

Return On Investment

Internet Service Cost Averages:

T1 = \$1250

Frame = \$1000

Broadband

(DSL, Cable, Wireless) = \$200

Internet Outage Averages:

99.6% for T1 = 35/h downtime

98.7% for Cable = 112/h downtime

98.4% for DSL = 140/h downtime



In a recent survey, 61% of companies cited problems with their service providers as the primary reason for their network outages.

Sample ROI Calculations (Small / Branch Office):
The ROI for a completely redundant solution with an Edge appliance and route optimization is approximately 45 days. Estimated yearly savings from eliminating downtime is \$8760. Estimated downtime is calculated as having an average SLA of 99.8% from your provider with a cost of \$500 per hour of outage.

ROI Summary – Less than one year, with 99.999% uptime and a savings of over \$8760 per year for a small or branch office (does not include employee productivity gains).

Calculate your Return on Investment (ROI)

You can assess the Edge appliance's ROI in several ways:

- You can calculate the savings from avoiding downtime and service interruptions.
- Reduced help-desk calls thus lower support costs.
- You can evaluate the savings associated with the additional bandwidth provided at a reduced cost.
- You can look at the employee productivity gains via improved network performance and reduced wait times.

Service outage avoidance: Several industry studies have determined that service interruptions typically cost \$70 (USD) per hour per affected user. Assuming a mid-sized office with 100-users suffered an outage, the minimum loss would be approximately \$7000 per hour. By implementing an Edge appliance solution, including a secondary low cost broadband connection, the average pay back is less than a full day.

Given that a business suffers at least one major service effecting outage per year. The odds are that any Edge solution would pay for itself and the full cost of the additional broadband connection within the first year of deployment.

By taking this same scenario and applying it to a branch office deployment where remote access is mission critical (10 offices with an average of 10 employees per office, and an assumed outage of only 4-hours per year) the cost savings would be over \$42,000 annually. The entire project would have an 8-10 month ROI.

This calculation does not include the additional savings obtained through network load balancing, best path routing, traffic management, or other productivity gains.

Help-desk call avoidance: Any interruption in service or poor performance generally results in help-desk calls from upset end-users. The costs resulting from these calls can have a sever impact on the IT budget, not to method loss productivity of the support staff. Published studies indicate that a mid-level support technician costs \$50 (USD) per hour, with most moderate problems being resolved in 30 minutes. If we assume that performance issues arise from certain end-users utilizing too much of the available bandwidth at least three times per week, that amount accumulates to over \$15,000 per year in wasted IT resources.

Inexpensive WAN upgrade: If we assume that instead of upgrading an existing T1 or Frame connection and instead add bandwidth through an inexpensive broadband connection. With the average T1/Frame link cost at approximately \$1000 per month and the average broadband connection cost at approximately \$200 per month, the annual cost savings would be nearly \$10,000 with the deployment of an Edge solution.

Application-performance management: Although harder to quantify, application performance is a key factor in determining employee productivity, particularly in environments where there are at least two critical network resources, i.e. a CRM system and VoIP, or a web-based application and remote database access. In these scenarios without proper performance management non-critical applications could end up causing enough performance issues which again cost organizations \$70/h per user in productivity losses and \$50/h per IT support resources.