



HELPFUL HINT

If it normally takes one week to resolve a problem and video helps your organization reduce that time to two days due to reduced travel and clearer communication, you have proven the value of video.

QUANTIFYING ROI MAKES A STRONG BUSINESS CASE FOR EXPANDING VIDEO

Whether or not your video program is deemed a success depends upon your goals. By starting out with concrete goals in mind, you will be better able to track and prove your success over time — and be a true video champion.

Ideally, you will have some baseline data at hand when you begin. This will enable you to track your progress right from the start. Gathering this baseline data may mean doing a little homework and enlisting the help of other people. Plan to work with an interdepartmental team to calculate the time and resources your organization is currently spending on the activities you would like to replace with video.

Each time you replace an activity with video communication, you gain the opportunity to measure your return on investment (ROI). Appoint a video champion in each department that uses video — this person can help measure the difference video makes in their department.

Below are some of the most common ways organizations measure increased productivity. Travel savings can be factored into any video installation in any application. But your video program can also improve business processes throughout your organization.

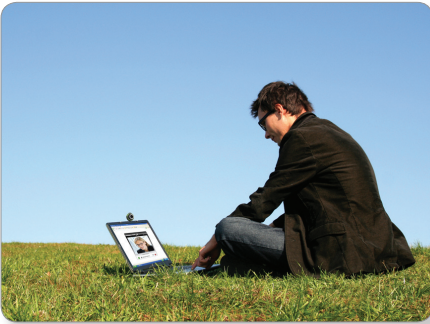
Reduce travel

Cost savings. Many organizations find that video enables them to reduce travel by 30 percent or more. By encouraging employees to replace unnecessary business travel for meetings, trainings or other engagements with video can reap significant cost savings and productivity gains.

Your company may have a travel department or accounting group that tracks employee travel. When you measure travel reduction, don't stop with just airplane or train fares. Be sure to calculate all travel-related costs — such as hotels, taxis, meals, per diems, etc. You will also want to consider the opportunity cost of time that business travelers spend away from productive work. In addition to time in the air or on the train, they are spending time in security lines and baggage claim, sitting in taxis and getting to and from meetings.

The TANDBERG Business Advantage Calculator <http://tandberg-business-advantage.com> can help you calculate the cost of travel to your organization, based on the number of people traveling, typical distances traveled and average salaries.

Increased productivity. If your organization has many people traveling for sales calls or consulting engagements, you should also consider how those people could be using their time more effectively. How many additional clients can they contact in the time they would have spent traveling?



Environmental responsibility. Reducing travel also reduces carbon emissions. You can compute the reduction in your company's carbon footprint by using a calculator like the one on TANDBERG's www.seegreenow.com Web site. To measure the potential monetary savings due to your reduced carbon emissions, you can also value the cost of buying carbon offsets for the amount you have saved.

Shorten time to market

Are you planning to use video to bring distributed teams together to work on design, engineering, quality assurance or marketing? Consider one of those teams a pilot project and measure the difference that video makes in their collaboration.



Find out the average current time-to-market for a typical product, as well as the average development cost per product, selling price and margin. How many days can you eliminate by introducing video into the equation? If you can learn the annual average return on investment per product, you can measure the impact video has not only on cost savings, but on revenue.

From there, you can estimate the annual number of products under development that rely on distributed teams and use your pilot project as a benchmark to anticipate even greater results.

Improve access to remote experts

Do you use remote experts for customer consultations or account enhancement? If so, measure the number of client engagements conducted over a given period of time. Are these bringing in additional revenue? Are clients happier and remaining customers for a longer period of time because of their closer relationship to your organization?

Consider using remote experts over video for repair and maintenance. Whether these experts are internal to your organization or external, their value is in diagnosing a problem and finding a solution quickly. The quicker you resolve an issue, the less downtime your organization experiences. That means cost savings and higher revenue.

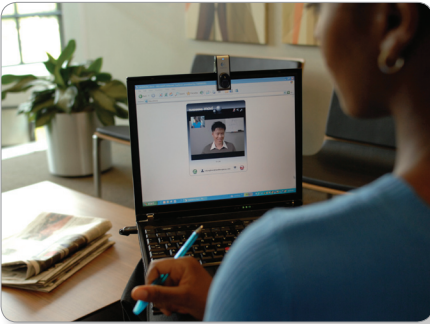
What is the estimated number of manufacturing/operations disruptions per year? What is the average current cost (per day) of a manufacturing/operations disruption? If it normally takes one week to resolve a problem in manufacturing/operations and video helps your organization reduce that time to two days due to reduced travel and clearer communication, you have just proven the value of video.



Encourage telework

Thanks to the proliferation of desktop video, video VoIP phones and PC video solutions, many organizations that didn't previously consider telework are now converting employees to video-based home workers.

You can measure the success of a video telework program by estimating the amount of real estate (in square foot/meter) per converted employee that you would save through teleworking. You'll reduce the annual cost of maintaining the office space (per square foot/meter), including rent, utilities and maintenance.



Enrich employee work/life balance

Improving work/life balance may seem like a "soft" ROI factor, until you consider the affect of employee happiness on an organization's costs. Finding, hiring and training new employees is time consuming and costly to any organization. The more satisfied employees are with their work/life balance, the more likely they are to stay with the organization.

Find out how much your company spends — on average — to recruit, hire and train a new employee. By reducing employee turnover, you can measure video's impact on your organization's bottom line.

In addition, video communication can reduce annual unplanned sick time, be a factor in the number of employees who return after maternity leave and encourage employees to recommend the company to others.

Need help measuring your return on investment?

You can work with TANDBERG's Professional Services team and utilize the TANDBERG-Forrester ROI Calculator. Built and validated by Forrester Research, this robust tool walks you through the data you would need to build a strong business case for supporting your video installation and building your investment.