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

Lowering TCO And Improving Business Performance

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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.

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Key Benefits

Hours saved per year:
141,500

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

Reduced total cost of ownership:
19.7%

Executive Summary

AVI-SPL is a digital workplace services provider that works with organizations globally to design, deploy, manage, and support unified communications and collaboration solutions. AVI-SPL services help customers make meetings more productive, create better user experiences, and lower the total cost of ownership (TCO) for dedicated conferencing rooms and multipurpose rooms and for individual desktop/device-based collaboration. AVI-SPL Symphony is the management layer to monitor, automate, and track critical meeting solution functions.

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, flexibility, and risks associated with this investment, Forrester interviewed seven customers using AVI-SPL solutions. Interviewed customers typically use AVI-SPL to manage existing videoconferencing solutions and to assist in the design, buildout, and management of refreshed and/or greenfield conferencing capabilities and facilities. Customers also use AVI-SPL services to improve and manage conferencing solutions on end users' individual devices and to move from on-premises to cloud-based solutions.

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 141,500 hours because meetings start on time and conference technology is more intuitive.** More productive and effective meetings contribute to better business outcomes, such as faster time-to-market and better decision making. Meeting rooms built and managed by AVI-SPL are easier to use and have less downtime. Time savings and better user experiences are especially valuable for senior and executive leadership team members. 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 $12.4 million over three years with a 25% productivity capture because not all time saved equates to additional, productive work.

› **Conference room utilization improves 20% year-over-year, reducing the amount of space required and real estate costs.** Interviewees reported substantial improvement in conference room utilization. When building out new facilities or renovating additional facilities, organizations could reduce the number and mix of conference rooms. Forester attributes 40% of the savings for the composite organization to AVI-SPL, including the Symphony platform, because of better designs, booking tools, and technology uptime. The three-year savings reach $1.4 million.

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**TCO savings (PV)
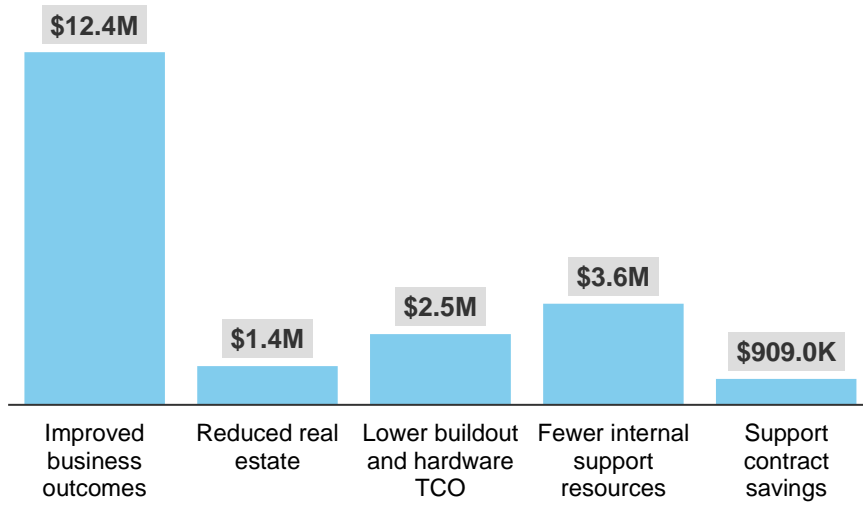$8.3 million**

**Productivity
increase (PV)
$12.4 million**

› **Service and hardware buildout costs are 20% lower with AVI-SPL than the other vendors being considered.** AVI-SPL works closely with customers to design meeting and conference solutions that best meet customers' needs with lower-cost technology alternatives. Organizations could roll out these designs globally regardless of AVI-SPL management services. The composite organization saves $2.5 million in buildout costs over three years. AVI-SPL can also help customers design and roll out individual device-based collaboration solutions, but Forrester has not included cost savings associated with these solutions in the financial analysis.

› **The organization reduces its internal user support and video network operations center (VNOC) teams by 58%.** Outsourcing more of the workspace technology management to AVI-SPL and/or giving internal workspace management teams access to AVI-SPL's Symphony platform frees up time to work on other projects or move people to other teams. The composite organization reduces its end user support team from five to two full-time equivalents (FTEs) and its VNOC team from 26 to 11, resulting in a three-year savings of $3.6 million.

› **Consolidating from multiple vendors to AVI-SPL lowers ongoing support contracts by 25%.** Interviewees stated that moving to AVI-SPL from other vendors saved their companies money because of consolidation and AVI-SPL's increased efficiency from the Symphony end user management solution. The three-year savings for the composite organization total nearly $909,000.

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 improves employee experience and satisfaction. This can lead to better employee retention and productivity.

› **Enabling users during the COVID-19 office closures.** Four of the seven customer interviews took place during COVID-related office closures. Interviewees described how AVI-SPL is helping design networks and systems so users can better collaborate from home. Better conferencing is especially important when travel is not an option as in the case of the COVID-19 lockdowns. Forrester has not included this in the financial analysis because it is not clear what the nature of work in the future will be.

Forrester's interviews with seven existing customers and subsequent financial analysis found that an organization based on these interviewed organizations experiences a lower present value TCO of $8.3 million over three years and time savings that should deliver at least $12.4 million in improved business outcomes.

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Benefits (Three-Year)

$12.4M	$1.4M	$2.5M	$3.6M	$909.0K
Improved business outcomes	Reduced real estate	Lower buildout and hardware TCO	Fewer internal support resources	Support contract savings

> "AVI-SPL has been a strong partner. They actively seek to learn our business strategies and help us achieve them. They are a strategic, trusted advisor helping us understand the 'art of the possible.'"
>
> *Global services lead, material sciences*

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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 seven 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.

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The Digital Workspace Customer Journey

BEFORE AND AFTER THE AVI-SPL INVESTMENT

Interviewed Organizations

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

INDUSTRY	REGION	INTERVIEWEE	VIDEOCONFERENCE 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
University	Australia	Senior manager, technology operations	1,100
Services	US division	CTO, products and solutions	3,000
Material sciences	HQ in US, global operations	Global services leader, employee experience	200

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 used different technologies, creating confusion for users and IT.** The previous conference room solutions, both software and hardware, 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.

› **Room utilization was low.** Conference rooms of various sizes and configurations were consistently underutilized for several reasons, including too much downtime, booked rooms not actually being used, and inadequate real-time signage.

› **Deployment and support costs were growing too high.** The level of effort to support previous conferencing technologies was growing beyond what internal support organizations could handle. Several external management contracts cost more than expected.

› **Vendor relationships were not very strategic.** Previous companies providing installation and support services did not work in a strong spirit of partnership and did not provide strategic thinking about the future of work. This often led to lengthy delays in fixing equipment and rolling out new solutions as well as providing reactive rather than proactive advice and services.

> "Different locations had different technologies or slightly different user experiences. 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*

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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, including homeworkers. 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.

› **Conferencing solutions are tailored to different user types and are more reliable.** As a best practice, organizations have created personas for different users and digital workspace experiences unique to their needs. The goal of a persona-based solution is to provide only what is required to avoid overwhelming the user. 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 when expected.

› **Outsourcing 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. Interviewees 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 seven 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. Solutions also need to make it easier for office- and home-based users to work together. Prior to engaging with AVI-SPL, the composite had three different vendors managing audiovisual (AV) and collaboration technologies in different geographies.

Deployment characteristics. The organization brings in AVI-SPL as part of a global refresh of conference room solutions. 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 monitoring and control system. The organization consolidates the three previous support contracts into one with AVI-SPL. It includes remote monitoring, on-site support at large regional headquarters, an ongoing refresh program, and support for live broadcasts from the C-suite to all employees.

> "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*

> "Room uptime is definitely better because of Symphony. Automated ticketing helps the support organization, and there is now a single pane of glass to see all the problems a room is having."
>
> *CTO, 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
1,300 conference rooms
150 locations

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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	$2,789,063	$5,801,250	$6,768,125	$15,358,438	$12,414,925
Btr	Reduced real estate	$0	$302,967	$630,171	$756,206	$1,689,344	$1,364,376
Ctr	Lower buildout and hardware TCO	$1,496,250	$1,097,250	$0	$0	$2,593,500	$2,493,750
Dtr	Fewer internal support resources	$0	$950,000	$1,710,000	$1,710,000	$4,370,000	$3,561,608
Etr	Support contract savings	($95,000)	$247,000	$494,000	$494,000	$1,140,000	$908,959
	Total benefits (risk-adjusted)	$1,401,250	$5,386,280	$8,635,421	$9,728,331	$25,151,281	$20,743,618

Improved Business Outcomes

Companies invest large sums of money in AV and other unified communications and collaboration solutions to make employees more productive and enable better teamwork between people working in the office, on the road, and from home. 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, speeding 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 that 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.

> 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 $20.7 million.

> "We had an unplanned power outage one weekend. The team came in on Monday 1 hour before classes were supposed to start and had a list of rooms not working. They were all fixed before classes started."
>
> *Senior manager, university*

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Therefore, the productivity savings are used as a proxy for 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."

› "It used to take 10 minutes to get a new meeting up and running. Now it is just 5 minutes because of better usability and increased self-service. Signage now automatically updates in less than 20 seconds. Last month we had 27 million videoconferences, so the time really adds up."

› "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."

› "The setup time for our actively managed rooms for executive meetings was 30 minutes. Now it is just 5 minutes. That has taken the average time per day execs can't use a room down from 2.5 hours to just 30 minutes."

For the productivity increase, Forrester assumes:

› The composite refreshes 750 conference rooms during the initial period and the remaining 550 in Year 1. This leads to 750 refreshed rooms in Year 1 and 1,300 in Years 2 and 3.

› The average meeting duration is 1.5 hours, and a conference room is booked 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, employees wasted 10 minutes at the start of each meeting getting the AV technology up and running.

› An average fully burdened cost, including benefits and taxes, for all employees using conference rooms is $117,000.

› The lost time reduces by 50% in Year 1 and gets better in subsequent years.

› Not all time saved results in more work being completed. As such, 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

"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 videoconferencing. It's impossible to put a dollar value against it."

Infrastructure head, pharmaceutical

"Our CEO's office was being moved to a new building. The real estate team hired another provider to build out the conference room. A few days before opening, I found out that they were weeks behind schedule. I called AVI-SPL and told them my job was on the line. They got everything up and running over the weekend before the CEO moved in."

CTO, services

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.

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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 $12.4 million.

REF.	METRIC	CALC.	YEAR 1	YEAR 2	YEAR 3
Improved Business Outcomes: Calculation Table					
A1	Number of available refreshed videoconference rooms		750	1,300	1,300
A2	Number of videoconferences	A1*2,000 hours/1.5 hours*70% occupancy	700,000	1,213,333	1,213,333
A3	Nonproductive time (hours)	A2*4 participants*(10 minutes/60)	466,667	808,889	808,889
A4	Average fully burdened cost (hourly)	$117,000/2,080 hours	$56.25	$56.25	$56.25
A5	Total lost productivity	A3*A4	$26,250,000	$45,500,000	$45,500,000
A7	Percent improvement		50%	60%	70%
	Productivity capture		25%	25%	25%
At	Improved business outcomes	A5*A6*A7	$3,281,250	$6,825,000	$7,962,500
	Risk adjustment	↓15%			
Atr	Improved business outcomes (risk-adjusted)		$2,789,063	$5,801,250	$6,768,125

Reduced Real Estate

With the move to open-plan working, organizations can set aside more space for meetings so people can work together when needed 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 leveraging technology 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

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

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certain date. There was a need for speed to start booking the real estate savings."

› "We are now starting to track KPIs such as video room consumption and cost per consumed hour. AVI-SPL is helping define and implement measurement tracking."

For the composite organization, Forrester assumes:

› 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 videoconference 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 $1.4 million.

REF.	METRIC	CALC.	YEAR 1	YEAR 2	YEAR 3
Reduced Real Estate: Calculation Table					
B1	Number of available refreshed conference rooms	A1	750	1,300	1,300
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	$10,419,500	$10,419,500
B4	Improved utilization	70% baseline*20% YoY improvement	14.00%	16.80%	20.16%
B5	Total reduced real estate	B3*B4	$841,575	$1,750,476	$2,100,571
B6	Percent attributed to AVI-SPL		40%	40%	40%
Bt	Reduced real estate	B5*B6	$336,630	$700,190	$840,228
	Risk adjustment	↓10%			
Btr	Reduced real estate (risk-adjusted)		$302,967	$630,171	$756,206

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 as well as annual upkeep spending. Forrester heard from interviewees:

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› "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."

› "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."

› "The room cost savings we are getting because of [Symphony] is a big one."

For the financial analysis, Forrester assumes:

› 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.

This benefit will vary based on the type and number of digital workspaces being created. Also, 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 $2.5 million.

> "One specific area where we have had better pricing is videoconferencing 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*

> "The best thing about AVI-SPL is their ability to deliver. An office has to be open by a certain date, and I never want to be on the CEO's watchlist because we didn't open on time."
>
> *CTO, services*

Lower Buildout And Hardware TCO: Calculation Table

REF.	METRIC	CALC.	INITIAL	YEAR 1	YEAR 2	YEAR 3
C1	Number of available refreshed conference rooms		750	550		
C2	Original cost estimate	C1*$10,500	$7,875,000	$5,775,000		
Ct	Lower buildout and hardware TCO	C2*20%	$1,575,000	$1,155,000		
	Risk adjustment	↓5%				
Ctr	Lower buildout and hardware TCO (risk-adjusted)		$1,496,250	$1,097,250		

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; for example, one company reduced its conferencing support team size from six to four and focused more on CXO and second-tier support. Additionally, using AVI-SPL's Symphony monitoring and control platform makes internal resources more efficient and effective. Interviewees shared the following examples:

› "AVI-SPL keeps us informed of the ongoing management work they are doing on our behalf. We don't have to get involved, which saves us effort. The support team was reduced from five to three FTEs."

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› "Originally we were supporting 500 rooms with three people. Now we are supporting 2,000 rooms with the same three people."

› "Our video network operations center has greatly increased the number of rooms per operator because of [Symphony]. It is doing the lion's share of the work and replace previously manual processes"

› "We now have better, proactive monitoring because of [Symphony]. Previously, operators were switching between six or seven screens. Now they have a single pane of glass. This makes them much more productive."

› "Symphony gives us a much better view of what is happening at our [overseas] locations which has enabled us to create a better support plan. We are extensively using the analytics capabilities."

For the financial analysis, Forrester assumes:

› The organization requires two fewer FTEs in Year 1 to manage break-fix and support tickets. This increases to three in Year 2.

› VNOC team efficiency increases from 50 rooms per operator to 120 because of Symphony and the general move to cloud-based solutions.

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

This benefit will vary depending on the size of the existing support organization, the extent to which management is outsourced, and how Symphony is used by the remaining internal resources. To account for these risks, Forrester adjusted this benefit downward by 5%, yielding a three-year risk-adjusted total PV of $3.6 million.

> "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
D3	Original video NOC FTEs	A1/50 [rounded up]		15	26	26
D4	NOC FTEs with Symphony	A1/120 [rounded up]		7	11	11
D5	Internal support FTEs with AVI-SPL contract			3	2	2
Dt	Fewer internal support resources	((D1-D2)+(D3-D4))*$100,000		$1,000,000	$1,800,000	$1,800,000
	Risk adjustment	↓5%				
Dtr	Fewer internal support resources (risk-adjusted)			$950,000	$1,710,000	$1,710,000

Support Contract Savings

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

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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."

› "We were able to cut a team of VNOC contractors, which cost $300,000 per year."

› "If I had our hardware vendor doing all this work, I would get lower quality at a higher price."

For the financial analysis, Forrester assumes:

› The previous management contracts with three vendors totaled $2.6 million per year.

› The composite organization saves 20%, which is roughly the midpoint between the 50% and 13% examples cited by customers and includes AVI-SPL's use of Symphony. Half of this savings is realized in Year 1 as previous contracts are retired.

› The organization makes an upfront effort to integrate Symphony with existing ticketing and hoteling systems as well as change management activities. This cost is shown in the Initial column.

This benefit will vary depending on previous outsourcing contracts and 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 $908,959.

> "Moving all of our on-site 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*

> "We got rid of a hardware vendor's services contract that was $3.9 million dollars per year for supporting infrastructure and rooms. Instead we are spending $500,000 with AVI-SPL."
>
> *CTO, services*

REF.	METRIC	CALC.	INITIAL	YEAR 1	YEAR 2	YEAR 3
Support Contract Savings: Calculation Table						
E1	Previous support contracts			$2,600,000	$2,600,000	$2,600,000
E2	Support contract savings	E1*20% [half realized in Year 1]		$260,000	$520,000	$520,000
E3	AVI-SPL Symphony integration		$100,000	$0	$0	$0
Et	Support contract savings	E2-E3	($100,000)	$260,000	$520,000	$520,000
	Risk adjustment	↓5%				
Etr	Support contract savings (risk-adjusted)		($95,000)	$247,000	$494,000	$494,000

Unquantified Benefits

Customers discussed two benefits that were not included in the financial analysis — increased employee satisfaction and supporting homeworkers during COVID-19 office closures.

Increased Employee Satisfaction

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

› "The feedback from all of the business units is very positive."

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> "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 [Customer Satisfaction] scores."

Supporting COVID-19 Homeworking

Four of the interviews took place during the COVID-19 pandemic when companies had most of their employees working from home. This fundamentally changed how employees collaborate and communicate with each other. Interviewees described how AVI-SPL is helping them transition and manage new ways of working, including making meetings possible that would have previously required travel. Examples include:

> "We treat AVI-SPL team members like any of our employees, and they are working from home. They helped our response in many ways including helping to handle a surge in user help desk tickets and requests. They've been very helpful these past few weeks."

> "We see AVI-SPL's role increasing as we figure out and design the new ways employees use conferencing to work together."

> "Our executives are doing more broadcasts to all employees, and those are produced by AVI-SPL."

> "As we have more digital connectiveness, employees will be generating more video content. AVI-SPL will help us design and support this distribution."

> "Demand for some services like videoconference rooms has dropped to historic lows while other services like company broadcasts are at all-time highs. AVI-SPL has been very agile in helping us adapt to these new realities and scaling our resources."

> "Symphony can help with improved asset management of our A/V technologies along with enhanced monitoring and alerting as we shift to a more forward-leaning response in addressing break-fix in the field."

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 on-site support and other services such as broadcast management (see the AVI-SPL: Overview section for a list of services).

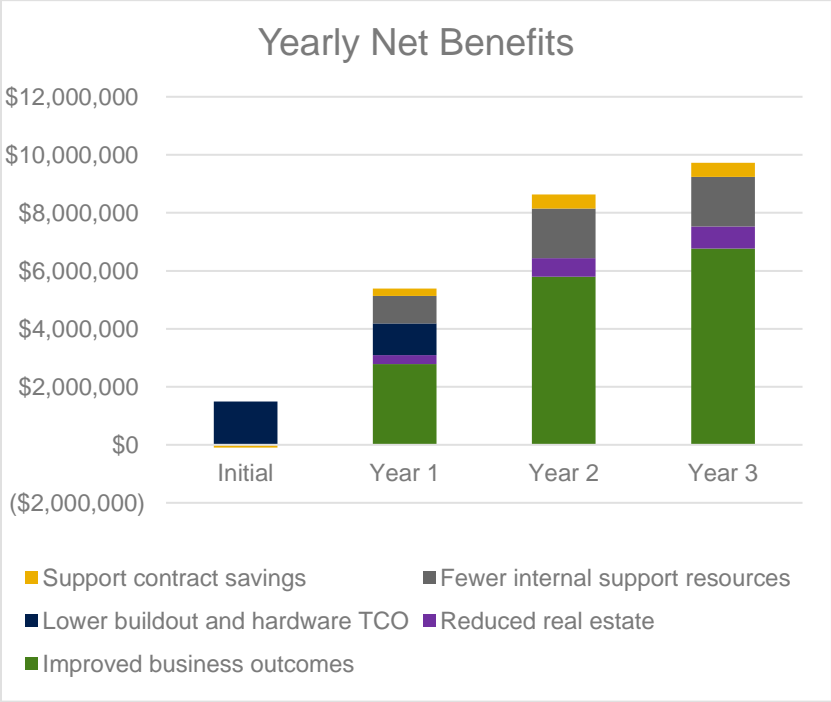> Utilizing the Symphony user experience management platform if not already in place.

None of these flexibility benefits were included in the financial analysis.

> 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.

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Financial Summary

Yearly Net Benefits

Legend:
- Support contract savings
- Fewer internal support resources
- Lower buildout and hardware TCO
- Reduced real estate
- Improved business outcomes

Forrester assumes a yearly discount rate of 10% for this analysis. The total present value net benefits associated with using AVI-SPL services is $20,743,618.

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

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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 is a digital workplace services provider that works with organizations globally to improve team collaboration and unlock new business value. Meeting solutions and enterprise video communications are the start of innovation and digital transformation for your company. Work with AVI-SPL to design, deploy, manage, and support the collaboration technology that enhances employee experience, increases organizational agility, and improves business outcomes.

Unified communications, conferencing, collaboration, and enterprise video

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

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

› On-premises, cloud, or hybrid technology solutions including cloud migration plans

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

› Integrated room scheduling and automation

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

› Strategic assessments and digital signage strategic planning and management

› Video production and broadcast

› Content design, hosting, delivery, and asset distribution

Professional and managed services

› Conferencing and collaboration program design

› Training and user adoption support

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

› ITIL certified professionals

› 2,000+ cases resolved per month

› Hundreds of thousands of conferences scheduled, launched, monitored, and/or produced per year

AVI-SPL Symphony

› User experience management platform

› Single-pane view of AV and UC estate

› Remote monitoring and control of leading collaboration technologies

› Remotely auto-launch, monitor, and moderate meetings

› Proactive ticket and issue resolution

› Integrated end-to-end workflow with common scheduling and ticketing systems

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

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Appendix A: Total Economic Impact

Total Economic Impact is a methodology developed by Forrester Research that enhances a company's technology decision-making processes and assists vendors in communicating the value proposition of their products and services to clients. The TEI methodology helps companies demonstrate, justify, and realize the tangible value of IT initiatives to both senior management and other key business stakeholders.

Total Economic Impact Approach

Benefits represent the value delivered to the business by the product. The TEI methodology places equal weight on the measure of benefits and the measure of costs, allowing for a full examination of the effect of the technology on the entire organization.

Costs consider all expenses necessary to deliver the proposed value, or benefits, of the product. The cost category within TEI captures incremental costs over the existing environment for ongoing costs associated with the solution.

Flexibility represents the strategic value that can be obtained for some future additional investment building on top of the initial investment already made. Having the ability to capture that benefit has a PV that can be estimated.

Risks measure the uncertainty of benefit and cost estimates given: 1) the likelihood that estimates will meet original projections and 2) the likelihood that estimates will be tracked over time. TEI risk factors are based on "triangular distribution."

The initial investment column contains costs incurred at "time 0" or at the beginning of Year 1 that are not discounted. All other cash flows are discounted using the discount rate at the end of the year. PV calculations are calculated for each total cost and benefit estimate. NPV calculations in the summary tables are the sum of the initial investment and the discounted cash flows in each year. Sums and present value calculations of the Total Benefits, Total Costs, and Cash Flow tables may not exactly add up, as some rounding may occur.

Present value (PV)

The present or current value of (discounted) cost and benefit estimates given at an interest rate (the discount rate). The PV of costs and benefits feed into the total NPV of cash flows.

Net present value (NPV)

The present or current value of (discounted) future net cash flows given an interest rate (the discount rate). A positive project NPV normally indicates that the investment should be made, unless other projects have higher NPVs.

Return on investment (ROI)

A project's expected return in percentage terms. ROI is calculated by dividing net benefits (benefits less costs) by costs.

Discount rate

The interest rate used in cash flow analysis to take into account the time value of money. Organizations typically use discount rates between 8% and 16%.

Payback period

The breakeven point for an investment. This is the point in time at which net benefits (benefits minus costs) equal initial investment or cost.

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