

Making the Case for an Enterprise Faxing Solution:

Real World Cost Justification and
Expected ROI.

EVERYTHING ELECTRONIC



ROI Fades Away

Remember when fax technology first hit the market in the late 1970s? It was huge! You could send a document to a recipient on the other side of the planet in a matter of minutes rather than waiting days or weeks with ground mail, and all you needed was a manual fax machine that, at that time, was only a hair smaller than Volkswagen Beetle.

Back then, manual faxing provided the best bang for the buck. And, as the transmission speeds increased, the image quality improved, and the hardware became smaller and more feature rich, the ROI remained good.

That changed sometime in the mid 1990s when the business innovators began connecting the dots between new technologies including the Internet, e-mail, and large-scale document management systems.

Around the same time, there were IT pundits predicting the death of fax and the rise of the paperless office. These were very similar to the pundits who predicted the death of ground mail and the rise of the paperless office when faxing first appeared on the scene.

Of course, fax and ground mail are still around and the paper industry did not go out of business overnight. Almost nothing “dies” in the world of business technology, it just loses value. Sometimes slowly; sometimes quickly.

The slide in ROI for traditional, machine-based faxing and ground mail was slow at first, but not anymore. Document management solutions, including enterprise faxing, have become cost effective, highly functional, and feature easy integration into both the IT environment and the user environment. Also, the bandwidth required to support these advanced solutions is both widely available and very affordable.

At this point, almost anyone in the midrange market clinging onto manual faxing and ground mail isn't doing it because of the ROI. They're probably doing it because they don't fully understand the ROI they can realize through an enterprise faxing solution and they fear change.

That's where this white paper comes in. We're going to cover a lot of ground. By the time you finish reading this document, you should grasp how manual faxing and ground mail can only help you lose money, the hard and soft ROI benefits from an enterprise fax, and the importance of integration to sustaining ROI. Take another look at 'Defining the Problem' and the list of expenses and resources dedicated to pre-printed forms. An enterprise-level electronic forms solution will either eliminate or drastically reduce expenditures associated with each bullet item.

Why You're Losing ROI

Let's first tackle how you're not getting the ROI you deserve from manual faxing and ground mail. Typically, the only true ROI you can derive from snail mail and manual fax comes from familiarity and predictability. But once you get beyond familiarity, the return for these document delivery methods bottoms out. We'll show you why.

Also, we're going to talk about desktop faxing and how not all faxing solutions are created equal when it comes to providing ROI.

Losing ROI with Manual Faxing

Lost Money

The hard costs associated with manual faxing add up quickly. Aside from the cost of the fax machine itself, consider what you spend on toner, paper, tech support & maintenance, long distance fax charges, and the cost of the phone lines that hook your fax system to the outside world.

Lost Productivity

Every time users need to leave their desk to go send or retrieve a fax, that's paid time you'll never get back. That doesn't even include the time spent checking a fax's status, tinkering with a misbehaving fax machine, or manually filing, routing, and retrieving paper faxes.

Losing ROI with Ground Mail

Lost Money

At this point, ground mail is possibly the most inefficient way to deliver business documents. You're losing money on paper, postage, envelopes, labels, toner, folding & sorting machines, and host of other material costs.

Lost Productivity

Someone needs to burst, sort, fold, label, affix postage, and prepare snail mail documents for postal delivery. Even if you have machines that cover many of these tasks, you still need to dedicate someone to operate and troubleshoot these machines.

Losing ROI with the Average Broadcast Faxing Services

Some businesses have been proactive enough to purchase or subscribe to a broadcast faxing service that either runs locally or is hosted remotely. While these solutions surpass both snail mail and manual fax, they still don't provide the same level of ROI as integrated enterprise faxing.

Lost Money

This is harder to pin down because desktop faxing packages vary greatly with regard to price, technical support, training and professional services, and so on. To put it simply, many desktop faxing packages (local or remote) charge a lot of money without providing the same level of functionality, flexibility, and support you find in enterprise faxing solutions. Also, vendors offering remote broadcast fax services will often charge extra if you fax in large volumes. Ideally, you don't want increased document traffic to adversely affect your ROI.

Lost Productivity

Many desktop faxing services or solutions require that your users learn to use a whole new application in order to send and receive faxes. This is in stark contrast to top-shelf enterprise faxing solutions that integrate seamlessly into your core business applications.

Also, many of these solutions do not operate or synchronize resources across multiple hardware platforms. This can add many unnecessary layers of complexity to tracking, administrating, troubleshooting, and securing your fax solution.

And that's just the start. We could write a whole other white paper going into very granular detail about the inefficiencies of snail mail, manual fax, and most broadcast faxing services. But that's not why you downloaded this document.

Insofar as this white paper is concerned, we simply recommend that you carefully analyze the processes and expenses attached to your faxing strategy even if you're just in the "thinking about it" stage of looking for a new faxing solution. This will provide you with a benchmark to be compared with integrated enterprise faxing.

How Enterprise Faxing Provides ROI

Now would be a good time for a quick look at the major moving parts in an integrated enterprise faxing solution. This overview will help you see how technology and functionality directly impacts ROI.

1. Document Creation: The Spool File

Integrated enterprise faxing allows authorized users to simply print from familiar business application screens to produce the spool file that will be delivered to internal or external recipients. Users do not need to learn how to use a new application, a web interface, or any other new tools.

As a matter of fact, once an authorized user prints the document(s), they are removed from the rest of the delivery process and can move on to other tasks and priorities.

2. The Merge: Joining Data & Document Templates

At best, unmodified spool data is unattractive. At worse, it can be difficult to read. Spool data needs to be "massaged" to look presentable and professional.

Using an enterprise faxing solution, spool data automatically merges with a document template coming from either a scanned form overlay or an electronic forms solution. This is where your data gets modified to incorporate different font types and sizes, exact data positioning, and other design elements including graphics, signatures, bar codes, lines, shading, and more.

All of this happens automatically and without manual intervention based on templates that have been designed ahead of time.

3. Outbound Document Delivery: Putting Documents in the Right Hands

Once the spool data has been merged with a document template, it is then ready for delivery to internal and external recipients. This is the most critical stage in the process and also where you stand to gain (or lose) a lot of ROI.

A top quality enterprise fax solution will automatically match merged documents to address book records containing rules dictating how the recipient prefers to receive documents: e-mail, fax, or print. The solution will then automatically deliver documents as e-mail attachments (.pdf or .tif typically), faxes, or to cost-effective laser printers.

Your outbound options could (and should) also include delivery and routing options technologies like least-cost routing and load balancing. Least-cost routing allows you to send potentially expensive long distance faxes during off-peak hours. Meanwhile, load balancing lets you schedule large batch delivery jobs for times when the network has the most available processing power (like nights or weekends).

4. Direct Delivery To Archiving / Imaging Solutions

The ROI from an enterprise faxing solution increases dramatically if you also happen to utilize an archiving / imaging system to store and access documents. In a paper-based office environment, companies have to dedicate users to manual tasks including manually scanning, adjusting, and indexing individual documents for entry into the imaging / archiving system.

A Quick Note About Document Conditioning

In addition, enterprise faxing solutions allow you to thoroughly customize document delivery using document 'conditioning'. Document conditioning places multiple automated delivery, design, and data mapping rules into a single document template.

For example, lets say a user creates and delivers a standard purchase order to a vendor using an enterprise fax solution. Simply by clicking a single button, the user automatically:

- Sends the purchase order to the vendor by fax. This document is watermarked "Vendor Copy". Also the purchasing department's terms & agreement gets automatically attached and faxed with the purchase order.
- Delivers another copy to the purchasing department by e-mail, but with a watermark reading "Purchasing Copy". Also, terms and agreement do not get attached to this copy.
- Prints yet another copy on a laser printer in the receiving department. This copy carries a "Receiving Copy" watermark. Because the receiving department doesn't need to know the price of the incoming order, that data does not appear on their copy. Neither does the terms and agreement.

Consider for a moment how many manual steps this would require using pre-printed forms, line-feed printers, Xerox machines, and physically walking documents around your facility. This is all wasted time that you recapture and turn into productive time with an enterprise fax solution that allows document conditioning.

Meanwhile, enterprise faxing system can be configured to automatically create, index, and file documents into any archiving system in the desired format (.tif, .jpg, or searchable .pdf). Also, the same system can automatically capture and file most incoming documents delivered by fax and e-mail.

5. Inbound Document Delivery: Automatic Routing

An enterprise fax solution engineered for maximum ROI should also allow you to take advantage of inbound routing technologies like Direct Inward Dialing (DID), Dialed Number Identification Service (DNIS), and Automatic Number Identification (ANI) routing. In a nutshell, using these services with the right enterprise fax solution lets you deliver faxes directly to individual desktops, to multi-user groups, or to entire departments without any manual intervention. This ensures rapid, secure delivery of documents directly to the intended recipient without anyone having to leave their desk or search for a misplaced fax.

The most difficult part of describing how enterprise faxing technology works is the fact that most of the ROI is tied up in features and functionality which vary by vendor. What gets done automatically? What needs to be done manually? How does the solution balance flexibility and ease of use with security? The answers to these questions can vary greatly.

As we move into discussions about hard vs. soft benefits, we're going to focus on ROI provided by top-of-the-line solutions with full feature sets and a high degree of security and flexibility. Obviously, the up front

costs for these solutions are significantly higher than their bargain-oriented competitors.

That said, the compromises you make in features, functionality, and support to achieve a lower price tag will also reduce ongoing ROI. Meaning, it could take just as long to pay off the initial investment, and once you do, long term ROI will be reduced.

Also, we've found that the vast majority of companies that invest in lower-cost, less functional solutions will eventually abandon their initial purchase in favor of a higher quality solution.

It's common sense. You'll get more ROI if you invest in quality the first time around.

This sample ROI spreadsheet shows the kinds of facts and figures you need to generate accurate ROI numbers for enterprise fax. In this document, we've populated the form with sample numbers.

If you'd like to use this spreadsheet with your own figures, then download a clean version online. Just enter your own company's amounts and the pre-configured formulas will automatically provide a customized ROI report. Just go to <http://www.quadrantsoftware.com/faxroi>

Cost of Outbound Manual Faxing

Document Type (purchase order, invoice, etc.)

Quantity of documents of this type faxed per day

Average # of pages for this document type

Total # of Pages Faxed (average)

Average # of minutes to transmit a single document (time spent waiting at fax machine).

Average # of minutes spent on manual tasks per document (printing, generating a cover sheet, walking to / from the fax machine, redialing and errors)

Total # of Minutes To Fax a Document (average)

Total # of Minutes Spent Faxing This Document Type Per Day

Labor Rate per hour incl. Benefits

Daily labor costs to fax this form type

Total Daily Cost To Fax Paper

Total Annual Labor Cost To Fax Paper (250 WORK DAYS)

Type 1	Type 2	Type 3	Type 4
15	5	20	5
5	2	3	4
75	10	60	20

5	4	5	4
5	5	6	4
10	9	11	8
150	45	220	40
\$15.00	\$15.00	\$15.00	\$15.00
\$37.50	\$11.25	\$55.00	\$10.00

\$113.75
\$28,437.50

=> TOTAL COST OF OUTBOUND MANUAL FAXING

Costs of Inbound Manual Faxing

Total # of Inbound Faxes Per Day (average)

Minutes Required Manually Receive, File, and Later Retrieve a Single Faxed Document

Total # of Minutes Spent Receiving Faxed Documents Per Day

Labor Rate per hour incl. fringe benefits

Total Daily Cost To Receive Paper Faxes

Total Annual Labor Cost To Receive Paper Faxes (250 WORK DAYS)

100
10
1,000
\$15.00
\$250
\$62,500

=> TOTAL COST OF INBOUND MANUAL FAXING

Miscellaneous Manual Faxing Costs

Annual Cost of Fax Supplies (paper, toner, etc.)

Annual Cost Equipment & Maintenance

TOTAL ANNUAL MISCELLANEOUS COSTS

\$2,500
\$3,000
\$5,500

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TOTAL ANNUAL COST OF MANUAL FAXING		
Total Annual Labor Cost To Fax Paper (250 WORK DAYS)	\$28,438	
Total Annual Labor Cost To Receive Paper Faxes (250 WORK DAYS)	\$62,500	
TOTAL ANNUAL MISCELLANEOUS COSTS	\$5,500	
TOTAL COST OF MANUAL FAXING	\$96,438	
Enterprise Faxing Solution Costs		
Total # of Inbound Faxes Per Day	100	
Total # of Outbound Faxes Per Day	45	
<i>Time Required To Both Send & Receive Documents from the Desktop (usually measured in seconds)</i>	20	
Total Minutes Required Per Day To Send & Receive Documents From the Desktop	48.33	
<i>Labor Rate per hour incl. benefits</i>	\$15.00	
TOTAL DAILY LABOR COST OF ENTERPRISE FAXING	\$12.08	
TOTAL ANNUAL LABOR COST OF ENTERPRISE FAXING	\$3,021	
Enterprise Faxing Product Costs		
<i>Cost of Enterprise Fax Solution</i>	\$20,000.00	(include training and installation costs, if applicable)
<i>Annual Maintenance Fees</i>	\$3,600.00	(depends on the vendor, usually is 18% of base license price)
TOTAL ENTERPRISE FAX PRODUCT COSTS	\$23,600.00	
TOTAL ANNUAL COST OF ENTERPRISE FAXING		
Total Annual Cost of Enterprise Faxing	\$6,621	(includes labor costs and annual maintenance fees)
Total Enterprise Fax Product Costs	\$23,600	(start-up costs, only incurred in the first year)
TOTAL COST OF MANUAL FAXING	\$96,438	
Annual Cost Savings with Enterprise Faxing	\$89,817	
Payback Period in Months	2.67	

Soft ROI and Enterprise Faxing

While building a business case for any new acquisition requires that you concentrate on hard ROI figures, it's shortsighted to only present those benefits.

Any proposal should also include the many non-financial benefits that are undeniably tied to an enterprise faxing installation. These benefits are hard to quantify and require a 'big picture' view of your departments, enterprise, and company.

Consider the fact that enterprise faxing will also produce benefits in the following areas:

- Improvements in communication between users and departments
- Greater customer & vendor satisfaction in more streamlined fax / e-mail system
- Greater employee satisfaction and retention
- Improved competitiveness using a more efficient fax / e-mail solution

- Less time spent finding lost faxes
- Less time spent dealing with incomplete faxes
- Recover employee time spent calling to check on the status of an anticipated fax
- Because only authorized users view faxes from their desktops, issues regarding confidential documents going to a public fax machines vanish
- Recover floor space consumed by manual fax machines and fax supplies.

These are the major soft benefits occurring within almost every company with an enterprise fax solution. Your company may add several other items depending on your industry, size, IT environment, and more.

Other Critical Factors for Implementing Enterprise Faxing:

- **Application Integration:** An enterprise fax solution needs to integrate seamlessly with your business application. This cuts down on installation issues, tech support calls, and increases efficiency for both end users and administrators.
- **Post-Installation ROI:** Understanding and recording ROI after the installation is critical for determining your bottom-line success. Also, the benefits you record can be used to expedite future investments in upgrades, new features, and related technology.
- **Scalability:** The enterprise fax solution you choose must be able to expand and grow with your company. You may not have an electronic forms or archiving system now, but you could later. The inability to integrate with different technologies and platforms is the equivalent to a brick wall for ROI.
- **Long-Term Availability & Support:** The other implementation nightmare is that your vendor goes belly up a month after installation. Make sure you choose a vendor that has a long history and good customer support.

The Implementation Trap: Don't Sabotage Your ROI!

Inflexible implementations adversely affect ROI. They produce added costs in terms of employee time, custom programming, and excessive installation consulting. Even worse, the ROI you had projected keeps getting pushed further and further back.

This is the implementation trap, and it can be avoided by choosing an enterprise fax solution that can be deployed as a series of smaller scale, discreet projects that individually promise ROI. Be wary of solutions that force you to switch all of your documents and delivery processes at once. Ideally, you want to roll out your new fax solution gradually and according to your schedule and comfort level.

Conclusion

In a tight, competitive economy, not many IT professionals have the luxury of making major purchases because they know instinctively that it's the right thing to do. It's a fact...ROI is king. And being able to prove ROI is the only way most of us will get the tools we need to succeed and meet our goals.

To that end, we hope that this white paper makes it easy for you to gather and calculate the hard and the soft benefits associated with an enterprise fax installation.

FOR MORE INFORMATION ABOUT ENTERPRISE FAXING AND TO DISCUSS YOUR ROI CALCULATION, CONTACT US AT QUADRANT@QUADRANTSOFTWARE.COM OR CALL 800.258.3399