



New Analysis

March 22, 2007

Prepared For:

Valued Customer Name

Valued Customer Company

Address

Phone Number

Web Site

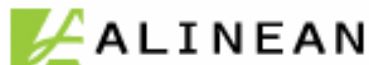
E-mail address

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Alinean

Third party model, methodology and data provided by:



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1. Project Overview

This ROI Analysis was created specifically for Valued Customer Company, with research and analysis completed on March 22, 2007.

This Mobile Business Value Assessment will help assess current opportunities for "beyond e-mail" wireless applications, 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:

- John Smith
- Randy Johnson
- Mary Francis
- Bill Bennett

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 contained in the Alinean ROI Analyst™ software, an independent financial modeling tool and model developed by worldwide leading and independent analyst firm IDC (<http://www.idc.com>) and ROI consultancy Alinean, The IT Value Experts (<http://www.alinean.com>).

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

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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. Opportunity

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

- Industry: Financial Services
- Primary Geographic Location for Operations: United States
- Primary Site Locations for Operations: Suburban
- Total Number of Employees: 1,000

Based on our analysis, it was indicated that the following groups of employees could be empowered with a Microsoft Windows Mobile Solution, 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 Mobile 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 Microsoft messaging solutions, making it possible to take advantage of this existing infrastructure to drive business solutions and improvements without adding costs / complexity or additional solutions.

Proposed Solution

Microsoft provides security-enhanced mobile solutions that deliver the tools, technologies, and environment to help employees communicate, collaborate, and work effectively with each other and with customers while on the go. Microsoft and partner solutions running on state-of-the-art Windows Mobile devices can help your organization respond to evolving business needs and resolve both internal and customer problems in a more timely manner.

Enhanced Productivity

Microsoft delivers familiar, easy-to-use productivity tools and applications that increase employee efficiency away from the office. Innovative hardware and familiar applications improve mobile productivity, resulting in time savings and better decision-making.

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Quicker Response to Customers, Partners, and Colleagues

Microsoft-supported mobile solutions can help improve the ability for employees to better communicate with customers and collaborate with coworkers.

Greater Adaptability

Microsoft provides a powerful, flexible environment in addition to versatile programs and applications that help make it easy to tailor and adapt your organization's mobile solutions to your team's unique needs.

Based on your unique opportunities, Alinean and representatives from your team determined that the following mobile business solutions would help address your goals and opportunities best:

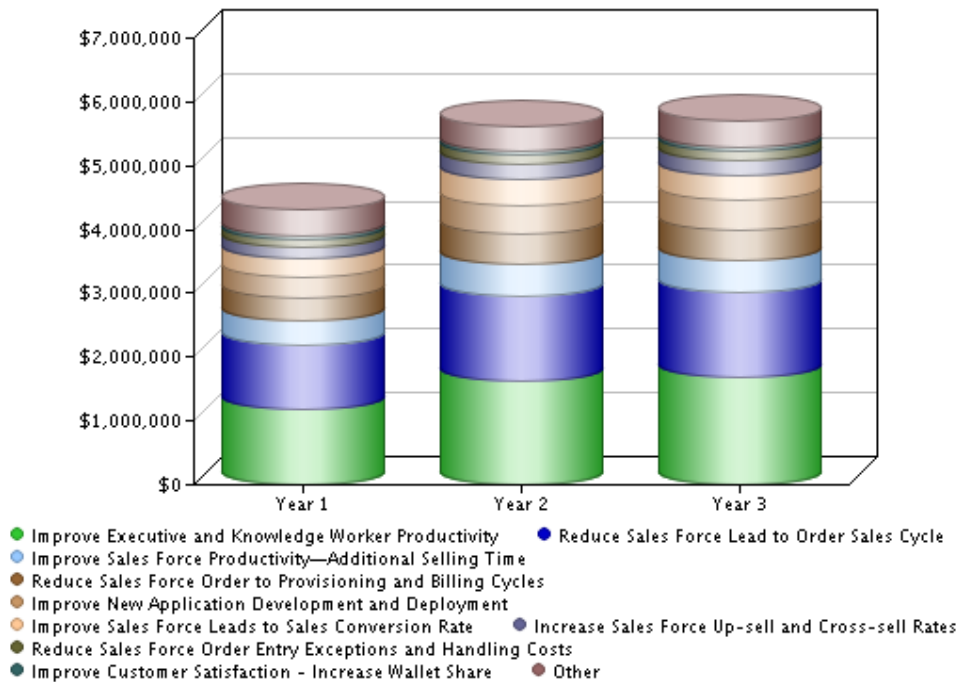
| Incremental mobile applications under consideration (not already implemented) | Considered? |
|--|--------------------|
| Mobile voice | Excluded |
| Personal information management (PIM) | Included |
| Dashboard / key performance indicators (KPIs) | Included |
| Location based services (LBS) | Excluded |
| Customer contact and information management | Included |
| Up-sell and cross-sell promotions | Included |
| Order entry and management | Included |
| Access inventory levels | Included |
| Electronic forms and document management | Included |
| Product and pricing configuration | Included |
| Quotes, proposals and contract management | Included |
| Access to marketing collateral and sales tools | Included |
| Asset management and maintenance | Excluded |
| Mobile access to enterprise applications / data | Included |
| Field force automation | Excluded |
| Patient / customer care | Excluded |
| Inventory, warehouse and fulfillment management | Excluded |
| Vendor / procurement management | Excluded |
| Time reporting and billing | Excluded |
| Unified messaging / consolidation | Included |
| Other (specify) | Excluded |
| Other (specify) | Excluded |
| Other (specify) | Excluded |
| Other (specify) | Excluded |
| Other (specify) | Excluded |

4. Benefit Summary

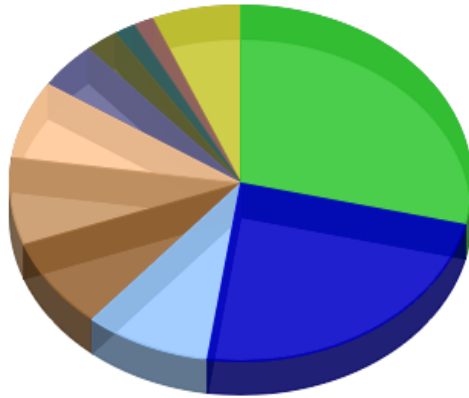
The proposed solution is expected to deliver \$15,630,302 over the 3 year analysis period, with \$15,251,253 in direct (hard) benefits, and \$379,049 in indirect (soft) benefits.

| 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

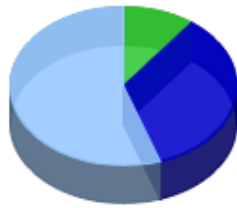


Top Benefits



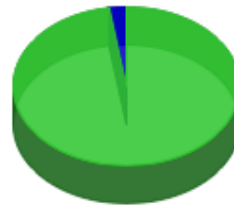
- Improve Executive and Knowledge Worker Productivity [28.8%]
- Reduce Sales Force Lead to Order Sales Cycle [23.5%]
- Improve Sales Force Productivity—Additional Selling Time [8.8%]
- Reduce Sales Force Order to Provisioning and Billing Cycles [8.2%]
- Improve New Application Development and Deployment [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



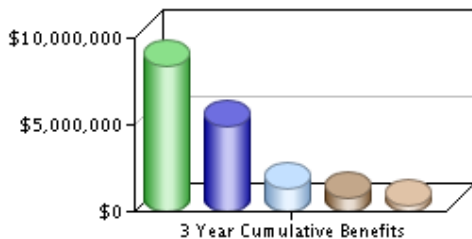
- IT Cost Reduction [10.3%]
- Business Operating Efficiency [34.5%]
- Business Strategic Advantage [55.3%]

Direct vs Indirect Benefits



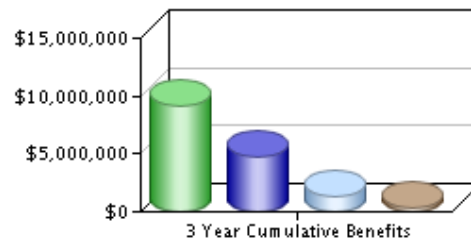
- Direct [97.6%]
- Indirect [2.4%]

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

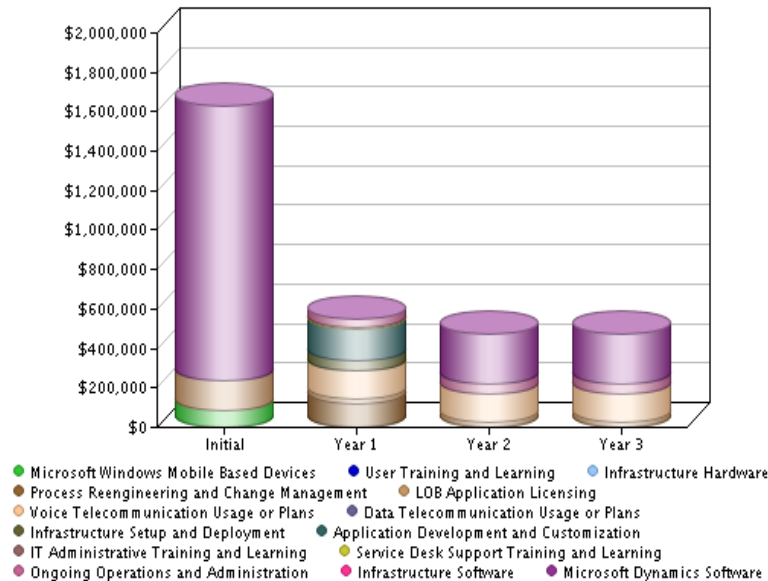
5. Investment Summary

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

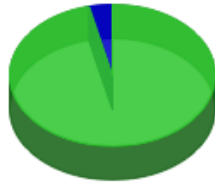
- \$1,632,500 in initial expenses
- \$2,217,500 in capital expenditures
- \$912,592 in operating expenditures

| 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 | | | | | |
| Microsoft Dynamics 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 |
| Microsoft Windows Mobile Based 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 Reengineering 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%]

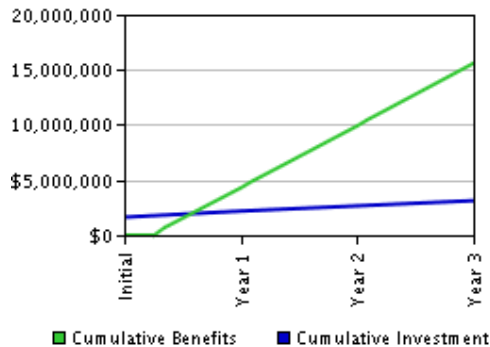
6. ROI Analysis

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%
- 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)

| 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



Cash Flow

