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The WorldSolve ROI Model >>

Quantify, Measure, and Verify technology "investment" benefits – Return on Investment is more important than ever.

WHAT IS THE WORLDSOLVE ROI MODEL?

Return on Investment (ROI) analysis is rapidly becoming a requirement for all new Information Management investments. Measuring ROI enables companies to balance the benefits of an investment against the costs associated with that investment. Through the WorldSolve ROI Model, we can express, in monetary terms, the value that our Information management projects deliver. Our ROI model demonstrates - in a quantitative fashion - the extent to which our services reduce the customer's total costs and/or generate new or increased revenue. Our customers use the WorldSolve ROI Model to build a solid business case to quantify the costs and benefits of a new initiative.

The WorldSolve Approach

Our approach focuses on three important components:

- Enterprise ROI
- Productivity
- Project Optimization

The Enterprise ROI component focuses on quantifying new revenue or hard cost reductions attributable to an investment. This component, which includes financial quantitative analysis, showcases the impact of the technology. As a result, management can directly measure the benefits of revenue impacts and cost savings. Enterprise ROI helps companies to quickly understand the business implications of the investment decision. They can specify exactly what they need - and how it directly impacts the business.

The Productivity component centers on how the investment increases organizational capabilities and improves business process. This area involves soft benefits, which are sometimes difficult to quantify and measure. WorldSolve utilizes the productivity component along with the Enterprise ROI approach to provide a more complete view of the total return.

The Project Optimization component of the WorldSolve ROI model, an integral part of the process, ensures that the Enterprise ROI and Productivity benefits are achieved. Instead of looking outside the project for benefits and cost savings, Project Optimization focuses

on addressing implementation issues to increase the value and efficiency of the project. It identifies the financial benefits and importance associated with a sound project management approach and methodology, requirements analysis, risk mitigation, and project deployment. These financial benefits, often forgotten once technology investments are made, contribute significantly towards the success of the project and the ROI. Project Optimization helps improve project outcomes and assists in the delivery of a quality solution, on time, and on budget.

Building a Data-Driven Model through In-Depth Research

While many firms utilize "ROI Calculators" to flash high returns and extraordinary results, we work with our clients to conduct in-depth research and build a data-driven model to calculate ROI and Total Cost of Ownership (TCO). As shown in Figure 1, the first step of the WorldSolve ROI Model is to identify the TCO of the project, such as hardware costs, software costs, implementation costs, and ongoing operational costs. The implementation costs include consulting services, internal resources, and training costs. The ongoing operational costs include support, system maintenance, and upgrades.

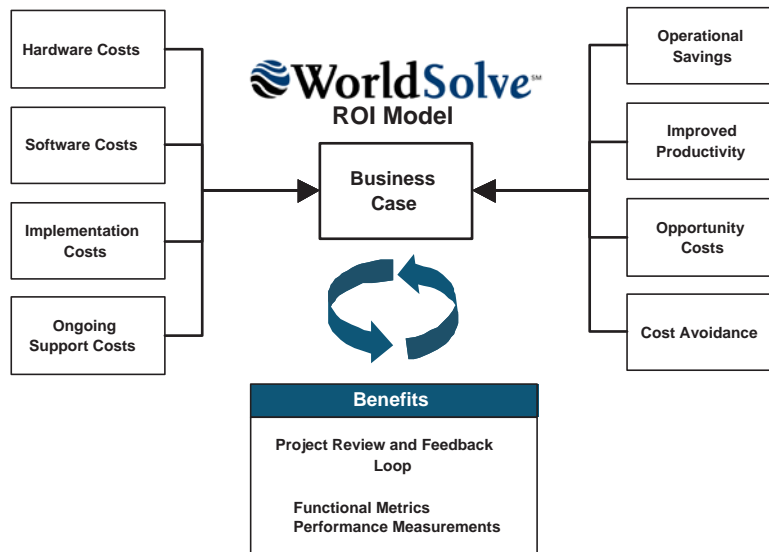
TCO = Hardware + Software + Implementation + Ongoing Costs

The next step is to perform the Enterprise ROI and Productivity analysis to identify and track revenue impacts, hard costs savings, and soft cost benefits. Possible new revenue impacts may include shorter time to product deployment, increasing the effectiveness of the sales cycle, and the creation of new revenue opportunities. Potential hard cost savings considered are automation of tasks, reduction of administrative tasks, better procurement, standardization, and the reduction of resources. The soft costs include improved productivity, opportunity costs, and cost avoidance. Possible opportunity costs are those additional costs incurred if the project is not done, and cost avoidance may refer to those benefits associated with increased employee retention and high customer satisfaction.

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Once the TCO and the hard and soft cost benefits have been identified, we develop the business case. The business case helps our customers identify key business drivers and provides a mechanism to quantify the TCO and perceived benefits.

The most important component of the WorldSolve ROI Model is the project review and feedback loop. During this phase, we track and monitor the functional and performance metrics and focus on the project-level disciplines that minimize project risk and maximize the value of implementation-level costs. This ensures that the perceived benefits outlined in the business case become a reality.

The Benefits of the WorldSolve ROI Model

Our key objective is to provide services and solutions that help our customers align their people, processes, and technology with their business strategies. The WorldSolve ROI model is integral to achieving our objective. Rather than focusing on a single component to calculate ROI, WorldSolve utilizes Enterprise ROI, Productivity, and Project Optimization to provide a well-balanced model that helps to identify potential savings and benefits associated with a technology investment. We assist our customers with the steps necessary to develop a business case that will maximize the value and success of the investment.

The WorldSolve ROI Model ensures that the business objectives and desired outcomes to be achieved by the project at the corporate, division, and functional levels are properly defined and communicated via the feedback loop.

The WorldSolve ROI model is not just a tool to calculate an end-result number. We utilize the model to illustrate the inherent benefits of an ROI analysis, which go well beyond the numerical result, and include:

- Capital Savings or deferred capital investment.
- Operational savings.
- Improvements in productivity.
- Opportunity Costs.
- Cost avoidance.

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