

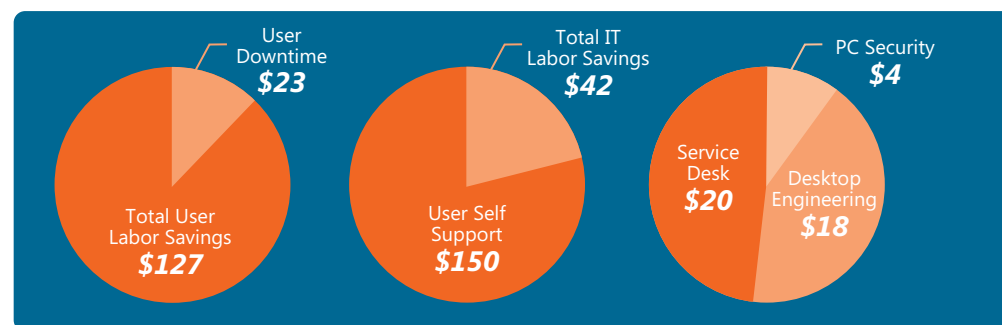
Study of Return on Investment (ROI)

ROI Study: An economic justification of the technological project and the keys to maximizing the value of business after the projects implementation.

Often companies acquire technological solutions without knowing beforehand what will be the Return on Investment (ROI). When these investments are related to the productivity tools, calculating the value contributed is made even more difficult. Despite this, just because something is difficult to measure does not mean that it does not have a value, which could also be far superior to the contributions made from other more traditional investments.

The Microsoft Productivity Innovation Center helps companies measure the return on investment in projects which aim to improve productivity using modeled tools that permit us to consider all the variables and to adapt them to the distinct features of the company.

Through the ROI Study, we obtain a projection of the cash flow for three years, the percentage of return on investment, and the payback.



ROI
The relationship of the total net benefits and the total costs given as percentage.

PAYBACK
1. The period of time necessary to recover the investment, or
2. The period of time that passes until the accumulated benefits reach the accumulated costs.

CASH-FLOW
The difference between the benefits and the costs in a certain time frame.

The Productivity Innovation Center offers the **ROI Study** service for the following projects in **improving productivity**:

- * Unified Communications
- * Mobility Projects
- * Corporative Search Systems
- * Migrating to Office 2007
- * Cloud Computing
- * Migrating to Windows 7

“Moreover, the study identifies the key variables that have to be monitored after the project implementation in order to maximize the value of the business”

Phases of the study

A study of ROI is an initiative that requires the active participation of the client together with the Productivity Innovation Center consultant. Apart from contributing numerical information and the costs, the client will have to help the consultant to adjust the multiple variables which make up the distinct features of the company, of its culture, its organizational model, and its workers. Only this type of study can reflect the real impact of a productivity improvement project on a business.

The value of Optimizing **Productivity** + The value of Optimizing the **Infrastructure** = **Total Value**



Examples of study content:

- * *Summary of the Costs and Benefits:* Shows the relation of the costs and benefits most significant project, contextualized in the activity sector of the company.
- * *Financial Indicators:* Show the financial indicators in different scenarios, according to the perception of the risk associated with each realized assumption.
- * *Montecarlo Analysis:* Analyze the combination of assumptions which lead the worst-case to the best-case scenarios.
- * *Sensitivity Analysis:* Identify the variables which have the greatest effect on an indicator of the results of the project.

Value of the Study

There are many advantages that can be gained through a study of the ROI before the beginning of a technological project, among those we emphasize:

- * Economic justification of the project before the administration of the organization.
- * Identifying the areas of value of the solution that have not been considered previously.
- * Determining the key variables that maximize the value of the business from the project and which will have subsequently to be managed with greater effort in the change after the implementation.

