

New Sample Analysis

March 12, 2012

Prepared for :

Name of Client

Valued Customer Company

Address

Phone Number

Web Site

E-mail address

Prepared by

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1. Project Overview

This Feasibility Analysis was created specifically for Valued Customer Company, with research and analysis completed on March 12, 2012.

This Business Value Assessment will help assess current opportunities for a “Sample Solution / Software / Service” provide by Our Company, quantifying the incremental costs versus productivity benefits, business cost reductions and business revenue / strategic benefits.

Several project team members from Valued Customer Company participated in the analysis, including:

- Sample Client Name A
- Sample Client Name B
- Sample Client Name C
- Sample Client Name D

The results in this report were created from the Valued Customer Company’s own profile and opportunity metrics (specifically provided by the team) and industry research metrics and financial calculations as measured and provided by Our Company Solution Managers and Marketing Teams.

2. Executive Summary

A risk adjusted analysis of the proposed solution's impact was conducted and it was projected that implementing the proposed solutions resulted in \$15,630,302 of 3 year cumulative benefits. Of these projected benefits, \$15,251,253 are direct (hard) benefits and \$379,049 are indirect (soft) benefits.

Top cumulative benefits for the project include:

- Improve Executive and Knowledge Worker Productivity - \$4,495,800
- Reduce Sales Force Lead to Order Sales Cycle - \$3,680,097
- Improve Sales Force Productivity—Additional Selling Time - \$1,377,827
- Reduce Sales Force Order to Provisioning and Billing Cycles - \$1,288,034
- Improve New Application Development and Deployment - \$1,237,500
- Improve Sales Force Leads to Sales Conversion Rate - \$1,104,029
- Increase Sales Force Up-sell and Cross-sell Rates - \$662,417
- Reduce Sales Force Order Entry Exceptions and Handling Costs - \$360,349
- Executive and Knowledge Worker Device Cost Avoidance - \$231,250
- Improve Customer Satisfaction - Increase Wallet Share - \$220,813

These benefits can be grouped regarding business impact as:

- \$1,603,506 in IT cost reductions
- \$5,388,559 in business operating efficiency improvements
- \$8,638,236 in business strategic advantage benefits

The proposed project is expected to help the company meet the following goals and drive the following benefits:

- Improve Revenue / Reduce Revenue Risk \$8,316,226

- Productivity Improvements \$4,933,926
- Improve Agility \$1,287,842
- Business Cost Reductions \$764,289
- Customer Satisfaction Improvements \$328,020

The proposed project is expected to deliver the following benefits to specified stakeholders:

- Sales Force \$9,201,072
- Executives and Knowledge Workers \$4,751,112
- Information Technology \$1,299,756
- Customer \$378,361

To implement the proposed project will require a 3 year cumulative investment of \$3,130,092 including:

- \$1,632,500 in initial expenses
- \$2,217,500 in capital expenditures
- \$912,592 in operating expenditures

Comparing the costs and benefits of the proposed project using discounted cash flow analysis and factoring in a risk-adjusted discount rate of 9.5%, the proposed business case predicts:

- Risk Adjusted Return on Investment (RA ROI) of 349%
- Return on Investment (ROI) of 399%
- Net Present Value (NPV) savings of \$10,075,947
- Internal Rate of Return (IRR) of 248%
- Payback period of 7.0 month(s)

Note: The project has been risk-adjusted for an overall deployment schedule of 3 months, realized benefits to include 100.0% of direct benefits and 10.0% of indirect benefits and a deployment schedule (adoption curve) of 100.0%, 100.0%, and 100.0% over each successive year of the analysis.

3. Future Opportunity

Based on our discovery, the company was profiled as follows:

- Industry: Financial Services
- Primary Geographic Location for Operations: France
- Primary Site Locations for Operations: Urban
- Total Number of Employees: 1,000

Based on our analysis, it was indicated that the following groups of employees could be empowered with a “Sample Solution / Software / Service”, and are included in this project analysis :

- 250 Executives and Knowledge Workers - 50 Sales Force Professionals

For these employees / groups in particular, the following metrics were collected in order to analyze the potential opportunity for business efficiency and effectiveness improvements:

- Annual revenue or equivalent (in 000,000s): \$69.82 -Margin contribution of this revenue or equivalent to the organization (cost of COGS and variable SG&A): 23.0%
- Total number of customers supported and managed by these business processes / employee groups per year: 2,185

Assessing the Current Solutions for potential applications and improvements, it was determined that:
-Most of the employee groups currently have mobile voice communications; and
-None of the employee groups currently have mobile personal information management.

It was also determined that Most of the organization has already standardized on a Previous Known Solution / Software / Service, making it possible to take advantage of this existing infrastructure to drive business solutions and improvements without adding costs / complexity or additional solutions.

4. Proposed Solution

Using a Sample Solution / Software / Service can allow you to

- Accelerate profitable growth
 - Improve marketing spend and campaign effectiveness
 - Manage product portfolio and drive new offerings
 - Increase share-of-wallet for existing customers
 - Drive pricing and promotion strategies for growth
- Lower costs
 - Reduce working capital requirements
 - Reduce marketing spend—customer acquisition, management costs
 - Improve spend visibility
 - Reduce supply chain and procurement costs
- Mitigate business risk
 - Manage customer credit risks
 - Build supply chain flexibility to address inventory or out-of-stock situations
 - Reduce loss from diversion, counterfeits, revenue leaks, and fraudulent claims

Based on your unique opportunities, Representatives from your team determined that the following Components would help address your goals and opportunities best:

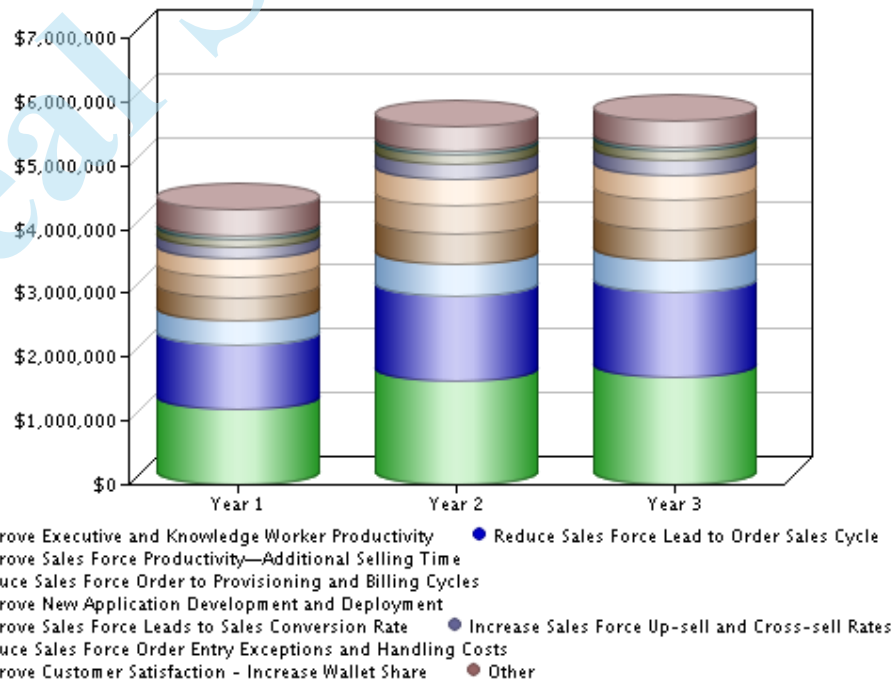
<u>Component</u>	<u>Included / Excluded</u>
Component A	Included
Component B	Excluded
Component C	Included
Component D	Included

5. Benefit Summary

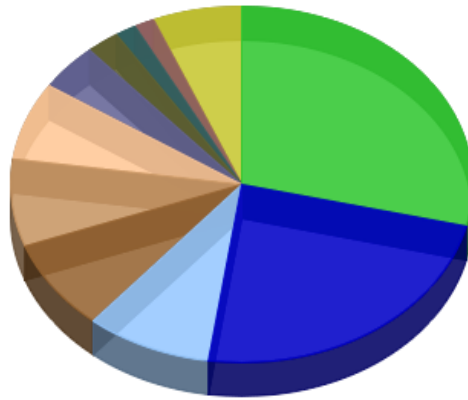
The proposed solution is expected to deliver \$15,630,302 over the 3 year analysis period, with \$15,251,253 in direct (hard) benefits, and \$379,049 in indirect (soft) benefits.

Benefits Summary	Year 1	Year 2	Year 3	Total
Total Benefits	\$4,324,073	\$5,620,070	\$5,686,158	\$15,630,302
Top Benefits				
Improve Executive and Knowledge Worker Productivity	\$1,182,608	\$1,624,114	\$1,689,078	\$4,495,800
Reduce Sales Force Lead to Order Sales Cycle	\$1,003,663	\$1,338,217	\$1,338,217	\$3,680,097
Improve Sales Force Productivity—Additional Selling Time	\$375,771	\$501,028	\$501,028	\$1,377,827
Reduce Sales Force Order to Provisioning and Billing Cycles	\$351,282	\$468,376	\$468,376	\$1,288,034
Improve New Application Development and Deployment	\$337,500	\$450,000	\$450,000	\$1,237,500
Improve Sales Force Leads to Sales Conversion Rate	\$301,099	\$401,465	\$401,465	\$1,104,029
Increase Sales Force Up-sell and Cross-sell Rates	\$180,659	\$240,879	\$240,879	\$662,417
Reduce Sales Force Order Entry Exceptions and Handling Costs	\$98,277	\$131,036	\$131,036	\$360,349
Executive and Knowledge Worker Device Cost Avoidance	\$143,750	\$43,750	\$43,750	\$231,250
Improve Customer Satisfaction - Increase Wallet Share (Indirect)	\$60,222	\$80,296	\$80,296	\$220,813
All other included benefits	\$289,243	\$340,909	\$342,033	\$972,186
Total Top Benefits	\$4,324,073	\$5,620,070	\$5,686,158	\$15,630,302
Direct Benefits	\$4,220,696	\$5,482,234	\$5,548,322	\$15,251,253
Indirect Benefits	\$103,377	\$137,836	\$137,836	\$379,049

Benefits



Top Benefits



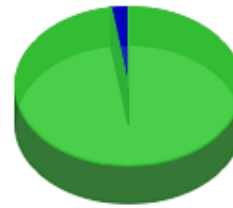
- Improve Executive and Knowledge Worker Productivity [28.8%]
- Reduce Sales Force Lead to Order Sales Cycle [23.5%]
- Improve Sales Force Productivity—Additional Selling Time [8.8%]
- Reduce Sales Force Order to Provisioning and Billing Cycles [8.2%]
- Improve New Application Development and Deployment [7.9%]
- Improve Sales Force Leads to Sales Conversion Rate [7.1%]
- Increase Sales Force Up-sell and Cross-sell Rates [4.2%]
- Reduce Sales Force Order Entry Exceptions and Handling Costs [2.3%]
- Executive and Knowledge Worker Device Cost Avoidance [1.5%]
- Improve Customer Satisfaction - Increase Wallet Share [1.4%]
- All other included benefits [6.2%]

Benefits By Category



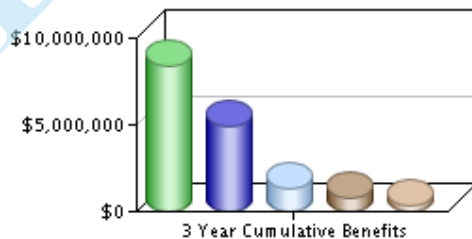
- IT Cost Reduction [10.3%]
- Business Operating Efficiency [34.5%]
- Business Strategic Advantage [55.3%]

Direct vs Indirect Benefits



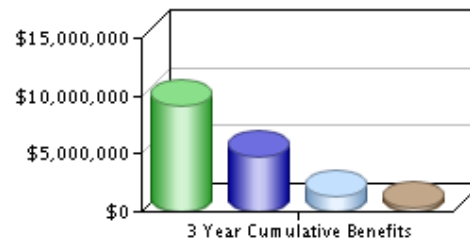
- Direct [97.6%]
- Indirect [2.4%]

Benefits By Goal



- Improve Revenue / Reduce Revenue Risk
- Productivity Improvements
- Improve Agility
- Business Cost Reductions
- Customer Satisfaction Improvements

Benefits By Stakeholder



- Sales Force
- Executives and Knowledge Workers
- Information Technology
- Customer

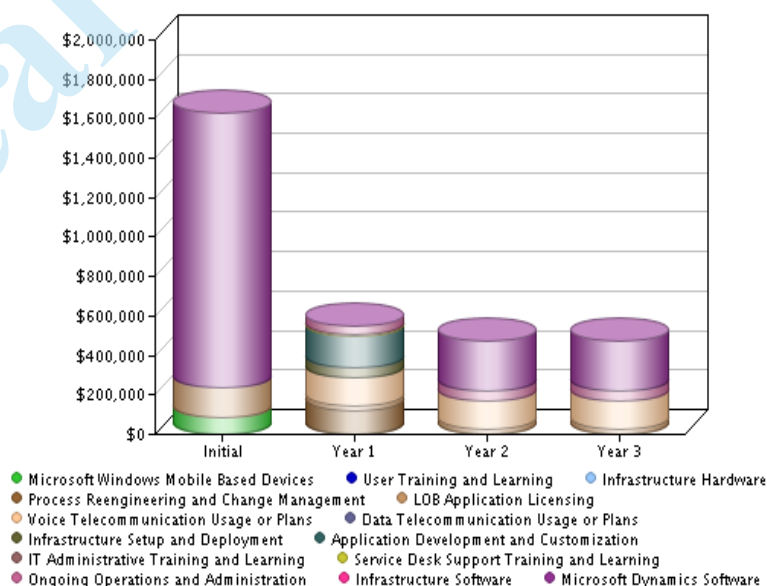
6 Investment Summary

To implement the proposed project will require a 3 year cumulative investment of \$3,130,092 including:

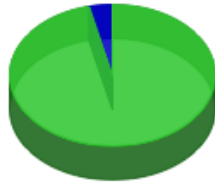
- \$1,632,500 in initial expenses
- \$2,217,500 in capital expenditures
- \$912,592 in operating expenditures

Investment Summary	Initial	Year 1	Year 2	Year 3	Total
Total Investment	\$1,632,500	\$552,260	\$472,666	\$472,666	\$3,130,092
Capital Expenditure					
Software (IT)	\$1,400,000	\$0	\$252,000	\$252,000	\$1,904,000
LOB Application Licensing (IT)	\$150,000	\$27,000	\$27,000	\$27,000	\$231,000
Devices (IT)	\$82,500	\$0	\$0	\$0	\$82,500
Infrastructure Software (IT)	\$0	\$0	\$0	\$0	\$0
Infrastructure Hardware (IT)	\$0	\$0	\$0	\$0	\$0
Total Capital Expenditure	\$1,632,500	\$27,000	\$279,000	\$279,000	\$2,217,500
Operating Expenditure					
Voice Telecommunication Usage or Plans (IT)	\$0	\$144,000	\$144,000	\$144,000	\$432,000
Application Development and Customization (IT)	\$0	\$163,380	\$0	\$0	\$163,380
Ongoing Operations and Administration (IT)	\$0	\$49,666	\$49,666	\$49,666	\$148,998
Process Re engineering and Change Management (BU)	\$0	\$112,078	\$0	\$0	\$112,078
Infrastructure Setup and Deployment (IT)	\$0	\$51,870	\$0	\$0	\$51,870
User Training and Learning (BU)	\$0	\$2,734	\$0	\$0	\$2,734
Service Desk Support Training and Learning (IT)	\$0	\$1,173	\$0	\$0	\$1,173
IT Administrative Training and Learning (IT)	\$0	\$359	\$0	\$0	\$359
Data Telecommunication Usage or Plans (IT)	\$0	\$0	\$0	\$0	\$0
Total Operating Expenditure	\$0	\$525,260	\$193,666	\$193,666	\$912,592

Investment

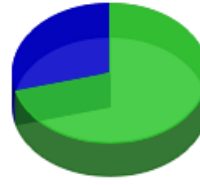


Investment By Category



■ IT Costs [96.3%] ■ BU Costs [3.7%]

Investment by Expense Type



■ Capital Expenditure [70.8%] ■ Operating Expenditure [29.2%]

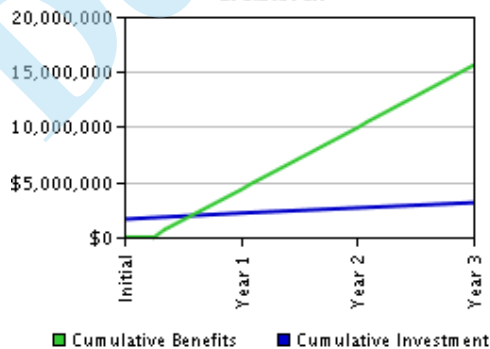
7. ROI Analysis

Analyzing the opportunity, and applying the proposed solution, the cash flow and key financial metrics were calculated, resulting in a:

- Risk Adjusted Return on Investment (RA ROI) of 349%
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- Payback period of 7.0 month(s)

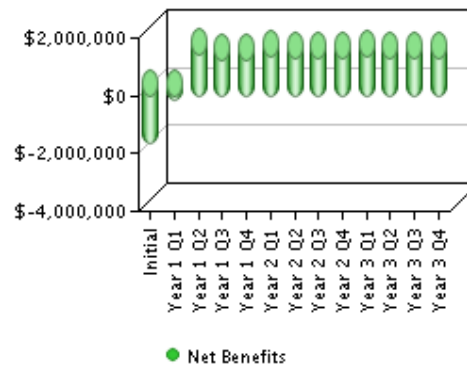
ROI Analysis (Probable Case)	Initial	Year 1	Year 2	Year 3
Benefits	\$0	\$4,324,073	\$5,620,070	\$5,686,158
Cumulative Benefits		\$4,324,073	\$9,944,144	\$15,630,302
Investment	\$1,632,500	\$552,260	\$472,666	\$472,666
Cumulative Investment	\$1,632,500	\$2,184,760	\$2,657,426	\$3,130,092
Cash Flow	(\$1,632,500)	\$3,771,813	\$5,147,404	\$5,213,492
Cumulative Cash Flow	(\$1,632,500)	\$2,139,313	\$7,286,718	\$12,500,210
ROI	399%			
Risk Adjusted ROI	349%			
NPV Savings	\$10,075,947			
IRR	248%			
Payback period (including deployment period)	7 month(s)			
Risk Adjusted Discount Rate	9.5%			

Breakeven



■ Cumulative Benefits ■ Cumulative Investment

Cash Flow



● Net Benefits