**RROI: ROI Calculation Analysis FNT Command Solution**
The Value of Infrastructure Management in Datacenter & Network Environments

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## // Questions you are being asked…

…as an operator of FNT Command:

- What does it contribute from a management perspective?

- Is it cost-effective and truly worth it?

- Does it help us to get better? How exactly?

- Which processes and people/roles do benefit from it?

or to sum it up

# „Does it create value?"

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## // Wait a moment! ROI what was that exactly?

### Return on investment

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From Wikipedia, the free encyclopedia

**Return on investment** (**ROI**) or **return on costs** (**ROC**) is a ratio between net income (over a period) and investment (costs resulting from an investment of some resources at a point in time). A high ROI means the investment's gains compare favourably to its cost. As a performance measure, ROI is used to evaluate the efficiency of an investment or to compare the efficiencies of several different investments.[1] In economic terms, it is one way of relating profits to capital invested.

Total Cost over 3yrs (=investment):          -100.000 €

*(In a software solution context these are items like Implementation project, training, solution operation, licence, maintenance,…)*
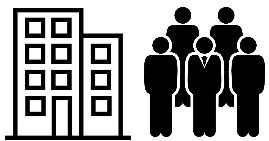
Total Benefits over 3yrs (net income):          300.000 €

*(In a software solution context these are item like savings in material & equipment, manpower in operations, process optimization, automation effects, subcontractor control,…)*
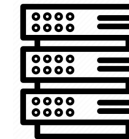
**Sum:**          **200.000 €**

**200%**

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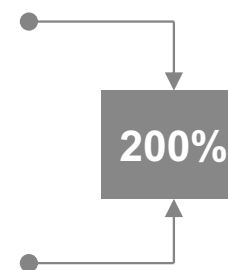
## // The ROI – The key result in absolute and relative values

- **KMU or corporate company structure**
- **500 to ~23K+ employees**
- **Medium to large data center ops**

- **Between 2-5 dedicated/DC IT infrastructure & network planners**
- **10 to 60 IT infrastructure technicians (internal and/or subcontractor)**

- **3K to 17.5K central IT (or OT/IoT) assets***
- **120 to 1.380 racks in 1-3 datacenters****
- **14K to 122K network cable connections (fix/patch)**

* server/storage systems, network chassis, patch panels, PDUs, etc.
** plus multiple small server rooms, floor distribution cabinets

# ROI ~326 %

|  | **KMU** | | **Midsize** | | **Corporate** | |
|---|---|---|---|---|---|---|
| **Total Cost over 3yrs:** *(Implementation project, training, solution operation, licence, maintenance,…)* | -87.485 € | | -510.136 €* | | -658.272 € | |
| **Total Benefits over 3yrs:** *(Savings in material & equipment, manpower in operations, process optimization, automation effects, subcontractor control,…)* | 342.589 € | **292%** | 2.172.075 €* | **326%** | 3.207.063 € | **387%** |
| **Sum:** | **255.124 €** | | **1.661.939 €*** | | **2.548.791 €** | |
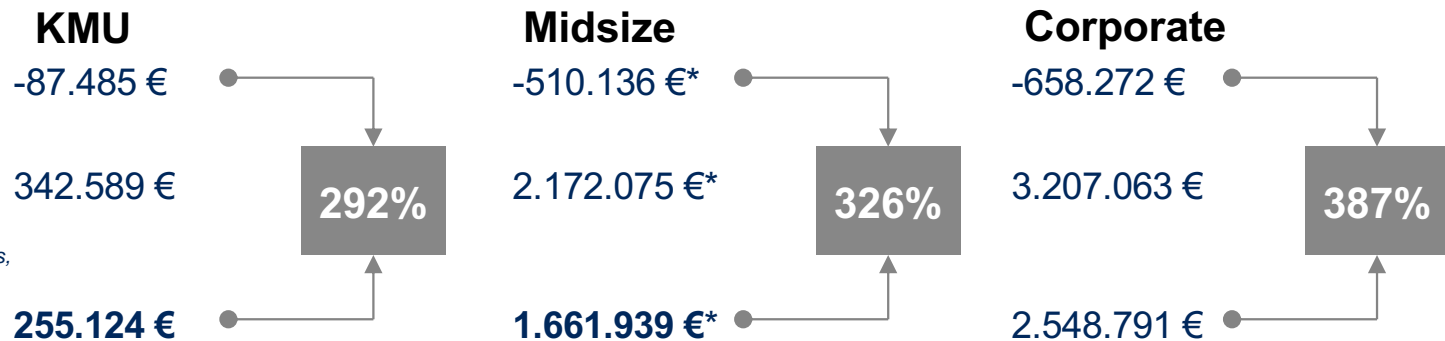
# // A mass of data converted into a study available for download

# // Smooth operations create the value!
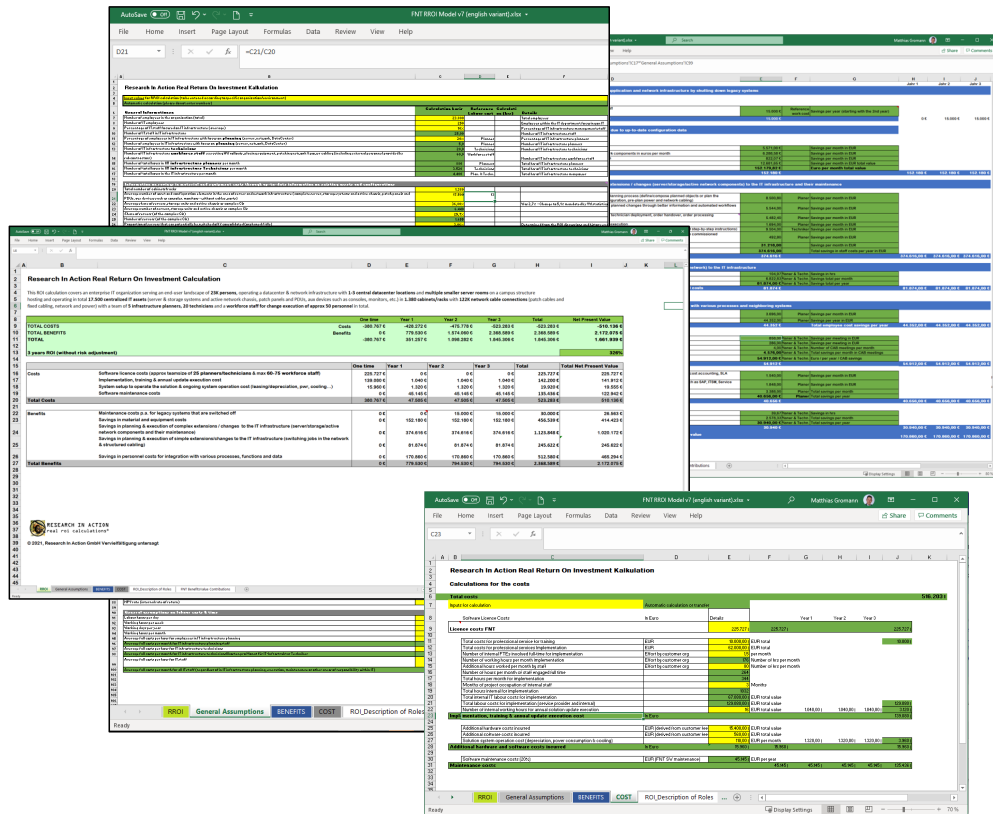
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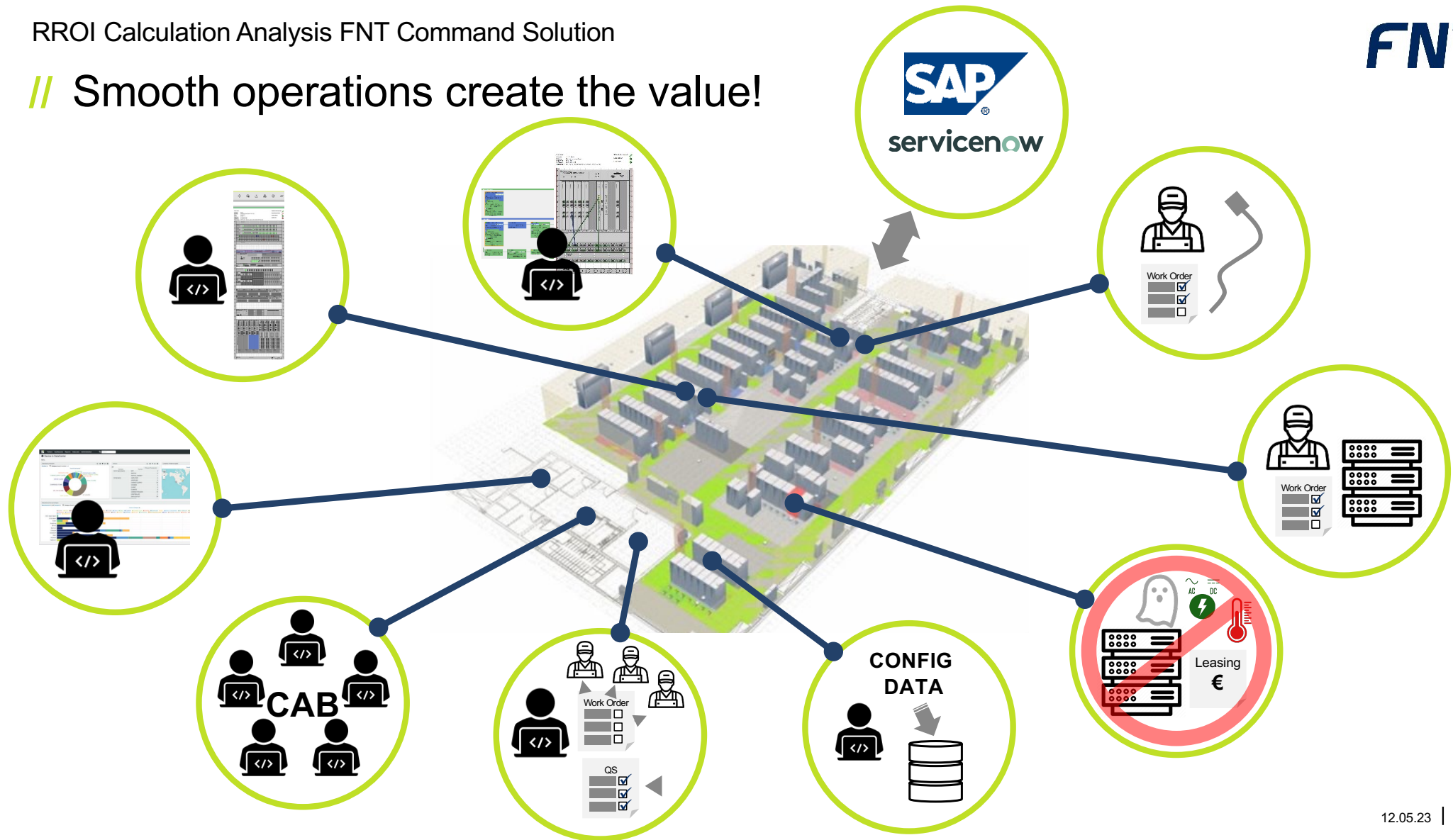
## // Smooth operations create the value!

Planners save ~15% of their monthly worktime effort when planning complex rollouts & changes, plan faster and at a higher level of quality.

Planners save ~12 to 15mins on each network connection switching order (several thousand per month) by advanced signal management & autorouting.

Automating data exchange with ERP, helpdesk, service management systems, contract management, etc. saves ~190-220 manpower hrs of manual effort monthly.

Technicians/field personnel save ~25% enroute time due to better scheduling & ~5% implementation effort by better order disposition & detailed step-by-step instructions matching to the reality of the onsite situation plus saving ~5-10% in utilised materiel.

Infrastructure management personnel save 6% of their monthly worktime effort by getting rid of manual preparation of reportings with fully automated dashboarding while gaining valuable insights.

Members of the change advisory board save on overall total of ~55-60 worktime hours preparing for each CAB meeting, execute the CAB meeting itself ~30-50% faster with significant increases in the quality of results & decision taken.

Personnel working in approval, workforce disposition & cost accounting for subcontractors save ~20% of their monthly worktime while achieving better scheduling and reduced error rates.

Automating data aquisition & integration with network management systems saves ~0.5 FTE for otherwise manual config data corrections.

Identification and elimination or reuse of stranded ghost equipment and avoidance of future „ghosts" (~2 to 4% of all active devices) saves up to ~2.000 to 4.500 EUR annually per device in power, cooling, maintenance & leasing/depreciation.

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## // The total benefits: How are they composed?

**Improved planning & execution of complex changes (rack/server/switch rollout, setup & reconfig)**
**47%**
Reduced planning efforts, better collaboration, improved scheduling, fewer onsite visits in preparation and actual change implementation, reduced efforts for quality control, optimized subcontractor utilization & control

**Savings in material & equipment**
**19%**
Elimination of orphaned equipment, enhanced resource utilization & deferral of expansion invest, cabling consolidation, hotspot avoidance

**Savings through switching off legacy systems 1%**

**Improved planning & execution of high frequency simple network changes**
**11%**
Assisted semi-automated planning based on autorouting with signal path tracking, autogeneration of workplans and bill-of-material list.

**Effort savings through Configuration Data Management**
**5%**

**Data exchange effort savings through data integration with ERP, ITSM/Service Desk**
**5%**

**Savings in CAB meeting preparation & execution EUR**
**6%**

**Savings in report & analysis generation**
**6%**
Automated BI Insights

*for information in detail – see XLS-based RROI calculation model

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## // The total cost breakdown: Composition

**Software licence cost
45%**

**System setup to operate the solution
& ongoing system operation cost
4%**

**Software maintenance cost
24%**

**Internal efforts for implementation
and annual solution update
14%**

**Professional Services Training
2%**

**Professional Services
Implementation 12%**
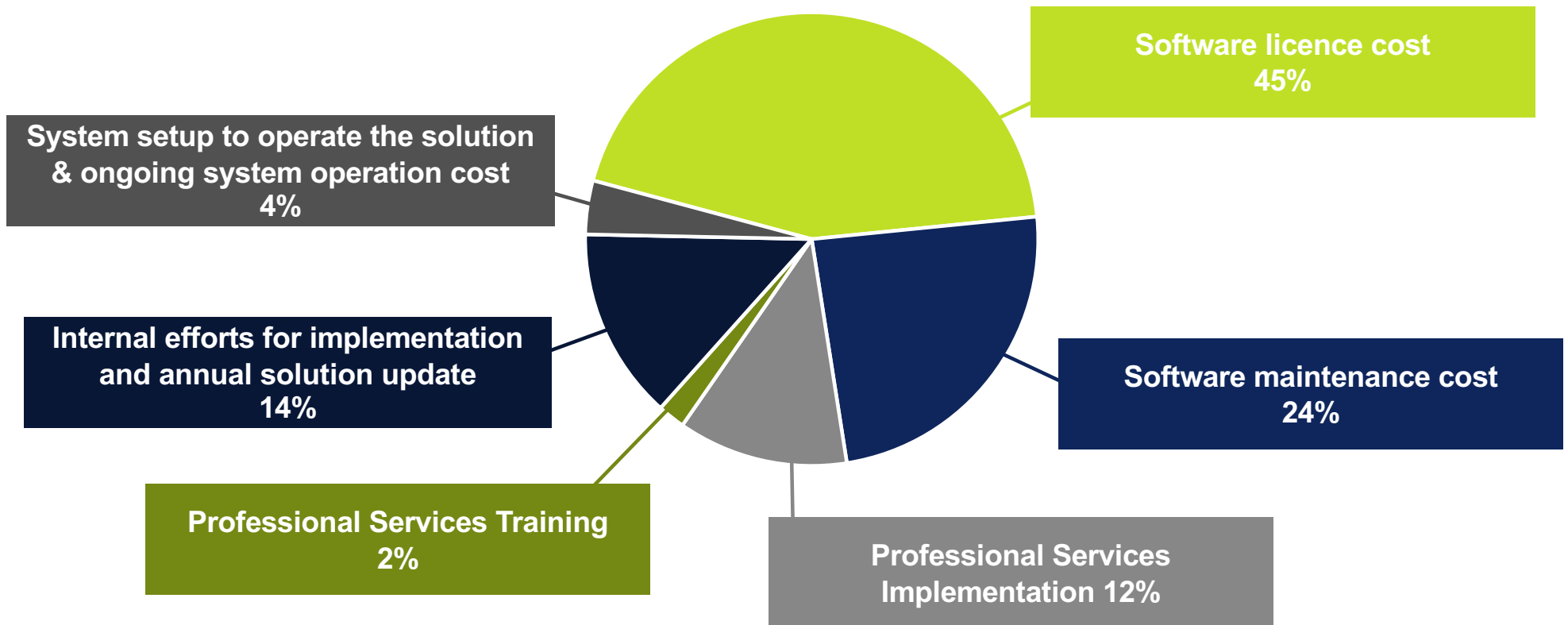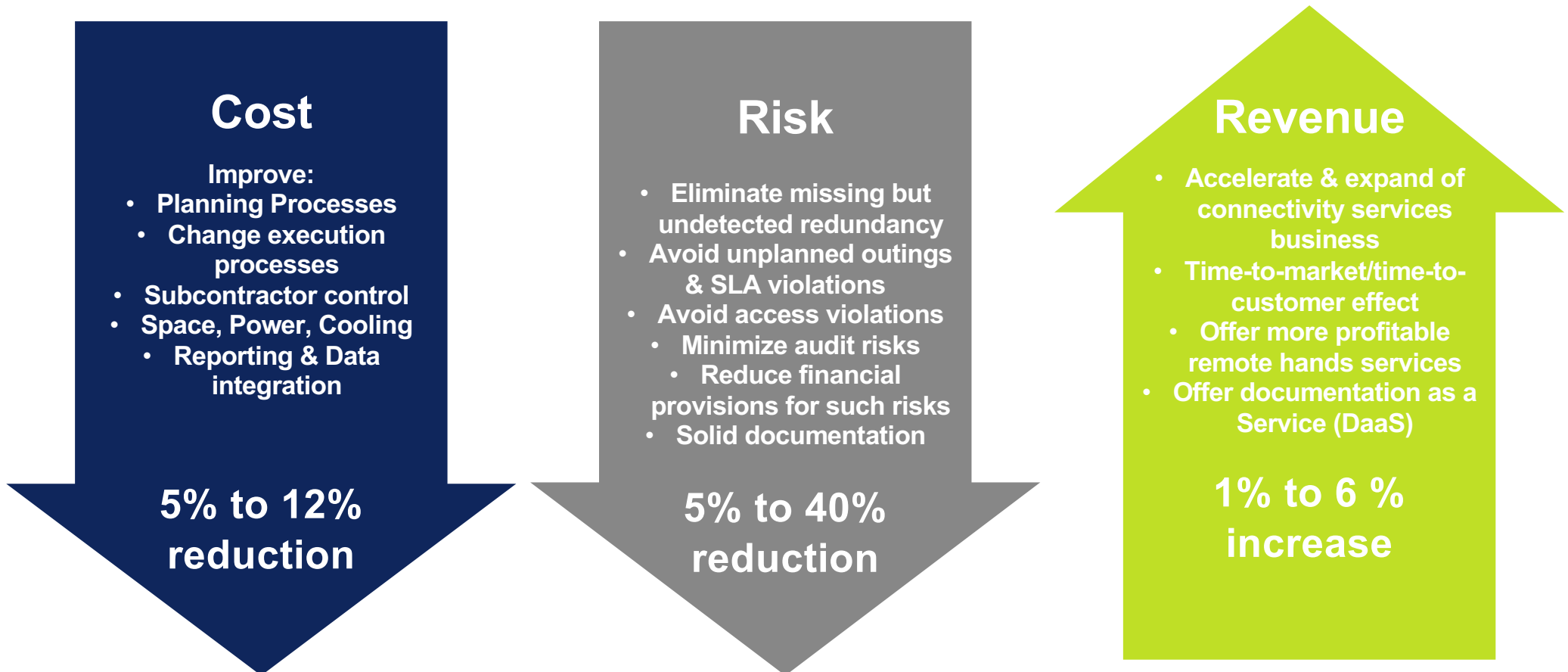
*for information in detail – see XLS-based RROI calculation model

# // ROI/savings effects specifically in data center/colocation scenarios

| | |
|---|---|
| **Power & cooling cost reduction** | • Hotspot avoidance  • Ghost equipment elimination<br>• Power infrastructure optimization  • Planning helps achieving high density |
| **Time-to-customer/time-to-market** | Excellent, up-to-date documentation ▶ check remaining available ressources much faster and more reliable ▶ answer requests faster ▶ start charging earlier! |
| **Accelerate & expand connectivity provisioning business** | Competitive advantage by advanced signal management & autorouting in the internal network (physical & logical layer) to offer & sell e. g. low latency connecitvity services faster & more reliable |
| **Higher profit margin in rendering remote hands services** | FNT change planning ▶ easily create detailed workorders for the workforce ▶ reduce effort and increase speed for remote hands services ▶ achieve a higher profit margin! |
| **Generating additional revenue by offering „documentation as a service"** | Offer to document the equipment, connections, configurations of customers in their racks/cages professionally ▶ charge for that new „documentation as a service!" |
| **Reduce personnel efforts managing master data for access control** | Portal for customers to manage access data in self-service (persons with name, employee ID, OU, who owns what,..) ▶ 1-5 FTE personnel effort savings for the COLO |
| **Release of expensive financial provisions for risk management** | Risk transfer to the client of potential incidents associated with access data mgmt issues (sensitive issue with increased regulation) allows to release significant and costly financial provisions. |

## // Reducing your expenses & risks while increasing your revenue

### Cost

**Improve:**
- **Planning Processes**
- **Change execution processes**
- **Subcontractor control**
- **Space, Power, Cooling**
- **Reporting & Data integration**

**5% to 12% reduction**

### Risk

- **Eliminate missing but undetected redundancy**
- **Avoid unplanned outings & SLA violations**
- **Avoid access violations**
- **Minimize audit risks**
- **Reduce financial provisions for such risks**
- **Solid documentation**

**5% to 40% reduction**

### Revenue

- **Accelerate & expand of connectivity services business**
- **Time-to-market/time-to-customer effect**
- **Offer more profitable remote hands services**
- **Offer documentation as a Service (DaaS)**

**1% to 6 % increase**

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// The answers you now have as an operator of FNT Command:

- Infrastructure management is cost-effective.

- Operating the solution has an excellent ROI.

- Nearly all processes & people involved in DC and network ops benefit:
  Change is effected faster, ressources are used more efficiently.

- Management profits from cost reduction in operations & reduced risk.

or to sum it up

## „Yes, it does create great value!"

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**//** Anything left on your mind about this?

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## // For your convenience: Short summary for after-event reading.

- IT, Network/Data Center Infrastructure Management documentation is a **valid investment** with a very **attractive financial return and a compartively short break-even after about 1,5yrs**.

- The major contributors to the ROI are
  - significantly **improved ressource utilization**
  - **savings in material** and **equipment cost**
  - **process optimization** and **labor cost savings** in the **planning & execution** of
    - **rollouts of datacenter equipment**
    - **infrastructure setup changes**
    - **alterations of the network setup** and the provisioning of **network connectivity**
  - **reduced efforts for reporting & analysis**
  - the **automation of data exchange with surrounding systems and processes** (ERP, ITIL/Helpdesk, asset management,…)

- Secondary & tertiary effects like **increased first-contact resolution rates at the helpdesk**, **faster & more reliable root-cause analysis**, **reduced-effort 2nd and 3rd-level support procedures** whenever the underlying infrastructure is concerned, etc. are additional contributors that have not(!) been included in this ROI calculation since their exact determination is challenging and requires intense analysis of the individual organizational setup. These effects nevertheless add on top the calculated results to the overall ROI.

- **Datacenter Colocators profit from additional, industry- and business-model specific effects on top**

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**// Thank you!**

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