

TelePresence Case Study

In March 2008, Nexus IS deployed the Cisco TelePresence System (CTS) in four regional offices. The goal of this deployment was to increase the amount of “in person” meetings without incurring the expense and productivity loss associated with corporate travel. The results have been significant: an increase in productivity and pipeline revenue with no additional travel expense.



TelePresence Unit Breakdown

Nexus leveraged its IP network to install single screen CTS 1000 units (two seats) in three California regional offices (San Diego, Tustin, and Pleasanton) and a CTS 3000 unit (six seats) at the corporate office in Valencia. The virtual conference room extends state wide and includes up to 12 people at the virtual table in a multipoint session with all four sites. An MPLS network provides 11MB of shared bandwidth to each office for voice, video and, data with 45MB into the corporate office, where the multipoint switch resides.

Productivity Increase

Typical trips among offices demand hours of round-trip drive time in the Southern California region. To visit the Northern California office from Southern California, it often requires five hours of round trip travel time for a one hour meeting. Cisco TelePresence enables Nexus to provide the same “face-to-face” experience of an in-person meeting with the simplicity of a speed-dialed phone call. Now the Nexus product or application expert in San Diego can have three face-to-face meetings with three geographically-dispersed customers (e.g. Northern California, Los Angeles and Irvine) without leaving the local office.

Resource Allocation Savings

When observing scheduled meeting data through Microsoft Exchange and the TelePresence Manager application, from the initial system rollout in March until the end of July (five months), Nexus had scheduled 172 face-to-face CTS meetings, averaging 1.7 hours each. Most importantly, Nexus had not incurred any travel expense or delays. Ad hoc usage of the CTS rooms is encouraged and has significantly increased companywide productivity. With a total of 786 meetings over the same period, there are five times more ad hoc than scheduled face-to-face meetings averaging 5.2 CTS sessions per day among the regions. Ad hoc meetings demonstrate how people gravitate towards the richer, more immersive and productive interactions that the Cisco TelePresence System delivers.

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Cost Savings Breakdown

Based on the figures provided in the previous page, Nexus estimates a conservative travel expense avoidance to justify the total deployment cost of CTS in less than three years.

The following summary provides a breakdown of the travel expense avoidance for Nexus over the last five months, assuming travel was required to provide the face-to-face experience of meeting in person. Nexus assumes an average operating cost of \$41.78 per employee per hour.



Travel to Nexus Pleasanton Office (Northern California region)

67 meetings (with air travel required from Southern California averaging three people per trip)

- Avoidance of 3 airline tickets
- 1 hotel night stay (overnight stay 1/3 of trips for 3 people)
- 1 car (assume share)
- 15 employee hours (round trip transportation and airtime)

\$103,696 travel expense avoidance (or \$20,739 per month)

Travel from Nexus San Diego to Valencia Office

46 meetings (147 miles, 2 hours 30 minute commute per Google maps, three travelers)

- Mileage (assumed 20 MGP and \$4.25/gal)
- 15 employees hours

\$33,138 travel expense avoidance (or \$6,627 per month)

Travel from Nexus Tustin to Valencia Office

42 meetings (68 miles, 1 hour 13 minute commute per Google maps, three travelers)

- Mileage (assumed 20 MGP and \$4.25/gal)
- 2.5 employees hours

\$14,981 travel expense avoidance (or \$2,996 per month)

Travel from Nexus San Diego to Tustin Office

10 meetings (80 miles, 1 hour 24 minute commute per Google maps, three travelers)

- Mileage (assumed 20 MGP and \$4.25/gal)
- 3 employees hours

\$4,270 travel expense avoidance (or \$854 per month)

Based on metrics above from the past five months, Nexus can expect to **avoid \$31,217 in monthly travel** from having face-to-face meetings. This would result in an **annual cost avoidance of \$374,604**. From a productivity perspective, Nexus associates **transformed over 1,830 hours of work time**, typically lost to business travel at a potential cost of \$76,457, into productive sales time. This has directly correlated to an increase in sales revenue and pipeline growth over the last five months.

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