# Modeling Provisioning Return on Investment

## Overview

Enterprises deploying Cisco® Unified Communications at scale frequently want to optimize the ongoing management costs for moves, adds, changes, and deletions (often referred to as MACD). The scale at which this optimization becomes a necessity varies, but often enterprises that have deployed 1000 or more phones can achieve significant benefits by using applications such as Cisco Unified Provisioning Manager to accelerate, simplify, and delegate repetitive tasks to less-technical staff. The addition of multiple services such as voicemail, unified messaging, and single number reach, supported by Cisco Unified Communications applications such as Cisco Unity™ meeting applications, Cisco Unity Connection, and Cisco Mobility Manager, significantly increases the value of a provisioning application.

This document describes the business case and associated return-on-investment (ROI) calculator spreadsheet (EDCS-691144), which enterprises can use to get an idea of potential savings by deploying Cisco Unified Provisioning Manager.

## Approach

The ROI calculator spreadsheet provides a simple way to parameterize a deployment, and get some initial views on multiyear savings and payback.

The calculator has numerous sections that can—and in most cases should—be tailored to match a specific deployment. Initial sections allow entering some basic input parameters, such as size of deployment and growth rates. Latter sections calculate investment required, savings potential, payback, and multiyear cumulative benefits.

## Primary Inputs

The Initial Number of Phones is the factor that affects most of the spreadsheet. This factor scales the costing, as well as the number of changes expected, and hence potential cost savings. Annual Growth represents the increase in the number of phones deployed year over year. The calculator assumes the same growth rate each year. If your growth rate is different, you can modify the formulas to specify the specific growth rate for each year.

The number of clusters indicates the general complexity of the deployment. It acts as a scaling factor for implementation services work, if that is selected as “Yes” in the primary inputs.

Customer Discount is the discount applied against standard Cisco pricing for this particular customer.

## Secondary Inputs

You can also change secondary inputs, but defaults are meant to represent typical deployment scenarios.

Service Parameters indicate complexity of the service. Thus enterprises with 24 lines on a phone will have a potentially different ROI than ones with 2 lines on a phone.

You should set Service Parameters to include voicemail or unified messaging (on Cisco Unity or Cisco Unity Connection applications), and whether you use Cisco Mobility Manager for single-number-reach activation.

Typical values for error rates and times to provision services before and after deployment of Cisco Unified Provisioning Manager are included. You should verify these values with specific data and use cases from the specific enterprise. Specifically, the default values show a 10:1 acceleration when using Cisco Unified Provisioning

Manager versus accessing the native Cisco Unified Communications application interfaces (such as native Cisco Unified Communications Manager or Cisco Unity Connection GUIs), as well as a much lower error rate due to the automation of Cisco Unified Provisioning Manager.

These numbers are based on typical customer feedback where configuring a user, phone, line, or voicemail in the native applications requires multiple logins (at least 2), many screens to be accessed, and typically setting multiple attributes on each screen. Paging and traversing between screens and fields can take 50 clicks in the native applications, and you have to know where to find those fields. Contrast this scenario with ordering a standard bundle in Cisco Unified Provisioning Manager, which typically involves fewer than 10 clicks from a single wizard screen.

Errors during your entries in the native applications may not be noticed and can cause very time-consuming debugging at a later time. For example, if you enter the max-calls or busy-trigger settings incorrectly (or forget to enter them), then call behavior may become “erratic”. The “time to fix an error” is defaulted to 30 minutes, but this time may actually be much greater. Automated provisioning through Cisco Unified Provisioning Manager removes the possibility of missing or misconfiguring an attribute.

You should adjust loaded costs for the enterprise as necessary.

### Calculated Results

The first calculated section uses the input parameters to calculate the expected number of changes per month and year, and expected number of errors that you need to fix. The changes are calculated as:

- Number of Adds, Changes, Deletes for **existing** subscribers
- Number of Adds, Changes, Deletes for **new** subscribers that year (based on growth rate)

These numbers then feed into the section on Benefits, first by calculating the Monthly benefits, and then by rolling that up to an Annual benefit. Calculations are made for **before** and **after** deployment of Cisco Unified Provisioning Manager. The difference between these two sets of numbers is the Gross Benefit of Cisco Unified Provisioning Manager over certain times.

**Note:** Gross Benefit has not yet included investment.

Please note that for simplicity the “cost of money”, such as interest rates and inflation over multiple years, is not considered in this analysis.

### Investment and Net Benefit

Investment is calculated based on sizing, including original capital costs, whether deployment services are included (optional), hardware costs, standard support (Cisco Software Application Support ([SAS]), and the need to upgrade to a major release every 24 months. Assumptions are made about each of these factors.

Product pricing is calculated based on size of deployment **at the end of year 5**. That is, the system is purchased in year 1 to meet the needs in year 5. You could choose to manage cash-flow more effectively than this by purchasing licenses as you grow, but for simplicity the spreadsheet models it as all “up-front” costs.

There is a further assumption that a major Cisco Unified Provisioning Manager upgrade will be required in year 3 and year 5, and an assumption that the cost of those upgrades will be 50 percent of the price of the new product pricing. Both of these assumptions may change in a particular case. The 50-percent discount for major upgrades, though, is consistent with historical upgrade pricing in the Cisco Unified Communications Management Suite. If you expect to do a major upgrade more often, the you can customize the investment in each year.

### Deployment Services Requirements

The spreadsheet does not do an elaborate model of potential services involved in deploying the product, but does include the option to provide some basic deployment assistance.

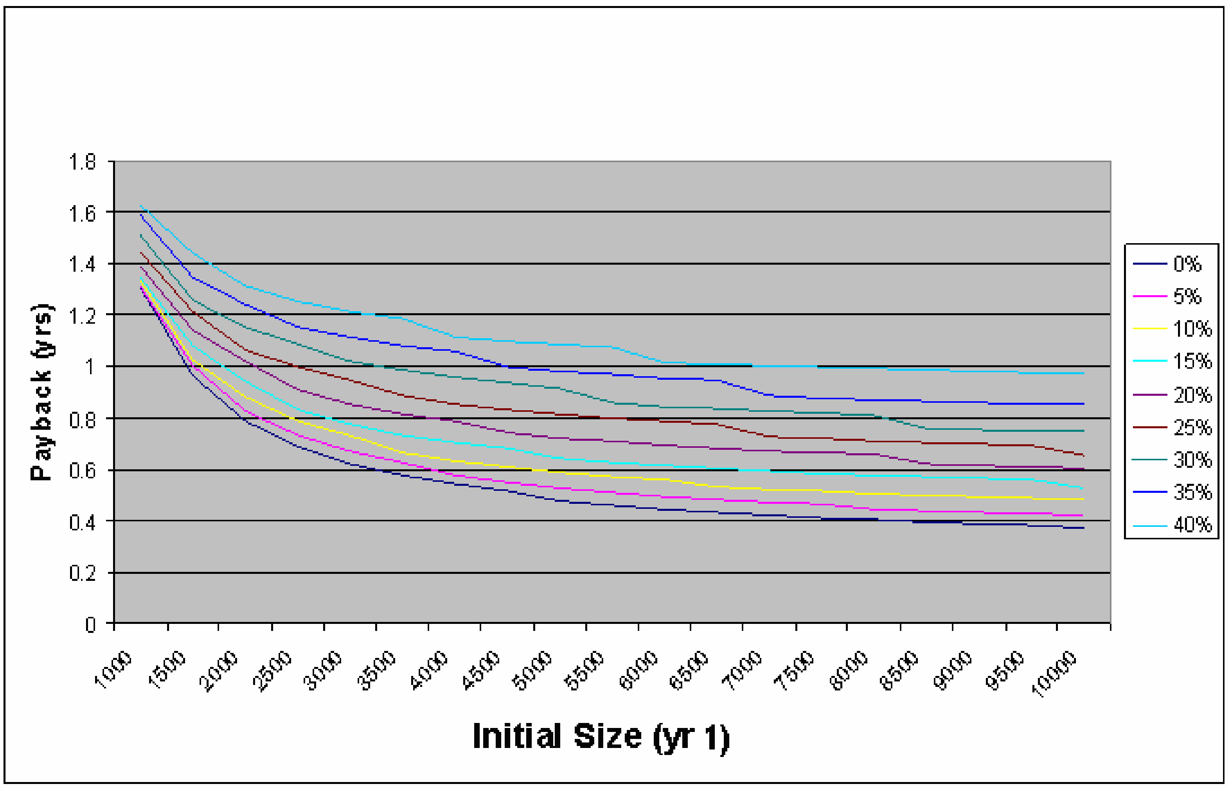
These numbers should be validated with a services partner before considering as budgetary.

### Graphs

Figures 1 and 2 at the end of the spreadsheet show how **Payback** and **Cumulative 5-Year Net Benefit** vary with changes to growth rates and deployment sizes. They give an indication of how "sensitive" the analysis is to those variations. If other variables are uncertain in a particular deployment, we suggest that you use a range of numbers to see the variation of possible outcomes, and assess the risk of meeting the investment returns.

Note on Figure 1 that for any specific "initial size", the higher the growth rate, the longer the payback. This conclusion may seem counter-intuitive, until you consider that it is due to the fact the "Year 5 size" is all purchased "up-front" in year 1. If you purchase incremental licenses as you grow, the payback will be faster.

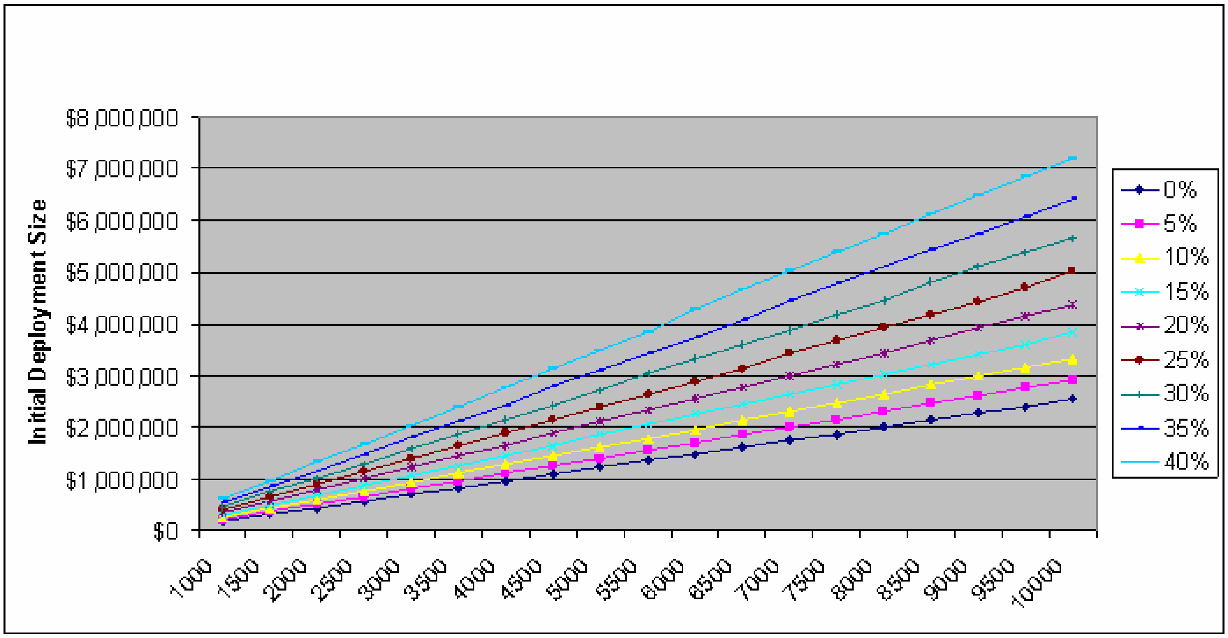
**In many cases, the payback for Cisco Unified Provisioning Manager is less than 1 year.**



Conversely, note that the accumulated Net Benefits actually grow **faster** with higher growth rates because there are more savings over time because of the larger deployment.

**In many cases, the long-term value of Cisco Unified Provisioning Manager is in the $MM range.**




## Other Tabs

The other spreadsheet tabs contain information about investment and pricing that you can modify or use “as-is”. The data includes the existing Cisco Unified Provisioning Manager Version 1.0 product pricing (based on deployment size), automatic scaling to determine the “per-phone” costs based on the size of the deployment, hardware pricing scaled by size (one- or two-machine deployment), and hourly services rates.

## Conclusions

Customers with deployments in the thousands of phones have a significant opportunity to save money by deploying the Cisco Unified Provisioning Manager. You can have a better understanding of these possible savings by familiarizing yourself with the product and the scenarios that you can simplify, delegate, or accelerate, and then using that information on specific use cases to conduct a similar type of ROI analysis as described herein.

For further questions about this paper, please send an email message to [ask-ipc-management@cisco.com](mailto:ask-ipc-management@cisco.com).

**Note:** This paper and the accompanying spreadsheet are provided for information purposes only. Customers are free to use and modify as desired. Cisco takes no responsibility for accuracy or appropriateness of business metrics and values.

Americas Headquarters
Cisco Systems, Inc.
San Jose, CA

Asia Pacific Headquarters
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Printed in USA

C11-557064-00 09/09