WHERE IS THE ROI FOR UC?

White Paper

kinetic business
by windstream

Introduction

One of the great challenges in deploying a Unified Communications (UC) solution is determining the Return on Investment (ROI) for the expenditure. The business case for UC has been well proven over the past few years, but how do you get that message across to the key decision makers? According to online resource, Software Advice, one good way to justify buying a UC solution is to consider how it can transform your employees' work styles, rather than just looking at line-item cuts in your annual budget.[1]

The key will be to find a partner who will work with you to understand how your business operates and has experience in integrating UC into your business processes. As ROI is an element in virtually every UC acquisition, experience in working with customers on UC deployments will be an essential element in a provider's portfolio.

The Hard-Dollar/Soft-Dollar Challenge

Early adopters of UC have found significant hard-dollar savings, many of which are thoroughly documented. However, the difficulty users face in developing a sound business case is that many of the paybacks are based on removing communications bottlenecks to increase productivity, efficiency and business agility. While these are indeed worthwhile goals, many business managers equate those with soft-dollar savings and not real money you can put in the bank.

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However, those productivity-related savings are real—so it is important that the UC project team reaches an agreement with the business managers as to how they should account for this crucial element. In developing the investment case for UC, the organization should agree upon a formula that takes those soft-dollar savings into account, even if they are not valued dollar-for-dollar with hard-dollar savings.

Finally, it is critically important that you revisit them after the installation in order to demonstrate the value of the solution and to justify its expansion.

Where Are the Savings in UC?

Since many companies have already deployed UC, we have a good framework for where to look for savings. Your provider should be able to help you not only identify these areas but provide guidance as to the savings you might expect. IT professionals should assess the existing costs of all of the functions that a UC rollout would replace, such as carrier services, hardware and software maintenance, projections of future upgrades and associated support staff.

In terms of hard-dollar savings, you only need to look at how business is changing to see the value that UC collaboration capabilities can deliver. Today's organizations are more distributed with many people working from customer locations, on the road or from home. However, those workers still need the ability to collaborate on projects in an efficient manner. A recent article in *Forbes* stated that any knowledge-based company that manages to master unified collaboration will not only get an edge in today's market, they will also progress exponentially ahead of competitors that don't.[2]

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While the various collaboration capabilities inherent in a UC solution show the best combination of hard-dollar savings and soft-dollar productivity gains, there are many other time-saving efficiencies inherent in a UC solution. In retail, manufacturers can immediately share digital prototypes with retailers via video conference. They can even share prototypes with individual stores or their colleagues in other markets to gather comprehensive, real-time feedback. UC enables them to get a true sense of supply and demand, which is useful not only to the retailer, but also to the manufacturer's finance team, who can price the item appropriately. [3]

Audio Conferencing — Probably one of the quickest paybacks can come in the way of reduced audio conferencing costs. Organizations spend thousands of dollars per month on outside conferencing services, much of which can be brought in-house. There still might be the requirement to use outside services for large conferences or special events, but many of the day-to-day meetings can be moved to the UC solution.

Besides the savings in terms of out-of-pocket expenses, there is a major boost in efficiency and productivity from a UC-based audio conferencing solution. The first five to ten minutes of every conference are typically wasted with users dialing in late, forgetting the access number or passcode, determining who is on the bridge and so on. If the meeting isn't starting on time, everyone's time is being wasted.

With UC, the meeting organizer can schedule a conference in a desktop tool like Outlook, and when the meeting invite is sent, all of the access and password information is automatically included in the invite. Each participant accepts the invite, and when the time for the conference arrives, they simply click a link to join. A demonstration of how a UC conference works as opposed to the traditional process can be a real eye-opener for business managers.

Video and Web Conferencing — For a richer collaboration experience, UC can also support video conferences, web conferences and collaborative workspaces. The value of video is that participants have to stay fully engaged just as they would in an in-person meeting. Further, we tend to communicate by body language and gestures as much as we do by words, and all of that communication is captured in a video conference. If you are looking for real hard-dollar savings, try to identify routine in-person meetings that can be replaced by video conferencing, and when you consider the airfares, hotels and meal costs that can be eliminated, UC begins to look like a real bargain.

What's more, with the ability to link telecommuters as well as people in the office, team members can participate from home and return to their regular duties as soon as the conference is over.

Presence Management — Presence, or the ability to see a colleague's availability status (e.g., on phone, in meeting, with a customer, out of office, etc.) and to schedule a call immediately when they are free, is a tremendous efficiency booster and also reduces the volume of voicemail exchanges. Many UC users send a text to a colleague prior to calling to ensure they are indeed available to talk, ensuring more effective communications.

Carrier Costs — A UC solution can also impact carrier service costs. Site-to-site calls can account for 30-40% of long-distance charges, and many organizations have interconnected their locations with MPLS backbones that can dramatically reduce those costs. And with cloud-based UC, organizations can reap these savings without large upfront capital expenditures.

CEBP—Taking UC to the Next Level

While the individual productivity enhancements of UC are significant, the key to tapping into the real savings involves the development of Communications Enabled Business Processes (CEBP). This is a long and involved process, but the payoffs can be far more substantial. The idea in CEBP is to examine how specific business processes are conducted, particularly those that entail significant internal or external communications, and determine how they can be better addressed using the capabilities of a UC solution.

Demonstrating ROI from a CEBP solution will require an understanding of the organization's business processes and a mechanism for integrating UC into them. Then you can identify the number of transactions affected and compute the identifiable hard-dollar costs and increased productivity benefits that can be gained.

Rather than looking at shaving conferencing service costs, the goals of a CEBP solution might be:

Faster Product Development	Reduce product development times by x-percent by moving from email-based project coordination to a collaborative workspace where all team members have immediate access to all current project data and communications.
More Transactions	Increase the volume of transactions (e.g., insurance claims, mortgage applications, orders, etc.) that can be processed with the same workforce by giving agents the ability to call, text or email a customer or a colleague directly out of any application they are using.
Faster Approvals	Accelerate approval processes (e.g., loan approvals, hospital discharges, etc.) by sending a text simultaneously to all parties needed to approve the action rather than calling or emailing each one individually, and allowing them to signal their approval by responding to the text.
Better Customer Engagement	Build enhanced customer loyalty through a contact center that can manage email, chat and social media feeds as well as voice calls.

CEBP

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Unlike a basic desktop UC application, a CEBP solution is a more involved process, but when the ROI impact is measured in terms of increased sales, faster inventory turnover or other key business metrics, the savings can be impressive.

The starting point in a CEBP solution is to work with business managers to identify those areas of your operations that depend heavily on communications or coordination. Typically, what you will find is that the processes were designed based on the rather limited capabilities of traditional communications tools like phone calls, voicemails, emails and possibly even faxes. Rather than depending on voice calls or emails to drive a process, look at the possibility of using text as an option. If fax is still a required communications vehicle, consider moving it to a fax server and incorporating unified messaging so users can get those faxes in their email rather than running off to the fax machine.

There is a good chance that when you start asking why a particular tool or process is being used, you'll get answers like, "We've always done it that way." Taking a fresh look at almost any process, particularly in the light of what can be done with the integrated communications and collaboration capabilities in a UC solution, will likely yield any number of possible process improvements and ones that can be easily justified with real business performance criteria. And once you've been successful in one area, word will spread and quite likely you will be getting inquiries from all over the organization.

Conclusion — Putting the Pieces Together for UC ROI

Getting your UC project approved, implemented and expanded will require that you demonstrate its value to the business. As we have shown, there are numerous places where UC can show both hard- and soft-dollar savings, but there are several steps you can take to make the justification easier.

- Start with a pilot program in a key area in the business where there appears to be a real need for better communications and/or collaboration.
- Sell the business managers not on the technical "whiz-bang," but on how UC can improve their business processes. Demonstrations of how key UC capabilities work can go a long way towards gaining commitment.
- Gain agreement on what elements can be included in determining savings and set clear objectives for success.
- Work with your solutions provider to determine the best options for your deployment.
- Market the program internally; you want the users to be excited about the capabilities you'll be able to deliver.
- Don't skimp on training. The best solution in the world delivers no value if people don't know how to use it.
- Monitor usage and savings so you can go back to those business managers and demonstrate what you have been able to accomplish.
- Build on your successes. UC is not a "do it once and go home" affair. Once you have been able to show value in one area, look to where you can expand to other parts of the organization.
- Even though your initial implementation will likely be a desktop UC solution aimed at individual or small group productivity, be on the lookout for CEBP opportunities as these are where you'll be able to demonstrate the greatest value for the organization.
- With each additional application continue to document the ROI evaluation process and go back to measure your performance.

UC is far more than "just another PBX," so your ROI justification can be far more expansive. With a partner like Kinetic Business by Windstream, you can not only deliver a better desktop solution, but provide a set of capabilities that can lead to real business transformation.

Choosing the Right UC Provider

In order to make the most of your UC investment, be sure to choose a provider, like Kinetic Business by Windstream, who offers customized, award-winning UC solutions for businesses of all sizes. Kinetic Business's cloud-based UC solutions can empower your organization with more productive person-to-person communication, increased operational efficiencies, enhanced employee collaboration, superior customer service and significant cost savings through system consolidation. The experts at Kinetic Business can partner with you to develop the right UC strategy for your business, and implement a solution that easily integrates with your existing infrastructure and has the scalability you need to support future growth.

[1] https://www.softwareadvice.com/resources/unified-communications-benefits-and-costs/

[2] https://www.forbes.com/sites/forbestechcouncil/2018/05/16/the-challenges-of-implementing-unified-communication-and-why-its-important-for-your-business/#5af5a1b468fe

[3] https://www.mitel.com/en-us/blog/agile-retail-unified-communications-reduces-time-to-market

026725 01/20

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