The Total Economic Impact™ Of AVI-SPL Digital Workspace Solutions

Lowering TCO And Improving Business Performance

FORRESTER®

Table Of Contents

Project Director:
Jonathan Lipsitz

Project Contributor:
Jon Erickson

ABOUT FORRESTER CONSULTING

Forrester Consulting provides independent and objective research-based consulting to help leaders succeed in their organizations. Ranging in scope from a short strategy session to custom projects, Forrester's Consulting services connect you directly with research analysts who apply expert insight to your specific business challenges. For more information, visit forrester.com/consulting.

FORRESTER®

Key Benefits

Hours saved per year:
122,500

Conference room utilization increase:
20% year-on-year

Reduced total cost of ownership:
14.3%

Executive Summary

AVI-SPL provides service, software, and hardware solutions that help customers make meetings more productive and lower the total cost of ownership (TCO) to implement and manage digital workspace solutions. AVI-SPL commissioned Forrester Consulting to conduct a Total Economic Impact™ (TEI) study and examine the potential benefits enterprises may realize by utilizing its services and solutions. The purpose of this study is to provide readers with a framework to evaluate the potential financial impact of AVI-SPL on their organizations.

To better understand the benefits, costs, and risks associated with this investment, Forrester interviewed four customers using AVI-SPL solutions. Interviewed customers typically use AVI-SPL to manage existing video conference room solutions and to assist in the design, buildout, and management of renovated and/or greenfield conference facilities.

Key Findings

Quantified benefits. The following risk-adjusted present value (PV) quantified benefits are representative of those experienced by the companies interviewed and applied to a composite organization of 1,250 conference endpoints and 75,000 employees:

› **Each year, the organization saves 122,500 hours because meetings start on time and due to more intuitive conference technology solutions.** More productive and efficient meetings contribute to better business outcomes, such as faster time-to-market and better decision making. Conference rooms built and managed by AVI-SPL are easier to use and have less downtime. The value a company realizes in terms of improved business outcomes should, at a minimum, be equal to the equivalent salaries that time represents. For the composite organization, that equates to $11.9 million dollars over three years with a 25% productivity capture discount because not all time saved equates to additional, productive work.

› **Conference room utilization improves 20% year-on-year, reducing the amount of space required and real estate costs.** Interviewees reported substantial improvement in conference room utilization. When building out new facilities, organizations could reduce the number and mix of conference rooms. Forty percent of the savings are attributed to AVI-SPL because of better designs, booking tools, and technology uptime. The three-year savings reach $903,666.

› **Service and hardware buildout costs are 20% lower with AVI-SPL than the other vendors being considered.** AVI-SPL worked closely with customers to design meeting and conference facilities that best met customers' needs with lower-cost technology alternatives. Organizations could roll out these designs globally regardless of AVI-SPL management services. Organizations that took advantage of AVI-SPL's buying power saw lower hardware refresh costs. The composite organization saves $2.6 million in buildout costs over three years.

› **The organization reduces its internal support team by 60%.** Outsourcing more of the workspace technology management to AVI-SPL frees up internal employees' time to work on other projects or move to other teams. The composite organization reduces its team from five to two full-time equivalents (FTEs), resulting in a three-year savings of $622,389.

FORRESTER®

**TCO savings (PV)
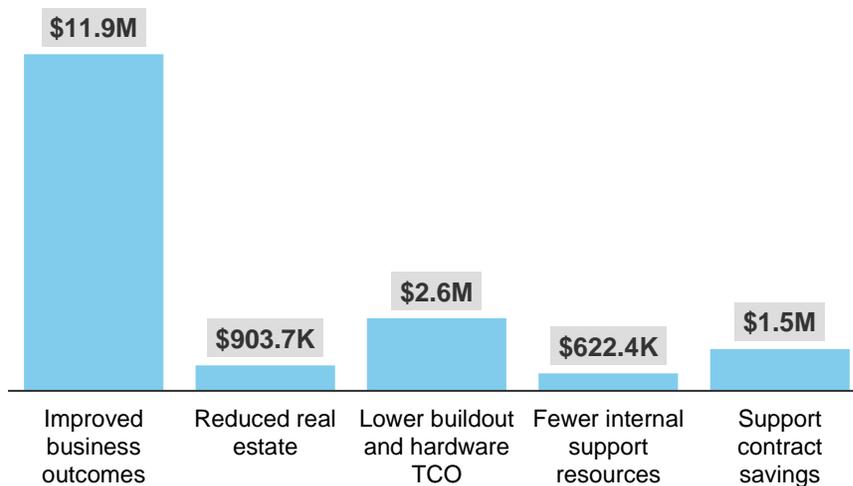$5.5 million**

**Productivity
increase (PV)
$11.9 million**

› **Consolidating from multiple vendors to AVI-SPL lowers ongoing support contracts by 25%.** Interviewed companies stated that moving to AVI-SPL from other vendors saved them money. This was especially true when consolidating from multiple vendors managing different properties. The three-year savings for the composite organization are $1.5 million.

Unquantified benefits. The interviewed organizations experienced the following benefits, which are not quantified for this study:

› **Improved employee satisfaction.** Creating meeting facilities that are modern and easy to use increased employee satisfaction. This can lead to better employee retention and productivity.

› **Reduced travel.** Interviewed companies said that they are doing less business travel for meetings and that improved video conference solutions make this possible. Because so many business cases in the past have captured reduced travel, it was not included in the financial analysis to avoid double counting.

Forrester's interviews with four existing customers and subsequent financial analysis found that an organization based on these interviewed organizations experienced a lower present value TCO of $5.5 million over three years and time savings that should deliver at least $11.9 million in improved business outcomes.

Benefits (Three-Year)

Benefit	Value
Improved business outcomes	$11.9M
Reduced real estate	$903.7K
Lower buildout and hardware TCO	$2.6M
Fewer internal support resources	$622.4K
Support contract savings	$1.5M

"We have built a very strong relationship with AVI-SPL over the years. They know what we need and provide exactly that. They'll be there for us the next day no questions asked and figure out the PO afterwards. You don't get that from other vendors."

Unified communications team lead, pharmaceutical

FORRESTER®

TEI Framework And Methodology

From the information provided in the interviews, Forrester has constructed a Total Economic Impact™ (TEI) framework for those organizations considering utilizing AVI-SPL digital workspace services and solutions.

The objective of the framework is to identify the cost, benefit, flexibility, and risk factors that affect the investment decision. Forrester took a multistep approach to evaluate the impact that AVI-SPL services and solutions can have on an organization:

DUE DILIGENCE
Interviewed AVI-SPL stakeholders and Forrester analysts to gather data relative to digital workspace solutions.

CUSTOMER INTERVIEWS
Interviewed four organizations using AVI-SPL solutions and services to obtain data with respect to costs, benefits, and risks.

COMPOSITE ORGANIZATION
Designed a composite organization based on characteristics of the interviewed organizations.

FINANCIAL MODEL FRAMEWORK
Constructed a financial model representative of the interviews using the TEI methodology and risk-adjusted the financial model based on issues and concerns of the interviewed organizations.

CASE STUDY
Employed four fundamental elements of TEI in modeling AVI-SPL's impact: benefits, costs, flexibility, and risks. Given the increasing sophistication that enterprises have regarding ROI analyses related to IT investments, Forrester's TEI methodology serves to provide a complete picture of the total economic impact of purchase decisions. Please see Appendix A for additional information on the TEI methodology.

The TEI methodology helps companies demonstrate, justify, and realize the tangible value of IT initiatives to both senior management and other key business stakeholders.

DISCLOSURES

Readers should be aware of the following:

This study is commissioned by AVI-SPL and delivered by Forrester Consulting. It is not meant to be used as a competitive analysis.

Forrester makes no assumptions as to the potential benefits that other organizations will receive. Forrester strongly advises that readers use their own estimates within the framework provided in the report to determine the appropriateness of an investment in AVI-SPL solutions and services.

AVI-SPL reviewed and provided feedback to Forrester, but Forrester maintains editorial control over the study and its findings and does not accept changes to the study that contradict Forrester's findings or obscure the meaning of the study.

AVI-SPL provided the customer names for the interviews but did not participate in the interviews.

FORRESTER®

The Digital Workspace Customer Journey

BEFORE AND AFTER THE AVI-SPL INVESTMENT

Interviewed Organizations

For this study, Forrester conducted four interviews with AVI-SPL customers. Interviewed customers include the following:

INDUSTRY	REGION	INTERVIEWEE	VIDEO CONFERENCE ROOMS
Financial services	HQ in US, global operations	Director, executive support and global multimedia services	3,000
Pharmaceutical	HQ in US, global operations	Unified communications team lead	3,000
Financial services	North America	AVP, business change and IT operations	650
Pharmaceutical	HQ in Europe, global operations	Infrastructure head	1,000

Key Challenges

The interviewed companies faced several problems and opportunities that they wanted to address to improve employee performance through better use of digital workspaces.

› **Different locations were using different technologies, creating confusion for users and IT.** The previous conference room solutions for booking meetings and running them were not intuitive for users. Additionally, when users went to different company locations, they often had to use an entirely different solution, which caused frustration.

› **Deployment and support costs were getting too high.** The level of effort to support previous conference room technologies was growing beyond what the internal support organization could handle. There were several external management contracts that cost more than expected.

› **Vendor relationships were not very good.** Previous companies providing installation and support services did not work in a strong spirit of partnership. This often led to lengthy delays in fixing equipment and rolling out new solutions.

Key Results

The interviews revealed several key results from the AVI-SPL investment:

› **Meeting productivity has improved, leading to better business outcomes.** Meeting productivity has improved for many reasons, including better uptime, more intuitive user experience (UX), and better collaboration tools. This is especially true for meetings with remote participants. Better meetings mean that participants can make better decisions, which have a meaningful impact on the organization. Often, organizations use these impactful digital workspaces with external customers.

> "Different locations had different technologies or slightly different UX. It was very frustrating for everyone. AVI-SPL worked with us to upgrade over 3,000 conference spaces. They helped with the standards and playbook used globally. They also built the standard user interface, which is very simple with three buttons."
>
> *Unified communications team lead, pharmaceutical*

> "We have absolutely realized a lot of benefits. Our internal customers' time is much more valuable than ours. We need to have the right skills to deliver the quality needed. There is great value in having AVI-SPL as a partner to help augment our staff."
>
> *Director, executive support and global multimedia services, financial services*

FORRESTER®

- › **Conferencing solutions are tailored to different user types and are more reliable.** As a best practice, organizations have created personas for different users and have created digital workspace experiences unique to their needs. This has given them the tools they need without the distractions of others that would only confuse. These solutions include room layout and size, the AV technologies, and booking/management tools. Furthermore, the organizations and AVI-SPL now proactively manage these solutions so conference rooms work as expected.

- › **The outsourcing relationship has moved from being a vendor relationship to a true partnership.** Interviewees described how AVI-SPL goes out of its way to be helpful and responsive. This includes working closely together on design and planning as an active partner in a company's internal efforts. Organizations also stated that AVI-SPL is good about setting high service-level agreements (SLAs) and meeting them. Sometimes this could mean doing time-critical repair work without the necessary contracts being in place and figuring it out afterward so that downtime is minimized.

Composite Organization

Based on the interviews, Forrester constructed a TEI framework, a composite company, and an associated cost-benefit analysis that illustrates the areas financially affected. The composite organization is representative of the four companies that Forrester interviewed and is used to present the aggregate financial analysis in the next section. The composite organization that Forrester synthesized from the customer interviews has the following characteristics:

Description of composite. The composite organization is a global company headquartered in the United States. It has 75,000 employees spread across 150 locations. There is a mix of knowledge workers and firstline workers, each of whom has different collaboration needs. Prior to engaging with AVI-SPL, there were three different vendors managing audiovisual (AV) in different geographies.

Deployment characteristics. The organization brings in AVI-SPL as part of a global refresh of conference room facilities. AVI-SPL is involved in the design and planning for the global rollout. Digitally enabled meeting spaces vary from small huddle rooms to fully interactive conference rooms for executives. AVI-SPL completes most of the buildout work, including implementation of the Symphony scheduling and management system. The three previous support contracts are consolidated into one with AVI-SPL. It includes remote monitoring, on-site support at large regional headquarters, and an ongoing refresh program.

"Users like tellers and call center workers have unique functions and requirements. We connect people all over the world with collaboration and communication solutions based on their persona. Our firstline workers have benefited greatly from this approach."

Director, executive support and global multimedia services, financial services

"On the AV support side, for the first time in the history of the company, we have a true, proactive support model. This includes remote monitoring, walkarounds, annual preventive care visits, and timely response. This is a game changer."

AVP, business change and IT operations, financial services

Key assumptions
1,250 conference rooms
150 locations

FORRESTER®

Analysis Of TCO And Benefits

QUANTIFIED DATA AS APPLIED TO THE COMPOSITE

Total Benefits

REF.	BENEFIT	INITIAL	YEAR 1	YEAR 2	YEAR 3	TOTAL	PRESENT VALUE
Atr	Improved business outcomes	$0	$2,928,516	$5,857,031	$5,857,031	$14,642,578	$11,903,283
Btr	Reduced real estate	$0	$302,967	$363,560	$436,272	$1,102,800	$903,666
Ctr	Lower buildout and hardware TCO	$1,496,250	$1,042,031	$74,219	$74,219	$2,686,719	$2,560,651
Dtr	Fewer internal support resources	$0	$190,000	$285,000	$285,000	$760,000	$622,389
Etr	Support contract savings	$0	$593,750	$593,750	$593,750	$1,781,250	$1,476,568
	Total benefits (risk-adjusted)	$1,496,250	$5,057,264	$7,173,560	$7,246,272	$20,973,347	$17,466,557

Improved Business Outcomes

Companies invest large sums of money in AV and other collaboration solutions to make employees more productive and enable better collaboration. This results in better business outcomes through better decision making and an accelerated pace of delivery. These business outcomes vary widely from one company to the next and may include winning more business/increasing revenue, reducing costs, faster time-to-market, etc.

Below are examples interviewees shared of how improved digital workspaces deliver business value to their organizations.

› "The cost of failure would be a negative hit against our brand."

› "We are making smarter and better decisions within the organization. Time-to-execute is also much better."

› "The AV system in the boardroom died on a Thursday. The board of directors was scheduled to meet on Monday. This is one of the most important events of the year for the company. AVI-SPL shipped everything on their own dime and had it up and running the next day. We wouldn't get that from another vendor. It's nice knowing they have my back."

› "This gives us better business processes and outcomes for front-office groups that engage with clients. With the different platforms clients use, we have greater interoperability. Seeing people's faces helps us sell more and improves customer retention."

› "The head of oncology research said creating usable conference rooms was very important. He can better tell if he is making the right decision on which drug to develop. These are billion-dollar decisions."

Because business outcomes vary so much, it is difficult to quantify the value in a way that would be meaningful to readers at different companies. Therefore, the productivity savings are used as a proxy for

> The table above shows the total of all benefits across the areas listed below, as well as present values (PVs) discounted at 10%. Over three years, the composite organization expects risk-adjusted total benefits to be a PV of more than $17.4 million.

FORRESTER®

the minimum value added. Employees should deliver value to the organization that is worth at least what they are being paid. The following interview quotes demonstrate examples of productivity:

› "If someone is having problems, they easily burn up 20 minutes troubleshooting."

› "Previously, people would easily spend 5 to 10 minutes in each meeting getting things up and running. The average meeting is three to four people, and we have 3,000 conference rooms. Now things just work, and they don't even need any written instructions."

› "Our failure and slow start rates have come down a lot."

› "There wasn't a formal support process, and a lot of issues went unreported. Now we do proactive fixes, which means users experience no downtime."

› "A high percentage of meetings have someone from support physically or virtually there to make sure it kicks off properly. That means little time is wasted."

› "People used to really struggle because things were different across conference rooms. AVI-SPL worked with us on standardization and UX design. Everything is very automated now, which helps make meetings more efficient."

› "People are more productive when they travel to different offices because of standardization."

For the productivity increase, Forrester made the following assumptions:

› Seven hundred and fifty conference rooms are refreshed during the initial period and the remaining 500 in Year 1.

› The average meeting duration is 1.5 hours, and a conference room is booked out on average 70% of the time. This is constant over the life of the study in this benefit for simplicity.

› The average meeting has four participants. Prior to the investment, 7 minutes were wasted at the start of each meeting getting the AV technology up and running.

› An average fully loaded cost for all employees using conference rooms is $117,000.

› The upfront lost time reduces by 75% in Year 1 and by 90% beginning in Year 2.

› Because not all time saved results in more work being completed, Forrester has applied a productivity capture of 25%. In reality, the value-add to the organization of more effective and efficient meetings should be much higher.

The level of benefits realized will vary based on the number and type of meetings taking place and how digital workspaces are being used. To account for these risks, Forrester adjusted this benefit downward by 15%, yielding a three-year risk-adjusted total PV of $11,903,283.

> "We interviewed the business about what they needed from our new conference rooms. It's about ensuring the business can make quicker decisions. We are a global company making key decisions all the time. Eighty-five percent of communication is nonverbal. This is more effective with good video conferencing. It's impossible to put a dollar value against it."
>
> *Infrastructure head, pharmaceutical*

Impact risk is the risk that the business or technology needs of the organization may not be met by the investment, resulting in lower overall total benefits. The greater the uncertainty, the wider the potential range of outcomes for benefit estimates.

FORRESTER®

Improved Business Outcomes: Calculation Table

REF.	METRIC	CALC.	INITIAL	YEAR 1	YEAR 2	YEAR 3
A1	Number of video conference rooms refreshed		750	500		
A2	Number of video conferences	A1 [sum through previous year]*2,000 hours/1.5 hours*70% occupancy		700,000	1,166,667	1,166,667
A3	Nonproductive time (hours)	A2*4 participants*(7 minutes/60)		326,666	544,444	544,444
A4	Average fully burdened cost (hourly)	$117,000/2,080 hours		$56.25	$56.25	$56.25
A5	Total lost productivity	A3*A4		$18,375,000	$30,625,000	$30,625,000
A7	Percent improvement			75%	90%	90%
	Productivity capture			25%	25%	25%
At	Improved business outcomes	A5*A6*A7		$3,445,313	$6,890,625	$6,890,625
	Risk adjustment	↓15%				
Atr	Improved business outcomes (risk-adjusted)			$2,928,516	$5,857,031	$5,857,031

Reduced Real Estate

With the move to open-plan working, organizations are setting aside more space for meetings so people can work together without disturbing others. These rooms can vary from small huddle spaces for a couple of people to large boardrooms and training rooms. Often, this space goes unused with utilization rates typically around 70%. Increasing utilization means that fewer conference rooms are needed, which frees up space for other uses or space that can be eliminated if moving locations or redesigning offices.

From the interviews, Forrester heard the following:

› "We work in high-real-estate-cost locations, so we are trying to maximize square footage efficiency. Creating standard kits, room dimensions, and experiences help increase efficiency. Square footage per employee has gone down."

› "We gained a 50% efficiency improvement by leveragingtechnology in spaces people use to meet."

› "We worked on a project last year to reduce space at our 13 largest sites. By subleasing or downsizing when we were at end of a lease, we are saving $12 million per year. Some of that is from decommissioning conference rooms."

› "Faster procurement meant we can save real estate money faster. We made a commitment to the CEO that the project would be done by a certain date. There was a need for speed to start booking the real estate savings."

For the composite organization, Forrester assumes that:

> "We have seen 20% year-on-year growth scheduling video conference rooms."
>
> *Infrastructure head, pharmaceutical*

FORRESTER®

> The average cost per square foot (based on major US cities) is $35 per year.

> A mix of meetings spaces is included, ranging from four-person huddle rooms to large video conference rooms that can hold 20 people. The average size is 229 square feet.

> Conference room utilization was previously at 70%. After moving to the AVI-SPL designed spaces, the organization sees a 20% improvement in utilization. This continues to improve at the same rate in subsequent years.

> Forty percent of the improvement is captured and attributed to AVI-SPL from better designs and increased uptime through better management.

This benefit will vary depending on previous utilization rates and the ability to decommission conference rooms. To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year risk-adjusted total PV of $903,666.

REF.	METRIC	CALC.	YEAR 1	YEAR 2	YEAR 3
Reduced Real Estate: Calculation Table					
B1	Number of conference rooms	A1 [sum through previous year]	750	1,250	1,250
B2	Average annual rental cost per room	$35*229 square feet	$8,015	$8,015	$8,015
B3	Total real estate rental costs	B1*B2	$6,011,250	$6,011,250	$6,011,250
B4	Improved utilization	70% baseline*20% YOY improvement	14.00%	16.80%	20.16%
B5	Total reduced real estate	B3*B4	$841,575	$1,009,890	$1,211,868
B6	Percent attributed to AVI-SPL		40%	40%	40%
Bt	Reduced real estate		$336,630	$403,956	$484,747
	Risk adjustment	↓10%			
Btr	Reduced real estate (risk-adjusted)		$302,967	$363,560	$436,272

Lower Buildout And Hardware TCO

AVI-SPL works with customers to create digital workspace designs that best meet users' needs. AVI-SPL also suggests ways to lower costs through evaluating different technology and buildout options. This can lower the TCO for large refresh projects and annual upkeep spending. Additionally, AVI-SPL's buying power may be larger than a company's, which can result in negotiated hardware savings.

Forrester heard from interviewees:

> "Costs have come down significantly because we have a design consultant involved. Better standardization across the organization is a huge advantage when we go to bid. I'm proud that wherever I travel in the world, I see our standards and designs."

> "We are spending 50% less on our huddle room all-in costs including technology and construction."

> "One specific area where we have had better pricing is video conferencing endpoints — microphones and cameras. AVI-SPL was able to lower the initial purchase price. That saved a couple of thousand dollars per room, and they procured it much faster."
>
> *AVP, business change and IT operations*

FORRESTER®

> › "AVI-SPL has a lot more buying power than some of the smaller vendors. That gives us a better price. We are probably saving 5% of our annual spend of $3 to $4 million."

> › "They might suggest a standard out-of-the-box video solution that costs less. For example, they made one recommendation that cost $20,000 instead of the $39,000 one we were looking at."

> › "We purchase all of our digital signage through AVI-SPL, which saves us money."

For the financial analysis, Forrester made the following assumptions:

> › The original cost estimate across all room types was $10,500 for technology purchase and installation. AVI-SPL reduces this 20% by working with customers in the design and deployment phase.

> › The organization's ongoing annual spend was $1,250 per conference room to upgrade equipment and replace broken parts. AVI-SPL reduces this by 5% through better buying power.

This benefit will vary based on the type and number of digital workspaces being created. Also, very large companies may have the same buying power as AVI-SPL. To account for these risks, Forrester adjusted this benefit downward by 5%, yielding a three-year risk-adjusted total PV of $2,560,651.

REF.	METRIC	CALC.	INITIAL	YEAR 1	YEAR 2	YEAR 3
Lower Buildout And Hardware TCO: Calculation Table						
C1	Number of conference rooms refreshed	=A1	750	500	0	0
C2	Original cost estimate	C1*$10,500	$7,875,000	$5,250,000	$0	$0
C3	Cost savings	C2*20%	$1,575,000	$1,050,000	$0	$0
C4	Additional hardware spend	C1 [sum through previous year]*$1,250		$937,500	$1,562,500	$1,562,500
C5	Volume pricing hardware savings	C4*5%		$46,875	$78,125	$78,125
Ct	Lower buildout and hardware TCO	C3+C5	$1,575,000	$1,096,875	$78,125	$78,125
	Risk adjustment	↓5%				
Ctr	Lower buildout and hardware TCO (risk-adjusted)		$1,496,250	$1,042,031	$74,219	$74,219

FORRESTER®

Fewer Internal Support Resources

Turning more of the conference room technology management to AVI-SPL frees up internal resources to work on other, higher-value activities. One interviewee with 3,000 conference rooms reduced internal staffing from five to three FTEs. The interviewee said, "AVI-SPL keeps us informed of the ongoing management work they are doing, but we don't have to get involved." Another interviewee reduced the company's team size from six to four and focused on CXO support and second-tier support. Some companies are outsourcing the entirety of their support function except for leadership.

For the financial analysis, Forrester made the following assumptions:

› Two fewer FTEs are required in Year 1. This increases to three in Year 2.

› The average fully burdened cost per FTE is $100,000.

This benefit will vary depending on the size of the existing support organization and the extent to which management is outsourced. To account for these risks, Forrester adjusted this benefit downward by 5%, yielding a three-year risk-adjusted total PV of $622,389.

> "The key thing is that AVI-SPL is accountable for what they do. The quality of the skills and resources have been very good. Management is very good in listening and ensuring delivery."
>
> *Infrastructure head, pharmaceutical*

REF.	METRIC	CALC.	INITIAL	YEAR 1	YEAR 2	YEAR 3
	**Fewer Internal Support Resources: Calculation Table**					
D1	Original internal support FTEs			5	5	5
D2	Internal support FTEs with AVI-SPL contract			3	2	2
Dt	Fewer internal support resources	(D1-D2)*$100,000		$200,000	$300,000	$300,000
	Risk adjustment	↓5%				
Dtr	Fewer internal support resources (risk-adjusted)		$0	$190,000	$285,000	$285,000

Support Contract Savings

Interviewees reported that their ongoing management and support contract costs less compared to their previous AV vendor(s). This is especially the case when consolidating into a single, global support contract from multiple vendors.

Forrester heard from interviewees:

› "Our annual support costs were $8 million. Moving to AVI-SPL cut it to $4 million."

› "Our overall service spend year-over-year was reduced by 13%, or $975,000."

› "Our operating cost reduction in service spend for multimedia services is down 17%. That comes out to $1.2 million."

For the financial analysis, Forrester made the following assumptions:

› The previous management contracts with three vendors totaled $2.5 million per year.

› The composite organization saves 25%, which is roughly the midpoint between the 50% and 13% examples cited by customers.

This benefit will vary depending on previous outsourcing contracts and

> "Moving all of our onsite support to AVI-SPL from four different vendors will save us $400,000 this year, $1.8 million next year, and $2.3 million the following year."
> *Infrastructure head, pharmaceutical.*

FORRESTER®

what services are used. In absolute terms, the savings depend on the size of the company. To account for these risks, Forrester adjusted this benefit downward by 5%, yielding a three-year risk-adjusted total PV of $1,476,568.

REF.	METRIC	CALC.	INITIAL	YEAR 1	YEAR 2	YEAR 3
Support Contract Savings: Calculation Table						
E1	Previous support contracts			$2,500,000	$2,500,000	$2,500,000
Et	Support contract savings	E1*25%		$625,000	$625,000	$625,000
	Risk adjustment	↓5%				
Etr	Support contract savings (risk-adjusted)			$593,750	$593,750	$593,750

Unquantified Benefits

There were two benefits that customers discussed but not included in the financial analysis — increased employee satisfaction and reduced travel.

Increased Employee Satisfaction

It is difficult to quantify the benefits associated with increased employee satisfaction. They include better productivity and employee retention. Interviewees said:

› "The feedback from all of the business units is very positive."
› "Having very good conference AV equipment is attractive to a younger workforce. The wow factor is there. People love it and like engaging in these rooms."
› "Better conference rooms and availability have contributed to an increase in CSAT scores."

Reduced Travel

Making better use of conference rooms can reduce travel. Because this benefit has usually been included in previous business cases, it was not included in the financial analysis to avoid double counting. Examples Forrester heard in interviews include the following:

› "We did a project with our corporate travel agent. People reported that they were traveling because they couldn't have a successful meeting in the conference spaces. We've fixed that."
› "Travel savings are tremendous. I'm on video conferences more than ever."

Flexibility
The value of flexibility is clearly unique to each customer, and the measure of its value varies from organization to organization. There are multiple scenarios in which a customer might choose to utilize AVI-SPL services and later realize additional uses and business opportunities.

Examples from interviewees of solutions added in subsequent years included:

› Increasing the geographic area supported by AVI-SPL to add more locations.
› Engaging AVI-SPL's strategic design services as part of a global refresh.
› Adding onsite support and other services (see the AVI-SPL: Overview section for a list of services).
› Utilizing the Symphony management suite.

> Flexibility, as defined by TEI, represents an investment in additional capacity or capability that could be turned into business benefit for a future additional investment. This provides an organization with the "right" or the ability to engage in future initiatives but not the obligation to do so.

FORRESTER®

Financial Summary

Yearly Benefits
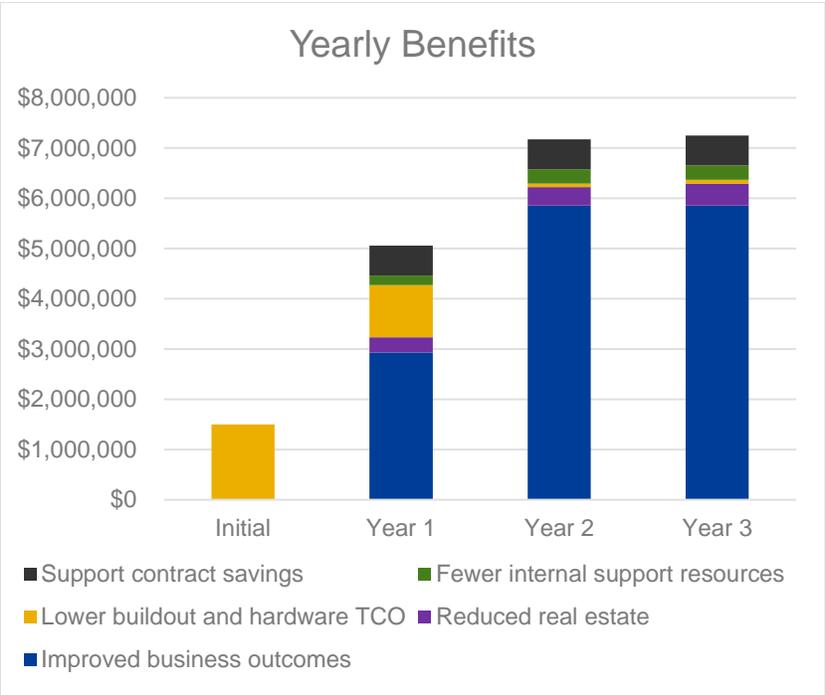
Forrester assumes a yearly discount rate of 10% for this analysis. The total present value benefits associated with using AVI-SPL services is $17,466,557.

These risk-adjusted TCO savings and productivity gains are determined by applying risk adjustment factors to the unadjusted results in each Benefit section.

FORRESTER®

AVI-SPL: Overview

The following information is provided by AVI-SPL. Forrester has not validated any claims and does not endorse AVI-SPL or its offerings.

AVI-SPL designs, builds, integrates, manages, and supports the AV systems and video collaboration solutions that improve the way your organization works. Meeting spaces are the start of innovation and digital transformation for your company.

Unified communications, conferencing, and collaboration

›	Meeting room design standards, deployment, and ongoing managed services support

›	Open collaboration areas, huddle rooms, team meeting spaces, and boardrooms

›	On-premises, cloud, or hybrid technology solutions

›	Conferencing, wireless content sharing, interactive displays, and audio design

›	Integrated room scheduling and automated room controls

Digital media and signage

›	Traditional and interactive signage; 2D and 3D wayfinding

›	Strategic assessments and digital media system plans

›	Content design, hosting, delivery, and management

Professional and managed services

›	Conferencing and collaboration program design

›	Training and user adoption support

›	Four 24x7 Global Services Operations Centers (US and Europe)

›	Monitoring and management of entire AV and UC estate through AVI-SPL's Symphony platform

›	Proactive issue resolution and integration with common ticketing systems

›	Advanced business analytics at the user, device, and room level

›	Customer dashboard for scheduling, monitoring network and system performance, and reporting

FORRESTER®