New Technology: The Projected Total Economic Impact™ Of Microsoft Teams Rooms Managed Services

Cost Savings And Business Benefits Enabled By Microsoft Teams Rooms Managed Services

December 2020
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Executive Summary

Fostering collaboration between employees is a critical task for an enterprise, and rooms are an essential component to successful collaboration. When employees can’t start meetings on time or they struggle to get video, audio, or screen sharing to work, their productivity suffers. Microsoft Teams Rooms Managed Services proactively resolves software-related issues, and it provides diagnostics and step-by-step guidance for troubleshooting hardware-related issues. This significantly reduces the burden on IT, and it helps employees to succeed.

Microsoft commissioned Forrester Consulting to conduct a Total Economic Impact™ (TEI) study and examine the potential return on investment (ROI) enterprises may realize by deploying Microsoft Teams Rooms Managed Services. The purpose of this study is to provide readers with a framework to evaluate the potential financial impact of Microsoft Teams Rooms Managed Services on their organizations.

To better understand the benefits, costs, and risks associated with this investment, Forrester interviewed representatives of five organizations with experience using Microsoft Teams Rooms Managed Services. For the purposes of this study, Forrester aggregated the experiences of the interviewed customers and combined the results into a single composite organization.

Prior to using Microsoft Teams Rooms Managed Services, the interviewees’ organizations needed to perform management tasks and learn as they went, resulting in more reactive approaches with less time to optimize operations. Their help desks primarily learned about technical issues in Teams meeting rooms from employees who tried to participate in a meeting and failed or had a subpar meeting experience. Employees and executives alike complained about losing time in troubleshooting before they could start a meeting. Support FTEs needed to arrive at the office before business hours to ensure that rooms were ready for important morning meetings.

Decision-makers chose to invest in Microsoft Teams Rooms Managed Services to gain operational expertise, reduce the burden on support teams, and ensure a smooth meeting experience for employees.

“[With Microsoft Teams Rooms Managed Services,] we went from [using] a reactive model to [using] a proactive model that allows us to add so much more value. Now we have efficiencies and can limit downtime.”

Solution architect, food services

Microsoft Teams Rooms Managed Services proactively resolves most software-related issues, and it provides diagnostics and step-by-step guidance for troubleshooting hardware-related issues. Additionally, with quick access to Microsoft Teams Rooms Managed Services experts,
organizations were able to resolve problems faster than they would have otherwise. This significantly reduces the burden on IT. With Microsoft Teams Rooms Managed Services, the interviewees’ organizations gained full visibility into the state of technology in their meeting rooms, and they now receive timely diagnostics and guidance about how to resolve issues if they appear and disrupt meetings. For end users, meetings typically start on time without the need to troubleshoot or call the help desk for assistance.

**KEY FINDINGS**

**Quantified benefits.** Risk-adjusted present value (PV) quantified benefits include:

- **End user productivity growth enabled by Microsoft Teams Rooms Managed Services led to $1.1 million to $1.3 million savings in labor costs during a three-year timespan.** Interviewees said that prior to using Microsoft Teams Rooms Managed Services, their organizations’ employees lost valuable collaboration time when rooms were down or technology did not perform as expected. Microsoft Teams Rooms Managed Services transformed the experience by enabling IT professionals to resolve issues proactively, thus allowing users to start meetings in 75% to 85% less time.

- **Improved visibility into room health and AI-driven automation helped decrease the number of room support tickets by 80% to 90%.** After adopting Microsoft Teams Rooms Managed Services, the interviewees’ companies saw a reduction in the number of room-related support tickets. Users experienced fewer difficulties in running meetings due to the proactive room management that Microsoft performed behind the scenes. When Microsoft Teams Rooms Managed Services identified technical issues requiring IT involvement, the organizations could resolve them 75% faster due to diagnostics and recommendations.

- **IT time savings of 70% to 90% from reducing daily room monitoring times.** Prior to using Microsoft Teams Rooms Managed Services, the interviewees’ companies engaged in routine room equipment examinations that could take 10 to 15 minutes per room. With Microsoft Teams Rooms Managed Services, the time needed to check each room dropped to less than 2 minutes.

**Unquantified benefits.** Benefits that are not quantified for this study include:

- **Peace of mind from working alongside Microsoft Teams Rooms Managed Services experts.** Interviewees said Microsoft Teams Rooms Managed Services offered visibility into issues other organizations experienced, which provided a level of knowledge they never would have achieved on their own.

- **Remained current on firmware for room systems and peripherals.** Prior to using Microsoft Teams Rooms Managed Services, decision-makers knew the benefits of keeping up with timely updates, but they did not have the dedicated resources to manage upgrades on disparate room systems. With Microsoft Teams Rooms Managed Services, the responsibility of investigating updates and managing upgrades shifted to Microsoft.

**Costs.** Risk-adjusted PV costs include:

- Microsoft Teams Rooms Managed Services license fee of $341,427.
EXECUTIVE SUMMARY

- Internal labor costs for onboarding and ongoing management totaling $13,245.

Reduction in time to start meetings with Microsoft Teams Rooms Managed Services

75% to 85%

The customer interviews and financial analysis found that a composite organization experiences projected benefits of between $2.2 million to $2.6 million over three years versus costs of $354,672, adding up to a projected net present value (NPV) of $1.9 million to $2.3 million and a projected return on investment (PROI) of 523% to 644%.
EXECUTIVE SUMMARY

PROI
523% to 644%

PROJECTED BENEFITS PV
$2.2M to $2.6M

PROJECTED NPV
$1.9M to $2.3M

Three-Year Projected Financial Analysis for the Composite Organization

High-Impact NPV,
$2.3M, PROI of 644%
Mid-Impact NPV,
$2.1M, PROI of 584%
Low-Impact NPV,
$1.9M, PROI of 523%
NEW TECH TEI FRAMEWORK AND METHODOLOGY

From the information provided in the interviews, Forrester constructed a New Technology: Projected Total Economic Impact™ (New Tech TEI) framework for those organizations considering implementing Microsoft Teams Rooms Managed Services.

The objective of the framework is to identify the potential cost, benefit, flexibility, and risk factors that affect the investment decision. Forrester took a multistep approach to evaluate the projected impact that Microsoft Teams Rooms Managed Services can have on an organization.

DUE DILIGENCE
Interviewed Microsoft stakeholders and Forrester analysts to gather data relative to Microsoft Teams Rooms Managed Services.

EARLY-IMPLEMENTATION CUSTOMER INTERVIEWS
Interviewed seven decision-makers at five organizations using Microsoft Teams Rooms Managed Services in a pilot or beta stage to obtain data with respect to projected costs, benefits, and risks.

COMPOSITE ORGANIZATION
Designed a composite organization based on characteristics of the interviewed organizations.

FINANCIAL MODEL FRAMEWORK
Constructed a financial model representative of the interviews using the New Tech TEI methodology and risk-adjusted the financial model based on issues and concerns of the interviewed organizations.

CASE STUDY
Employed four fundamental elements of New Tech TEI in modeling the projected investment impact: benefits, costs, flexibility, and risks. Given the increasing sophistication of ROI analyses related to IT investments, Forrester’s TEI methodology provides a complete picture of the total economic impact of purchase decisions. Please see Appendix A for additional information on the New Tech TEI methodology.

DISCLOSURES
Readers should be aware of the following:

This study is commissioned by Microsoft and delivered by Forrester Consulting. It is not meant to be used as a competitive analysis.

Forrester makes no assumptions as to the potential ROI that other organizations will receive. Forrester strongly advises that readers use their own estimates within the framework provided in the report to determine the appropriateness of an investment in the Managed Meeting Rooms.

Microsoft reviewed and provided feedback to Forrester, but Forrester maintains editorial control over the study and its findings and does not accept changes to the study that contradict Forrester’s findings or obscure the meaning of the study.

Microsoft provided the customer names for the interviews but did not participate in the interviews.
Drivers leading to the Microsoft Teams Rooms Managed Services investment

KEY CHALLENGES
Many interviewees said that before their organization invested in Microsoft Teams Rooms Managed Services, decision-makers took a reactive approach to room operations due to limited IT resources. IT professionals primarily learned about rooms being down or technology not acting as expected from employees who tried to have a meeting and failed or had a subpar meeting experience with no video or poor sound. Employees and executives alike complained about time lost in troubleshooting right before meetings, and support FTEs needed to arrive at the office before business hours to ensure that board rooms or rooms for executives’ meetings were operational.

“We didn’t have a single pane of glass that we could go to and check everything in the room. We never had a full view into the rooms in terms of the devices’ health status.”

Senior analyst, healthcare

The interviewees said their organizations searched for a solution that could:

- Provide end users with the best meeting experience.
- Empower IT professionals to take proactive steps to prevent incidents.
- Provide prescriptive guidance for early action if incidents do arise.
- Reduce burden on IT and help desk staff.

COMPOSITE ORGANIZATION
Based on the interviews, Forrester constructed a TEI framework, a composite company, and an ROI analysis that illustrates the areas financially affected. The composite organization is representative of the interviewees’ companies, and it is used to present the aggregate financial analysis in the next section. The composite organization has the following characteristics:

- It’s a global organization with $5 billion in annual revenue and 10,000 employees spread across multiple locations.
Sixty percent of employees regularly attend meetings, and 35% of the meetings use videoconferencing technology.

The number of employees grows 1% year-over-year (YoY).

The organization has 400 rooms supported by IT.

Prior to using Microsoft Teams Rooms Managed Services, the organization relied on daily sweeps of physical room equipment to ensure all the right hardware was in place. It also lacked comprehensive management software to monitor each room’s operation and utilization.

Key assumptions
- $5B revenue
- 10,000 employees
- 400 rooms
- 60% of employees regularly attend meetings
Analysis Of Benefits

Quantified benefit data as applied to the composite

Total Projected Benefits

<table>
<thead>
<tr>
<th>Projected Benefits</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Total</th>
<th>Present Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total projected benefits: Low</td>
<td>$540,322</td>
<td>$1,086,093</td>
<td>$1,091,595</td>
<td>$2,718,009</td>
<td>$2,208,929</td>
</tr>
<tr>
<td>Total projected benefits: Mid</td>
<td>$593,128</td>
<td>$1,192,063</td>
<td>$1,197,932</td>
<td>$2,983,123</td>
<td>$2,424,407</td>
</tr>
<tr>
<td>Total projected benefits: High</td>
<td>$645,935</td>
<td>$1,298,043</td>
<td>$1,304,280</td>
<td>$3,248,258</td>
<td>$2,639,900</td>
</tr>
</tbody>
</table>

END USER PRODUCTIVITY IMPROVEMENT WITH MORE FUNCTIONAL ROOMS

Evidence and data. Each of the interviewees said their organization considers employee experience to be important, and decision-makers wanted to minimize the day-to-day disruptions employees faced on the job. Meetings are an essential part of the workday for many employees, and technical challenges with collaboration tools led to delays in starting meetings and lost productive time for all participants.

- Prior to using Microsoft Teams Rooms Managed Services, IT professionals could not proactively monitor the rooms to ensure they were up and running or understand the cause of disruptions.
- It was common for the end users to enter a physical room to start a meeting and find collaboration equipment unplugged, low on batteries, or down after a software reboot. By the time employees would find a solution on their own, contact the help desk, or switch rooms altogether, all participants would waste several minutes.
- With Microsoft Teams Rooms Managed Services, Microsoft was able to proactively resolve the majority of software-related issues without IT involvement. When involvement on the ground was necessary, Microsoft notified IT workers and provided them with diagnostics and suggested next steps. This helped them to resolve issues before employees experienced problems.

"With the Microsoft Teams Rooms Managed Services portal, within several minutes of any type of failure, it will let us know."

IT director, manufacturing

Modeling and assumptions. For the composite organization, Forrester assumes:

- According to Forrester research, 60% of employees regularly attend meetings, and they spend an average of 1.9 hours in meetings every day.\(^1\)
- The average meeting duration is 1 hour.
- According to Forrester research, 35% of meetings are performed virtually or virtually and in person. This requires a reliance on collaboration technology.\(^2\)
- Half of these meeting are hosted in physical rooms (versus being fully online).
- In the first year of using Microsoft Teams Rooms Managed Services, the service supports 50% of the organization’s rooms. All rooms use Microsoft Teams Rooms Managed Services in Years 2 and 3.
ANALYSIS OF BENEFITS

• According to Forrester research employees lose 8 minutes per meeting when it doesn’t start on time.\(^3\)

• In rooms supported by Microsoft Teams Rooms Managed Services, employees are able to start meeting 75% to 85% faster.

• An average business user’s hourly burdened rate is $35.

• Thirty percent of the total time saved per user is applied directly back to revenue-generating tasks, and Forrester included this in the benefit calculation. Individual users may also apply additional time savings toward professional development, networking, and work-life activities, which are not included in this benefit.

This yields a three-year projected PV ranging from $1.1 million to $1.3 million.
## Analysis of Benefits

### End User Productivity Improvement With More Functional Rooms

<table>
<thead>
<tr>
<th>Ref.</th>
<th>Metric</th>
<th>Calculation</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>A1</td>
<td>Total number of employees</td>
<td>Includes 1% YoY growth</td>
<td>10,000</td>
<td>10,100</td>
<td>10,201</td>
</tr>
<tr>
<td>A2</td>
<td>Percent of employees who regularly attend meetings</td>
<td>Forrester survey</td>
<td>60%</td>
<td>60%</td>
<td>60%</td>
</tr>
<tr>
<td>A3</td>
<td>Average time spent in meetings per day (hours)</td>
<td>Forrester survey</td>
<td>1.9</td>
<td>1.9</td>
<td>1.9</td>
</tr>
<tr>
<td>A4</td>
<td>Average meeting length (hours)</td>
<td></td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>A5</td>
<td>Subtotal: Average number of meetings attended by employees (rounded)</td>
<td>$A1<em>A2</em>(A3/A4)*260 days</td>
<td>2,964,000</td>
<td>2,993,640</td>
<td>3,023,576</td>
</tr>
<tr>
<td>A6</td>
<td>Percent of meetings performed virtually or both virtually and in-person</td>
<td>Forrester survey</td>
<td>35%</td>
<td>35%</td>
<td>35%</td>
</tr>
<tr>
<td>A7</td>
<td>Percent of virtual meetings performed in meeting rooms</td>
<td></td>
<td>50%</td>
<td>50%</td>
<td>50%</td>
</tr>
<tr>
<td>A8</td>
<td>Percent of Microsoft Teams Rooms Managed Services-supported rooms</td>
<td></td>
<td>50%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>A9</td>
<td>Average number of meetings employees attend in Microsoft Teams Rooms Managed Services-supported meeting rooms (rounded)</td>
<td>$A5<em>A6</em>A7*A8</td>
<td>259,350</td>
<td>523,887</td>
<td>529,126</td>
</tr>
<tr>
<td>A10</td>
<td>Average time needed to start a meeting before using Microsoft Teams Rooms Managed Services</td>
<td>Forrester data</td>
<td>8</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>A11&lt;sub&gt;Low&lt;/sub&gt;</td>
<td>Percent reduction in time required to start meetings with Microsoft Teams Rooms Managed Services</td>
<td>Interview</td>
<td>75%</td>
<td>75%</td>
<td>75%</td>
</tr>
<tr>
<td>A11&lt;sub&gt;Md&lt;/sub&gt;</td>
<td></td>
<td></td>
<td>80%</td>
<td>80%</td>
<td>80%</td>
</tr>
<tr>
<td>A11&lt;sub&gt;High&lt;/sub&gt;</td>
<td></td>
<td></td>
<td>85%</td>
<td>85%</td>
<td>85%</td>
</tr>
<tr>
<td>A12&lt;sub&gt;Low&lt;/sub&gt;</td>
<td>Subtotal: Time saved from reducing time to start meetings with Microsoft Teams Rooms Managed Services (hours) (rounded)</td>
<td>$A9<em>A10</em>A11/60 minutes</td>
<td>25,935</td>
<td>52,389</td>
<td>52,913</td>
</tr>
<tr>
<td>A12&lt;sub&gt;Md&lt;/sub&gt;</td>
<td></td>
<td></td>
<td>27,664</td>
<td>55,881</td>
<td>56,440</td>
</tr>
<tr>
<td>A12&lt;sub&gt;High&lt;/sub&gt;</td>
<td></td>
<td></td>
<td>29,393</td>
<td>59,374</td>
<td>59,968</td>
</tr>
<tr>
<td>A13</td>
<td>Average employee fully burdened hourly rate (rounded)</td>
<td>$73,000/2,080</td>
<td>$35</td>
<td>$35</td>
<td>$35</td>
</tr>
<tr>
<td>A14</td>
<td>Productivity recapture</td>
<td></td>
<td>30%</td>
<td>30%</td>
<td>30%</td>
</tr>
<tr>
<td>A1&lt;sub&gt;Low&lt;/sub&gt;</td>
<td>End user productivity improvement with more functional rooms (rounded)</td>
<td>$A12<em>A13</em>A14</td>
<td>$272,318</td>
<td>$550,085</td>
<td>$555,587</td>
</tr>
<tr>
<td>A1&lt;sub&gt;Md&lt;/sub&gt;</td>
<td></td>
<td></td>
<td>$290,472</td>
<td>$586,751</td>
<td>$592,620</td>
</tr>
<tr>
<td>A1&lt;sub&gt;High&lt;/sub&gt;</td>
<td></td>
<td></td>
<td>$308,627</td>
<td>$623,427</td>
<td>$629,664</td>
</tr>
</tbody>
</table>

Three-year total: $1,337,989 to $1,561,718  
Three-year present value: $1,119,597 to $1,268,874
SAVINGS FROM REDUCING BURDEN ON HELP DESK

Evidence and data. Each of the interviewees said their organization reduced help desk tickets related to room technology as a result of using Microsoft Teams Rooms Managed Services. Microsoft handled most software-related issues. IT still needed to provide in-person support when there were issues with hardware, but time-to-resolution was significantly shortened by recommendations and guidance generated by Microsoft Teams Rooms Managed Services.

- A senior systems administrator for a software company said their organization previously received an average of five room-related tickets per day. They said: “A lot of them were simple [fixes]. [For example,] somebody would turn off the PC, which meant the next person coming in couldn’t start a meeting. It might not necessarily have been something broken, but the room certainly was not working.”

- The same interviewee said that if rooms were down or did not function properly, the organization sent dedicated internal or outsourced resources to identify and fix the issue. They said: “Before using Microsoft Teams Rooms Managed Services, we dedicated somebody to be on-call all the time. As soon as something came up, they had to go through with it.”

- Once the interviewee’s organization adopted Microsoft Teams Rooms Managed Services, the IT professionals became proactive at ensuring room health. Microsoft Teams Rooms Managed Services provided software and firmware updates, and it offered AI-driven auto-remediation without IT involvement when possible. For hardware-related incidents where having a physical presence on-site was necessary, Microsoft Teams Rooms Managed Services provided internal professionals with diagnostics and guidance to resolve an issue.

Modeling and assumptions. For the composite organization, Forrester assumes:

“With the non-Microsoft Teams Rooms Managed Services-managed rooms, there’s a lot of guesswork as to where your problem might be. With guidance from Microsoft Teams Rooms Managed Services, we can locate the problems faster. Plus, Microsoft provides recommendations on how to resolve a certain issue.”

IT director, manufacturing

- Before using Microsoft Teams Rooms Managed Services, the help desk received an average of four tickets for each room per year. The average time to resolve a ticket was 1 hour.

- The fully burdened annual salary of an IT FTE is $110,000. The hourly rate equals $53.

- Half of the tickets employees submitted to the help desk about rooms were related to software, and half involved peripherals.

- With Microsoft Teams Rooms Managed Services, the number of times employees contact the help desk for room support as the result of a software issue goes down by 80% to 90%.

“There are fewer tickets because we can fix things before there is even a chance to create tickets.”

Senior systems administrator, software services

- For hardware-related issues, IT professionals still need to get involved after receiving a notification from Microsoft Teams Rooms Managed Services via the portal or an email. Microsoft-provided
ANALYSIS OF BENEFITS

diagnostic information and recommendations shorten the time to resolve a ticket by 75%. This yields a three-year projected PV ranging from $134,000 to $142,000.

### Savings From Reducing Burden On Help Desk

<table>
<thead>
<tr>
<th>Ref.</th>
<th>Metric</th>
<th>Calculation</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>B1</td>
<td>Number of rooms</td>
<td></td>
<td>400</td>
<td>400</td>
<td>400</td>
</tr>
<tr>
<td>B2</td>
<td>Number of times employees contacted help desk for hardware support before using Microsoft Teams Rooms Managed Services</td>
<td></td>
<td>4</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>B3</td>
<td>Percent of software-related tickets</td>
<td></td>
<td>50%</td>
<td>50%</td>
<td>50%</td>
</tr>
<tr>
<td>B4&lt;sub&gt;Low&lt;/sub&gt;</td>
<td>Reduction in number of times employees contact help desk for room hardware support for Microsoft Teams Rooms Managed Services rooms</td>
<td>Interviews</td>
<td>80%</td>
<td>80%</td>
<td>80%</td>
</tr>
<tr>
<td>B4&lt;sub&gt;Mid&lt;/sub&gt;</td>
<td></td>
<td></td>
<td>85%</td>
<td>85%</td>
<td>85%</td>
</tr>
<tr>
<td>B4&lt;sub&gt;High&lt;/sub&gt;</td>
<td></td>
<td></td>
<td>90%</td>
<td>90%</td>
<td>90%</td>
</tr>
<tr>
<td>B5</td>
<td>Number of Microsoft Teams Rooms Managed Services rooms</td>
<td></td>
<td>50%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>B6</td>
<td>Average time to resolve a ticket (hours)</td>
<td></td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>B7</td>
<td>Average cost to resolve a ticket</td>
<td>$53</td>
<td>$53</td>
<td>$53</td>
<td></td>
</tr>
<tr>
<td>B8&lt;sub&gt;Low&lt;/sub&gt;</td>
<td>Subtotal: Savings from reducing software-related tickets with Microsoft Teams Rooms Managed Services</td>
<td></td>
<td>$16,960</td>
<td>$33,920</td>
<td>$33,920</td>
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<tr>
<td>B8&lt;sub&gt;Mid&lt;/sub&gt;</td>
<td></td>
<td></td>
<td>$18,020</td>
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<td></td>
<td></td>
<td>$19,080</td>
<td>$38,160</td>
<td>$38,160</td>
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<tr>
<td>B9</td>
<td>Percent of hardware-related tickets</td>
<td></td>
<td>50%</td>
<td>50%</td>
<td>50%</td>
</tr>
<tr>
<td>B10</td>
<td>Time savings for resolving hardware-related tickets with Microsoft Teams Rooms Managed Services</td>
<td>Interviews</td>
<td>75%</td>
<td>75%</td>
<td>75%</td>
</tr>
<tr>
<td>B11</td>
<td>Subtotal: Savings from resolving hardware-related tickets faster with Microsoft Teams Rooms Managed Services</td>
<td></td>
<td>$15,900</td>
<td>$31,800</td>
<td>$31,800</td>
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<tr>
<td>B1&lt;sub&gt;Low&lt;/sub&gt;</td>
<td>Savings from reducing burden on help desk</td>
<td>B8+B11</td>
<td>$32,860</td>
<td>$65,720</td>
<td>$65,720</td>
</tr>
<tr>
<td>B1&lt;sub&gt;Mid&lt;/sub&gt;</td>
<td></td>
<td></td>
<td>$33,920</td>
<td>$67,840</td>
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<tr>
<td>B1&lt;sub&gt;High&lt;/sub&gt;</td>
<td></td>
<td></td>
<td>$34,980</td>
<td>$69,960</td>
<td>$69,960</td>
</tr>
</tbody>
</table>

Three-year total: $164,300 to $174,900
Three-year present value: $133,563 to $142,180

### IT OPERATIONS TIME SAVINGS

**Evidence and data.** The interviewees said that in addition to handling room-related tickets, their organizations also engaged in routine room monitoring to ensure that the technology functioned as expected.

- An interviewee at a manufacturing company explained that “before Microsoft Teams Rooms Managed Services, [IT professionals] would make a sweep once a day to see that things worked and that the room didn’t need a light bulb or that the projector and the microphone were plugged in.” Each room sweep took 10 to 15 minutes.

- With Microsoft Teams Rooms Managed Services, the time needed to check each room dropped to less than 2 minutes. A solution architect at a food services company said: “With what I can see in
the portal, I can actually see that all of the devices are connected. So I know they are working.”

“The challenge with rooms is that if something’s down, sometimes it tends to look like the whole room is down when it’s actually not. So, getting that in-depth insight through logs and visibility of the real-time connectivity of peripherals and other things like that in Microsoft Teams Rooms Managed Services just adds a huge level of value when it comes to a support model that we can work through.”

Solution architect, food services

Modeling and assumptions. For the composite organization, Forrester assumes:

- Without Microsoft Teams Rooms Managed Services, audio visual (AV)/video conference (VC) professionals dedicate 10 minutes per day to check each collaboration room.
- With the visibility into room health delivered by the Microsoft Teams Rooms Managed Services portal, AV/VC professionals have diagnostics for each room readily available to them, and they know exactly what could require their attention. While they still choose to perform equipment sweeps, the time needed per room decreases by 70% to 90%.
- The average fully burdened hourly salary of an AV/VC professional is $38.

This yields a three-year projected PV ranging from $956,000 to $1.2 million

<table>
<thead>
<tr>
<th>IT Operations Time Savings</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Ref.</strong></td>
</tr>
<tr>
<td>C1</td>
</tr>
<tr>
<td>C2</td>
</tr>
<tr>
<td>C3</td>
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<td>C4&lt;sub&gt;Mid&lt;/sub&gt;</td>
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<tr>
<td>C5&lt;sub&gt;High&lt;/sub&gt;</td>
</tr>
<tr>
<td>C6</td>
</tr>
<tr>
<td>C1&lt;sub&gt;Low&lt;/sub&gt;</td>
</tr>
<tr>
<td>C1&lt;sub&gt;Mid&lt;/sub&gt;</td>
</tr>
<tr>
<td>C1&lt;sub&gt;High&lt;/sub&gt;</td>
</tr>
</tbody>
</table>

Three-year total: $1,175,720 to $1,511,640
Three-year present value: $955,769 to $1,228,846
UNQUANTIFIED BENEFITS
Additional benefits that customers experienced but were not able to quantify include:

- **Peace of mind from working alongside Microsoft Teams Rooms Managed Services experts.** Interviewees said that Microsoft Teams Rooms Managed Services offered visibility into issues other organizations experienced, which provided a level of knowledge their organizations never would have achieved on their own. An IT manager at a healthcare company said: “There have been numerous cases where we’ve had an issue and asked Microsoft Teams Rooms Managed Services [experts] if they have seen it elsewhere. And sure enough, I’ve had a Microsoft Teams Rooms Managed Services engineer come back and say: ‘Oh, yeah. I saw this before. And here is the resolution.’”

- **Staying current on firmware for room systems and peripherals.** Interviewees said their organization’s decision-makers knew the benefits of keeping up with timely updates prior to using Microsoft Teams Rooms Managed Services, but they did not have the dedicated resources to manage upgrades on disparate room systems. One interviewee said, “You could have the firmware run for five to 10 years with no problem as long as the platform was still supporting it.” With Microsoft Teams Rooms Managed Services, decision-makers no longer needed to worry about upgrading management effort. An IT developer/engineer at a biotech organization said: “You’re always current. You’re hopefully never going to run into issues with being current. Now, Microsoft is on top of the upgrades, and [Microsoft representatives] manage them.”

FLEXIBILITY
The value of flexibility is unique to each customer. There are multiple scenarios in which a customer might implement Microsoft Teams Rooms Managed Services and later realize additional uses and business opportunities, including:

- **Relying on Microsoft Teams Rooms Managed Services to facilitate engagement in a shifting office environment.** According to Forrester research, 48% of influencers think their firm will maintain a higher rate of full-time employees working remote permanently. The new reality is challenging organizations to help employees stay productive and engaged in the new hybrid experience, and digital tools that foster collaboration between remote and on-premises workers are becoming increasingly critical. As the reliance on rooms grows, Microsoft Teams Rooms Managed Services will be there to ensure that the spaces are online and ready to accommodate employees.

- **Using Microsoft Teams Rooms Managed Services insights to make room and technology decisions.** Each of the interviewees said their organization plans to use the rich data available through the Microsoft Teams Rooms Managed Services portal about Microsoft Teams, room utilization, and incidents trends.
  - An IT director at a manufacturing company said, “Over time, we plan to see trends of equipment types that are more prone to having issues than others.” This would allow decision-makers to see whether or not a certain camera is performing better. The organization could then install the same equipment in other spaces and get rid of the less reliable technology.
Analyses of Benefits

- A senior systems administrator at a software company said their organization wanted to understand trends in room utilization. They said, “If we look at the actual usage of rooms and [we see] the big rooms are underutilized, we could redesign the space to have fewer big rooms and more small rooms.”

Flexibility would also be quantified when evaluated as part of a specific project (described in more detail in Appendix A).
Analysis Of Costs

Quantified cost data as applied to the composite

Total Costs

<table>
<thead>
<tr>
<th>Ref.</th>
<th>Cost</th>
<th>Initial</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Total</th>
<th>Present Value</th>
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</thead>
<tbody>
<tr>
<td>Dtr</td>
<td>Microsoft Teams Rooms Managed Services license fee</td>
<td>$0</td>
<td>$84,000</td>
<td>$168,000</td>
<td>$168,000</td>
<td>$420,000</td>
<td>$341,427</td>
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<tr>
<td>Etr</td>
<td>Onboarding and ongoing Microsoft Teams Rooms Managed Services management</td>
<td>$2,226</td>
<td>$5,843</td>
<td>$3,617</td>
<td>$3,617</td>
<td>$15,304</td>
<td>$13,245</td>
</tr>
<tr>
<td></td>
<td>Total costs (risk-adjusted)</td>
<td>$2,226</td>
<td>$89,843</td>
<td>$171,617</td>
<td>$171,617</td>
<td>$435,304</td>
<td>$354,672</td>
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</table>

MICROSOFT TEAMS ROOMS MANAGED SERVICES LICENSE FEE

The composite organization incurs software fees for Microsoft Teams Rooms Managed Services. These are monthly recurring license fees based on the number of supported rooms.

The organization onboards 200 rooms with Microsoft Teams Rooms Managed Services in Year 1 and onboards the remaining 200 rooms in Years 2 and 3.

Microsoft Teams Rooms Managed Services License Fee

<table>
<thead>
<tr>
<th>Ref.</th>
<th>Metric</th>
<th>Calculation</th>
<th>Initial</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
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<tbody>
<tr>
<td>D1</td>
<td>Microsoft Teams Rooms Managed Services license fee</td>
<td>Provided by Microsoft</td>
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<tr>
<td>D2</td>
<td>Microsoft Teams Rooms Managed Services license fee</td>
<td>$0</td>
<td>$84,000</td>
<td>$168,000</td>
<td>$168,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Risk adjustment</td>
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<td></td>
<td></td>
<td></td>
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<tr>
<td>D3</td>
<td>Microsoft Teams Rooms Managed Services license fee (risk-adjusted)</td>
<td>$0</td>
<td>$84,000</td>
<td>$168,000</td>
<td>$168,000</td>
<td></td>
</tr>
</tbody>
</table>

Three-year total: $420,000  Three-year present value: $341,427
ONBOARDING AND ONGOING MICROSOFT TEAMS ROOMS MANAGED SERVICES MANAGEMENT

Evidence and data. Interviewees said the setup of the Microsoft Teams Rooms Managed Services portal is easy. A senior systems administrator at a software organization said: “I had to give Microsoft information on the rooms and the hardware that [Microsoft representatives] were going to onboard, and then Microsoft stood up the portal for us. We didn’t have to do anything except manage who’s going to have access [to the portal].”

Modeling and assumptions. For the composite organization, Forrester assumes:

- An IT professional spends the equivalent of one week gathering all the information about the organization’s room specifications and the hardware in them to share with Microsoft prior to rolling out Microsoft Teams Rooms Managed Services to the initial 200 rooms. IT professionals gather the same information about the remaining 200 rooms in Year 1.
- After the initial rollout, IT professionals spend an average of 15 minutes per day in monitoring room and equipment status via the Microsoft Teams Rooms Managed Services portal.
- The fully burdened annual salary for an IT professional is $110,000.

Risks. The cost of implementation and ongoing management will vary based on:

- The scope of the Microsoft Teams Rooms Managed Services rollout and the ease of obtaining all the necessary information about the rooms and equipment.
- The number and salaries of FTEs dedicated to Microsoft Teams Rooms Managed Services adoption and management.

To account for these risks, Forrester adjusted this cost upward by 5%, yielding a three-year, risk-adjusted total PV of $13,245.

<table>
<thead>
<tr>
<th>Ref.</th>
<th>Metric</th>
<th>Calculation</th>
<th>Initial</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>E1</td>
<td>Time to get started on Microsoft Teams Rooms Managed Services (hours)</td>
<td>40</td>
<td>40</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>E2</td>
<td>Time spent on ongoing monitoring (hours)</td>
<td>Years 1 to 3: 0.25 hours<em>5 days</em>52 weeks</td>
<td>65</td>
<td>65</td>
<td>65</td>
<td></td>
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<tr>
<td>E3</td>
<td>IT professional fully burdened hourly rate (rounded)</td>
<td>$110,000/2,080</td>
<td>$53</td>
<td>$53</td>
<td>$53</td>
<td>$53</td>
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<tr>
<td>Et</td>
<td>Onboarding and ongoing Microsoft Teams Rooms Managed Services management</td>
<td>(E1+E2)*E3</td>
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<td>$5,565</td>
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<td>↑5%</td>
<td>$2,226</td>
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<td>$3,617</td>
<td>$3,617</td>
</tr>
</tbody>
</table>

Three-year total: $15,304
Three-year present value: $13,245
Financial Summary

CONSOLIDATED THREE-YEAR RISK-ADJUSTED METRICS

The financial results calculated in the Benefits and Costs sections can be used to determine the PROI and projected NPV for the composite organization’s investment. Forrester assumes a yearly discount rate of 10% for this analysis.

These risk-adjusted PROI and projected NPV values are determined by applying risk-adjustment factors to the unadjusted results in each Benefit and Cost section.

<table>
<thead>
<tr>
<th>Cash Flow Analysis (Risk-Adjusted Estimates)</th>
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<tbody>
<tr>
<td></td>
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<tr>
<td>Initial</td>
</tr>
<tr>
<td>Total costs</td>
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<tr>
<td>Total benefits (Low)</td>
</tr>
<tr>
<td>Total benefits (Mid)</td>
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<tr>
<td>Total benefits (High)</td>
</tr>
<tr>
<td>Net benefits (Low)</td>
</tr>
<tr>
<td>Net benefits (Mid)</td>
</tr>
<tr>
<td>Net benefits (High)</td>
</tr>
</tbody>
</table>

PROI (low) 523%

PROI (mid) 584%

PROI (high) 644%
Appendix A: New Technology: Projected Total Economic Impact

New Technology: Projected Total Economic Impact (New Tech TEI) is a methodology developed by Forrester Research that enhances a company’s technology decision-making processes and assists vendors in communicating the value proposition of their products and services to clients. The New Tech TEI methodology helps companies demonstrate and justify the projected tangible value of IT initiatives to both senior management and other key business stakeholders.

TOTAL ECONOMIC IMPACT APPROACH

Projected Benefits represent the projected value to be delivered to the business by the product. The New Tech TEI methodology places equal weight on the measure of projected benefits and the measure of projected costs, allowing for a full examination of the effect of the technology on the entire organization.

Projected Costs consider all expenses necessary to deliver the proposed value, or benefits, of the product. The projected cost category within New Tech TEI captures incremental costs over the existing environment for ongoing costs associated with the solution.

Flexibility represents the strategic value that can be obtained for some future additional investment building on top of the initial investment already made. Having the ability to capture that benefit has a PV that can be estimated.

Risks measure the uncertainty of benefit and cost estimates given: 1) the likelihood that estimates will meet original projections and 2) the likelihood that estimates will be tracked over time. TEI risk factors are based on “triangular distribution.”

PRESENT VALUE (PV)

The present or current value of (discounted) cost and benefit estimates given at an interest rate (the discount rate). The PV of costs and benefits feed into the total NPV of cash flows.

NET PRESENT VALUE (NPV)

The present or current value of (discounted) future net cash flows given an interest rate (the discount rate). A positive project NPV normally indicates that the investment should be made, unless other projects have higher NPVs.

PROJECTED RETURN ON INVESTMENT (PROI)

A project’s expected return in percentage terms. PROI is calculated by dividing net projected benefits (projected benefits less costs) by projected costs.

DISCOUNT RATE

The interest rate used in cash flow analysis to take into account the time value of money. Organizations typically use discount rates between 8% and 16%.

PAYBACK PERIOD

The breakeven point for an investment. This is the point in time at which net benefits (benefits minus costs) equal initial investment or cost.
Appendix B: Endnotes
