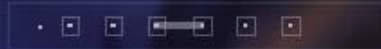


Generating Benefits
for Our Clients



A Study of the Economic Value and Risk Associated with IT Mobility

Conducted by



Glomark-Governan

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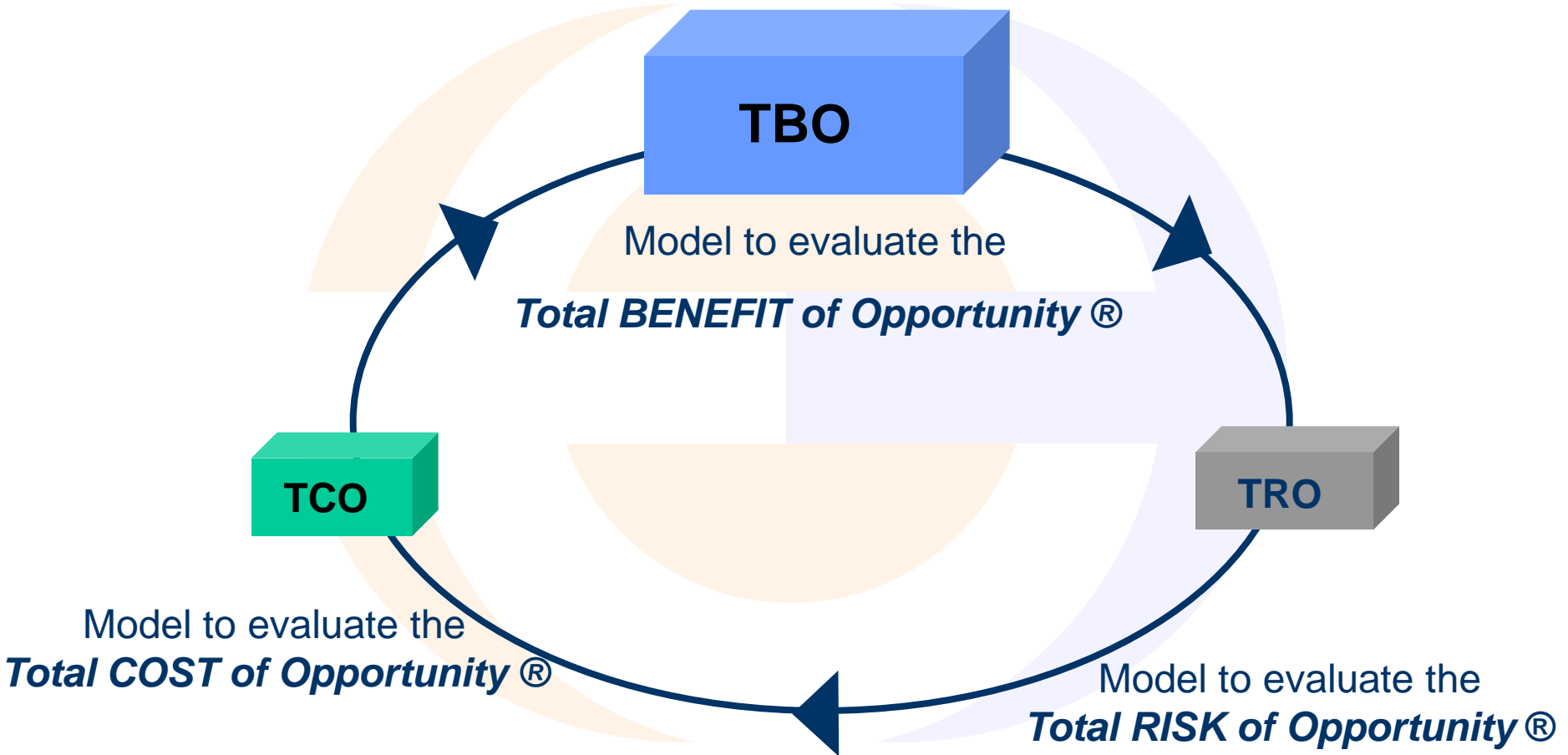
Contents of this Presentation

- ▼ Glomark-Governan Background
- ▼ About the EVC™ (Economic Value Creation) Methodology used in the Research Study
- ▼ Purpose
- ▼ About the Research Study
- ▼ Analysis Model and Tool Employed
- ▼ IT Mobility Study Results Summary



Glomark-Governan was founded in 1992 with the mission to assist companies in forecasting and measuring the economic value and risk of investments in technology and service initiatives.

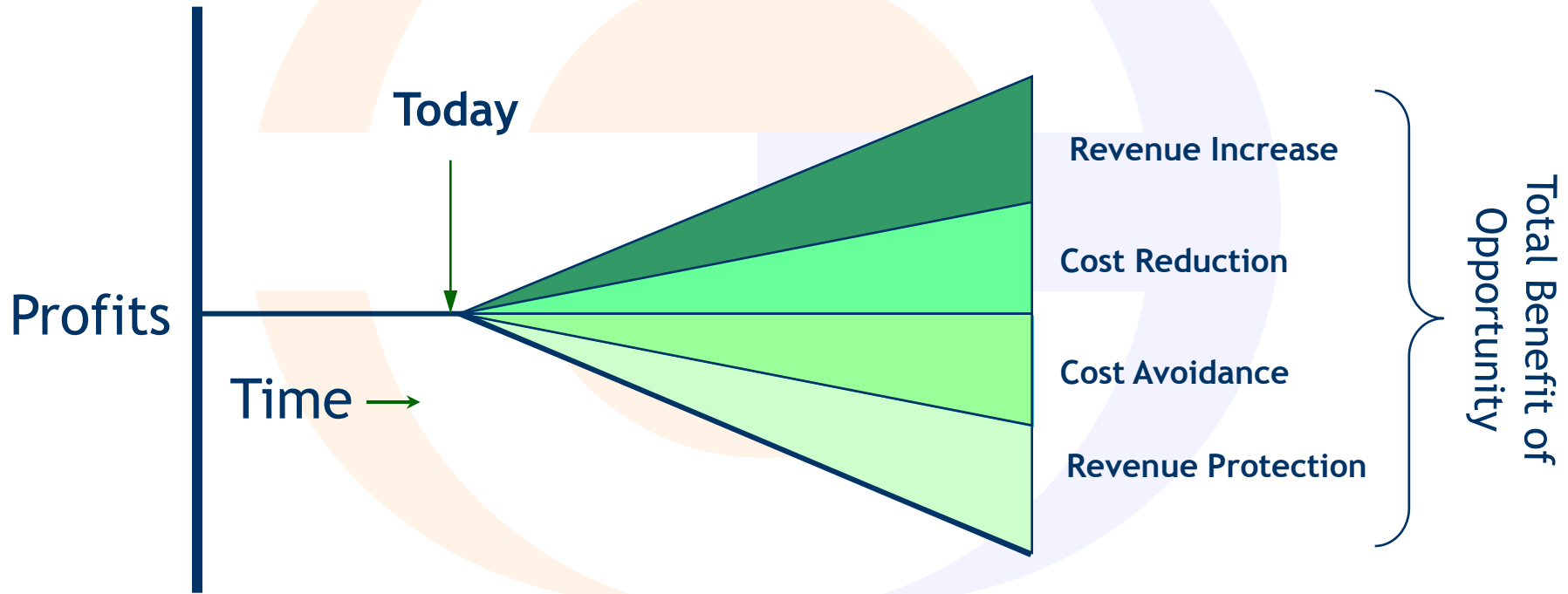
- **Headquarters:** Columbus, Ohio
- **Locations:** In 5 countries
- **Customers:** Over 300
- **Genius licenses sold:** Over 5,000
- **People trained in Glomark EVC Programs:** Over 11,000



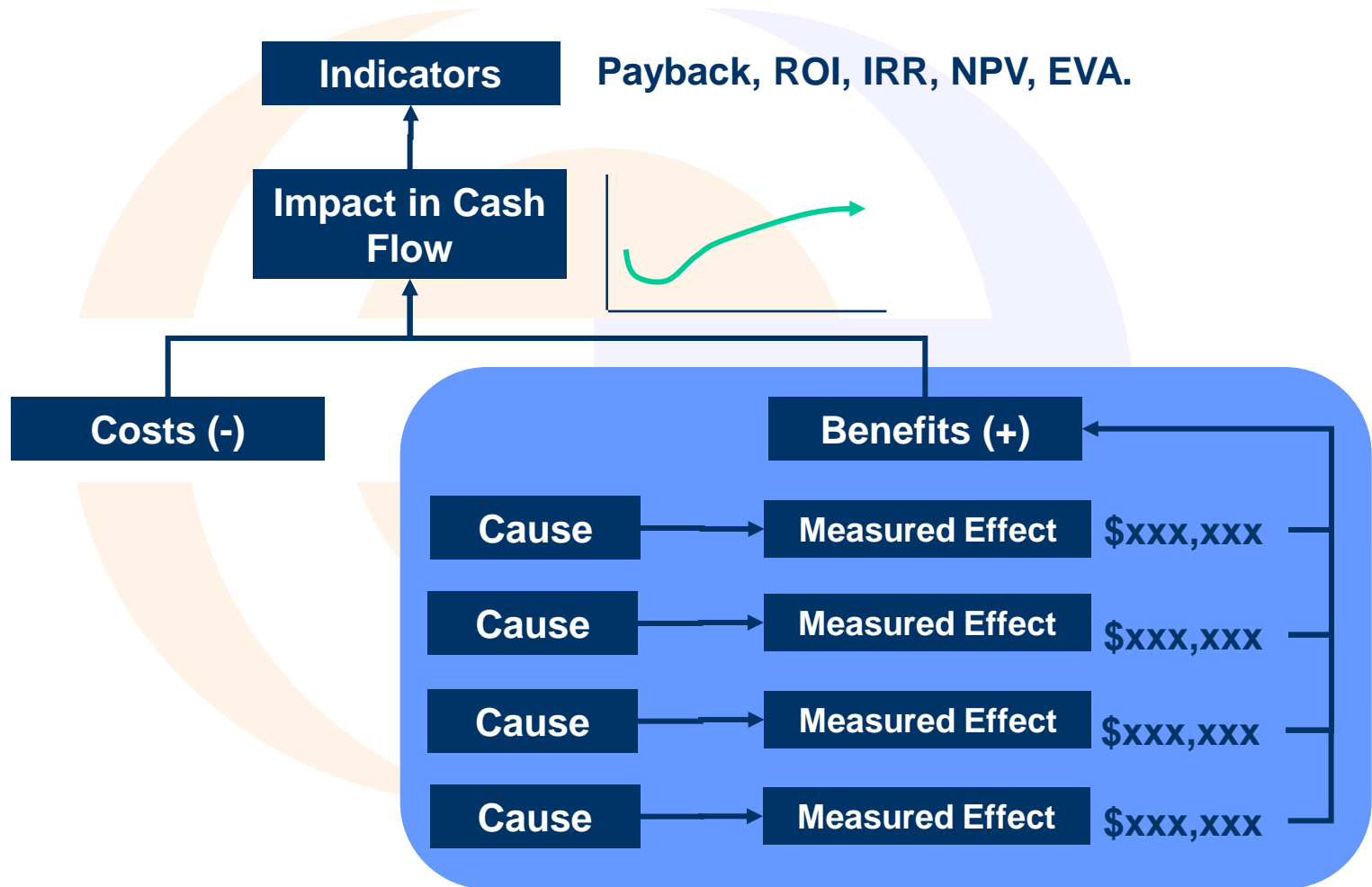
- ▼ EVC™ is an effective ROI methodology that links and assesses value and metrics at four distinct levels:

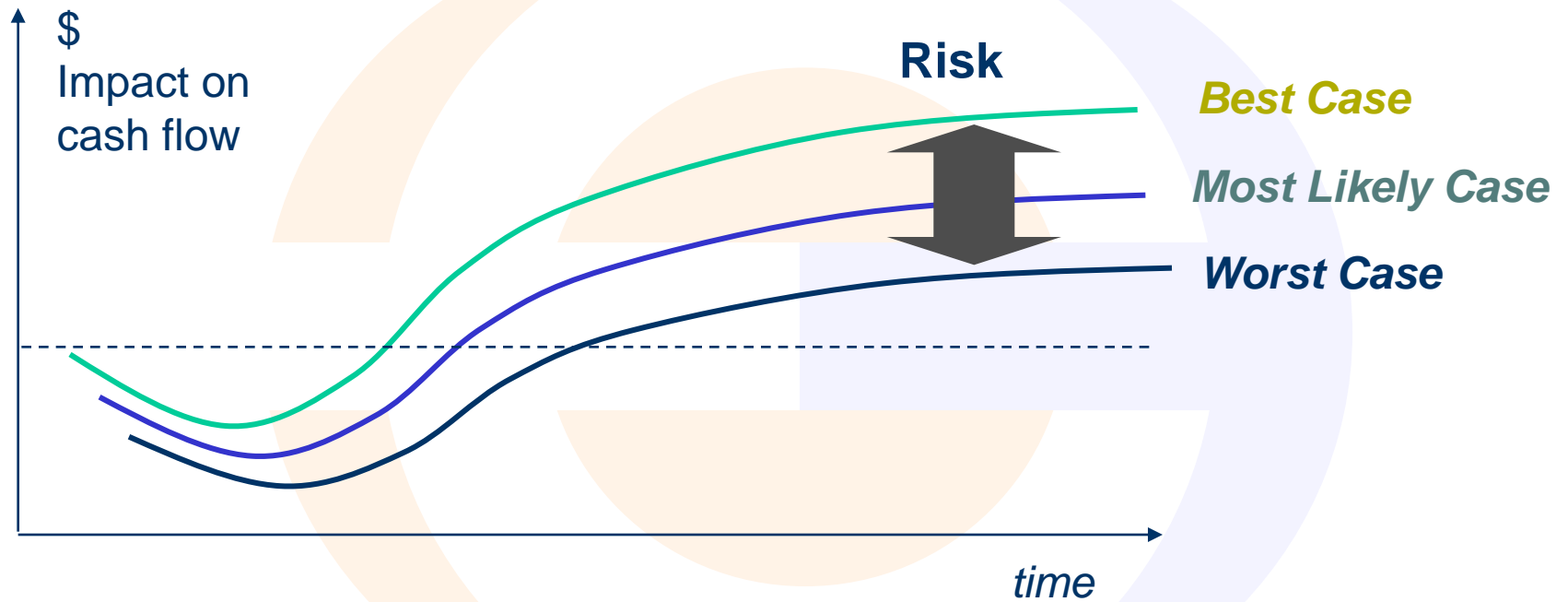


Total Benefit of Opportunity (TBO)



Study assessed the impact on Cash Flow





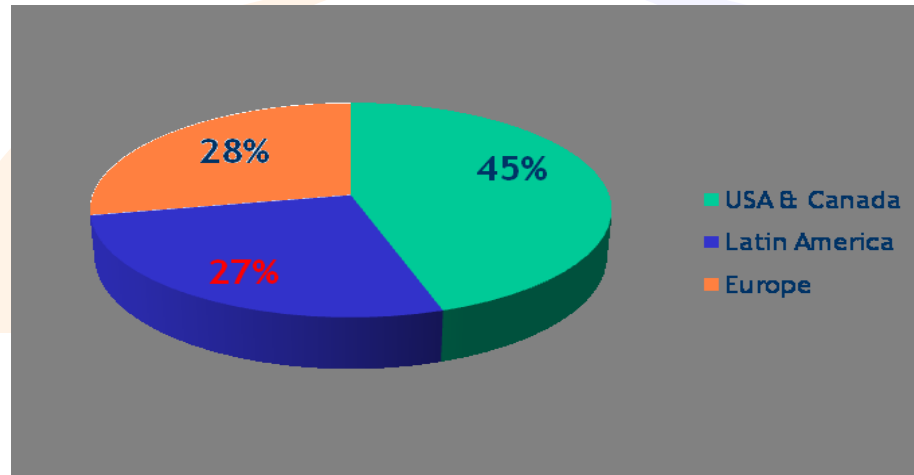


Purpose

This presentation summarizes a study conducted by Glomark-Governan in February of 2007. The study identified the economic benefits and risks of investing in IT mobility, specifically the impact of Laptop and PDA Internet connectivity.



- ▼ 258 companies responded to the survey

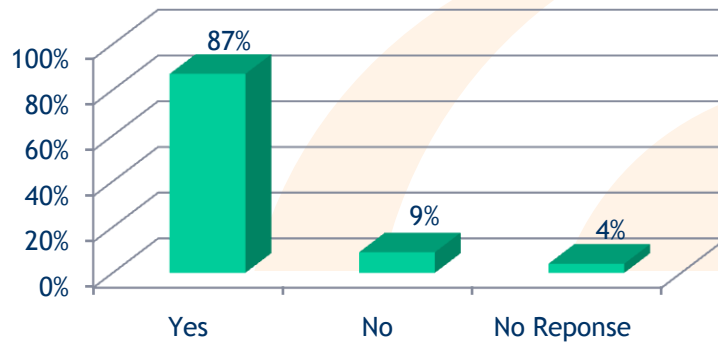


- ▼ The survey contained 17 questions
- ▼ Examples of questions shown on the following slides



Key Research Findings

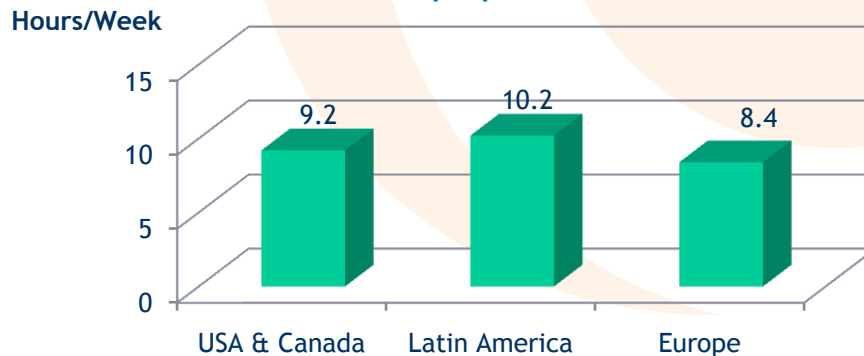
Are your company Laptop Users more productive than the ones with your Desktop PCs?



Responses varied from as little as 3 hours up to 22 hours per week.

Retail and logistics-oriented companies indicated higher levels of productivity increase.

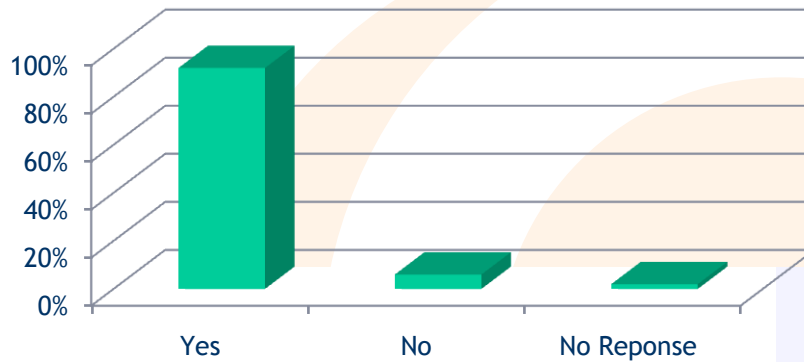
On average how much more productive are the laptop users



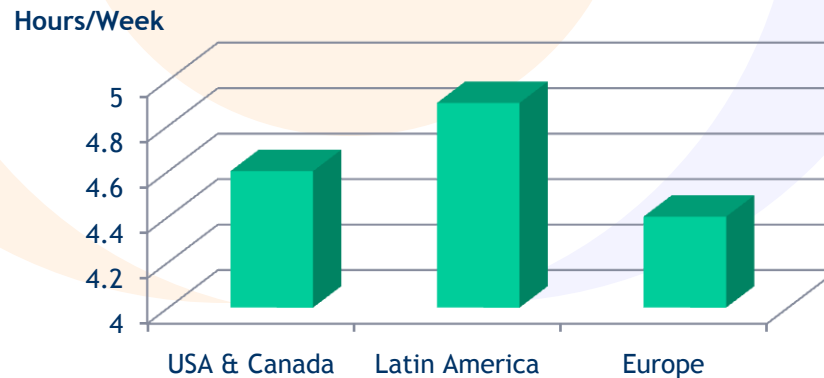


Key Research Findings

Are your company Laptop Users “with wireless connectivity” more productive than the ones with laptops without wireless?



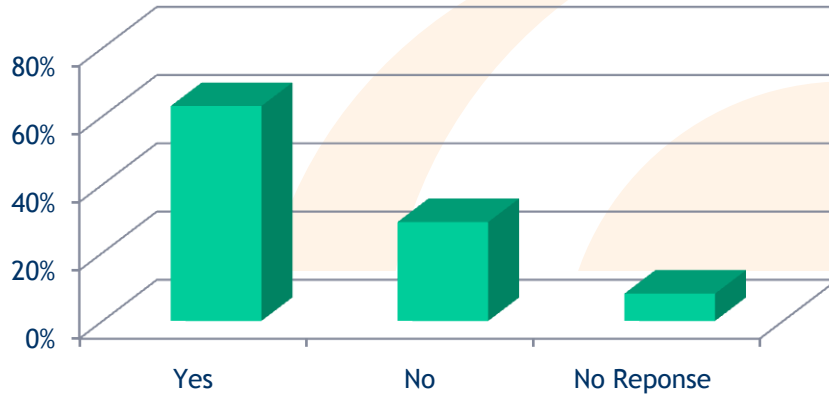
On average, how much more productive are the ones with wireless?





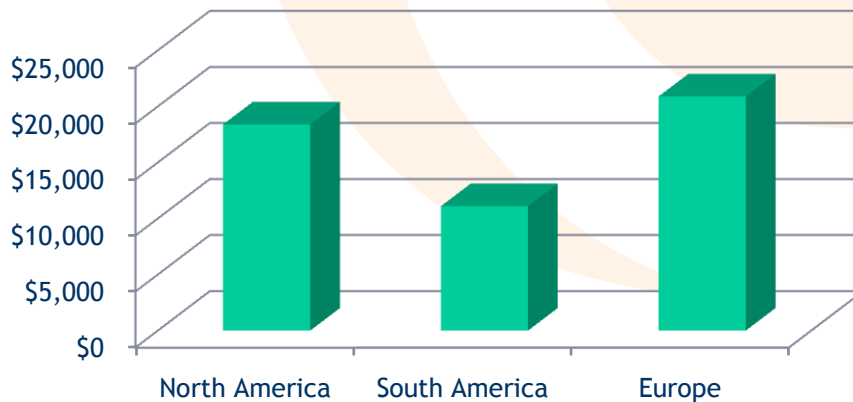
Key Research Findings

Have you seen an increase in revenue because of the use of mobility?



Responses varied considerably, in some cases companies indicated as little as \$300 per User, while others recorded up to \$53,000.

On average how much revenue per year per User?

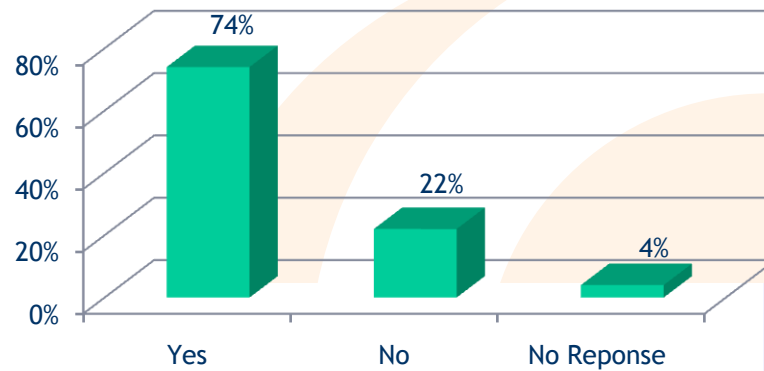


Glomark-Governan has attributed some of these disparities to the differences in regional currencies and economies.

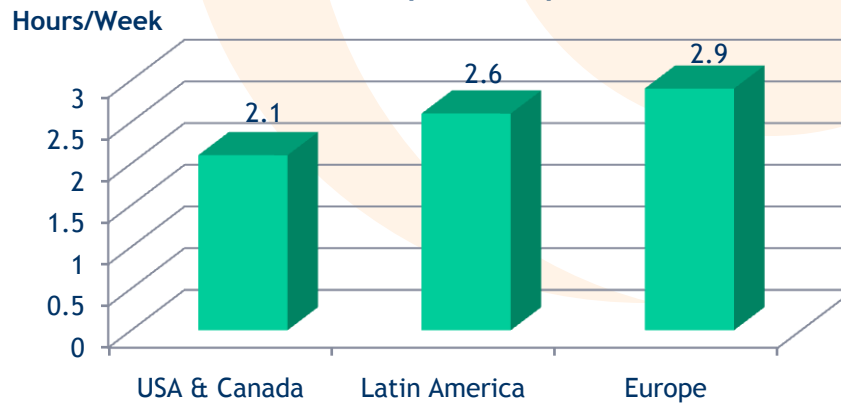


Key Research Findings

Have you seen an increase in “collaboration” among Users because of the use of laptops?



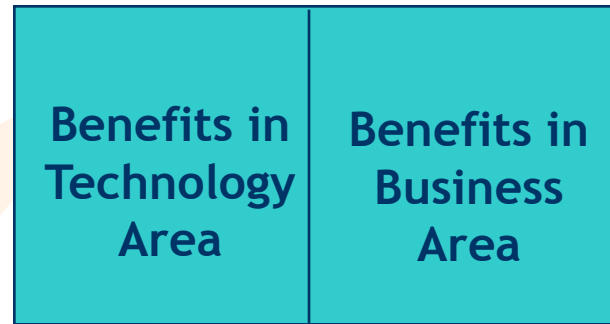
On average, how many hours of increased collaboration per User per week?



"Yes" responses varied from 1 hour to 11.5 hours per week.

About the ROI Analysis

- The nominal company used for this study had the following criteria...
 - 1500 PC Users
 - Desire to migrate 500 PCs to Laptops
 - \$100 MUSD in annual revenue
 - ROI study done for 3-years
- A specialized tool (Genius Analyzer) was used to prepare this study and run scenarios
- Benchmarking and industry data was collected by Glomark-Governan analysts



Reduced call center costs	\$562,500
Improved asset management	\$14,853
Reduce desktop upgrades	\$206,250
Reduced cost to integrate with vendors	\$27,500

Note: These are 3-year cumulative values



Business Benefits



Revenue protection from Improved Customer Satisfaction	\$1,176,663
Revenue protection during disaster	\$962,724
Reduction in number of phone calls	\$906,931
Increased Revenue from Improved Customer Satisfaction	\$4,279,629
Reduced inventory from improved supply chain efficiencies	\$750,000
Improved productivity from increased collaboration	\$2,583,850
Reduction in working capital from improved billing cycle	\$105,000
Improved productivity	\$6,201,240

See an example of the quantification in the next slide

Note: These are 3-year cumulative values



Benefits Example

Benefit: Reduction in number of phone calls

Description: Users with wireless laptops send more instant messages while they are inside or outside the office building, resulting in a reduction in number of phone calls within the enterprise.

Benchmarking data: According to the Glomark-Governan research study, companies that have implemented a mobile PC with wireless connectivity have reduced the number of phone calls by 8% to 20%.

Means of Quantification: Forecasted reduction in the number of phone calls * Average number of calls per User per day * Number of operational days per year * Number of PC Users * Percent of PC Users that will receive Mobile PC * Average cost per phone call

Year	Best Case	Most Likely Case	Worst Case
Year 1	\$402,268	\$204,791	\$102,395
Year 2	\$536,357	\$351,070	\$204,791
Year 3	\$536,357	\$351,070	\$204,791
Year 4	\$0.00	\$0.00	\$0.00
Year 5	\$0.00	\$0.00	\$0.00
Year 6	\$0.00	\$0.00	\$0.00
TOTAL	\$1,474,982	\$906,931	\$511,977

Other Benefits Identified but Not Quantified

Other benefits identified in the IT Mobility Research study, but not quantified in ROI Study, include:

- Reduced office space
- Reduced relocation costs
- Lower IT administration costs (from reduced cost of relocating users)
- Faster order fulfillment
- Increased number of sales calls
- Increased competitiveness of sales people
- Faster Closure Rates (up to 70%)
- Elimination of redundant data entry
- Reduced inventory as a result of greater supply chain visibility and faster information transfer
- Increased production capacity with higher number of orders



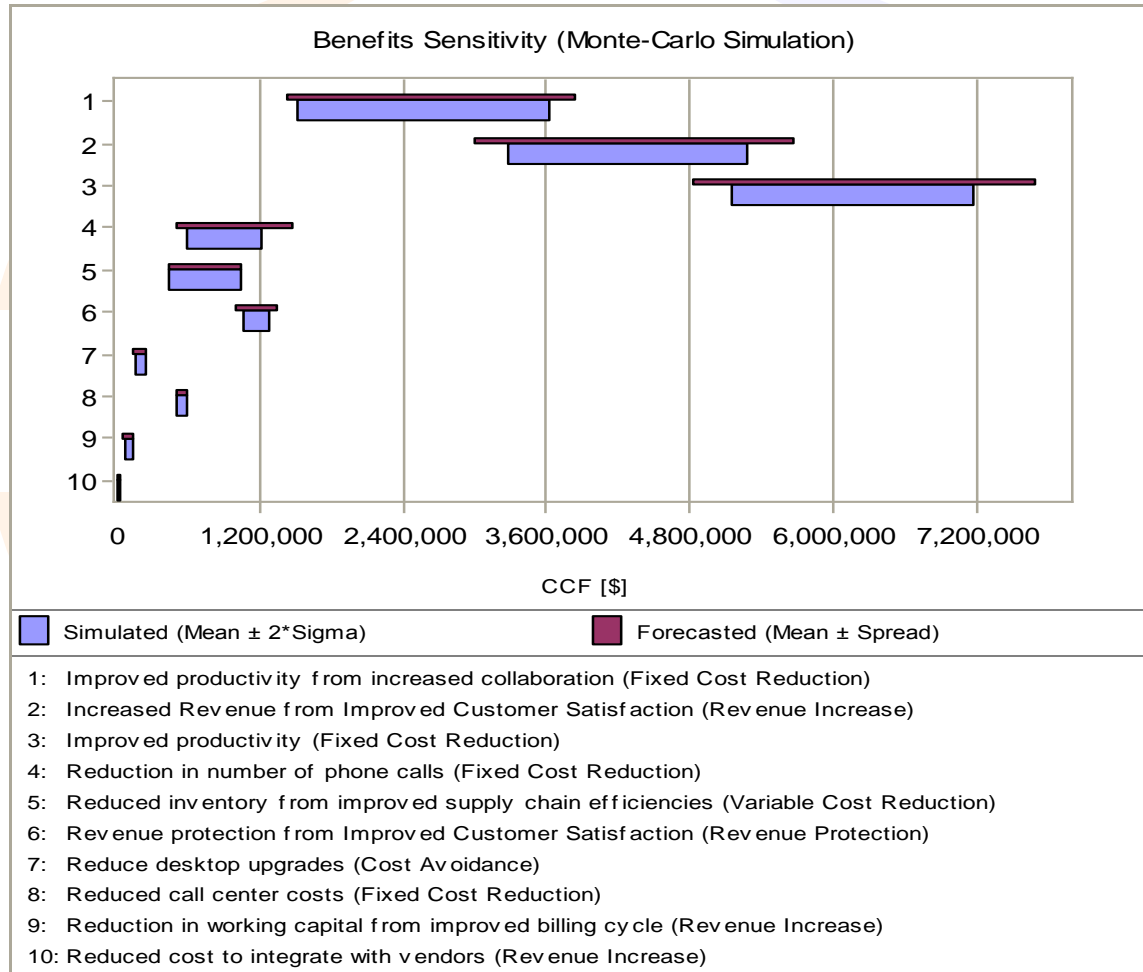
-Biggest Risk concerns from Survey participants:

- Risk of losing Laptops and PDAs (loss of hardware and software)
- Risk of losing information contained in Laptops and PDAs (security breaches)
- Risk of increasing business processes' downtime with increased loss of assets

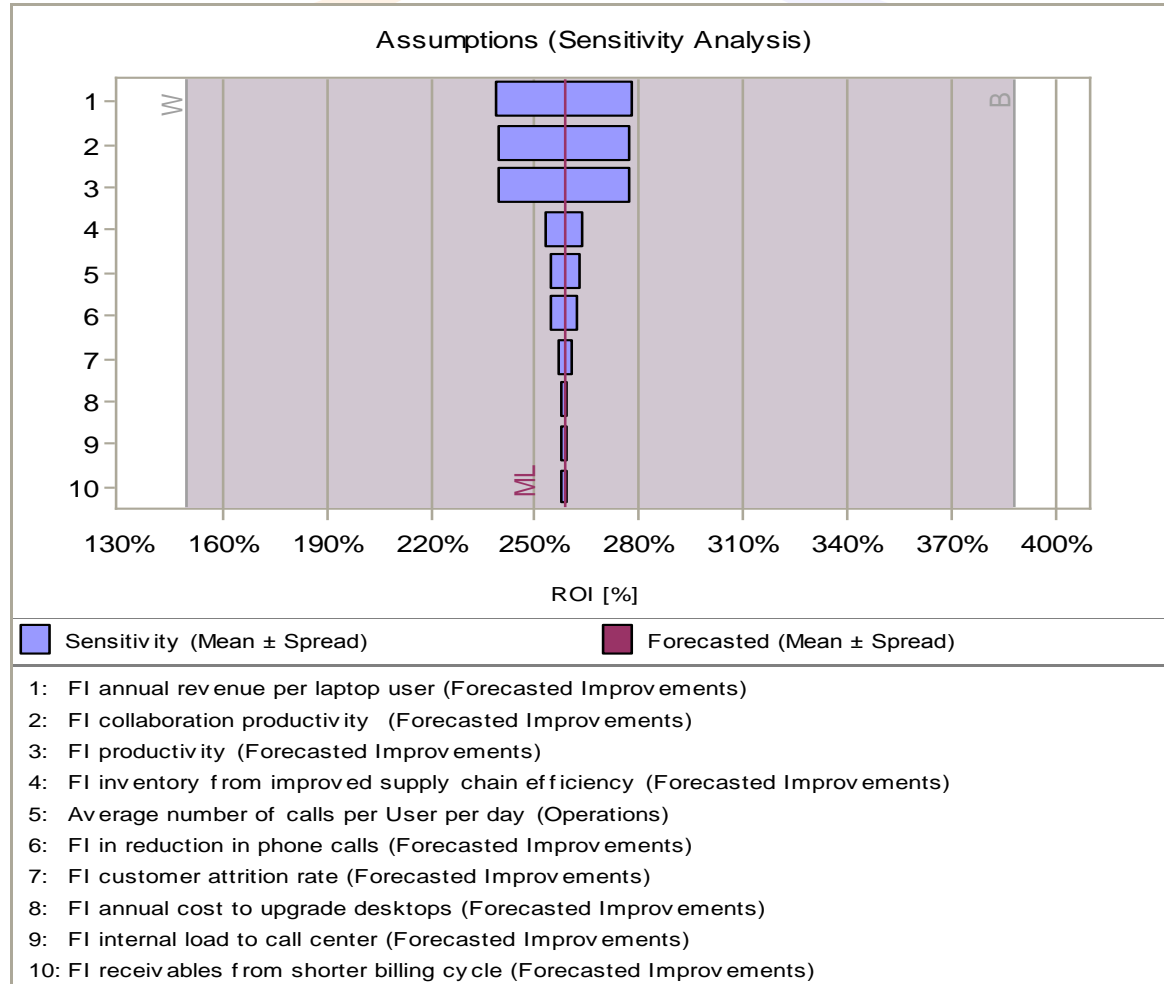
-Glomark-Governan conducted a Risk Analysis using the Glomark-Governan Genius Analyzer, which generates a Monte Carlo Simulation. The resulting analysis showed that even if all of the assumptions or benefits are formulating using the “worst forecasted value,” the company would still find value and achieve a positive return on investment.

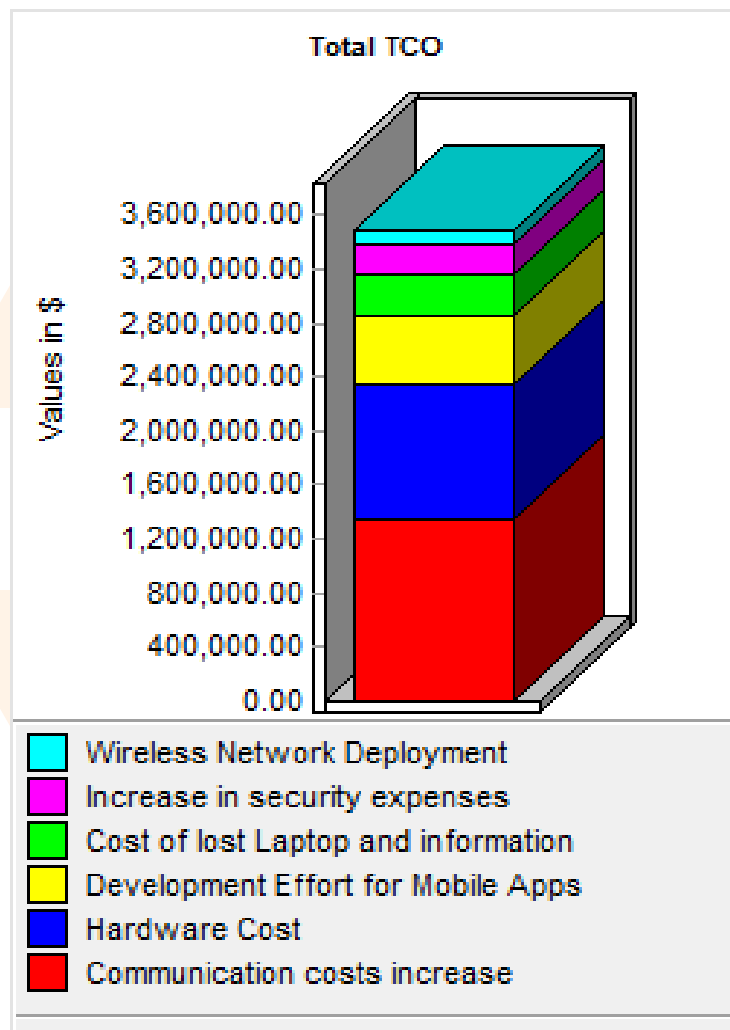
-Some of the findings of this Risk Analysis are summarized in the following slides.

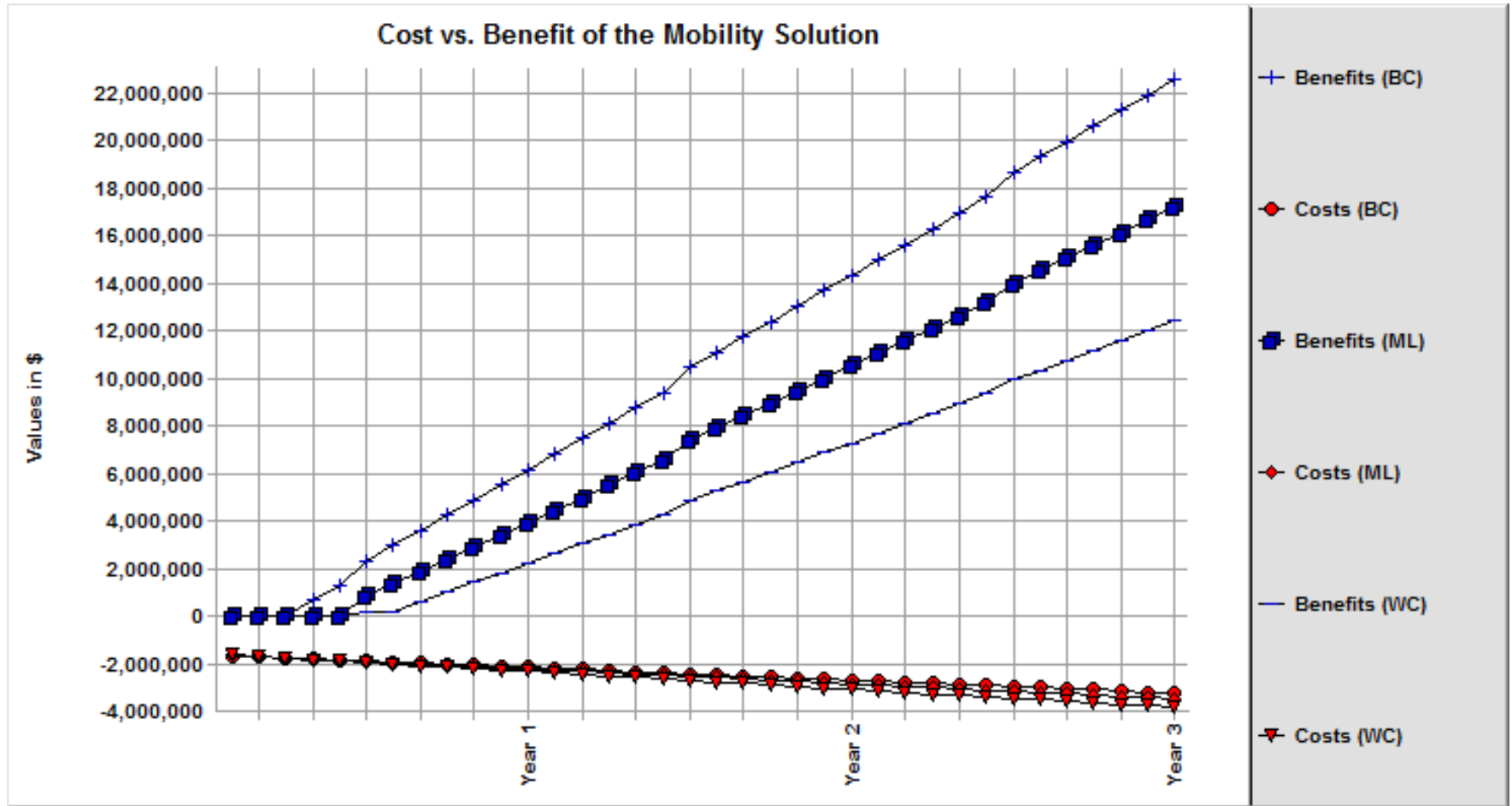
Using an advanced Risk Analysis model, the benefits that have the greatest impact on cumulative cash flow (CCF) include:



A total of 39 assumptions were used in the economic and risk analyses. The following assumptions have the greatest impact on ROI:









Financial Analysis: Summary of Financial Impact

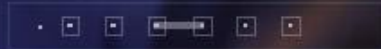
	Best Case	Most Likely Case	Worst Case
Simple ROI	376%	248%	140%
Payback	7 Months	10 Months	14 Months
IRR (Internal Rate Return)	249%	168%	102%
TBO (Total Benefit of Ownership)	\$22,571,989	\$17,187,140	\$12,408,202
TCO (Total Cost of Ownership)	\$(4,360,724)	\$(4,581,775)	\$(4,925,850)
Cumulative Cash Flow	\$12,178,823	\$8,634,506	\$5,394,408



▼ In summary...

- ▼ IT Mobility represents a good economic investment for any organization, and companies must consider investing in this initiative.
- ▼ Benefits: There are many economic benefits of IT mobility. Therefore, it is imperative that each company assess its specific needs related to IT mobility.
- ▼ Risk: An Assessment of the Worst Case scenario for each assumption must be conducted to ensure a thorough, effective analysis.
- ▼ Cost: ROI studies on IT Mobility must include all possible costs, including the cost of lost laptops and information.

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- For a customized study to assess the impact of IT mobility in your company, please contact Glomark-Governan at 614-761-2400, extension 273, or send us an email at c.rice@governan.com.



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