



RESEARCH BRIEF

Study Shows Cisco TelePresence™
Delivers Rapid ROI and Unique
Business Benefits

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A CRIMSON CONSULTING GROUP
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In a study conducted by Crimson Consulting Group, global companies reported fast payback times and innovative business uses for Cisco TelePresence™ – Cisco’s solution for “in-person” meetings conducted over the converged network. Participants in the Cisco-commissioned study reported achieving breakeven in an average of 14 months – enabling one company to fund additional units solely from travel budget savings without tapping the IT budget. The ability to conduct real-time, face-to-face meetings over the network is also changing the way some companies do business, helping them streamline processes, make decisions faster, and conduct more business without leaving the office.

Introduction

Cisco TelePresence delivers virtual interactions using advanced visual, audio, and collaboration technologies. These technologies transmit life-size, high-definition images and spatial discrete audio to make it possible for users to communicate as naturally as they would in person.

To gain insight into the impact of this new technology on the businesses using it, Crimson Consulting Group spoke with CIOs, CTOs, and other IT executives at a variety of companies around the world. The participants represented a range of industries, including: finance, education, communications, healthcare, and high technology.

Across the companies in the study, Cisco TelePresence was used for an average of 35 meetings per week, allowing an average of 47 full-time employees at each company to avoid meeting-related travel on a weekly basis. The companies interviewed had an average of 10 units deployed, with the highest number of units currently at 26 and the lowest with three units. Companies reported an average of four hours of usage per unit per day. They also indicated that utilization is expected to increase as more locations are up and running.

ROI Easily and Rapidly Achieved

Cisco TelePresence delivered a rapid breakeven, averaging just 14 months, with some companies achieving breakeven within six months. This reflects the high utilization of Cisco TelePresence across the organization – management, IT, engineering, marketing, sales, HR, operations, and other departments are taking advantage of the easy-to-use collaboration capabilities of Cisco TelePresence. In fact, the ease of payback from reduced travel costs alone is resulting in companies using departmental travel budgets, instead of constrained IT budgets, to partially or fully pay for additional Cisco TelePresence units.

“Within six months, we saved enough in hard travel costs to pay for one system. We have four new units coming and are using travel budgets, instead of IT budget, to help pay for them.”

– Global technology enterprise with more than \$2 billion in revenues

While this rapid ROI has been achieved through what two-thirds of the respondents believe are moderate or greatly reduced levels of meeting-related travel, participants added that there is potential for greater savings as more units are deployed. Reducing the amount of travel also helps companies achieve goals for sustainability initiatives. Organizations in the study achieved an average CO2 offset of 41,200 metric tons.

Enabling New Business Models

While initially the executive suite has been the heaviest user of Cisco TelePresence, several companies Crimson spoke with expected sales to eventually top the list of departmental users as more customers and partners install units. Currently the top five departments utilizing Cisco TelePresence include upper management, IT, engineering/R&D, marketing, product management, and sales. For instance, R&D departments are conducting working sessions between developers and project managers, taking advantage of virtual, face-to-face interaction to quickly troubleshoot defects, perfect designs, and make decisions more efficiently.

One company is using Cisco TelePresence to conduct interviews with candidates who are out of the area. Before Cisco TelePresence, the company was forced to fly candidates to headquarters or have secondary HR staff conduct interviews at the candidate's location. Now, prospective and initial interviews are conducted using Cisco TelePresence at local offices and campuses. This helps enrich the experience, quickly narrow the pool of candidates, and reduce travel expenses.

Several companies in the study found that using Cisco TelePresence enabled them to adapt and evolve core business processes, resulting in greater productivity, better and faster decisions, more responsive service, and increased collaboration. There were a number of creative uses of Cisco TelePresence cited by study participants, including:

Example 1:

Virtual Triage for Healthcare

A healthcare enterprise in the study reported that before Cisco TelePresence was implemented, doctors and specialists were forced to quickly travel to patients at community hospitals and remote locations. Now, triage and diagnostics are conducted with Cisco TelePresence units. The company reports that 90% of its patients can now be treated on-site by a nurse practitioner instead of requiring a doctor visit, lowering expenses as well as the number of doctors needed.

“Cisco TelePresence has the potential to redesign the healthcare system around triage – decreasing travel for doctors, ambulance units, and patients. It has already decreased the load at our Accident & Emergency unit.”

– U.K. Healthcare Company

Example 2:

Real-Time Support and Installations for IT

Previously, one of the companies in the study had to hire IT contractors or fly IT specialists between its Australian headquarters and its IT operations in India for support, installations, and service. Now, with Cisco TelePresence, it can conduct real-time Q&A, perform installations, and provide remote support during nights and weekends, reducing travel costs and employee downtime.

High Levels of Satisfaction with Business Benefits

While Cisco TelePresence was still in early deployment for many of the organizations in the study, the participants expressed their satisfaction with the results to date. While the overall driver for Cisco TelePresence usage is to reduce the hard and soft costs of meeting-related travel, companies in the study have identified numerous additional drivers including: faster cycle times, improved collaboration, and more productive workflow.



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In the study, departments were asked to identify their key drivers for Cisco TelePresence usage. The following chart illustrates the benefits that departments are seeing and expect to see as they deploy more units.

Department	Drivers/Benefits
Sales	Shorter sales cycle
Marketing	Accelerated content development
Product Development	Reduced development cycle; faster time to market
Manufacturing	Improved supply chain integration
Human Resources	Reduced hiring cycle; training; “face-to-face” performance reviews
Information Technology	Deliver support in real-time from different locations

Companies reported that Cisco TelePresence is also improving the quality of interactions with employees and partners through:

- Shortened meeting times
- More convenient meetings with third parties
- Real-time consultation
- More focused participants (discourages the multi-tasking prevalent in conference calls)
- Increased stakeholder involvement

Highlighting the last point is this anecdote from a study participant:

“Prior to deploying Cisco TelePresence, offices and executives in locations that presented travel challenges were often left out of critical board meetings and other important situations. Alternatively, they were only present by conference call, which limited their ability to truly participate. With Cisco TelePresence, all locations now have an equal opportunity to participate in essential meetings and decision making. Cisco TelePresence gives everyone a seat at the table.”

“TelePresence has enabled faster decision making and problem solving among groups who use it. It’s streamlining the way projects move through the system.”

– Ron Chase, Vice President of IT,
Bioscience, Baxter Healthcare
Corporation

Data Source

This research brief presents findings from a set of interviews conducted in late 2008/early 2009 by Crimson Consulting Group on behalf of Cisco. Crimson spoke with 18 executives at 15 companies using the Cisco TelePresence solution. Participants, including CIOs, CTOs, and other IT executives, represented companies across a variety of industries: finance, education, communications, healthcare, and technology. Each interviewee was asked a series of questions around utilization, ROI, departmental usage, reductions in meeting-related travel, improvements in employee and partner interaction, and how the Cisco TelePresence solution is changing the company’s business.



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About Crimson Consulting

We help executives achieve market leadership.

Crimson is a leading provider of consulting services to the high technology industry. Our clients include Adobe, BEA, Cisco, HP, IBM, Intel, Microsoft, Oracle, Seagate, SAP, Sprint, Sun and Symantec.

Our clients gain significant value from our contributions in the following areas:

- Strategy Development
- Research Analysis
- Marketing Implementation

Unlike other firms, we combine consulting best practices with specialized knowledge from a database of experts. This combination results in deeper strategic insights and more pragmatic recommendations, delivering greater value than our competitors.

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