How to Measure the ROI of Telepresence: A guide for justifying your enterprise collaboration investment

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Technology today enables colleagues from around the globe to seamlessly work together via virtual collaboration. The tools of telepresence—high definition audio, video, or other interactive elements—make this possible.

IT managers today often find themselves responsible for understanding, managing and correctly budgeting for the company’s conferencing and collaboration equipment. When it comes to investing in high-quality conferencing equipment, they need to understand the return they get on their investment. Essentially, they need to know how to measure the ROI of telepresence.

Here we address the essential considerations when tasked with quantifying the ROI of telepresence.

**What to Consider**

When considering how your organization might benefit from leveraging conferencing technologies, there are six topics to consider. For each you’ll need to gather existing data to quantify the pros and cons of each.

1. **What is the current workflow for communication?**

First and foremost, you must have a clear understanding of the current workflow as it pertains to how the company communicates internally. Is it a local, national or global company? Where are the internal departments located and how do they typically communicate? From sales to marketing to product management to engineering and on, be sure to include every functional area. If people are typically getting on planes and conducting off-site meetings that could take place via a virtual conference, this is an important ROI consideration.

2. **What are your current conferencing costs for both products and services?**

Does the company currently have speaker phones or other conferencing equipment? Take note of the type and age of this equipment, who is using it and how often they use it. Are people in your company using bridging services or video conferencing services now? Find out what services are being used, by whom and how often. Get feedback from users to find out if the service meets expectations or is lacking in some way. It’s important to note that larger organizations already using software such as Microsoft Lync® (now Skype for Business) can track usage via tools built into the software.

3. **Take a look at travel costs.**

How many employees are flying from office to office or region to region to do nothing but hold internal meetings? When gathering travel cost data, travel to customer meetings is often considered, but travel for internal meetings is ignored. Be sure to consider both as you gather your data. There may be great potential for replacing frequent face-to-face meetings with virtual conferencing. From a sales perspective, many believe there will never be a technology that will ever beat face-to-face meetings. But from an internal perspective, video and audio conferencing used on a regular basis is extremely effective. There are numerous “soft codec” or videoconferencing software options out there such as Vidyo®, Skype™, BlueJeans® and StarLeaf. They’re very simple to use and work well for the low cost.

If your analysis of your company’s travel costs shows that you’re sending everyone to headquarters across the country or across the globe for meetings that could take place remotely, then you’re a prime candidate for great ROI on your collaboration equipment investment.

4. **Does your company sell a product or service that has to be shown in person?**

Thinking about this question will tell you whether there is much opportunity within your company to use virtual conferencing to replace face-to-face external meetings. For example, a software company could easily demonstrate its product’s capabilities in a...
webinar. In this case, the ROI is going to be high. If someone is selling something that you need to see/feel/touch/smell, conferencing is not going to be a very good “outside of the company” tool. Consider a company that makes car bumpers – a customer will likely want to feel the weight and finish, so a virtual meeting simply wouldn’t work. In that case, there is no potential for travel and expense savings.

5. Tally the dollar amounts.

Now that you’ve examined the four considerations above, you need to assign a dollar amount to each. How much time is spent on internal company conferencing vs. what could be spent? How much time from a travel & expense perspective is spent in front of customers – and where is it required to be in person vs. virtual? The delta between these two can be very dramatic based on what the company services or sells. There is almost always room for savings when it comes to internal communications.

6. Get an estimate from a professional.

Armed with the knowledge of how people in your company are communicating internally and externally, and what travel can be replaced by virtual meetings, it’s time to put some numbers to the type of audio or web or video conferencing system you need. From the caliber of equipment you need to the time and resources needed to implement it across your organization, you should contact a solutions provider or integrator to advise you. Say for example you have 19,000 offices globally in which you need to set up audio and video collaboration equipment. A provider can tell you that you need to do X, Y and Z and that it will cost you $X. This will give you the numbers to compare against the ROI numbers you’ve gathered.

Your consultant or integrator can guide you in ensuring you achieve good two-way communication and that the design of equipment placement in your conference rooms is such that everyone can be heard. And remember that not every component needs to be a “Cadillac.” With advancements in today’s technology you can get high-end capabilities with a modest budget. Collaboration technology is much improved over things you may have tried 5 or 10 or 15 years ago.

In Summary

There is no holy grail of a one-size-fits-all ROI formula. Every company has different needs and one ROI is not going to fit multiple models.

Most Fortune 500s already have ROI on their radar. Taking the time to calculate the potential ROI of telepresence can be extremely beneficial to small and mid-sized companies that may have employees spread throughout North America or even around the globe. An ROI analysis can help you prove to management that the investment in quality conferencing equipment is worth it.

Again the points to consider are:

- Current work flow – how does the company effectively communicate?
- Current travel costs – what is the data for internal meetings as well as seeing customers?
- Current conferencing costs – do you have conferencing products or are you using conferencing services?
- Cost of time spent on internal company conferencing.
- Cost of time spent in front of customers.
- Cost of time that could be spent on webinars instead.

Armed with the six points above, start the conversations to gather the data to build your ROI case.

About Revolabs®

Revolabs® Inc. is the premier provider of audio solutions for unified communications, enterprise collaboration, and professional audio applications across a wide range of markets. Offering unmatched audio quality that allows users to “hear every word,” the company’s teleconferencing and microphone systems are utilized across the globe for a variety of applications, from webcasts and video conferencing to podcasts and broadcasting. Combining the ultimate in flexibility with sleek, stylish form factors, Revolabs solutions cut the cord, facilitating natural mobility by allowing participants to move about a workspace and still be heard, without being held back by wires. Leading the way in innovation, the company continues to add to its portfolio of value-added audio and telephony systems with superior products. Revolabs systems are secure (encrypted), rechargeable (environmentally friendly), and GSM-impervious.

The company is headquartered in Sudbury, Massachusetts, and can be reached at +1-800-326-1088 or www.revolabs.com.