

The ROI of Hosted Video Conferencing

By Randy Arnold



conX
Video Meeting

Executive Summary

This ROI report considers several factors leading to reduction in cost and increase in benefits as a result of videoconferencing adoption. Although this report will not produce exact ROI in all situations, the report will outline the factors such as cost reduction and increased benefits that, in turn, impact the ROI.

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Prominent ROI Justifications

1.Travel Reduction

Saving on travel costs is one of the most common justifications for videoconferencing. Although technology like videoconferencing cannot completely eliminate the need for in-person visits, videoconferencing certainly keeps stakeholders connected visually. Moreover, when evaluating travel costs, it is important to look beyond the hard costs of airline tickets, hotels, and incidentals; the softer costs of non-productive hours while traveling tend to be much more significant. The cost of travel can be divided into two broad categories – hard cost and soft cost. Below is an illustration of the components of the hard and soft costs in a sales organization:

Hard Cost:

TRAVEL WITHIN COUNTRY	SAN FRAN TO NYC (ROUNDRIP) BY PLANE, 2 DAYS 1 NIGHT
Transportation (round trip)	\$700
Total hours spent travelling	12 hours
Hotel (\$200 per night)	\$400
T&E (approx \$50 per day)	\$100
Car Rental	\$100
Total cost of business trip @ one trip per month	\$1,300
Total cost of business trips per quarter	\$3,900
TOTAL COST OF TRAVEL PER YEAR	15,600

Soft Cost:

NUMBER OF UNPRODUCTIVE HOURS:
Hours lost during flight: 12
Approximate number of hours lost: 5 (ground transportation, wait time, hotel check-in, rest, etc.)
COST OF UNPRODUCTIVE HOURS
Average hourly cost of a senior sales rep/manager: \$75
Cost of unproductive hours per monthly travel: \$1,275
Cost of unproductive hours per quarter travel: \$3,825
Cost of unproductive hours for 4 sales reps per year: \$15,300

It can be established broadly that if a company can reduce just one long-distance national trip per month, it saves approximately \$15,600 per year in hard cost and approximately \$15,300 per year in soft cost. This amounts to a net saving of \$30,900.

By reducing travel, companies also reduces employees 'physical fatigue, and improves their work/life balance, which leads to increased productivity, motivation and loyalty. These are example of "softer" costs that cannot be accurately measured quantitatively. Lastly, by reducing travel, organizations contribute toward mitigating energy use and energy regulation compliance. By communicating over video, they also reduce their carbon footprint.

The above illustration is an example of only one person. Many meetings involve more than one participant, so the above costs would increase proportionally.

2. Increased productivity across remote teams

Communication between remote project teams such as IT product development, remote drilling locations in oil and gas field, and remote manufacturing units, can be very slow or even non-existent. Such teams usually depend on phone, emails, instant messaging or workflow applications. The effectiveness of those communication methods is limited because an average of 80% of communication depends on non-verbal cues. Video conferencing allows expressions of satisfaction, confusion, dissatisfaction, doubt, concern and so on to be seen and understood. This results in increased productivity, faster decision-making and shorter project length.

If a globally dispersed team is able to complete a project one week ahead of schedule, the company saves five days' worth of the team's resources. In some cases, when projects are delayed, companies not only pay extra salary to project team members but also have to pay penalties levied by the client.

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3. Improved hiring, training and retention

One of the "softer" benefits of videoconferencing is greater employee retention which is the outcome of better hiring and continuous improvement through ongoing training programs.

Hiring processes are often very costly and lengthy. This is especially true when organizations look for talent beyond their local area.







Another challenge is that the interview process involves multiple interviewers who can also be in different locations. In such scenarios, video conferencing helps get all the parties together face to face. Faster hiring not only ensures less hiring cost but also ensures faster deployment of resources and scheduled delivery.

4. Cost optimization: Existing video conferencing tools

Organizations can continue to use their standardized environments and conduct peer-to-peer video calls using their existing hardware, such as InFocus Mondopads, Polycom, LifeSize, and Tandberg, but they could make a much better use of these investments. With ConX Video Meeting, organizations can use the same endpoint devices to connect with other users who work from remote locations, regardless of the device they use. In a way, this makes their existing device interoperable, which saves companies money and prepares them for the bring your own device (BYOD) trend.

Industry reports supporting videoconferencing ROI

In 2011, the Aberdeen Group conducted a study for Enterprise Video Collaboration. Statistics with regards to ROI are:

-  Best in class companies showed a 17% decrease in travel after implementing video conferencing
-  These companies reported 120% quantitative ROI for video solution
-  The typical video collaboration-enabled project pursued by Aberdeen's community reduced project times by two weeks through the use of video collaboration
-  Video collaboration saved an average of \$40,000 per project in Aberdeen's community due to time saved and optimized resource allocation.



ABOUT CONX VIDEO MEETING BY INFOCUS: ConX Video Meeting – pronounced “connects” – is a simple but powerful, business class, video conferencing and collaboration solution.

InFocus ConX Video Meeting requires no extra hardware investment and enables an unlimited number of participants in different locations to take part in a video conference using standardized SIP or H.323 video conferencing devices, PCs and Macs via web browser, in addition to regular audio only phones. The user experience is similar to a traditional audio conference; one dials an assigned ConX Video Meeting room number from the device and enters a secure PIN code to enter the room. The ConX Video Meeting service translates all the feeds and delivers each video stream in a separate window on the same screen.

ConX Video Meeting makes group video conferencing a viable option for almost any organization because it is affordable and easy to use. It empowers them to connect and collaborate with employees, partners or customers in a much more engaging and productivity-boosting way. Historically, most video calls were reserved for groups who used the same video conferencing platform, within the same organization. Now groups from different organizations, on different systems, and even using the Web, can connect using ConX Video Meeting.

Through the cloud, ConX Meeting seamlessly connects all parties, whether they are using an InFocus Mondopad, an InFocus Video Phone or a video conference system from Cisco, LifeSize or Polycom. Those who do not have a dedicated video device can connect to the video meeting using their PC or Mac via conx.infocus.net, or they can participate with audio-only using a telephone. Additionally, the InFocus ConX service can easily connect with third-party video conferencing applications such as Cisco’s Jabber and Microsoft Lync.

ConX Video Meeting gives organizations almost all of the benefits of an in-person face-to-face meetings at a fraction of the hard and soft costs of a trip. If ConX Video Meeting can reduce one trip each month, the ROI of ConX comes out to be:

$$\text{CONX ROI} = \{(30900-4399)/4399\} * 100$$

OR

$$602.43\% \text{ (OVER 600\%)}$$

ABOUT INFOCUS: InFocus leads with creative solutions for successful visual collaboration in large venues, conference rooms, classrooms and workstations throughout the world. The company created the Mondopad, a giant touch PC/tablet hybrid that makes content more immersive, audiences more involved and every interaction more engaging, as it brings together all of the collaboration tools people need to visually present, capture and share ideas.

For more information or to purchase, visit the company’s website at www.infocus.com, or www.infocusstore.com. Follow InFocus on Facebook at facebook.com/InFocusCorp, LinkedIn at linkedin.com/company/InFocus or Twitter at [@InFocusCorp](https://twitter.com/InFocusCorp) and [@InFocusEDU](https://twitter.com/InFocusEDU).

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For more information on InFocus ConX Video Meeting and a 30-day free trial, visit <http://www.infocusconx.com> or call (877) 388-8385.

