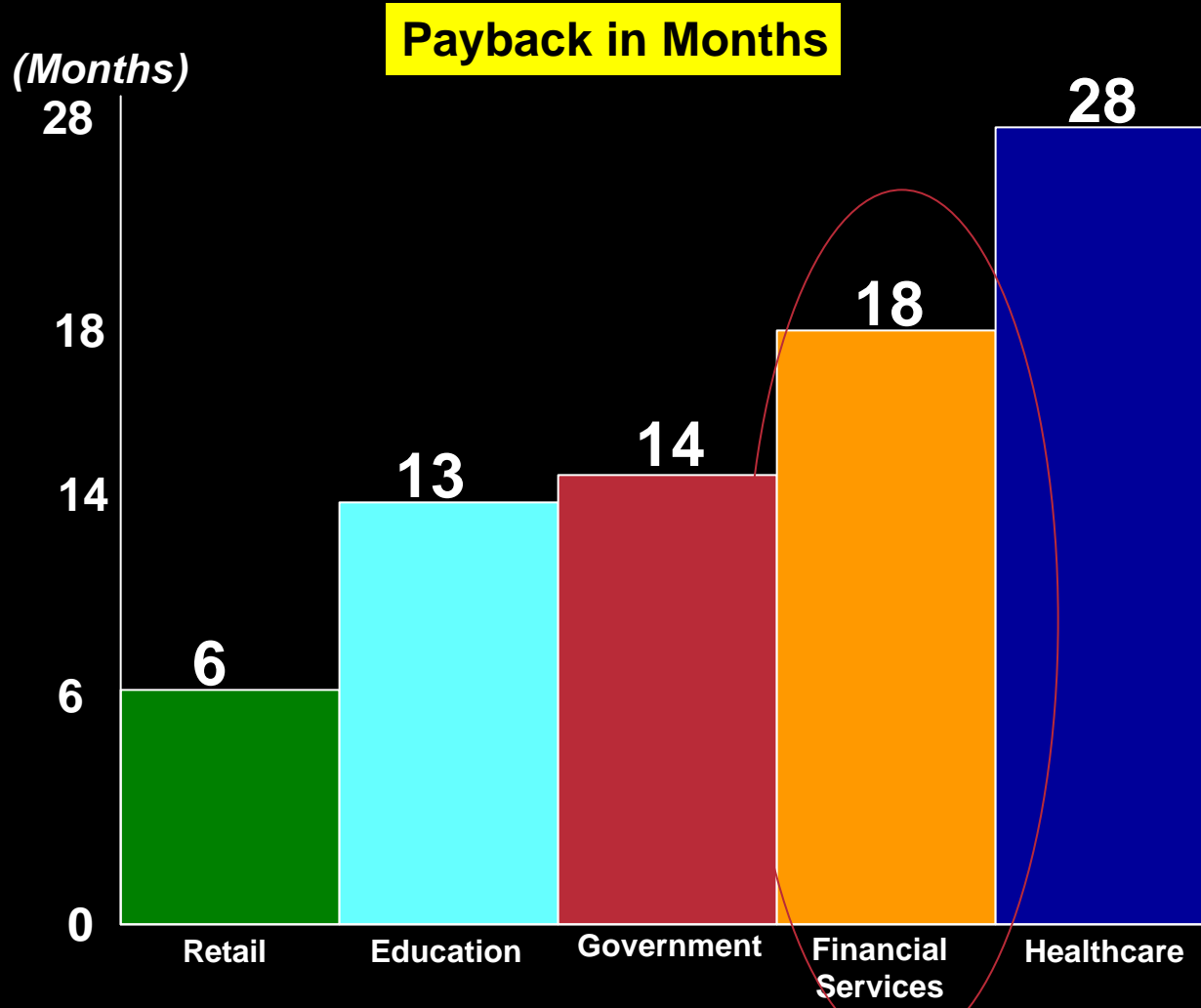
(Months)



ROI Findings for the Financial Services Vertical

ROI Findings – By Vertical

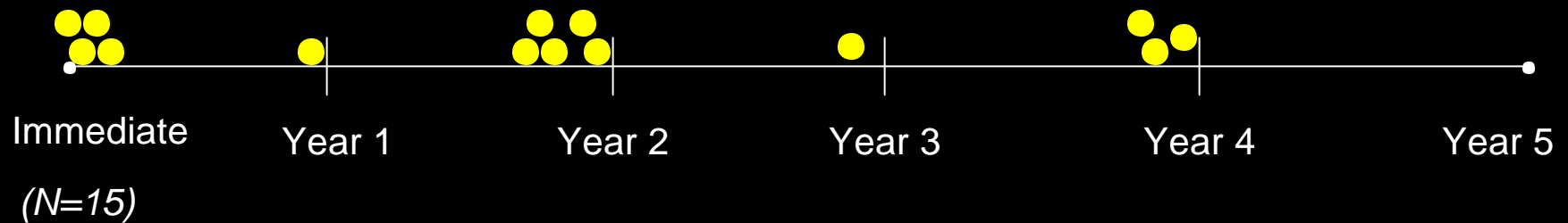
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ROI Benchmarks – Financial Services (Avg. 421 phones)

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Payback/Breakeven Distribution



Net Present Value Distribution



Financial Services Case Study

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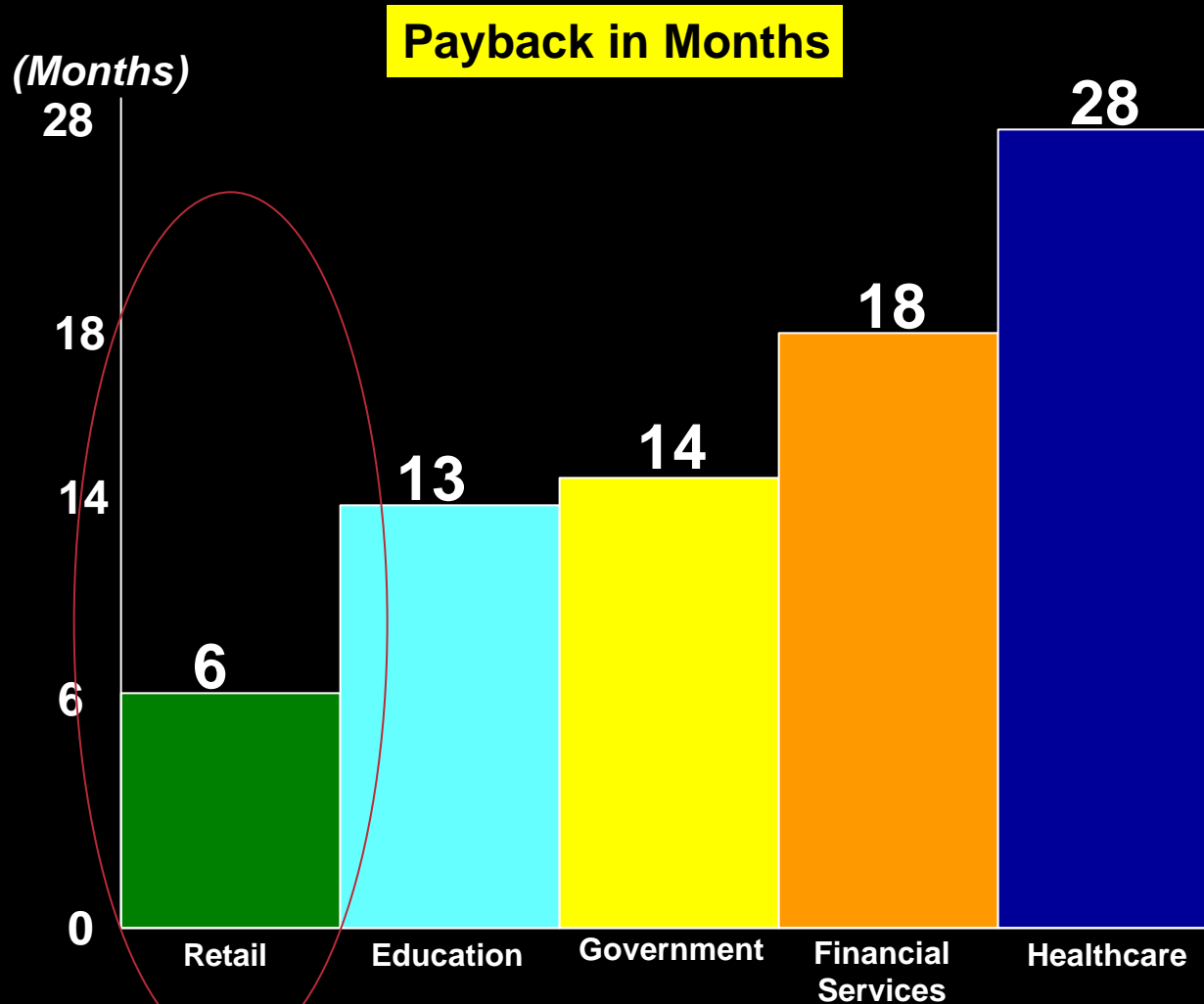


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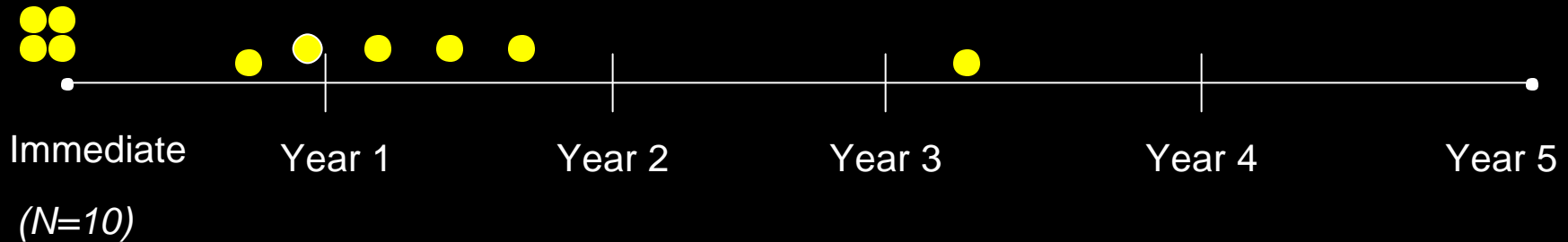
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ROI Benchmarks – Retail (Avg. 1255 phones)

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Retail Case Study

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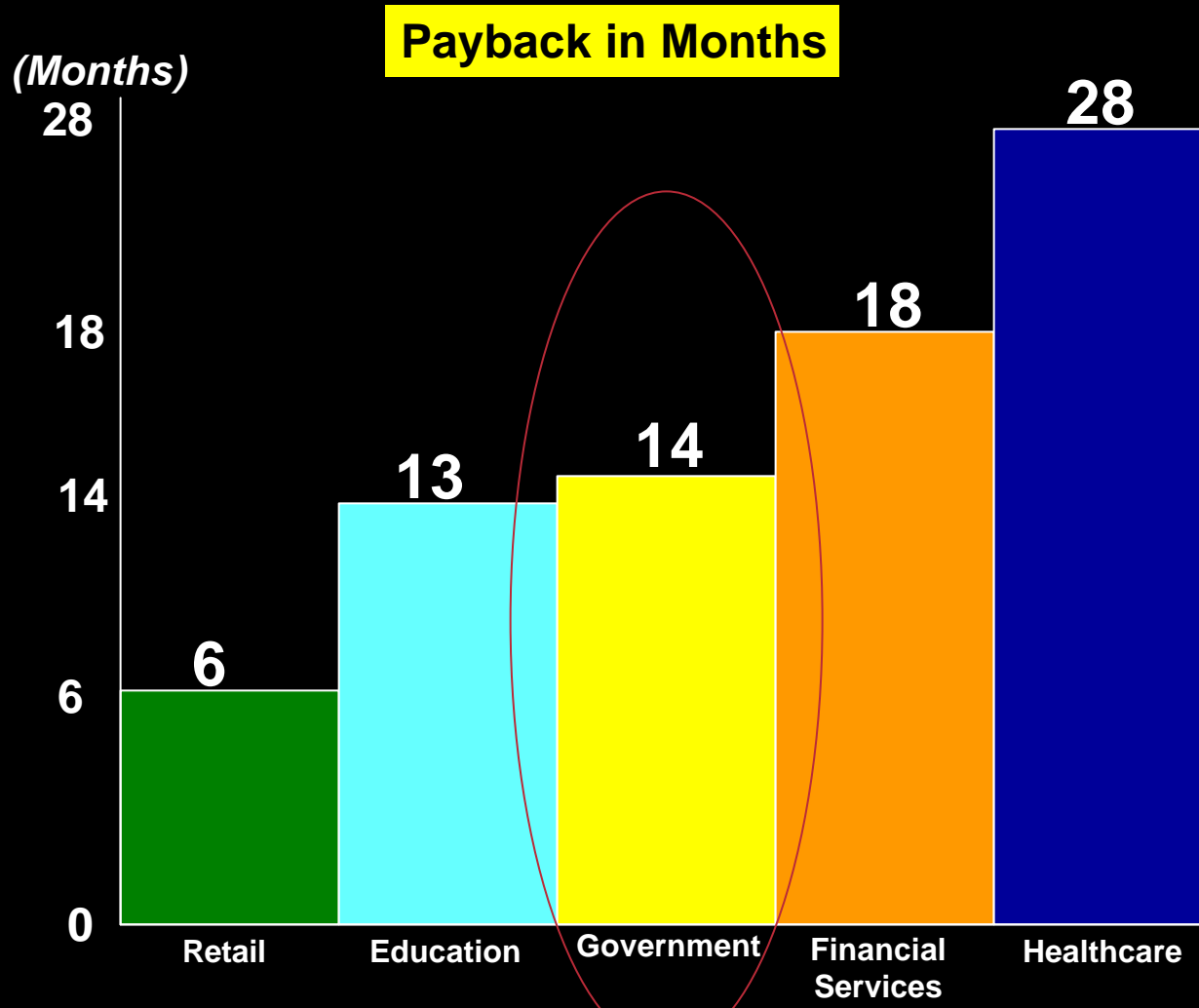
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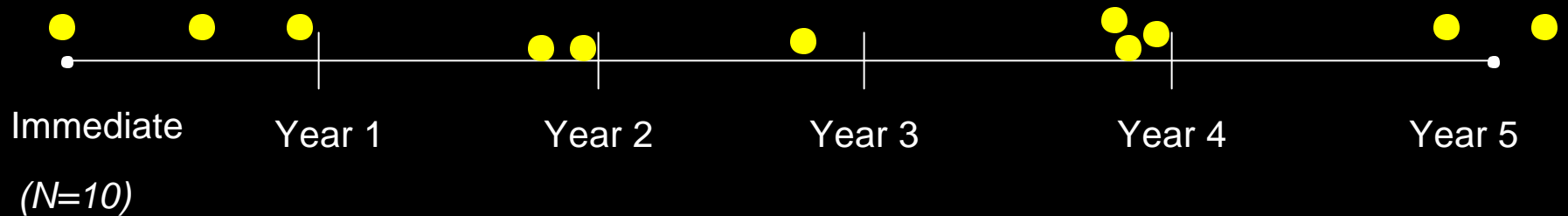
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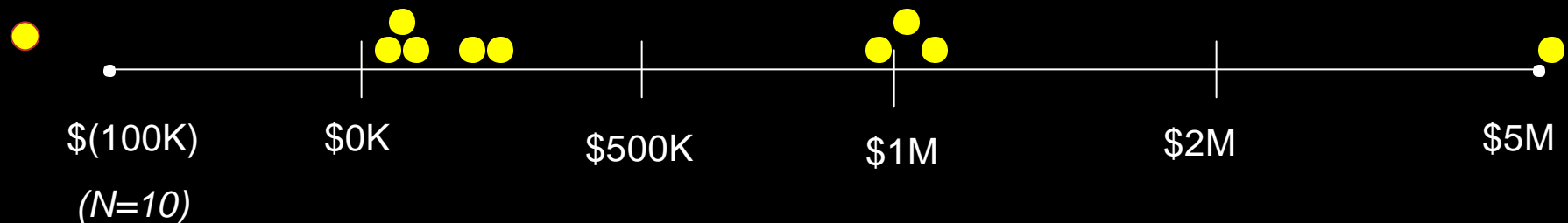
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Government Vertical Case Study

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- Medium size east coast city was evaluating their future voice strategy
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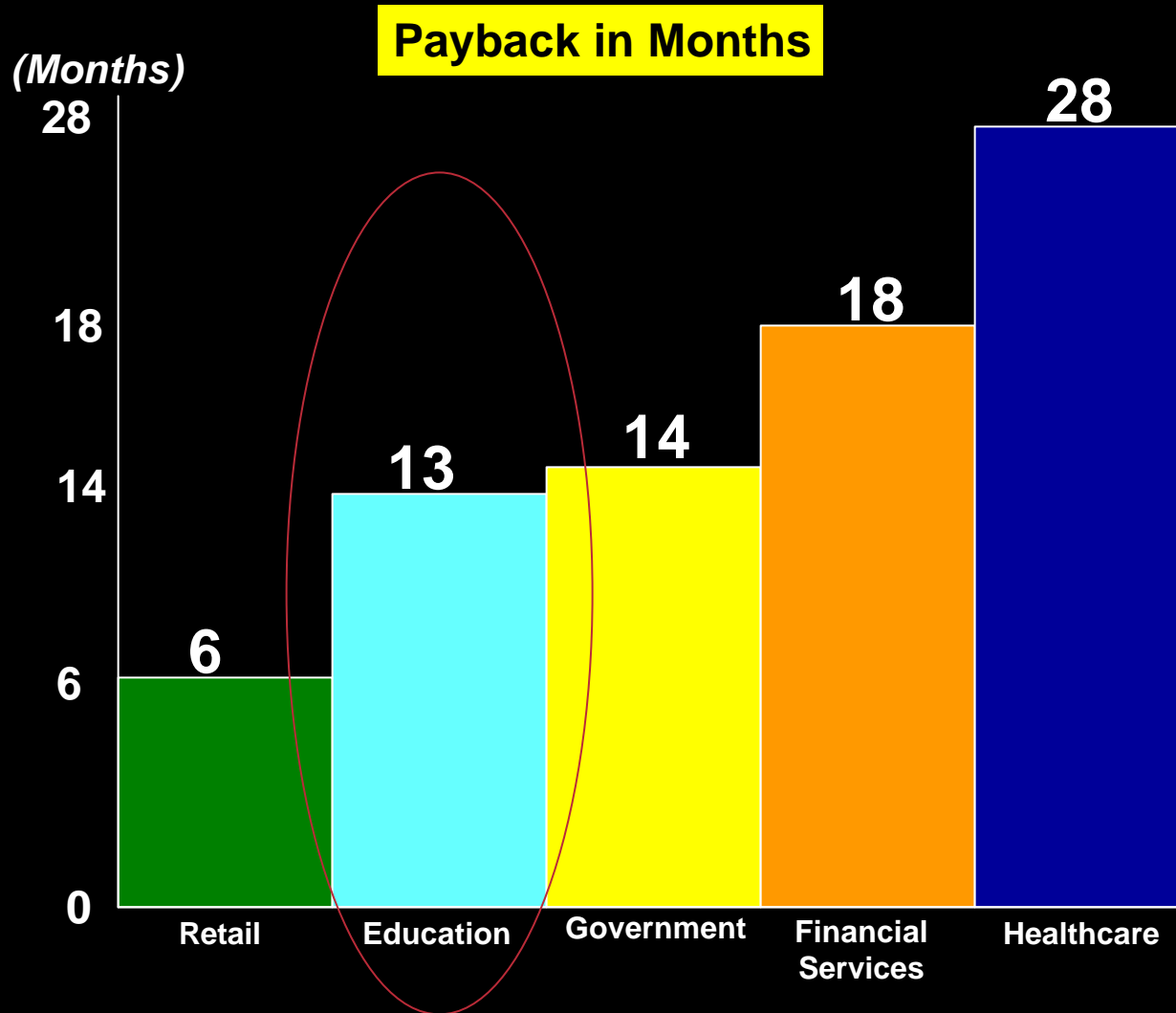


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ROI Findings – Education

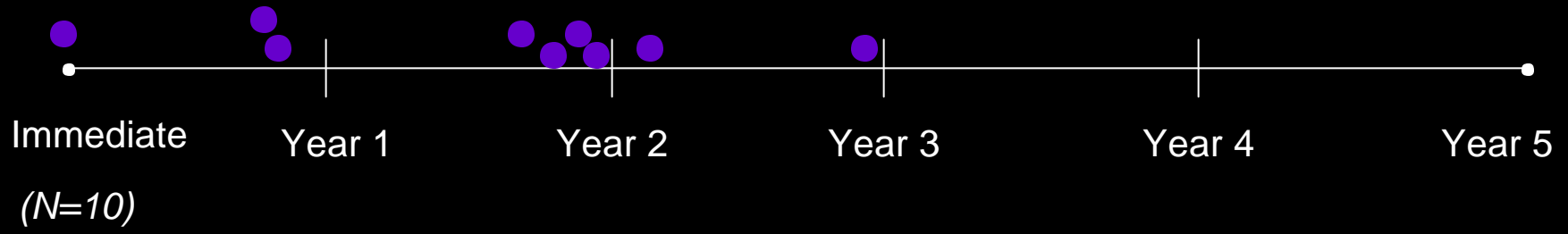
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ROI Benchmarks – Education (Avg. 283 phones)

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Education Vertical Case Study

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Challenge

- Extension campus of large state university needed to replace existing end of life PBX
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- Reused 1500 analog phones, while deploying 700 IP phones of various models
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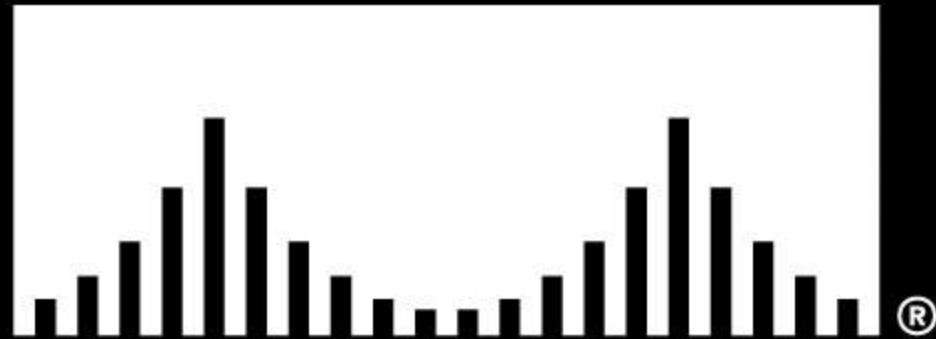
- Payback of 11 Months
- Net Present Value of \$253K

Final Thoughts

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- **As the technology matures, so does the Business Case for IP Communications**
- **A carefully prepared ROI analysis will assist you in your efforts to internally sell IP Communications**
- **The keys to building the ROI analysis are to understand the primary value propositions of IP Communications and to set an appropriate scope for the analysis**
- **Cisco has a set of tools and best practices that can facilitate the ROI analysis process**

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INTERNET GENERATION

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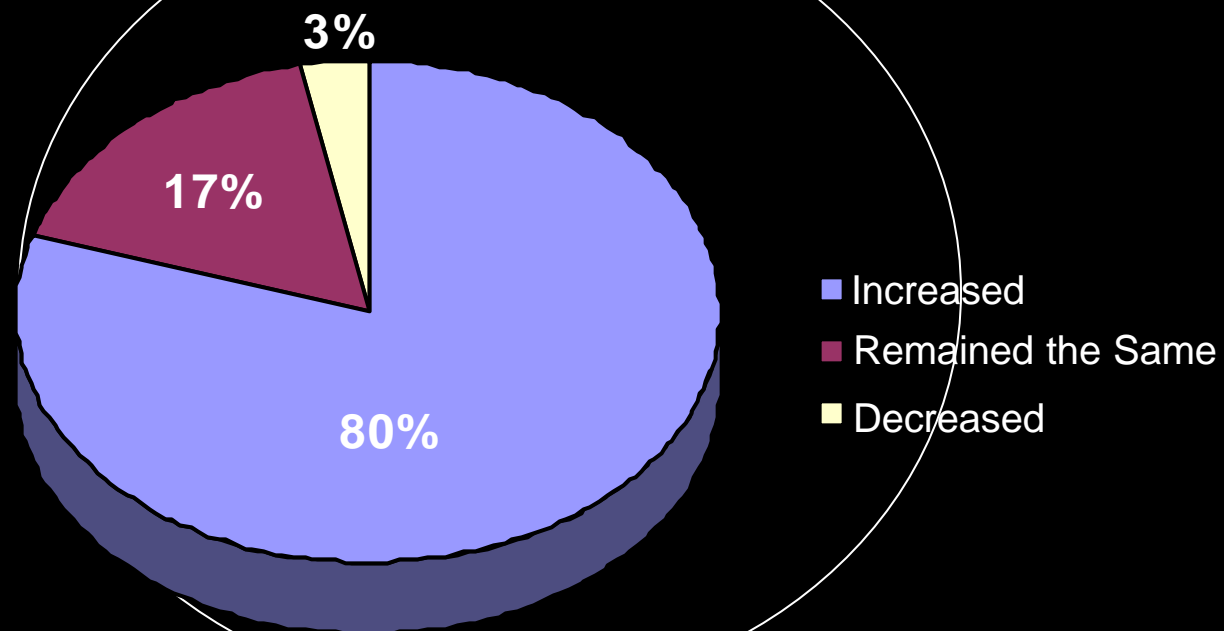
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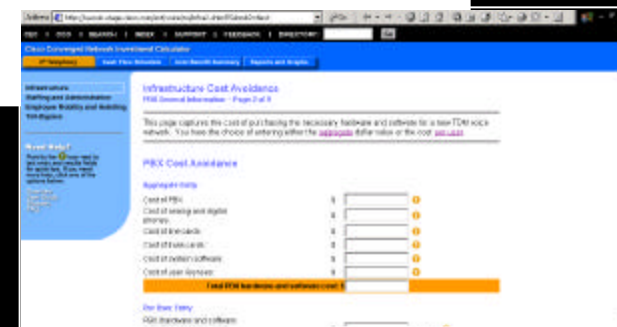
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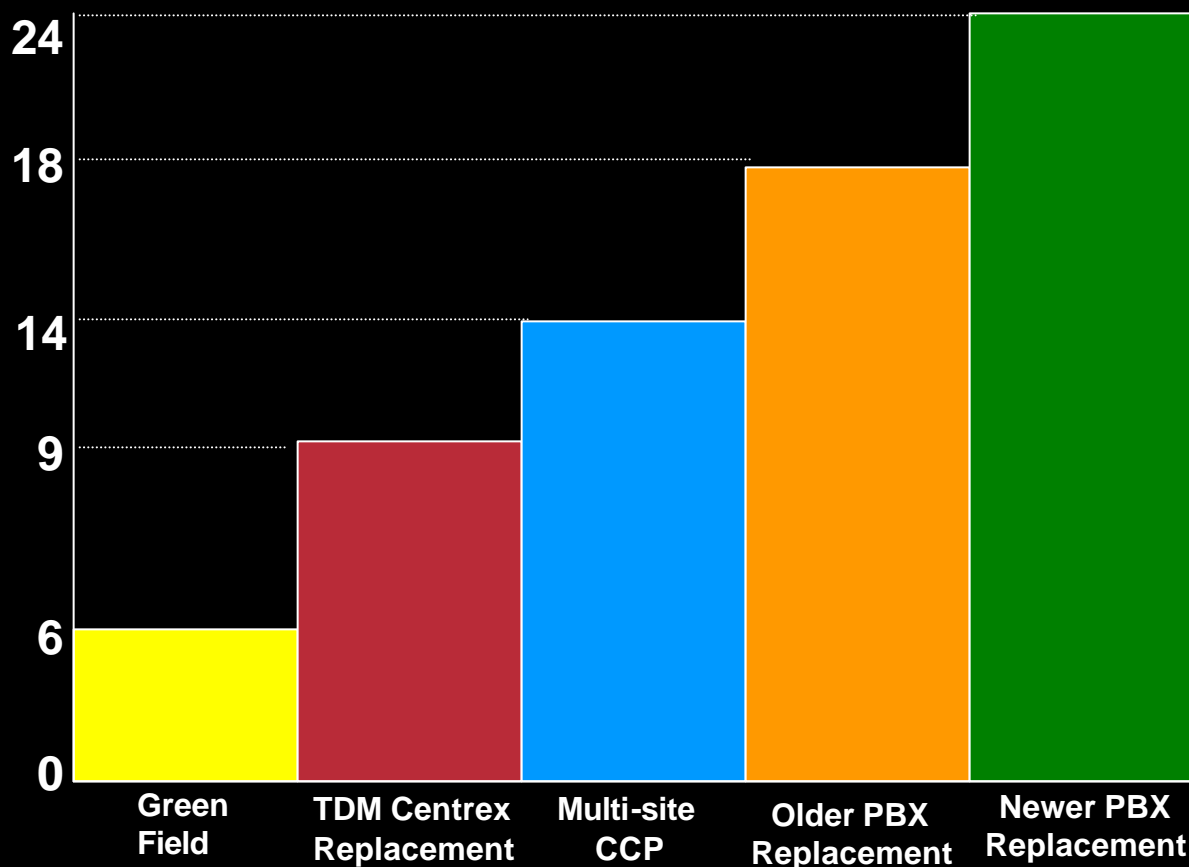
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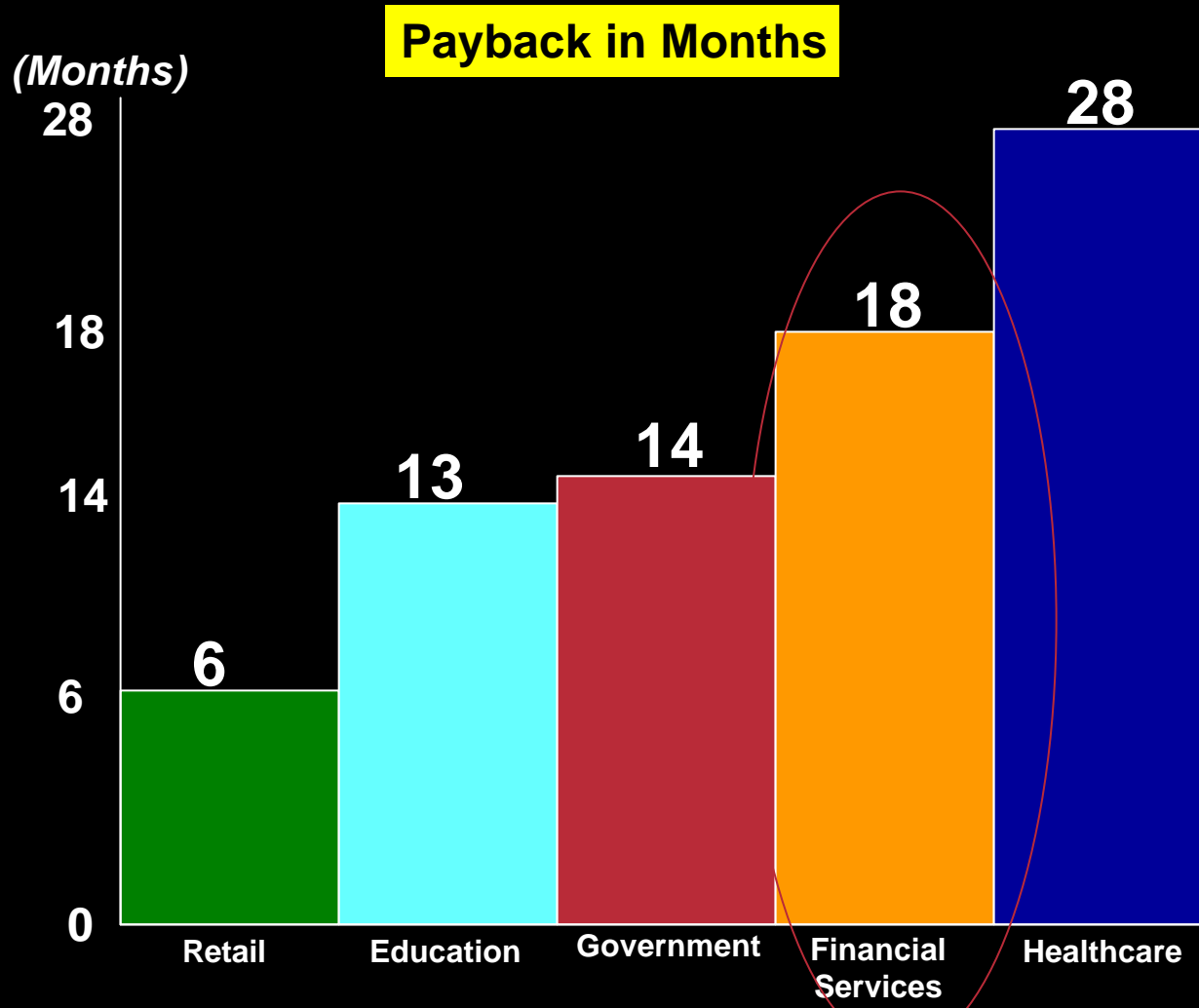
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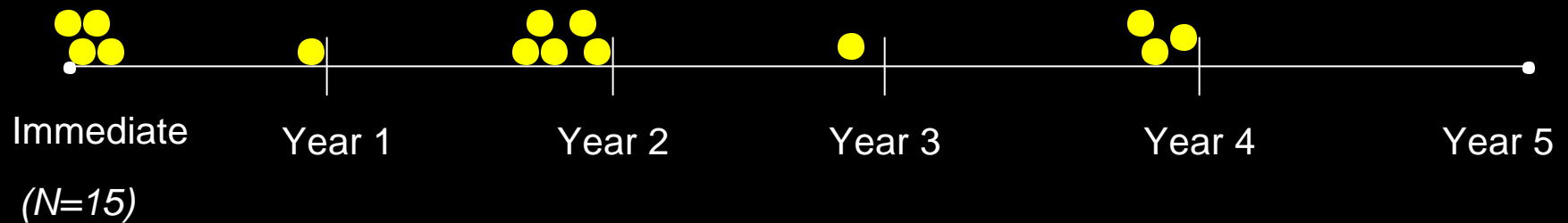
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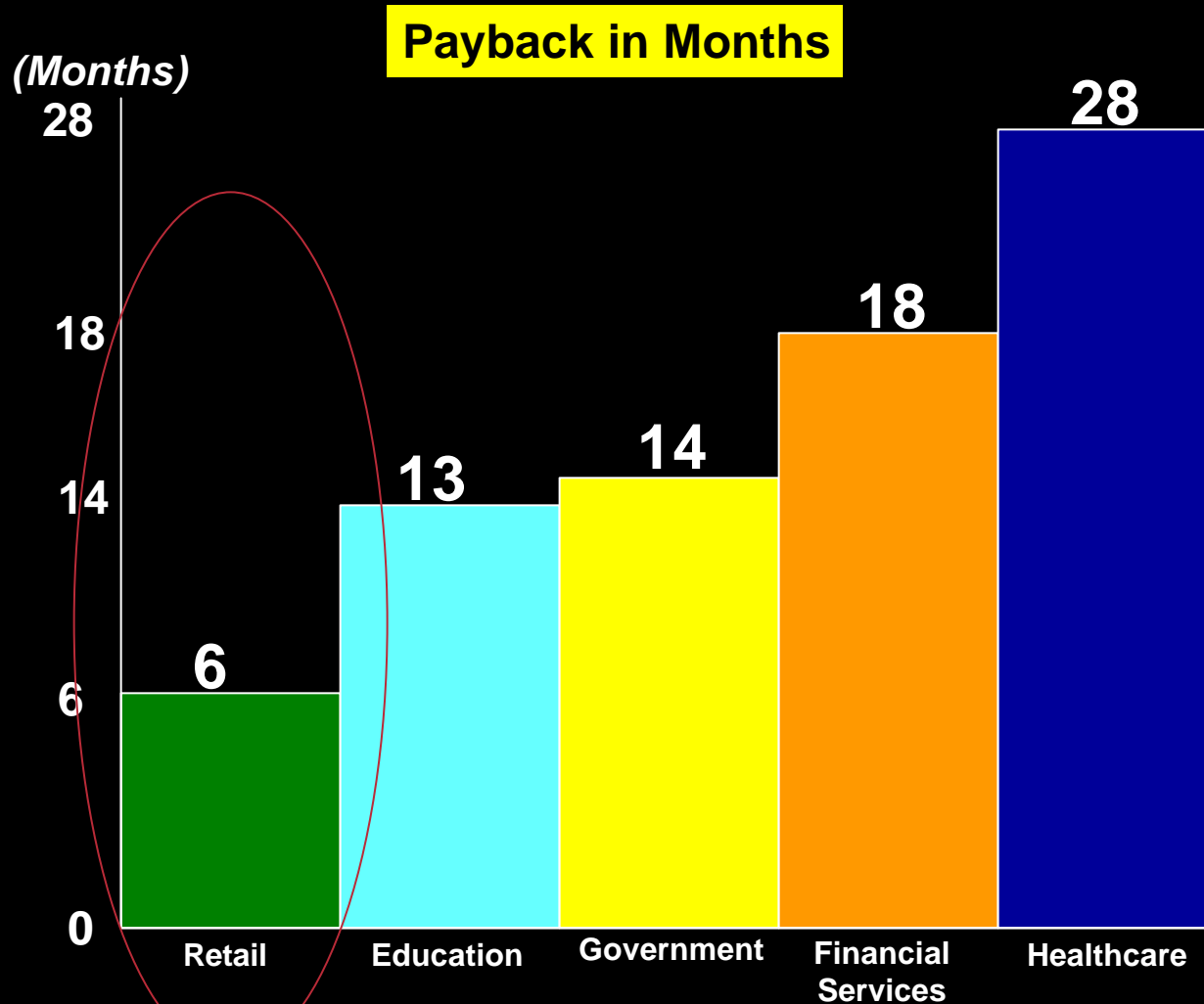


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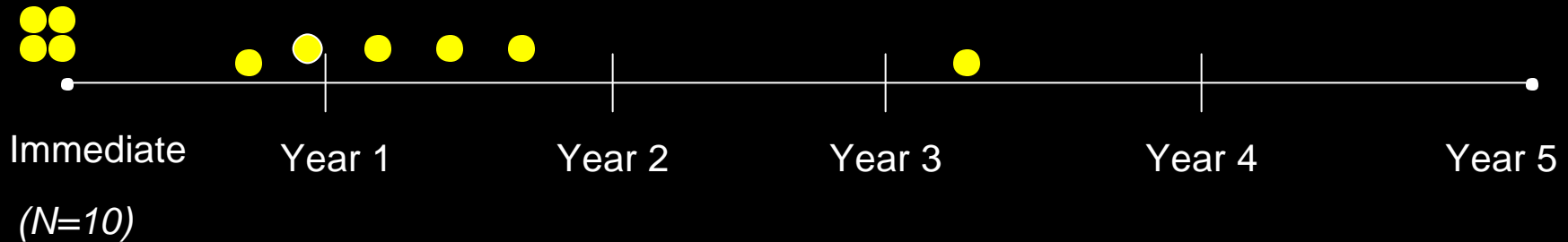
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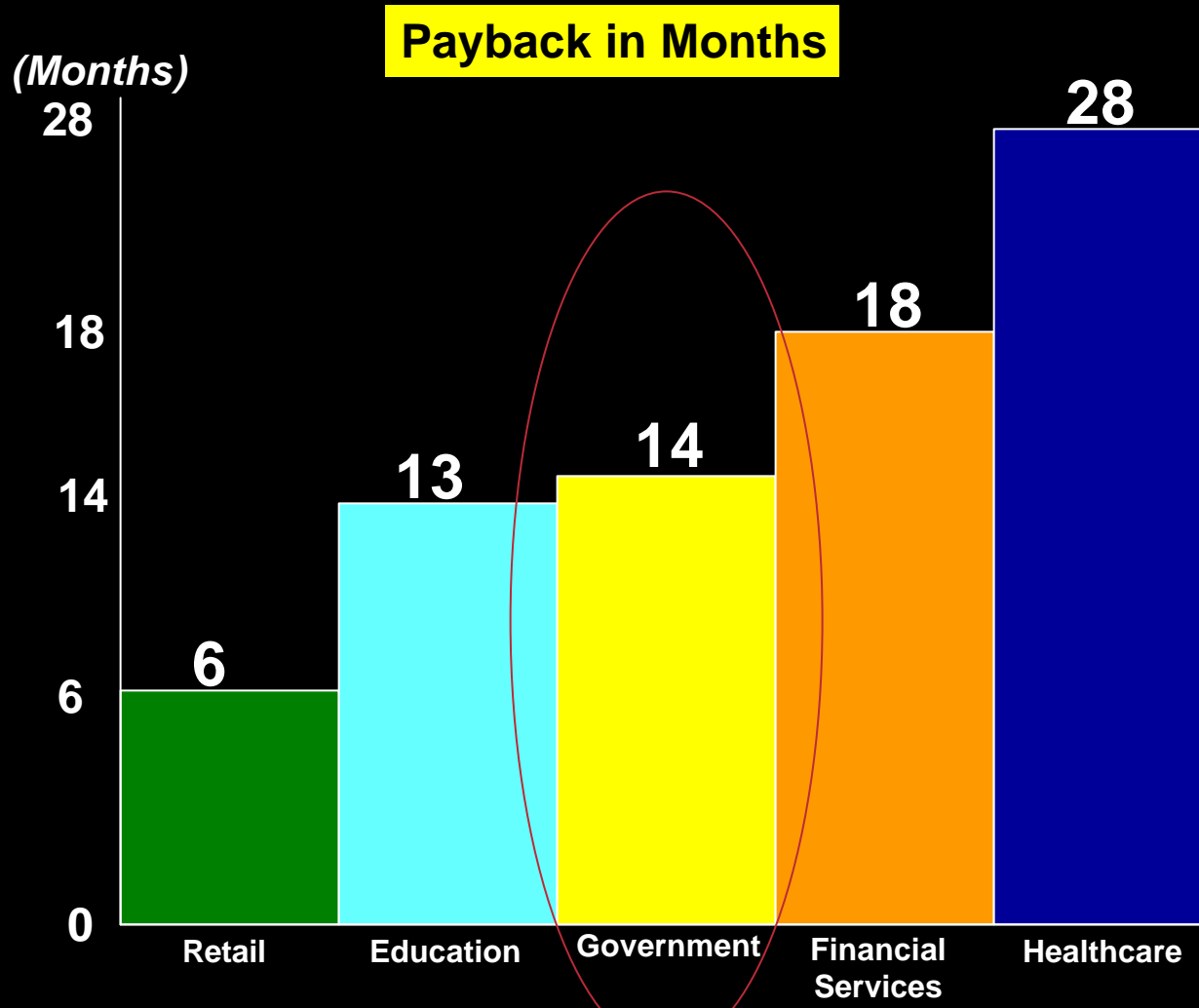
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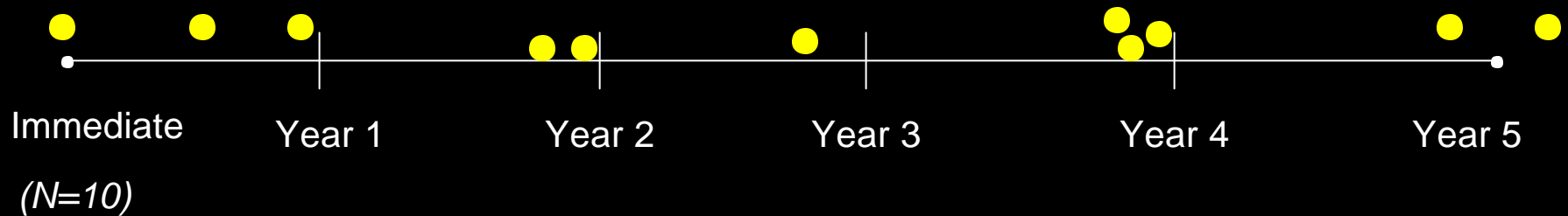
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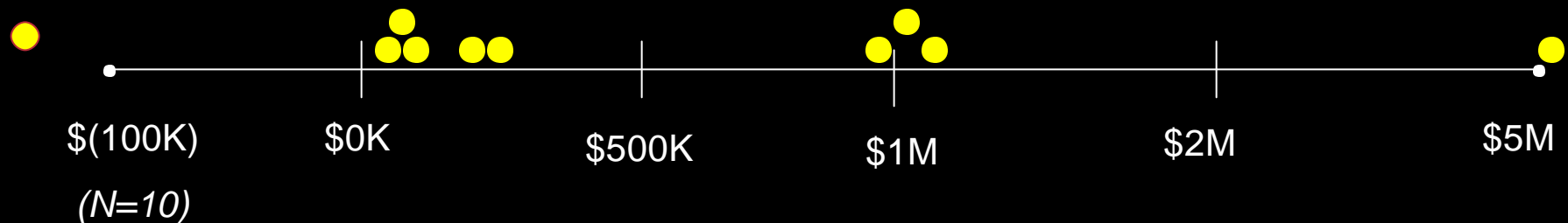
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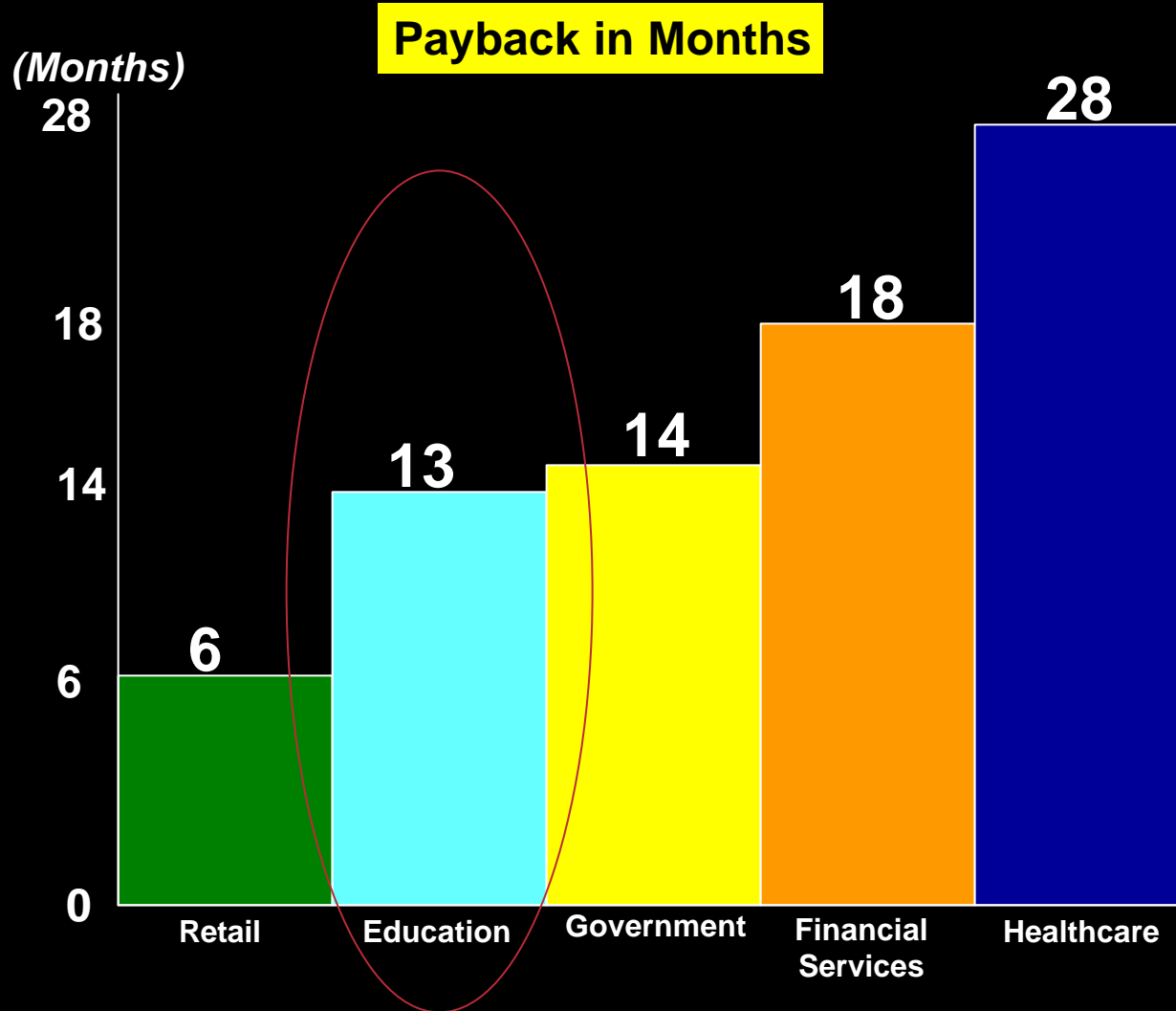


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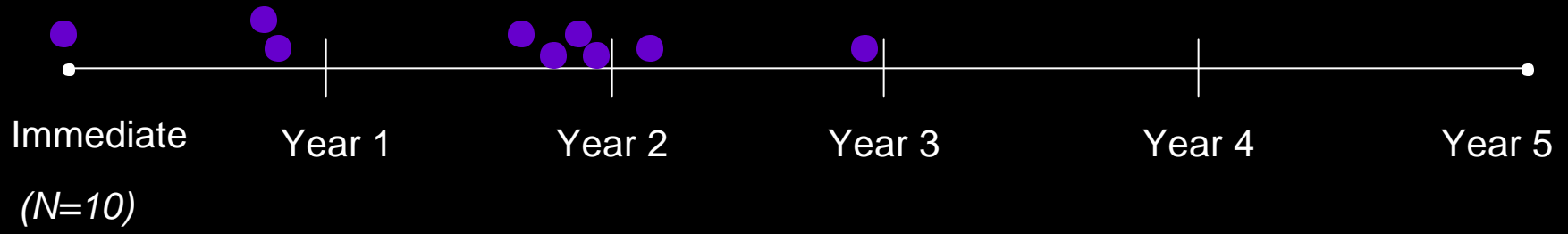
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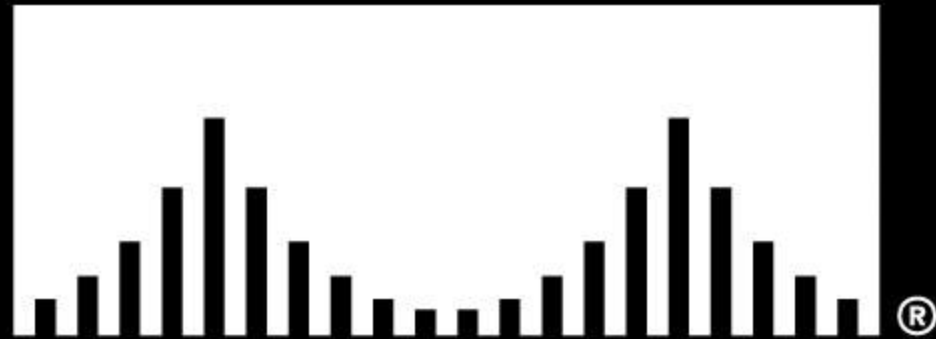
- Payback of 11 Months
- Net Present Value of \$253K

Final Thoughts

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- **As the technology matures, so does the Business Case for IP Communications**
- **A carefully prepared ROI analysis will assist you in your efforts to internally sell IP Communications**
- **The keys to building the ROI analysis are to understand the primary value propositions of IP Communications and to set an appropriate scope for the analysis**
- **Cisco has a set of tools and best practices that can facilitate the ROI analysis process**

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