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ROI CASE STUDY MICROSOFT OFFICE 365 NAUMAC

THE BOTTOM LINE

Naumac moved its contractors and consultants to Office 365 so they could have more professional and consistent tools for electronic communication and collaboration. Nucleus found the company was able to increase productivity and position itself for rapid growth while avoiding the resource requirements of an on-premise deployment.

ROI: 525%

Payback: 2 months

Average annual benefit: \$46,400

THE COMPANY

Naumac is a rapidly-growing management consulting firm that specializes in the telecommunications, information technology, and utilities industries. Based in Leiden, The Netherlands, Naumac employs approximately 20 consultants that work primarily offsite at their clients' offices.

THE CHALLENGE

Like many small consulting firms, the ability to be nimble and quickly add members to a team to meet client requirements has been critical to Naumac's growth. The company's consultants seldom met in a central office and were responsible for their own computers and Internet services. Most were using Microsoft Outlook or Outlook Express to access a simple POP messaging service and used different calendaring systems and different online file shares to store documents. This presented a growing challenge:

- Users had to spend time finding documents and verifying they had the latest version.
- Without unified calendars, managers often had to send out multiple messages just to determine consultants' availability for weekly meetings.

As Naumac grew, its managers knew the company needed to invest in a more professional set of common tools that would enable consultants to share calendars, collaborate on documents, and more effectively communicate. In 2010, Naumac began to explore its options.

THE STRATEGY

Naumac had already moved from an individual contact management application to a cloud-based CRM application, so managers knew the advantages of a shared

application that could be accessed from anywhere. They also knew they wanted to take advantage of cloud delivery to avoid the initial and ongoing requirements of supporting a technology solution internally.

While researching their options, Naumac's senior partner learned about Microsoft's beta Office 365 program and contacted Microsoft to determine if Naumac could join. Working with Microsoft Gold Certified Partner Wortell, Naumac entered into the beta program in April 2011. Even though it was a beta product at the time, Naumac found Office 365 had high reliability, effective phone support, and the disaster recovery, privacy, and security controls that Naumac wanted for its business communications.

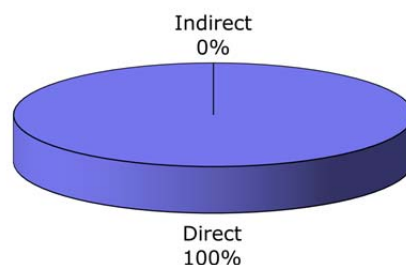
Today, all Naumac consultants are using Office 365 for their day-to-day communication and collaboration, including e-mail, instant messaging (with Microsoft Lync Online), shared Microsoft Outlook calendars, and SharePoint Online for document sharing.

KEY BENEFIT AREAS

Moving all its consultants to a consistent, professional set of tools that can be accessed in the cloud from anywhere enables Naumac to better service its clients and accelerate the onboarding of new consultants. Key benefits of the project are:

- Increased visibility and productivity. Presence monitoring in Lync Online enables consultants to see when their colleagues are online so they can more quickly initiate communications. Shared calendars has been a particularly valuable feature for managers, who can now view team members' available times online and schedule a meeting in one step instead sending out and reviewing multiple meeting requests and responses.
- Avoided technology costs. By going to the cloud, Naumac avoided the initial and ongoing costs of maintaining on-premise software, including hardware, software, and qualified staff to support its needs. It also avoided the additional challenges of securing data while providing users with flexible remote access.
- Scalability. With Office 365, managers can quickly provision new consultants and add them to the subscription service so they can begin working productively more quickly – without the need to purchase or install software.

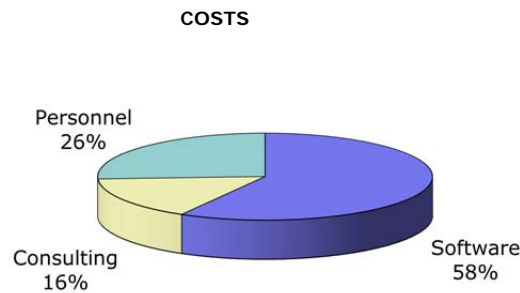
BENEFITS



TOTAL 3-YEAR BENEFITS: \$139,200

KEY COST AREAS

Key cost areas for Naumac's deployment included software subscription fees, personnel, and consulting. Naumac's main investments in consulting and personnel were involved in configuring Office 365 and, specifically, SharePoint Online so consultants could use it effectively to support projects. Naumac used two days of services from Wortell to set up and configure SharePoint Online and estimated that about 40 total hours of internal staff time was needed to configure and deploy Office 365 to its users.



TOTAL 3-YEAR COSTS: \$13,900

BEST PRACTICES

Because Naumac consultants work remotely the majority of the time, having a solution they could access at any time from anywhere with an Internet connection was critical. Moving to cutting-edge collaboration tools also positions Naumac to be a thought leader with its clients, both in the professional tools and technologies it uses on a day-to-day basis and in the more coordinated services it can deliver.

For a rapidly-growing firm, being able to quickly bring on new hires at full productivity is important to meeting client demand. Naumac also found that the cloud-based management tools and rapid provisioning would enable managers to focus on growing the team instead of IT infrastructure issues.

CALCULATING THE ROI

Nucleus calculated the cost of software subscription services over a 3-year period and the initial personnel and consulting costs to quantify Naumac's total investment in Office 365.

Direct benefits quantified included the initial and ongoing cost savings associated with avoiding the investment in software, hardware, and IT support personnel that would have been needed to deliver the same increase in consultant productivity associated with the move to Office 365. Not included in the calculation was the increased productivity delivered by Office 365, as quantifying both the gains and the cost avoidance would be double counting the same benefit. Also not quantified was the future benefit of accelerated onboarding of new consultants, which Naumac expects may be significant as it continues to grow.

DETAILED FINANCIAL ANALYSIS

NAUMAC

SUMMARY

Project:	Microsoft Office 365
Annual return on investment (ROI)	525%
Payback period (years)	0.15
Average annual benefit	46,400
Average annual total cost of ownership	4,633

ANNUAL BENEFITS	Pre-start	Year 1	Year 2	Year 3
Direct	0	59,200	40,000	40,000
Indirect	0	0	0	0
Total Benefits Per Period	0	59,200	40,000	40,000

DEPRECIATED ASSETS	Pre-start	Year 1	Year 2	Year 3
Software	0	0	0	0
Hardware	0	0	0	0
Total Per Period	0	0	0	0

DEPRECIATION SCHEDULE	Pre-start	Year 1	Year 2	Year 3
Software	0	0	0	0
Hardware	0	0	0	0
Total Per Period	0	0	0	0

EXPENSED COSTS	Pre-start	Year 1	Year 2	Year 3
Software	2,700	2,700	2,700	0
Hardware	0	0	0	0
Consulting	2,200	0	0	0
Personnel	3,600	0	0	0
Training	0	0	0	0
Other	0	0	0	0
Total Per Period	8,500	2,700	2,700	0

FINANCIAL ANALYSIS	Pre-start	Year 1	Year 2	Year 3
Net cash flow before taxes	(8,500)	56,500	37,300	40,000
Net cash flow after taxes	(4,250)	28,250	18,650	20,000
Annual ROI - direct and indirect benefits				525%
Annual ROI - direct benefits only				525%
Net present value (NPV)				53,773
Payback (years)				0.15
Average annual cost of ownership				4,633
3-year IRR				633%

FINANCIAL ASSUMPTIONS

All government taxes	50%
Discount rate	8%