

## Saving Money!

Here is a real life example, where a client produced these figures in his consideration of implementing a videoconferencing project.

### *The application:*

A construction company, with 5 offices spread around the UK.

### *The main problems:*

Directors would meet for Board meetings, both main Board and subsidiary, once a month. This could mean many individuals travelling a number of times per month. Meetings typically took two hours in duration.

### *The monthly costs of the meetings:*

Direct Costs	
Item	Cost
Travel to meeting location - petrol costs etc	£300
Subsistence	£125

Indirect Costs	
Item	Cost
Lost productivity through travel, say £50 per hour per Director	£1,000

<b>Total Cost</b>	<b>£1,425 per meeting</b>
<b>Monthly meeting cost</b>	<b>£7,125</b>

### *The Video Conference solution:*

It was decided to hold two meetings each quarter by video, the third would be face to face as before, and become a quarterly review. This left the face to face meetings costing £2,375 per month.

Equipment Costs	
Item	Cost
Appliance based Video Conferencing solution for medium sized room with plasma screen and ability to share & display full XGA graphics. Price includes support & training.	£50,000 (5 x £10,000)
2Mb SDSL lines - annual cost, albeit non dedicated use	£18,000
<b>Total Equipment Costs</b>	<b>£68,000</b>



Monthly Costs	
Item	Cost
Depreciation of Capital equipment over 4 years	£1,042
SDSL monthly cost	£1,500
<b>Monthly Costs</b>	<b>£2,542</b>

**MONTHLY SAVING of £2208 is achieved by replacing 2 out of 3 meetings with Video Conferencing meetings. OR, PUT ANOTHER WAY, THE EQUIPMENT PAID FOR ITSELF IN LESS THAN 2 YEARS.**

Not only savings... but also the Directors now find that they are able to be more productive.

- Directors have a more beneficial work/life balance.
- Meetings are more action based, more efficient and have a greater amount of decisions made.
- More adhoc meetings take place in addition to action urgent needs rather than waiting for the monthly meeting. This creates competitive advantage.
- The company is more environmentally friendly using less fuel for travelling.
- Directors & employees are happier and less stressed.

