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ROI CASE STUDY **VMWARE VIRTUAL DESKTOP INFRASTRUCTURE** **IRMC**

THE BOTTOM LINE

IRMC used VMware Virtual Desktop Infrastructure to virtualize its call center operations and support multiple call centers from a central data center, reducing IT costs while improving flexibility and competitiveness.

ROI: 73%

Payback: 1.4 years

THE COMPANY

IRMC provides customer management solutions specializing in collections, accounts receivable management, and customer retention services through its global call center network of nearly 6,000 employees. The IRMC family of companies includes Allied Interstate and First Contact in the United States; Canadian Bonded Credits Limited (CBCL) in Canada; Legal and Trade Collections, Legal and Trade Financial Services, Reachflow and Revenues Management Services in the United Kingdom; IntelliRisk Philippines, Inc. in the Philippines; and IntelliRisk Management India Pvt. Ltd. in India.

THE CHALLENGE

Because IRMC has call centers and clients all over the globe that must be supported with computer-telephony integration, continued growth drove the company to reevaluate its client-server-based IT strategy. IRMC needed greater speed and flexibility in meeting the needs of its collections and financial services industry clients, who often requested rapid rollout of additional agents or programs in different sites around the world. It needed to deliver personalized desktops to end users while managing the support costs of those desktops. Ultimately, it wanted to support an "any agent, any desk, anywhere" strategy that it could use to differentiate itself against less flexible competitors in the sales process.

THE STRATEGY

IRMC's technology team developed a plan to centralize IRMC data center operations and provide agents around the world with virtual terminals to connect to the data center. The team explored a number of technology options including solutions from Citrix and VMware and selected VMware for a number of reasons:

- VMware would enable the technology team to centrally manage all virtual desktops around the world and ensure appropriate redundancy, security, disaster recovery, and isolation as needed.

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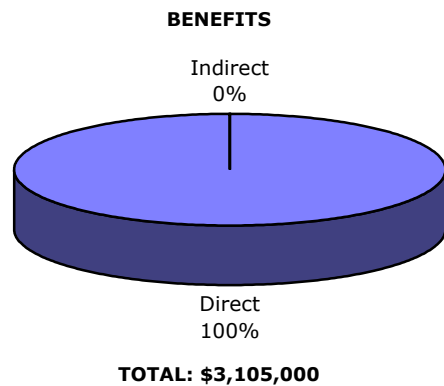
- VMware enabled IRMC to give each agent an individualized desktop based on his or her sign-in information, instead of some other solutions that required a specific workstation or a specific address.
- VMware was competitively priced.
- VMware would enable IRMC to redeploy a number of IT staff because they would not be needed for provisioning new machines and managing the imaging of new desktops at individual call center sites.

Because the technology team already had considerable experience with VMware, the team was able to build the environment on its own in two weeks. Agents received three days of training on using the new system. Over the first few weeks, the technology team monitored the project and performed some fine tuning and balancing to optimize performance.

KEY BENEFIT AREAS

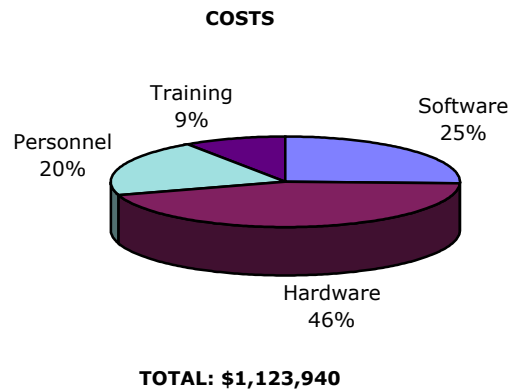
Deploying the VMware Virtual Desktop Infrastructure enabled IRMC to support its sales strategy, which was to differentiate itself based on flexibility and agility, while managing IT costs. Key benefits IRMC achieved from the project include:

- Increased flexibility. Moving away from PCs to virtual machines increased the flexibility so IRMC can optimize management of its call centers without additional cost.
- Faster provisioning. The ability to rapidly configure desktops to meet changing or new client needs enabled IRMC to shorten the ramp-up time needed to support new clients.
- Redeployed IT staff. Because of the flexibility and speed of provisioning, 20 IT staff members that used to be required on site to manage the imaging of machines — sometimes on an overtime basis — could be redeployed to more productive IT functions.
- Reduced IT costs. Virtualization with VMware enabled IRMC to eliminate the cost of distributed data centers and the ongoing cost of upgrading agents' computers.
- Improved competitiveness. Because IRMC could deliver new call center projects faster and more readily than before, it could use that as a differentiator in the sales process.



KEY COST AREAS

Key cost areas in the deployment included hardware, personnel, software, and training. No consulting costs were incurred because IRMC personnel had enough knowledge to deploy the technology on its own; however, the initial deployment work was completed by an internal team of five people who spent three weeks on the project. Their time is included in the personnel cost area, which made up 20 percent of the project.



LESSONS LEARNED

Deploying VMware Virtual Desktop Infrastructure enabled IRMC to fully support its IT goals and sales strategy while managing costs; however, it did require some education for end users who transitioned from a full PC to a virtual desktop environment. The technology team required some initial training as well as a helpdesk to answer questions when agents had problems to smooth adoption.

CALCULATING THE ROI

Nucleus calculated the costs of software, hardware, training, and personnel over a 3-year period to quantify the total investment IRMC made in rolling out VMware Virtual Desktop Infrastructure. Although the company did make a significant investment in hardware to support a centralized data center, that cost was more than offset by the reduced costs of software and hardware upgrades that would have been required in the distributed environment.

Profits from additional sales that were driven by the ability to rapidly deliver projects were not quantified in this analysis, as the team felt they were too indirect to be estimated. The direct benefits included reduced and eliminated IT costs as well as the ability to redeploy 10 IT FTEs to other departments in the organization.

Nucleus Research is a global provider of investigative technology research and advisory services. Building on its unique ROI case study approach, for nearly a decade Nucleus Research has delivered insight and analysis on the true value of technology and strategies for maximizing current investments and exploiting new technology opportunities. For more information or a list of services, visit NucleusResearch.com, call +1-781-416-2900, or e-mail info@NucleusResearch.com.

DETAILED FINANCIAL ANALYSIS

TRMC

SUMMARY

Project:	VMware Virtual Desktop Infrastructure
Annual return on investment (ROI)	73%
Payback period (years)	1.37
Net present value (NPV)	480,517
Average yearly cost of ownership	374,647

ANNUAL BENEFITS	Pre-start	Year 1	Year 2	Year 3
Direct	0	1,035,000	1,035,000	1,035,000
Indirect	0	0	0	0
Total Benefits Per Period	0	1,035,000	1,035,000	1,035,000

DEPRECIATED ASSETS	Pre-start	Year 1	Year 2	Year 3
Software	186,000	0	0	0
Hardware	473,000	0	0	0
Total Per Period	659,000	0	0	0

DEPRECIATION SCHEDULE	Pre-start	Year 1	Year 2	Year 3
Software	0	37,200	37,200	37,200
Hardware	0	94,600	94,600	94,600
Total Per Period	0	131,800	131,800	131,800

EXPENSED COSTS	Pre-start	Year 1	Year 2	Year 3
Software	0	33,480	33,480	33,480
Hardware	0	10,000	10,000	10,000
Consulting	0	0	0	0
Personnel	25,500	68,000	68,000	68,000
Training	105,000	0	0	0
Other	0	0	0	0
Total Per Period	130,500	111,480	111,480	111,480

FINANCIAL ANALYSIS	Year 1	Year 2	Year 3
Net cash flow before taxes	923,520	923,520	923,520
Net cash flow after taxes	527,660	527,660	527,660
Annual ROI - direct and indirect benefits			73%
Annual ROI - direct benefits only			73%
Net present value (NPV)			480,517
Payback (years)			1.37
Average annual cost of ownership			374,647
3-year IRR			52%

FINANCIAL ASSUMPTIONS

All government taxes	50%
Discount rate	15%