

How Virtual Meetings Provide Substantial Business Value and User Benefits

Cisco TelePresence realizes greater than expected cost avoidance savings and productivity improvements.

Cisco IT Case Study/TelePresence/Cisco TelePresence Benefits: This case study describes the benefits that Cisco has gained from its internal deployment of Cisco® TelePresence™ systems. In less than two years after deployment began, Cisco has held more than 100,000 TelePresence meetings which provided an estimated US\$90 million cost avoidance savings by decreasing employee travel and delivered productivity improvements worth more than US\$40 million. Cisco customers can draw on Cisco IT's real-world experience in this area to help support similar enterprise needs.

“Virtual meetings cost less than in-person meetings, and with Cisco TelePresence they can be just as effective.”

Suresha Bhat, IT Manager for Emerging Technologies, Cisco

BACKGROUND

After beginning the deployment in 2006, Cisco IT implemented 269 Cisco TelePresence units in Cisco offices located in 123 cities worldwide by mid-2008.

The Cisco TelePresence Meeting solution creates a live, face-to-face meeting experience over the network, with high-quality video and audio. The Cisco IT deployment of TelePresence facilitates more meetings of customers with Cisco executives

and technical experts, while also reducing travel by key employees, accelerating sales cycles, and supporting more efficient internal communications.

CHALLENGE

An enterprisewide TelePresence solution is expensive: Costs include the TelePresence equipment in each office and additional bandwidth in the WAN backbone and in local-office access circuits. With such a large investment, Cisco IT needed to measure the benefits of the TelePresence deployment and present data about its usage and value to company executives.

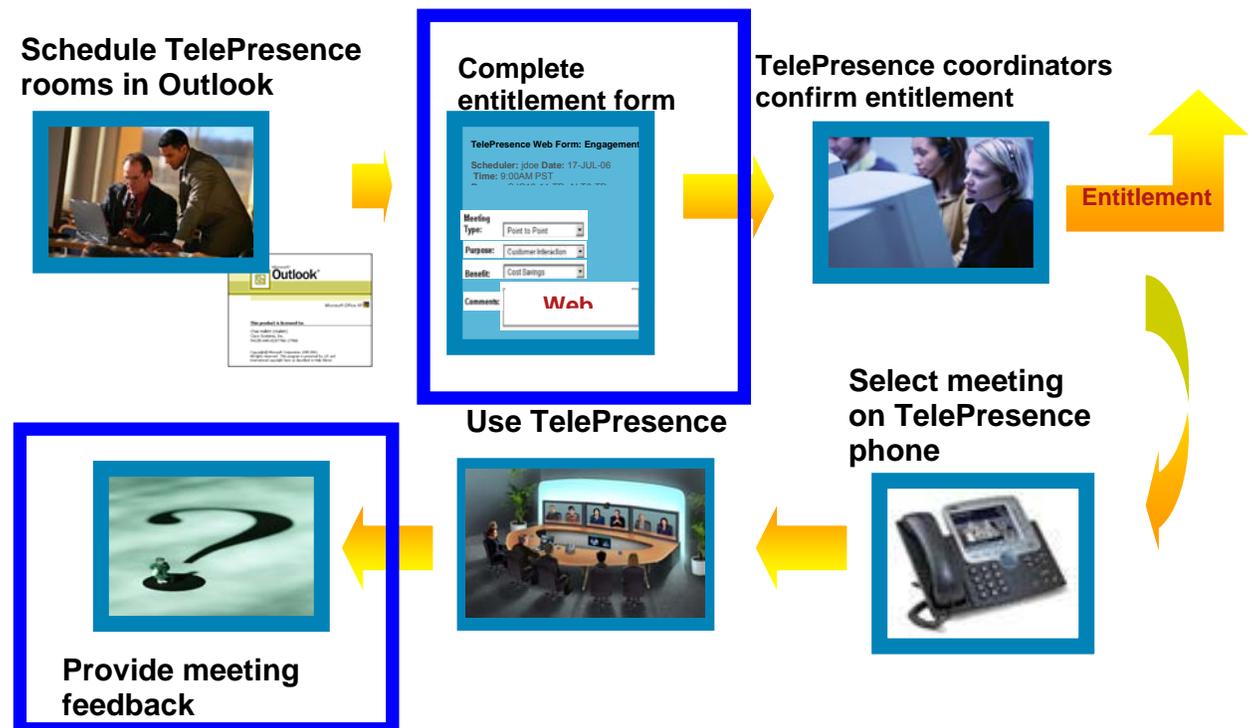
SOLUTION

From the start of the TelePresence deployment, Cisco IT has collected system use statistics and participant feedback. This data is collected at two points: during the setup process for a TelePresence meeting and after the meeting is completed (Figure 1).

When scheduling a TelePresence meeting, the requestor completes an online entitlement form which collects information about the purpose and primary benefit of the meeting. Cisco IT aggregates data from the entitlement forms to measure the value (for example, cost savings, productivity improvements, etc.) of the TelePresence deployment.

After the meeting, the requestors are sent a satisfaction survey to collect their feedback about the TelePresence experience and any issues encountered.

Figure 1. User Scheduling Process and Data Collection Points for Cisco TelePresence Meetings



RESULTS

The Cisco TelePresence solution has proven valuable for a variety of meeting types, including internal team discussions, product demonstrations, and discussions among customers and Cisco executives and technical experts. “Virtual meetings cost less than in-person meetings, and with Cisco TelePresence they can be just as effective because it provides a real-time, true life-size experience,” says Suresha Bhat, Cisco IT manager for emerging technologies. Mark Wiley, a Cisco regional sales manager, agrees: “Cisco TelePresence is quickly becoming a standard part of how we do business when remote parties are involved.”

Popular Rooms, Positive Results

As of mid-2008, Cisco IT data indicated high usage and positive results for the TelePresence rooms (Table 1).

Table 1. Key Results and Usage Data for Cisco Internal TelePresence Deployment as of Mid-2008

Cisco TelePresence Internal Deployment	
System Statistics	Key Results
238 Cisco TelePresence endpoints deployed globally.	Average weekly utilization rate of 45% for the TelePresence rooms, higher than the 40% target required for Cisco to fully realize the investment value of its deployment.
More than 105,000 total meetings held since late 2006: <ul style="list-style-type: none"> Includes nearly 13,000 meetings with customers Average of 2500 TelePresence meetings scheduled each week 	More interaction with customers increased the sales closing rate and reduced the sales cycle time, each by 2%, helping Cisco to accelerate revenue.
Employees avoided travel for nearly 17,500 meetings.	Cost avoidance estimated at US\$90 million , based on an average of four employees per meeting and travel costs of just over \$1100 each. Eliminated 20 million cubic meters of emissions, which equals 8700 cars off the road.
More than 4800 multipoint meetings : <ul style="list-style-type: none"> Typically connect 3-4 locations Some meetings included up to 10 different locations 	Improved employee productivity is valued at more than US\$40 million .

“This high number of virtual meetings to connect people would have been impossible if travel had been involved because of the time required,” says Rami Mazid, senior director of emerging technology in Cisco IT. “And we would not be able to achieve this higher level of customer interaction without the Cisco TelePresence solution.”

The purposes listed for these meetings closely tracked the corporate objectives for use of the TelePresence rooms with a nearly equal balance of internal and customer meetings (Table 2). Meetings identified with the purpose of “avoid travel” were not further identified as internal or customer meetings.

Table 2. Purpose of Cisco TelePresence Meetings

Meeting Purpose	Percent of Meetings
Cisco internal meetings	38%
Customer meetings	31%
Avoid travel	30%
Other purposes	1%

Measuring business value. Weekly data tracks the utilization and value of Cisco’s internal TelePresence deployment overall and for each TelePresence room. Defined metrics include:

- Weekly utilization: number of meetings and hours in use with utilization trends over time. This data also identifies the utilization patterns of the top sites using TelePresence, as well as sites where utilization levels are lower than expectations.
- Monthly measurement of user satisfaction levels.
- Quarterly analysis of corporate travel expenses and estimated cost avoidance savings associated with use of TelePresence.

Cisco also uses entitlement criteria to track the business value of each TelePresence meeting (Table 3).

Table 3. Purpose of Cisco TelePresence Meetings

Category	Entitlement Criteria
Improve Employee Productivity	<ul style="list-style-type: none"> • Increase employee interaction • Share employee knowledge
Increase Customer Interactions	<ul style="list-style-type: none"> • Customer meeting with Cisco executive • Customer meeting with Cisco technical experts • Address customer issue
Deliver Financial Benefits	<ul style="list-style-type: none"> • Avoid travel • Accelerate product time to market • Mitigate a crisis/allow business continuity

Avoiding Travel. The point-to-point and multipoint meetings delivered by the Cisco TelePresence solution connect more participants in more locations and enable Cisco employees to avoid travel. For the second quarter of FY2008, use of TelePresence translated to a direct reduction of 11 percent in Cisco's corporate travel expenses from the previous quarter. The calculation of travel cost avoidance savings is based on the factors of average cost per trip, number of meetings that avoided travel, and the number of participants who avoided travel for a meeting.

Travel avoidance also benefits the environment by reducing carbon dioxide emissions, part of Cisco's goals for implementing environmentally responsible business practices. Calculations of emission reductions are based on an average of 2000 miles air travel per employee trip.

Improved employee productivity. Productivity improvements can be evaluated through monetary and other quantitative measures as well as qualitative feedback. Cisco IT focuses on the monetary value of productivity improvements, using calculations based on the average hourly salary of all Cisco employees, including the costs of benefits and other compensation.

Several examples cited by Cisco employees provide evidence of the qualitative value of Cisco's internal TelePresence deployment. For example, by avoiding travel, key employees can increase their availability for other customer meetings or work assignments. "Although our participants spent the same amount of time in the actual TelePresence meeting, they gained productivity because they saved travel time. For some, that time savings was huge, at 24 hours or more per trip," says Dawn Adams Miller, a Cisco program manager.

Cisco product sales specialist Beth Wolnewiecz, reflecting on her experience in helping Cisco customers experience TelePresence, says, "Virtual meetings may go longer than a conference call, but the people involved can deal with the topics and issues more easily than on a telephone call because of the 'real-life' experience delivered by TelePresence."

Cisco channel account manager Katherine Lim, who works in Sydney, Australia, anticipates more use of Cisco TelePresence in the future "for more effective collaboration with colleagues, partners, and customers worldwide. TelePresence helps to shorten sales cycles and produce faster decisions."

Increased customer interactions. The ability to invite more customers to participate in virtual meetings with Cisco executives and technical experts provides better information and interaction. "We are changing how we interact with our customers because of the video quality and simplicity of the Cisco TelePresence solution," says Mazid. "It is much easier for our customers to meet with our executives and technical experts when time and distance are no longer barriers." Mazid says that by eliminating travel with TelePresence, customers will be able to schedule meetings with Cisco technical experts more quickly, and Cisco employees will be able to meet with more customers.

Employees across the Cisco sales organization have also seen significant benefit from using Cisco TelePresence meetings for customer communications. Scott Hemig, a senior business consultant for Cisco, says that TelePresence meetings allow the "face-to-face" conversations that help to close high-value sales agreements. Michael Nolan, systems engineering manager for the Cisco Finance department in the United Kingdom says, "Using Cisco

EXECUTIVE SUMMARY
<p>BACKGROUND</p> <ul style="list-style-type: none"> • Cisco IT implemented 350 Cisco TelePresence units at Cisco offices in nearly 130 cities worldwide by mid-2008
<p>CHALLENGE</p> <ul style="list-style-type: none"> • Measure the benefits of the TelePresence deployment • Track ongoing usage and value obtained from the large investment in TelePresence systems and access circuits
<p>SOLUTION</p> <ul style="list-style-type: none"> • Collect utilization statistics and participant feedback • Define use cases for authorizing meetings and tracking system use
<p>RESULTS</p> <ul style="list-style-type: none"> • High utilization levels • Travel cost avoidance and emissions reduction • Increased sales closing rate and reduced sales cycle time • Improved employee productivity • Positive user feedback
<p>LESSONS LEARNED</p> <ul style="list-style-type: none"> • Utilization can quickly reach high levels • Employees will adjust schedules to avoid travel • Minimal support required
<p>NEXT STEPS</p> <ul style="list-style-type: none"> • Continue tracking utilization and value metrics

TelePresence is now a key differentiator for making sales because we can involve key executives and product specialists in conversations with customers earlier in their decision process.”

Working in New York, Cisco products sales specialist Adam Goldberg says that “Previously, we had to wait until an executive or product expert was in our area before we could schedule a meeting with the customer, and that might have meant waiting weeks or months.”

Accelerated revenue. By delivering more presentations to more customers, Cisco conservatively estimates the sales closing rate will increase by two percent and the sales cycle time will be reduced by two percent. Both factors will help Cisco to accelerate revenue.

Meaningful interactions for employee recruitment and development. Cisco employees are recruited globally to work in 300 company offices worldwide. The Cisco Human Resources (HR) department uses TelePresence meetings for interviews, which avoids travel for job candidates who may be located in another part of the world from the hiring manager. For candidates, these virtual meetings also save significant time and avoid the need to be away from their current jobs.

Internally, Cisco HR uses TelePresence extensively in the assessment and coaching sessions that are part of the company’s leadership development program for senior-level managers and executives. “Our executive assessments are highly sensitive, so we need to meet face-to-face with both the executive and his or her colleagues to develop the level of trust necessary for a constructive discussion,” says Dr. Robert Kovach, director of talent strategy and executive development for Cisco HR. “In a TelePresence session, we can see the valuable signals that come through body language, which are especially important to avoid misunderstandings in cross-cultural interactions. Additionally, a TelePresence meeting is easier for the people involved

because they aren’t tired and stressed from travel.”

TelePresence also helps the many Cisco managers who work remotely with team members located worldwide. “With Cisco TelePresence, I can conduct performance reviews and other meetings that I never would have done over a conference call or even a video conference. With TelePresence, you can see a person’s reactions, which gives me comfort as a manager to have remote meetings in this way,” says Joe Duarte, a Cisco senior systems engineering manager.

New option for emergency response. The TelePresence systems provide a high-value option for Cisco executives and managers to communicate for disaster recovery or other issues related to business continuity. For John Jacovou, Cisco security operations manager for Europe, TelePresence provides the value of a face-to-face experience when meeting with his counterparts in other world regions. “TelePresence has changed my approach for how to work together,” he says. “In the past, I didn’t hold video conferences very often because the systems were sometimes difficult to get working. Now, when I plan a meeting with remote participants, I always think about using TelePresence.”

Adds Paul Mercer, a Cisco senior manager for safety, security, and business resiliency, “Effective communication is critical in emergency situations, especially when the incident is remote from where tactical and strategic decisions are

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Dawn Adams Miller, Cisco Program Manager

being made. TelePresence enables Cisco executives and managers to fully assess the situation in contextual terms from visual and nonverbal messaging, which often has relevance in stressful circumstances such as crisis events.”

LESSONS LEARNED

System utilization data and user feedback about the TelePresence experience have delivered several useful lessons for Cisco IT.

Utilization can quickly reach high levels. Cisco initially defined a utilization goal of 40 percent per week for each

TelePresence system, based on a typical 10-hour business day. Utilization data shows that more than two-thirds of the sites have utilization rates greater than 45 percent per week, with the largest sites approaching 100 percent utilization levels. Although Cisco IT planners initially expected the TelePresence systems to be in use for 4-5 hours per day, in practice some systems are used as much as 12 hours each day.

The utilization rates accelerated as additional TelePresence rooms were deployed across the company, reflecting a “viral” effect as more employees discovered the value of the TelePresence experience and began to schedule more TelePresence meetings. This acceleration in utilization rates also suggests that additional TelePresence rooms deliver more value than the first rooms deployed.

“At some sites, TelePresence has been so popular that we saw 100 percent utilization levels even in the first month after the system was installed,” says Mazid. “In some locations where we initially planned installation of one TelePresence system, demand has been so high that we have installed two or three systems, and still utilization levels are 80 percent or more. We will continue to monitor utilization data and install more systems at sites where justified by the user demand.”

In contrast, some emerging country locations initially had lower TelePresence utilization rates than target levels. An analysis by Cisco IT determined the primary reason was that these sites communicate primarily with locations in other emerging countries where installation of the TelePresence systems was not yet complete.

Employees will adjust work schedules if they can avoid travel. The highest volume of TelePresence traffic is between the Cisco corporate headquarters in San Jose, California, and the Cisco Globalization Center in Bangalore, India, which are separated by a time difference of more than 12 hours. Although it means being at the office in the late evening for meetings scheduled in the morning in Bangalore, Cisco employees in San Jose are willing to work at this time if they can avoid spending 20 hours or more on a flight to India.

Minimal support is required. Fewer than one support case was received per room per week. Only two percent of the support cases were categorized in the highest three priorities for handling, indicating that most support requests were questions about room scheduling or system use, not an indication of equipment problems.

Outreach yields positive user feedback. Communications to the local Cisco offices about the potential uses of TelePresence systems have helped to increase system utilization and user satisfaction. A survey of users indicated that 95 percent of respondents either agreed or strongly agreed that the quality of the TelePresence virtual meeting met their expectations.

NEXT STEPS

Before deploying the first TelePresence system, Cisco IT defined the value metrics and validated them internally with business decision makers. Cisco IT plans to continue tracking these metrics for ongoing measurement of the TelePresence utilization levels and business value. "For many IT projects, the analysis of business value is made before the purchase decision, then ignored after implementation," says Mazid. "By tracking these metrics over time, we can make sure Cisco is continuing to obtain sustained value from our investment in TelePresence."

FOR MORE INFORMATION

For additional Cisco IT case studies on a variety of business solutions, visit Cisco on Cisco: Inside Cisco IT at www.cisco.com/go/ciscoit

For details about Cisco's internal implementation of Cisco TelePresence, see the Cisco IT TelePresence Virtual Meetings Case Study at www.cisco.com/go/ciscoit

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