

INTRANET ROI: MEASURING INTRANET VALUE



A WHITE PAPER
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PRESCIENT
DIGITAL MEDIA

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EXECUTIVE SUMMARY

This white paper is intended to stimulate thought and discussion for measuring the return on investment (ROI) of an intranet or corporate portal. It also documents different benchmarks and success stories of leading enterprises that successfully measure such value.

As with any critical business system, an intranet or portal must deliver measurable performance and remain accountable to the investment. If the site's value is not being measured, then it risks failing the needs and demands of employees and management.

When asked how executives determine whether an intranet or portal is delivering value, most people typically point to reducing costs and improving productivity. Of course, IT budgets are increasingly tied to company-wide business and strategic initiatives. The cost justification for any expenditure, including IT must have a clear bottom line that answers the question, "What's the payback?"

INTRANET ROI STUDIES

AGGRESSIVE STUDIES:

ROI: > 1000% > payback in 8-24 weeks

CONSERVATIVE STUDIES:

ROI: 23% to 88% > payback in 1-2 years

In recent years, business challenges and subsequent solutions/ applications have been the driving force behind intranet investments. They will continue to play this role in the future. Executives will make investments in intranets and portals if such investments spur growth, cut the cost of operations, and/or help enhance the customer experience (retaining and building the customer base). Some however won't require a business case or cost-benefit analysis at all.

The precision, scope of work and execution required to build and maintain a successful intranet or portal is massive – from governance to content management, and from technology to well-defined business processes. At the heart of a successful intranet is the strength of the underlying plan. Failure to develop an integrated plan that accounts for an organization's structure, stakeholder and user requirements will almost certainly ensure failure and, with it, a loss of significant time, money and jobs.

Intranets and corporate portals are widely valued for: streamlining business processes and driving operational efficiencies; enhancing communications and collaboration between employees, management, customers, and partners; significantly reducing the cost of internal business functions; and increasing company sales (revenue). However, intranets and corporate portals can be extremely complex systems and, therefore, at times, expensive endeavors.

The challenging economic climate means that more and more organizations will allocate dollars to IT systems and applications that can demonstrate a measured solution and ROI to a business problem – and/or provide enhanced service and growth.

Measuring the precise value of an intranet or portal is likely impossible. It is, at best, an imperfect science. However, more and more organizations are measuring the ROI of their intranet investment.

Our Intranet ROI study (more than 200 organization) with the University of Pittsburgh Katz School of Business (2009) found that 6% of organizations undertake ongoing, specific measurement of the ROI of their intranet, while occasional measurement is undertaken by 26% of the respondent organizations. Today, the number of organizations that measure intranet ROI is far less.

Of the respondents to the Prescient Digital Media ROI survey that undertake 'rough estimates' of their organization's intranet, answers varied from \$0 to \$20 million. The average annual ROI of respondent intranets is about of US\$1 million (\$979,775.58).

While less than 20% of organizations have measured specific benefits, a majority of organizations have at the very least made a 'rough estimate' or guess of the value of their ROI. Rather than attempt to measure the intranet or portal's entire value, some companies are successfully measuring only a few specific benefits.

A META Group study revealed that 80% of surveyed companies realize a positive ROI with an average annual return of 38%. An IDC survey found that an average intranet investment of about US\$1 million at six leading companies returned benefits of US\$5 million per company.

This paper categorizes intranet benefits into 10 broad ROI categories – including hard costs, increased revenue, etc. – with two supporting categories: content management and procurement.

Finally, while appraising the ROI of an intranet or portal is critical for some executives, there exists a great deal of untapped, intangible value that is perhaps even more critical than the measured dollars and cents. When properly deployed, intranets improve communication, collaboration and employee satisfaction, which in turn can improve productivity. All benefits are clearly important to any organization, but not always a measurable ROI.

MEASURING INTRANET ROI

Appraising the value of corporate intranet and portal investments is, at best, an imperfect science. In fact, most analysts contend that precise ROI measurement is not possible due to an intranet's expansive and far-reaching nature. However, while measuring the precise ROI may not be achievable, there are means by which many organizations can and do quantify both potential and existing ROI.

Generally speaking, intranet ROI can be lumped into one of three broad categories:

- 1- Hard savings (e.g. cost avoidance of printing or distributing documents)
- 2- Soft savings (e.g. enhanced access to information, communication)
- 3- Increased revenue (e.g. tools that help increase sales)

The principal challenge for appraising intranet ROI is that it is often easier to assess the ROI of specific applications deployed on an intranet than measure the ROI of infrastructure and/or the portal itself. In fact, most demonstrable ROI case studies highlight application ROI, such as employee self-service and e-procurement, rather than the ROI of the entire intranet or portal.

Hence the chicken-or-egg dilemma: what comes first, the portal or the applications? You cannot aggregate and deploy high-value web applications without the underlying infrastructure (i.e. intranet portal), but it is difficult to justify the infrastructure investment without the greatly desired ROI from such high-value applications.

Undoubtedly, this challenge is one of the key factors why so many organizations value ROI, but few are measuring it. Prescient's Intranet ROI study found that while 76% of respondent organizations believe ROI to be important or very important, only 6% of organizations undertake ongoing, specific measurement of the ROI of their intranet. Occasional measurement is done by only 24% of organizations and 51% either do no measurement (or guess).

CASE STUDY

A European hospital intranet had 8,000 different guideline documents (e.g. relating to medical procedures, etc.) – with no search engine. Traditionally, users (nurses, doctors and admin staff) had to navigate a folder structure. A discussion with the hospital's risk manager revealed that the hospital spent \$5 million in insurance. But, if they could put in an intranet search engine to help doctors find medical guidelines within 30 seconds, they could reduce their insurance substantially.

The hospital spent \$100,000 on the search engine, and received full pay-back within 3 months, and saved \$1 million in insurance as a result.

(Source: Martin White, Intranet Focus)

Finally, while most ROI is thought to come from specific applications, it is important not to lose sight of the role the intranet home page and information architecture in delivering this application ROI. It is helpful to think of the intranet as the “shopping mall” to the application “stores”. Why do stores like the Gap, Target, Nordstrom’s, etc. locate in malls? Malls exist because they attract a lot of shoppers and therefore retailers like the Gap are willing to pay a lot of rent to realize the sales and ROI that come from those shoppers.

If the shopping mall doesn’t exist, a lot of retail stores do not exist. If the mall (intranet) doesn’t exist, the stores (apps) don’t get the sales (ROI). The intranet benefits applications as the mall benefits stores; intranets drive traffic and ROI to the applications.

INHERENT VALUE

It is the less tangible, inherent intranet benefits that are the most difficult to measure, and potentially the most valuable.

The implicitly understood and inherent worth of a corporate intranet is often likened to the value of a telephone system. As with the phone system, most organizations, if asked, could ascribe an inherent, latent value to the intranet. But has your organization ever been asked to measure the ROI of its phone system?

Most people and organizations inherently know and understand the value of the phone and don’t require a detailed ROI balance sheet. Most organizations and executives know full well that the telephone is a mission-critical instrument for most, if not all, organizations. In many ways, intranets are like telephone systems – they assist us in accomplishing mission-critical work all the time. Yet, much of their value is latent, with unseen savings that are inherently or implicitly understood.

Likening a robust intranet or corporate portal to a telephone system will help to illustrate your case, but it likely won’t persuade your CFO or accountant to open the vault. To do that, you need to provide tangible, measured intranet ROI.

There are three general approaches for measuring intranet ROI:

- 1- Ascribe the intranet a value equal to the investment, dollar in equals dollar out
- 2- Ascribe a non-monetary value to the intranet as a collaborative communication and knowledge management asset
- 3- Measure and appraise specific benefits from implementing an intranet and/or corporate portal

The first two approaches are rather obvious, but should not be ignored by any organization. However, the third approach, measuring specific benefits, is the most precise and tangible means for quantifying intranet ROI. To this end, the ROI measurement of specific intranet benefits is the focus of this paper.

UNISYS CASE STUDY

Unisys is a worldwide information technology company that provides a portfolio of IT services, software, and technology and more than 23,000 employees in more than 100 countries.

The Unisys social intranet is an integrated intranet, built on Microsoft SharePoint, that has evolved over time with the Unisys population. Although the intranet has been supplemented with additional technology, Unisys has put the principal focus and effort into people and process, not technology.

One of the key features is its online Communities (akin to Centers of Excellence) where employees can virtually meet and discuss key business issues, or even social interests. Employees can search by topic to find communities of interest or view a list of recommended communities to join. There are 80 strategic communities; 200+ open communities in all.

Potential community leaders fill out an online community form to request a community; additional information and guidance on starting and leading a community is provided.

Unisys Communities are the place where employees go to find subject matter expertise, share and leverage best practices to grow and contribute to their profession

Community Center Features

- Search Existing Communities/Topics
- Join a Community
- Create a New Community

Community Evolution & Management

- Community Manager Kit Training
- Member Activity Metrics
- Activity Type
- Share & Learn from other Community Managers

RESULTS

The collaborative approach to a social intranet at Unisys has been impressive:

- 91% adoption rate of social media amongst target knowledge workers
- 100% of Senior Management have and are active users of My Sites
- \$5.2 million saved in telephony costs
- 5% reduction in travel costs

BENEFITS

There are many ways to organize and segment the measurable benefits from intranet investments. While this paper opened by dividing ROI into three general categories – hard savings, soft benefits (savings) and increased revenue – these are general in nature and do not provide a framework for actual measurement.

To fully understand the full potential of an intranet for an organization seeking a more explicit approach, we undertake further segment ROI in to ten categories.

- 1- Hard Costs
- 2- Sales
- 3- Productivity
- 4- Competitiveness
- 5- Application Access
- 6- Infrastructure
- 7- Collaboration
- 8- Time To Market
- 9- Customer Service
- 10- Human Resources

Specific examples and case studies for each of the areas above are offered in the following pages.

CASE STUDY

Mitre Corp., a not-for-profit technology company that services several US federal agencies, has measured staff productivity in a number of critical areas:

**** Time Submission: By moving manual timecard submission and tracking to the intranet, employees save an estimated 1 minute per day.***

**** Expenses: By reconciling expenses on the intranet, each employee saves about 2 minutes per day***

**** Content Management: With advanced content management allowing for greater ease of converting and publishing documents, employees save an estimated average of 5 minutes per day***

**** Help Desk: By moving help information online, help desk staff save an average of 8 minutes per call***

**** Job Pricing: By automating key price information, job pricers save about 1 hour per pricing job***

By multiplying the time savings by the salaries of employees (using a conservative estimate of three-quarters of employees), Mitre estimates that their intranet affords \$12.8 million in improved staff productivity.

(Source: Debby Young, CIO Web Business Magazine)

1. HARD COSTS

Hard cost savings and avoidance – from paper reduction and reduced information distribution, to labor reductions – are the most commonly reported ROI benefits, and perhaps the easiest to calculate.

BENEFITS:

- Reduced paper printing and circulation
- Software downloads rather than manual installation
- Headcount reduction and savings resulting from automated functions
- Reduced or eliminated processing errors

2. SALES

Many successful sales organizations rely on sales software and web applications to improve their sales success. Online sales tools allow sales representatives to access greater volumes and media-rich (multimedia) information faster than previously possible – driving increases in sales. Intranet sales tools vary from applications that allow the sales force to enter and access customer data, track sales leads, forecast sales and profit margins, schedule joint meetings and more.

BENEFITS:

- Better customer service leading to more sales
- Reduced time to market for promotions
- Increased collaboration amongst sales people
- Enhanced collaboration between reps and customers
- Migration of sales brochures & collateral to the web

CASE STUDY

The Sodexo intranet (see Best practices case study: Sodexo USA) features a highly innovative, and valuable sales generating tool. SuperSleuth is an intranet application that encourages employees

to submit sales leads and prospective clients via the intranet. Successful leads submitted via the SuperSleuth intranet page generate cash rewards of up to \$1000 for the person making the submission.

SuperSleuth is an intranet based tool that would be no means receive that volume of leads nor generate the dollars it does without the intranet to drive those leads. The intranet home page promotes the tool and generates the traffic that reaps the reward.

Sodexo says it has contributed to a 100% increase in sales leads in the past year and led to US\$90 million dollars in managed volume (net client sales including sales by client).

3. PRODUCTIVITY

Increasing the productivity of the knowledge worker has become imperative. It's a competitive advantage that is best driven by digital technology and workplace tools, spearheaded by the intranet. The intranet represents a massive opportunity to improve productivity that reduce costs for servicing customers, automating processes, removing paper work and administrative efforts, publishing, and collaboration while reducing manual labor.

IDC conducted a productivity survey of knowledge workers that investigated various information tasks performed by knowledge workers, and repetitive tasks that might be prime targets for automation or improvement. On average, IDC estimates the average information worker salary of \$75,000 per year and discovered the following about the average knowledge worker:

- 13 hours per week spent on email (cost: \$21,000 per year)
- 9 hours per week spent searching for information (cost: \$14,000 per year)
- 8 hours per week analyzing information (cost: \$13,000 per year)
- 6.5 hours per week communicating / collaborating with team members (cost: \$10,000 per year)
- 6 hours per week creating content (cost: \$10,000 per year)
- Nearly 4 hours per week publishing information (cost: \$6,000 per year)

The survey and the data are imperfect, but the general picture and the conclusion is very clear: information workers spend a lot of time finding and processing information, at a very high cost. If we can make it easier to find information, employee productivity will rise, and profits will soar. The intranet can drive and enhance employee productivity.

Technology is a productivity driver. And the technology platform that powers this productivity is the corporate intranet. Even well-tuned intranets can suffer from information fatigue. A well planned intranet will optimize information and content publishing (and deletion) and determine the correct balance between too much, and not enough information.

“Information work is costly, but it’s also valuable, as long as the time spent working is productive,” says IDC. “Any dent that an organization can make in the hours information workers toil unproductively will have an immediate payoff.”

Moreover, IDC finds that new social intranet tools are also a preferred, and powerful technology of choice for driving productivity. The social intranet drives employee productivity.

The most preferred / valued social intranet tool, according to respondents, is instant messaging; the phone, desktop authoring tools (e.g. MS-Word), email, web conferencing, social networking, and blogs are also highly valued. In fact, email is rated only a shade higher than social networking. Many often look at email as a frequent productivity drain.

Researchers conclude that social collaboration tools increase employee productivity. In fact, McKinsey & Company estimates that by using social technologies, companies can raise the productivity of knowledge workers by 20 to 25%. And although nearly 80% of all companies use social intranet tools, few are using them effectively or have come close to critical mass adoption.

A Pew Research Report (a study of more than 2000 American employees) on employee use of social intranet tools emphasizes that many employees are using social tools for work, and to support the business:

- 24% of the respondents use social media at work to foster professional connections
- 20% to help them solve work problems
- 17% to foster relationships with co-workers and/or learn more about them
- 12% to ask work-related questions of people outside their organization and/or inside their organization

4. COMPETITIVENESS

“An organization will only be competitive if it can learn faster than its competitors,” is a favorite saying of renowned tech writer and speaker Don Tapscott. It’s no secret that intranets are becoming the cornerstones of knowledge management (KM) and learning at leading Fortune 500 companies. With faster access to greater volumes and more accurate information and knowledge, users are driving organizations to learn and respond more quickly in the marketplace.

BENEFITS:

- Just-in-time access (access when needed)
- Improved access to internal and competitive data
- Improved information sharing (KM)
- Opportunities for new business

CASE STUDY

Halliburton is one of the world’s largest providers of products and services to the oil and gas industries and winner of the 2003 Extended Enterprise Innovator Award for developing an extensive collaborative portal that relies on integrated ERP functions to serve customers, suppliers and employees.

In its first year, the portal influenced \$120 million in sales, according to customer surveys; improved corporate efficiencies to the tune of about \$500,000 by enabling better access to technical document and reduced payment cycles.

(Source: Beth Schultz, Network World)

5. APPLICATION ACCESS

Productivity is also determined by the technology employed by the user, including hardware, platform, and browser. By aggregating application access under the corporate portal, all users will be able to benefit with access to previously unused or seldom used tools. Access speed is also greatly increased as users access applications regardless of their location, which also improves employee productivity.

BENEFITS:

- Centralized access to multiple applications and platforms

- Desktop access by all employees, from anywhere
- Home access enables employees to work remotely
- Multiple, cross-platform integration is reduced

CASE STUDY

Employee productivity surveys have revealed that employees in an average corporate environment can spend between 30 – 60% of their productive time just searching for information to do their job. To reduce their knowledge deficit Shell International invested US\$6 million in a knowledge management solution to facilitate improved information and knowledge exchange amongst its 10,000 employees.

A review of operations concluded that the KM solution is generating annual benefits of at least \$300 million – or an annual ROI of 5000%.

(Source: KM ROI, Ideas Magazine)

6. INFRASTRUCTURE

Mainframe, legacy and proprietary systems and applications are expensive to buy, maintain and staff. Utilizing Internet technology as the foundation for the corporate intranet can save organizations a great deal of money – in both capital and maintenance costs.

BENEFITS:

- Reduction of server and client operating costs
- Special training for web applications users is eliminated or greatly reduced
- Systems integration is less complex and costly
- Application development is less complex and costly

Legacy electronic data interchange (EDI) systems (usually custom-built and proprietary systems that conduct electronic transactions between one or more business partners) are notorious for being user unfriendly and very expensive. Many analysts and organizations alike agree that switching from EDI to an Internet model can result in savings of up to 95%.

QAS CASE STUDY

A winning intranet has many successful qualities and features. The QAS intranet is a winner at many levels – rich with tools and demonstrable, measured value.

QAS is a World leader in address management and data accuracy solutions. Based on data secured from national postal authorities and other leading sources, QAS captures, cleans and enhances the integrity of name and address data. QAS has a geographically diverse set of 400 employees with offices around the globe in the U.K. (headquarters), U.S.A., Canada, Singapore, Australia, and across Europe.

A winner of a coveted 2005 Information Management Award for Knowledge Management, the QAS intranet, iQ, has many winning attributes including:

- A well-defined plan
- Robust and flexible technology
- Rich applications
- Measured benefits & ROI

While awards are nice to receive, the QAS intranet has received more than just kudos – it is delivering measured results and value for the business. Some of the benefits include:

- Measured return on investment (ROI)
- Improved line management decision making (e.g. holiday and purchase forms)
- Increased sales opportunities fomented by better sales collaboration and cross-selling
- Improved employee communications and collaboration
- Enhanced levels of customer service

Costs savings achieved:

- Online Expenses – saved four person days per month.
- Finance savings - online work ow has reduced administrative processing time from two weeks to one Day.
- Purchase Ordering - saved four person days per month and an ROI savings of US\$20,000 per year.
- Sales Proposal Builder – streamlined proposal and sales process saves almost US \$25,000 per year.
- Intranet Use - 115% increase in usage of the intranet (infers a yet to be measured productivity gain).

BENCHMARK

Toronto-based Ipsos conducted a survey of organizations with Knowledge Management (KM) systems to measure the impact on process savings. When asked if the organization had measured the ROI of KM processes, 84% said no. Of those that had measured the ROI, 5% said they had with an average (mean) ROI of 41% while 7% had a measured dollar savings of CDN\$41,278.

(Source: "KM ROI", Ideas Magazine, May 2001)

7. COLLABORATION

Metcalfe's Law states that the number of possible cross-connections in a network grows as the square (exponentially) of the number of computers in the network increases. In short, as the number of connections between computers and users increases, the value of the network increases at an exponential rate. The same value could be ascribed to the connected users of an intranet: the value of an organization will exponentially increase as more connections and collaboration points are made between intranet users.

BENEFITS:

- Reduces time and space constraints
- Support for virtual teams in multiple locations
- Knowledge Management – enhanced communications and information sharing
- Online training (e-learning)

CASE STUDY

Ontario Power Generation (OPG) employs 15,000 people and operates 80 power-generating stations. In early 2001, OPG began implementing a new electronic document management system serving its corporate group of 3,000 employees. Initial benefits include email simplification reducing email attachments by more than 5,000. While the annual benefits have been estimated in the six-figure range, it also aims to cut in half the amount of 'information search time' (up to 50% of an employee's day) producing a potential savings of \$45 million per year on an initial investment of \$1 million.

(Source: "KM ROI", Ideas Magazine, May 2001)

8. TIME TO MARKET

An effective intranet enables an organization to attract more customers and market share by responding faster to market demands.

BENEFITS:

- Faster development of products and services
- Reduced supply chain cycle with suppliers, partners, customers, etc.
- Real-time information sharing
- Reduced inventory requirements
- Reduced working capital requirements
- Faster invoicing and purchasing

CASE STUDY

Cadence Design Systems used to conduct regular, remote training sessions, two to four times per year for more than 400 of its employees. Each session cost \$260,000. For the same price, Cadence began conducting the training via web conferencing – dramatically improving the quality of skills training and greatly reducing the huge travel expenses.

(Source: Placeware.com)

9. CUSTOMER SERVICE

To web-enable customer service functions is to arm both internal customer service reps and external customers with more immediate information. Through the use of email, FAQs and service policies, organizations can dramatically improve the information flow and reduce the cost of customer service.

BENEFITS:

- Fewer employees required to service customers
- Availability of support and reference information
- Customer and employee access to subject matter experts via email, etc.
- Availability of 24-hour, 7-day per week support
- More accurate and consistent information (internal information matches external information)
- Centrally-managed information repositories

BENCHMARK

T. Rowe Price adds 1,500 workers to work in its call center for each tax season (for approximately 3 months). Training these workers is large, involved exercise, but imperfect. Price's corporate trainers got smart and transferred the entire training program to a wiki. Price encouraged new employees to take notes during the sessions and then add notes, comments and recommendations to the wiki. As a result, the company estimates that it saves one to two minutes per call at \$20 per minute (the net result is in the millions of dollars).

10. HUMAN RESOURCES

While the business culture, personal compensation and the opportunity for advancement are all critical motivators of employees, many employees will also cite the 'right tools to do the job' as a prime motivating factor.

By arming employees with the right tools and technology to perform their work, employee satisfaction and retention rates will be greater while improving productivity and saving money.

BENEFITS:

- Higher employee retention
- Reduced training expenses
- Reduced knowledge loss and resulting competitive threat
- Improved productivity and reduced 'downtime' due to employee desertions

CASE STUDY

Mitre Corp. estimates that it saves US \$860,000 a year in clerical staff overhead by using online, automated property tracking, in lieu of physical audits, (600 clerks across the company at US\$9 per hour for four weeks). Additionally, Mitre calculates that the

intranet enabled it to retain 15 teleworkers that would have otherwise left the company, saving Mitre about US\$300,000 in recruiting costs (about US\$20,000 per employee).

(Source: Debby Young, CIO Web Business Magazine)

CISCO CASE STUDY

The Cisco intranet, called Cisco Employee Connection (CEC), is now 20 years old, and supports a workforce of more than 100,000 (75,000 full-time employees plus contractors).

“The intranet connects everyone to everything, from employee services tools such as HR benefits, IT support and workplace resources to corporate news, market intelligence, product information, and small team collaboration,” says Heather Gallegos, Senior Manager, Internal Communication Channels.

“Employees can access the intranet on their desktops and mobile devices when on campus or via VPN. We’ve recently added several mobile applications that provide direct access to the most frequently used tools like expense reporting and recording paid time off.”

Specifically, the Cisco intranet has five main pillars (or strategic thrusts):

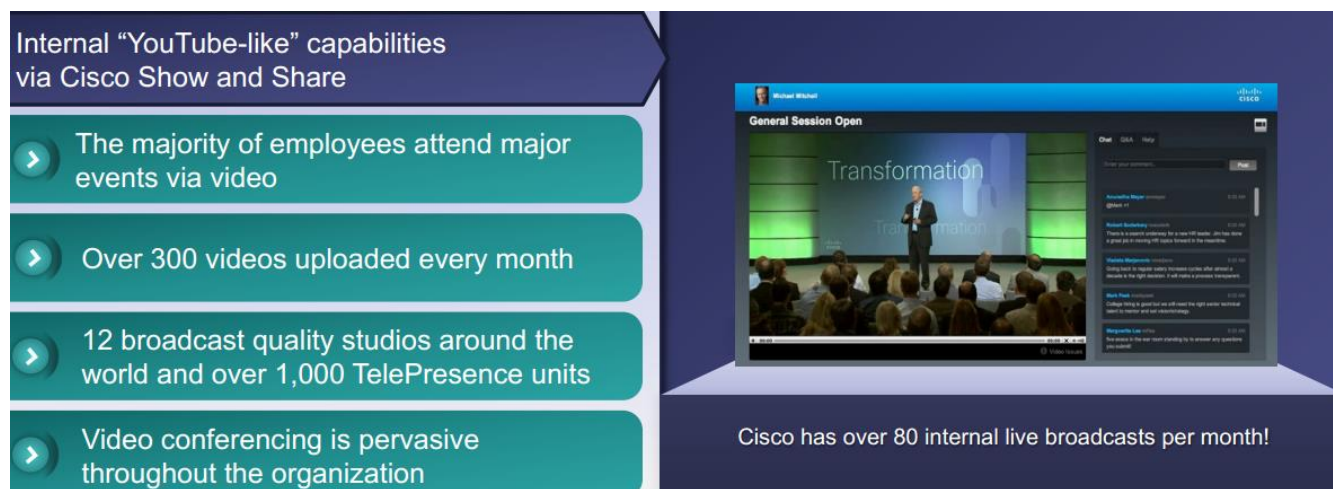
- 1- **Video** – High-quality interaction from anywhere, real time and offline (over 80 internal live broadcasts every month via Cisco TV; 300 videos uploaded very month via “Cisco Show and Share”)
- 2- **Mobile** – Secure access to information and people from any device, anywhere
- 3- **Social** – Expertise and information location, proactive interaction
- 4- **Apps** – Easy and intuitive access to transactional systems
- 5- **Content** – millions of pages of rich content

The screenshot shows the Cisco Employee Connection intranet home page. At the top is a navigation bar with the Cisco logo and links for Products & Services, Support, How to Buy, Training & Events, Partners, and Employees. A search bar is located on the right. The main content area is titled "Employee Connection" and features a sidebar with "Navigation" and "My Links". The main content includes a featured article titled "Agent 01100011 Demystifies More Rumors" with a "Learn More" button. Below this is a "Featured Media" section with a video thumbnail for "Jedis, and Robots, and iPhones, Oh, My!". The "We Are Cisco" section highlights "Women in Tech". On the right, there is a stock ticker for CSCO, a "Customer Sat" score, and a list of "Share of the Week" articles. The page also includes a search bar and social media icons at the bottom right.

The Cisco Employee Connection, intranet home page

VIDEO

Not surprisingly, video and multimedia play a big part on the Cisco intranet. Cisco has its own intranet TV channel, Cisco TV, with multiple daily broadcasts supported by 12 full broadcast studios across the planet.



Internal “YouTube-like” capabilities via Cisco Show and Share

- ▶ The majority of employees attend major events via video
- ▶ Over 300 videos uploaded every month
- ▶ 12 broadcast quality studios around the world and over 1,000 TelePresence units
- ▶ Video conferencing is pervasive throughout the organization

Cisco has over 80 internal live broadcasts per month!

The infographic features a central screenshot of a Cisco TV broadcast. The video player shows a speaker on a stage with a large screen behind him displaying the word 'Transformation'. The interface includes a 'General Session Open' header, a 'Chat' window on the right with several messages, and a 'Cisco TV' logo in the top right corner. Below the video player, a dark blue banner contains the text 'Cisco has over 80 internal live broadcasts per month!'.

Cisco TV

Leading the video charge is Cisco CEO John Chambers, who does video blogs, and hosts monthly internal broadcasts for employees.

RESULTS

The Cisco intranet has garnered great success in many areas, but namely via a specific business units or departments:

- Accelerated time-to-market by 12–18 months through global collaboration (in Engineering)
- US\$120,000 saved per major event through shared information and collaboration (in Marketing)
- Increased customer satisfaction (in Services)
- 80% decrease in internal emails (within the IT operation; variable results in other areas)
- 50% less time spent on requests for quotations (in Supply Chain)

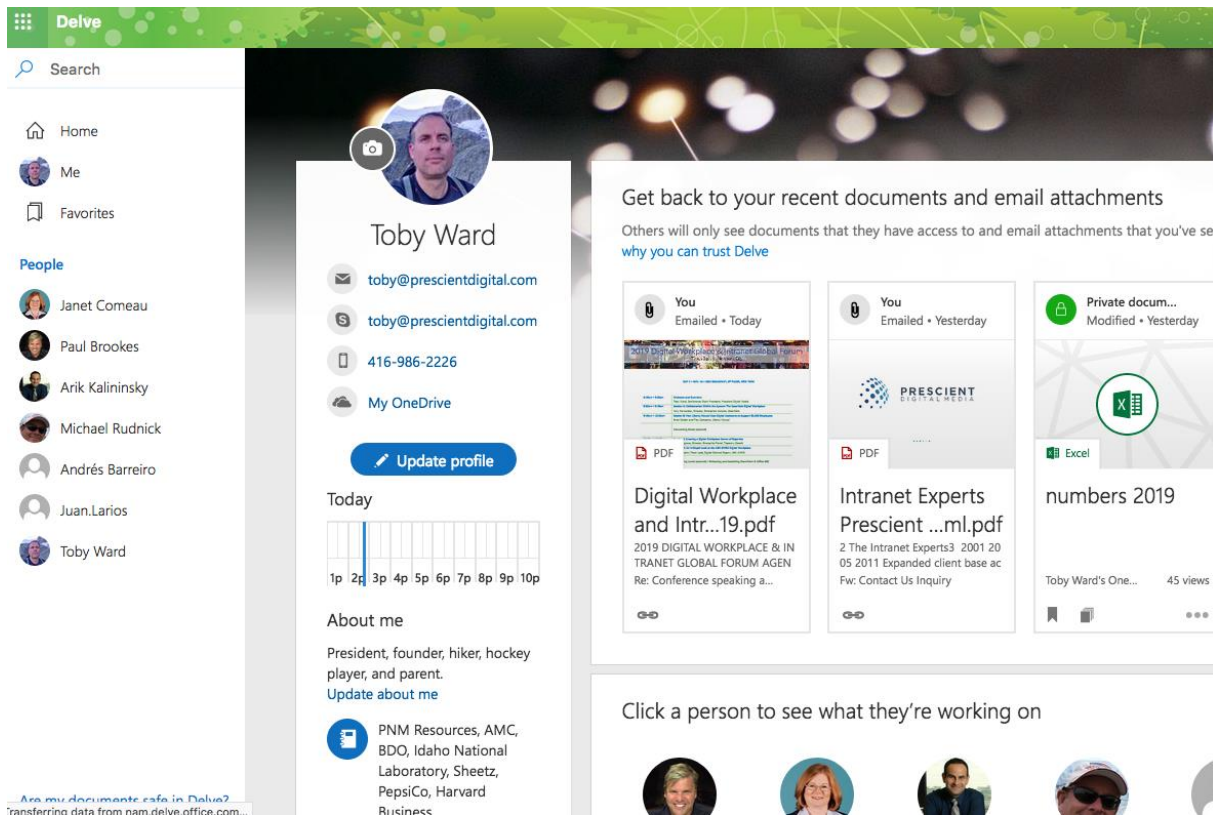
“Measuring and tracking ROI for our entire intranet investment is a future goal,” add Gallegos. “A strategy that incorporates these aspects to achieve measured business value goals will find success. Is it easy? Nope. Are we fully there yet? Nope. But this is the path we are on.”

SOCIAL COLLABORATION TOOLS

All-the-rage 10 years ago, collaboration on the social intranet is now part of the weekly work routine for most knowledge workers. The social intranet is at the hub of this collaboration and the underpinning technology continues to innovate and evolve.

About 90% of intranets have some form of social component, be that instant messaging, discussion forums, or employee commenting on news articles. A survey conducted by PGI reveals that 88% of industry professionals use online collaboration tools at least once per week. Online conversations and meetings are replacing traditional meetings, and employees are more comfortable sharing data, insights and knowledge across the social intranet.

The social software market is growing at astounding rates. According to Global Market Insights, the collaboration software market size will grow by 13% (CAGR) in 2024 and will exceed US\$8.5 billion. Leading this parade is of course Microsoft. Skype, a long-standing player, records more than 300 million users, an increase of 196 million users since its Microsoft takeover in 2010. And SharePoint has close to half-a-billion users. Office 365 already has 200 million users.



The social “My Site” component to Microsoft Delve, part of Office 365 and SharePoint Online

A truly social intranet is one that has multiple social tools integrated not only into the home page and the complete intranet umbrella, but integrated into most aspects of content consumption (think about commenting, sharing and rating) as opposed to isolated in hidden corners of the internal network. So, most intranets are not yet full, true social intranets. Of course, most organizations still have a poor intranet that is horribly underfunded and outdated (at best).

Those that have successful social intranets have active and engaged executives that are using these new collaboration tools, which are supported by significant change management plans. Successful social intranets also deliver huge value: McKinsey Global Institute found a 20-25% increase in productivity in companies that adopted social technologies like intranets.

CASE STUDY

Sabre, the company that runs most of the world's airline right reservation systems among many other systems, has about 10,000 employees, spread across the globe. Rather than purchase a social media or collaboration platform, Sabre built their own. Building from scratch, Sabre launched their own enterprise social network (ESN) built on Ruby on Rails called SabreTown.

SabreTown has all the features of most social networks sites:

- Employee profiles with lots of details
- Shared photos
- Blogs
- User commenting
- Network connections & feeds
- Enterprise question & answer functionality

On Sabre Town, users can post a question to the entire organization, and the site's inference or relevance engine will automatically send the question to the 15 most relevant employees (based on what they've entered in their profile, blog postings and other Q&As that have been previously posted).

The results have been spectacular: 60% of questions are answered within one hour; each question receives an average of 9 responses. The system has already led to more than \$500,000 in immediate, direct savings for the company, with much greater benefits not yet measured.

SabreTown's success is summarized in one spectacular metric: 65% of all Sabre employees became active SabreTown members in the first 3 months! More than 90% of employees are active today.

MOBILE APPS

More and more employees are accessing the intranet using their phone or PDA; they're in the minority as the large majority still use a desktop or laptop, but the visits are increasing rapidly. Mobile apps are becoming more and more common. Jive is but one social network platform that has invested in mobile access, and one of the reasons Cisco dumped their own home-grown social network for Jive. In addition, Cisco has more than 60 mobile intranet apps, just for employees, including the Jive social tools, maps, approvals, benefits, etc.

One of Jive's former closest competitors, Limeade (formerly known as Sitrion, formerly known as Newsgator), has gone completely mobile. Once an RSS platform turned social network extension for Microsoft SharePoint, Limeade is now an employee app platform company.

CASE STUDY

At Placemaking, the entire intranet is built on a wiki platform. A Placemaking project manager using the intranet (wiki) created a page about a method of finishing concrete doors that creates an appearance better than tile at a substantially lower cost – saving the company \$500,000 and reducing the project timeline.

Other project managers in Florida and Nevada posted comments to the page, asking further questions and adding comments. In response, Hartigan posted photos of the finished job and addressed their comments. The other construction managers planned on using this valuable knowledge in future projects, potentially saving the company millions of dollars.

SharePoint has launched its own dedicated app that provides a far better, easier experience for employees accessing the intranet via their phone. SharePoint infuses AI into the mobile app experience by highlighting the most recent sites you've visited, the most recent documents you've worked on, and people you most interact with.

ARTIFICIAL INTELLIGENCE

Artificial intelligence (AI) is already being used on the intranet; IBM has been doing so for years. Prime examples of AI at work are chatbots. A chatbot is a computer program designed to simulate conversation with a human user. A chatbot is simply a means for a computer to respond to an inquiry by a user – which could be text-based, audio-based, or even visually based.

BENCHMARK

Reducing email and search time has saved Liberty Mutual more than 9,000 work hours at a value of nearly US\$7 million.

CNN uses chatbots to summarize news stories; Associated Press has a chatbot that serves up thousands of summaries every day. The technology has been around for a while and people are now becoming comfortable

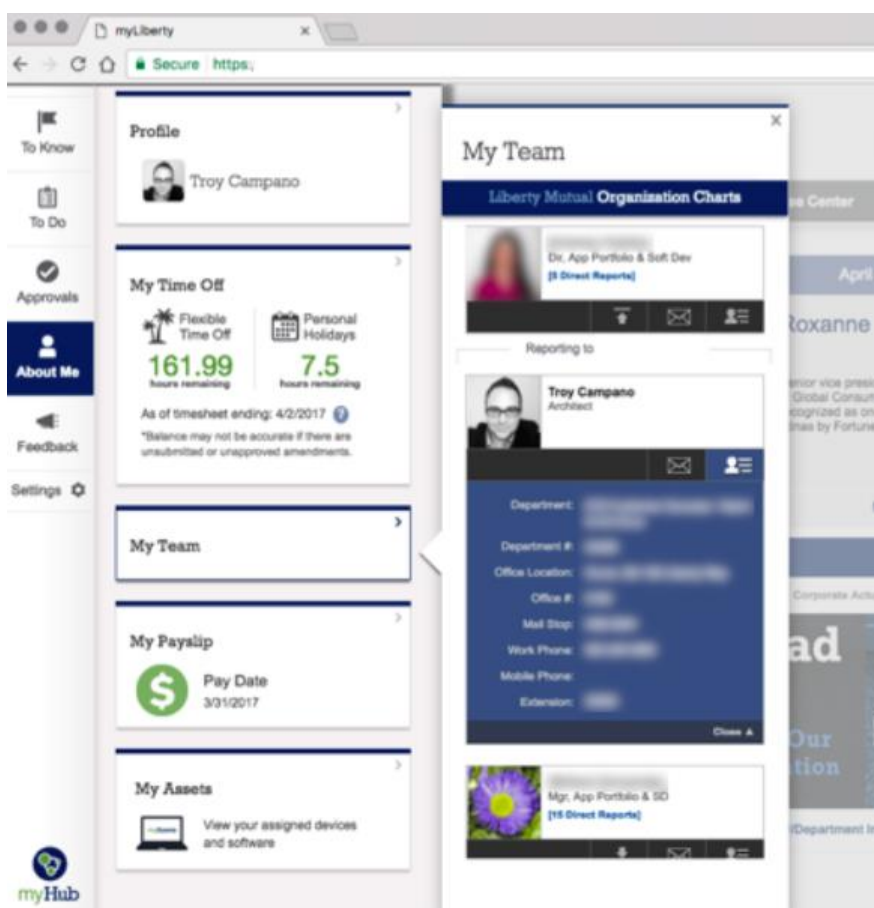
interacting with (“talking to, and hearing back from”) chatbots (Microsoft’s Tay, aside). The question for intranet managers is how and where best to incorporate this core capability.

Self-service technical support is an area of big potential. Instead of waiting for a live person, and wasting 20 or 30 minutes to resolve a simple problem, such as password resets, access requests for limited use applications or databases, adding or deleting users. Instead employees can send a message to a chatbot on “how do I reset my password?” and the information they need right away, or have a bot actually fix the problem.

Liberty Mutual Insurance created its own AI-powered digital assistant that works alongside the enterprise intranet. It simplifies employees’ day by managing their to-do lists, notifications, approvals, workflows, messaging and social media in a single, modern, and intelligent intuitive interface.

With smart notifications, Liberty Mutual consolidated approvals and notifications into one view outside of email. Approvals and notifications can be directly actioned from the digital workplace versus the native system of record, removing the productivity burdens of context switching between applications. Moving notifications outside of email reduces time spent searching, and reduces the approval process time for managers, **saving more than 9,000 hours of work time to date, at a value of more than US\$6.7 million.**

Liberty Mutual’s digital assistant was so successful with its employees that the company recently launched the solution as a spin-off software company called Workgrid.



Liberty Mutual intranet digital assistant 2018

CASE STUDY

BlueShirt Nation (BSN) is a secure and private social networking site for more than 100,000 Best Buy employees. Established by Best Buy as a means of engaging employees for ideas for innovation and improving the business, the online community encourages discussion about whatever they want to talk about (e.g. pets, sports, etc.).

Some control was sacrificed to help increase the engagement which among other things encouraged employees to participate in a video contest that promoted their 401k retirement campaign. Employees were encouraged to upload their own videos to the site as part of the contest (see a sample at [Best Buy Using Social Media for Employee Engagement](#)). Out of 140,000 Best Buy employees (almost all young), BSN helped increase the number of employees signing up for 401(k) accounts by 30%, and no doubt has contributed to a significant increase in employee retention in a tight staffing market.

ENTERPRISE INFORMATION PORTALS

A portal is a door or gateway of importance. Your custom-built or content management driven intranet home page may be a portal. However, the enterprise portal solution (sometimes referred to as the Enterprise Information Portal (EIP) is a multifaceted piece of software that has some distinguishing features from an average intranet home page. The enterprise intranet portal solution has three distinguishing characteristics:

- advanced user personalization capabilities;
- security (authorization and authentication); and,
- enterprise application integration (EAI, the software and processes that link together or integrate many applications (e.g. ERP, CRM, HR applications)).

Silver bullets that solve all your problems are rare in life; and nearly non-existent in the intranet world. Far from being a silver bullet, enterprise intranet portals are extraordinarily and exceedingly powerful, but are also complex, pricey and pose many, many challenges for large organizations.

There are few enterprise applications that, when implemented properly are more complex than the enterprise intranet portal. Enterprise resource planning (ERP), business intelligence (BI), and customer relationship management (CRM) are all complex and costly endeavors, but the optimal enterprise intranet portal (EIP) has a bigger scale and scope that involves and engages all employees and can (should) include composite application integration of all of the above.

While many organizations are hoping for a 'silver bullet' solution to their intranet challenges, patience and caution is advised. Hundreds of intranet portal solutions proliferate the market with few leaders and few (if any) products capable of delivering the appropriate solution for all of an organization's requirements. Caveat emptor warns the Gartner Group, "extreme due diligence should be performed before buying a portal product."

PORTAL APPLICATIONS

Now, if those concepts are not complex enough to understand for non- techies, the typical EIP delivers a lot more bells and whistles than the above distinguishing characteristics. Some solutions like the powerful Microsoft SharePoint Portal or IBM WebSphere Portal come with hundreds of portlets, many, many bundled applications, and a bevy of plug-in suites and additional solutions with some big and complex tools unto their own including:

- Search
- Content management
- Document management
- Records management
- Digital asset management
- Business process management
- Social collaboration tools (blogs, wikis, etc.)
- Analytics and reporting
- Development platforms, toolkits and 'factories'

Although the EIP solution may sound ideal, rarely does a ‘silver bullet’ solution exist. These and other powerful enterprise portal products from Liferay, Alfresco and SharePoint have massive horse-power capable of solving complicated business requirements. The catch: it comes at a price, and an opportunity cost.

For starters, most of the above functionality, often referred to as utility applications, are ‘thin’ versions of stand-alone products. The robustness of most portal search engines and content management systems (CMS), for example, are far less than the individual versions. Often, many organizations don’t use the search engines that come with a portal, they plug in Google, HP Autonomy or Lucene, which are almost always far more powerful than their portal brethren.

PORTAL AND CMS

In addition to offering bundled applications like those listed above, many of the portal vendors sell separate content management systems – and vice versa. A traditional CMS vendor, Vignette has also become a leading portal vendor. CMS vendors Adobe, Sitecore, and others also have products that are most appropriately labelled as portals.

While the CMS vendors roll-out portal products, the portal vendors now sell content management systems – not only included in the portal solution, but also as separate products. SharePoint began as a document management solution that evolved into an enterprise content management platform before being called a portal. It’s now rolled into one “productivity suite.” Oracle not only has a portal product, Oracle Portal, but a 2nd portal product called WebCenter (which integrated components of a former portal solution from Weblogic and AquaLogic), and it sells two different CMS packages including the CMS formerly known as Stellent. IBM Websphere Portal has different CMS options, but also bought FileNet which has separate CMS and document management products. To complicate things further, IBM also offer IBM Connections as a social intranet solution, and Intranet Experience Suite which bundles several different offerings.

CASE STUDY

Ameriking is the largest owner-operator of Burger King restaurants in the United States. Always seeking to foster innovation and continually look for ways to improve performance, Ameriking implemented a corporate portal to connect 250 core managers in 12 states – and extended to all 376 restaurants in the chain.

In the Ameriking portal, Akinet, management are provided with a forum to share ideas and experiences for the purpose of identifying a set of internal best practices.

According to Delphi Group, the US\$411,000 portal investment may return a value of 355% over three years (or \$1,025,000).

Delphi categorizes the benefits derived from the portal into four major areas:

- Improved information access: \$783,750 (Over 70,000 documents are now available to field management saving support staff 60 minutes per week by using the portal)
- Decreased print & distribution costs: \$343,759 (80% of previously printed accounting reports are now available in AKinet saving \$20k per month)
- Centralized purchasing savings: \$317,760 (Greater volume discounts result from aggregated purchases)
- Automated accounting processes increase savings Decreased communication costs: \$64,800 (Field managers no longer place 3 calls to process new employee forms 30% reduction in field staff phone and fax expenses)

KNOWLEDGE MANAGEMENT

Companies experience a variety of challenges in managing and recouping the benefits from the knowledge of their employees.

Knowledge management (KM) is the way and means that organizations create, store and access (reuse) knowledge to accomplish enterprise goals.

KM requires:

- Organizational processes and rules (taxonomy)
- Innovative and participatory individuals
- The appropriate technology to support knowledge sharing

Individuals throughout the organization are acquiring and creating enormous volumes of valuable information in the marketplace, the company, and best practices in the course of their work every day. Little of this vital information is being converted into an organizational knowledge asset, used for training and reference, or leveraged to increase the organizational value and improve the execution of its business strategy.

Middle managers spend more than a quarter of their time searching for information necessary to their jobs, and when they do and it, it is often wrong, according to results of an Accenture study (“Managers Say the Majority of Information Obtained for Their Work Is Useless”).

The proliferation of different information sources within organizations was revealed by the survey as the most important reason why managing information is proving difficult. Among the key findings:

WASTED TIME:

- Managers spend up to two hours a day searching for information
- 42% said they accidentally use the wrong information at least once a week
- 57% of respondents said that having to go to numerous sources to compile information is a difficult aspect of managing information for their jobs

NO VALUE:

- More than 50% of the information managers obtain has no value to them
- 53% said that less than half of the information they receive is valuable

POOR MANAGEMENT:

- Only half of all managers believe their companies do a good job in governing information distribution or have established adequate processes
- 59% said that as a consequence of poor information distribution, they miss information that might be valuable to their jobs almost every day

Effective KM should help a company or organization do one or more of the following:

- Foster innovation by encouraging the free flow of ideas
- Improve customer service by improving customer response time
- Boost revenues by getting products and services to market faster
- Enhance employee retention rates by recognizing and rewarding employees who share knowledge

- Streamline operations and reduce costs by eliminating redundant or unnecessary processes

BENCHMARK

ServiceWare is a leading provider of Web-based knowledge management solutions for customer service and support. ServiceWare estimates that an average call center of 110 agents using the company's web-based KM system to improve customer service will reduce costs by US\$2 million over a three-year period – representing a 20% cost savings.

(Source: The Insider's Guide To Knowledge Management, Tom Tobin)

Although it is difficult to measure exactly, there is a significant cost associated with interrupting peers and taking them away from productive work. Studies of help desk operations report it costs about \$15 - \$20 on average to provide help desk assistance by telephone, and about \$5 to do it by email.

Informal learning conducted person-to-person will continue to be a key role in an organization. However, many organizations are striving to reduce this person-to-person reliance by 25% or more through online support.

The need to sell the KM concept to employees can be a challenge. After all, in many cases employees are being asked to share their knowledge and experience – the very traits that make them valuable as individuals. The best KM efforts are as transparent to employee work as possible. Ideally, participating in a KM program should be its own reward. If KM doesn't make life easier for employees, it will fail.

While technology can support KM, it's not the starting point for a successful KM program. KM decisions and programs must be based on people (employees), and grounded in the knowledge they hold for achieving business objectives. The technology should only be used to support a KM program, not drive it.

CASE STUDY

Ketchum, one of the world's largest public relations firms, offers professional services across six practices areas through 1,500 employees in 23 offices around the world.

myKGN (my Ketchum Global Network), is a next-generation intranet and extranet- shared by employees, partners and clients worldwide. To improve teamwork and sharing, Ketchum developed secure eRooms, to help teams work together on projects to ensure the creation of timely, trusted content. Rather than trading document revisions in an endless email loop, users now review and revise documents in real time.

Before myKGN, most employees would labor for several hours attempting to locate expertise. Now, the average is 30 minutes. This helps Ketchum Account Reps in preparing complex RFPs and increases their chance of winning business.

This Knowledge Management focus extends further by providing Ketchum Account Reps with:

- News wire subscriptions to keep account reps up-to-date on client activities.
- A document library enabling employees to perform full-text searches ranging from new business pitches, to past client deliverables, to press releases.

WEB CONTENT MANAGEMENT (WCM)

At the risk of oversimplifying, content management is the process by which content is created, managed, and published to your intranet or portal. Specifically, advanced content management uses a technology solution (software) to simplify and speed the content publishing and management process.

In the beginning, all HTML and web content was hard-coded by a techie. Today, content owners who don't know a single line of code skillfully publish live to the intranet, in minutes (or seconds). Publishing that once took hours, can take seconds with the right rules and templates.

Not surprisingly, an intranet study published by Melcrom Research showed that the number one issue facing intranet managers is content management. The number three issue was content overload. (Source: "Survey data: Management of the intranet and issues companies face," Managing and Developing Intranets for Business Value).

Sales of web content management software was estimated to reach nearly US\$1 billion by 2010, and will grow at an annual rate of 15% through 2020 (representing 25% of the total enterprise content management (ECM) market). Of course, one of the biggest drivers behind content management is the push for efficiency and cost savings.

Specific drivers and principles of content management include:

- Create and publish content in a timely manner
- Organize content to support work processes
- Delineate roles and responsibilities for managing content
- Develop policies to guide content processes
- Create personalized 'workspaces'
- Use one tool to publish information across different sites
- Reduce site creation, maintenance, and deployment costs
- Reduce the cost of publishing content

The last point, 'reduce the cost', is perhaps the most important driver, and certainly the most saleable one if you're attempting to justify an investment in an expensive content management solution.

BENCHMARK

MERANT has calculated the estimated savings of implementing its web, at a typical 2,500-person company. Factoring in estimates for content creation (headcount), maintenance, deployment (publishing), and enhancement costs, MERANT estimates the annual savings at US\$2.1 million. MERANT is quick to point out, however, that in addition to the traditional hard cost savings there are "numerous" soft benefits, which are more difficult to measure for ROI, but perhaps more valuable in the long run.

(Source: MERANT, "Assessing ROI for Content Management Systems", 2001)

- Content management ROI benefits include:
- Print/paper savings
- Mail/delivery savings
- Publishing time savings
- Employee productivity savings
- Reduced IT reliance
- Reduced meetings/sign-off/preparation
- Reduced site development/maintenance

There are scores of content management system (CMS) vendors from the Cadillac vendors such as Interwoven (Autonomy), Vignette, and Oracle, to more reasonably priced solutions from Red Dot and The Level. Prescient Digital Media worked with one CMS vendor, Anzer IT (formerly TiCORP) to analyze and estimate the potential ROI value of implementing its PowerCentral content management platform in a typical work environment. To understand the cost breakdown of publishing online, a typical scenario of publishing static HTML pages is documented with cost estimates below.

Under the traditional publishing model, assuming an average content/communications manager costs approximately \$45 per hour (\$50,000 per year, with \$25,000 in support/ administrative costs), and a technical manager costs approximately \$69 per hour (\$65,000 per year, with \$32,500 in support/administrative costs), the average cost to publish five pages will cost approximately \$500 (required time multiplied by hourly costs).

BENCHMARK

Before implementing its CMS, investment bank Credit Suisse First Boston (CSFB) had various methods and technologies for publishing content to distribution servers and three methods for intranet applications. Using a customized version of Interwoven, CSFB reduced network utilization costs 88% in one year. CSFB uses the CMS to publish press releases, research reports, white papers and other materials to multiple servers on different platforms.

(Source: Eugene Grygo, InfoWorld)

Traditional HTML publishing often requires a technical programmer to hard-code each HTML page by scratch – often at a rate of one hour per HTML page. By empowering content owners to publish and manage their own content, many organizations are removing or retasking expensive technical support and programming from the process – saving tens-of-thousands of dollars per year, or possibly more.

Using a CMS, the time required to publish pages of static content drops dramatically: the programmer/ technical manager is eliminated from the process as the content manager can now publish directly to the site. As a result, the cost of publishing pages drops from approximately \$500 to approximately \$19 – an impressive savings of 96%.

If the same estimates hold true for the standard CMS (not necessarily the case), a \$100,000 content management solution (costs vary depending on the solution) would realize a 100% ROI after approximately 1000 pages, or 20 weeks in an organization that publishes 10 pages per business day.

It goes without saying that there are many other factors that would affect the ROI (for example, rarely would it take 5 minutes to cut and paste copy into a simple template – seconds would suffice) – from training costs to support costs (either could increase or decrease).

CASE STUDY

Microsoft's intranet-based e-procurement application, MS Market, allows employees to place orders for work-related products and services directly from their desktops. Products and services include business cards, office supplies, computer hardware, travel services, business shipping, catering, and vendor contracts. Integrating with SAP R/3, (MS's ERP), MS Market streamlines order processing, facilitates billing, and reduces administrative overhead.

MS Market manages more than 400,000 orders per year, at a total value of over US\$5 billion, and has reduced processing costs from US\$60 to \$5 per order—saving Microsoft US\$7.3 million per year. Since its implementation, 17 of the 19 people dedicated to processing purchasing orders have been re-allocated to more productive jobs.

(Source: Microsoft.com)

HUMAN RESOURCES

Thoughtful implementation of HR self-service/portal solutions can lead to hard-dollar cost savings and soft, employee productivity savings.

A comprehensive ROI study that also incorporates the ability to turn soft benefits into tangible savings may capture management's commitment to a HR self-service/portal implementation because these services can lead to an actual increase in the bottom line, not just cost savings.

BENCHMARK

By early 2000, Mitre Corp. had realized US\$16.6million in hard cost savings since deploying its intranet in 1996. Savings include: US\$5.6 million in HR and administration, US\$2.9 million in IS management, US\$3.6 million in financial operations, US\$2 million in technical operations and US\$2.6 million in miscellaneous savings. In total, a US\$7.2 million intranet investment has returned US\$62.1 million in reduced operating costs and improved productivity.

(Source: Debby Young, CIO Web Business Magazine)

CASE STUDY

Organizational Diagnostics is a management-consulting firm in California specializing in research in high-tech Silicon Valley companies. Over the past decade, it has conducted research on the effect of employee satisfaction on employee retention.

They conclude that for every 2% increase in employee satisfaction, there is a 1% increase in employee retention. Put another way, to the extent that you satisfy your staff with the resources and services they need, you can reduce employee replacement costs. (The ABCs of Return on Investment, PeopleSoft White Paper)

As well, as employees stay on longer, their productivity rises and training costs fall. The combination of a higher employee job satisfaction rating, along with improved knowledge and experience, leads to better customer service.

CASE STUDY

PeopleSoft began to deploy its own software, PeopleSoft 8 Human Resources Management, for HR, benefits administration, payroll, job postings and other self-service tools for 10,000 users in 26 countries. With self-service tools requiring no phone calls, fax or mail to complete tasks, employees are more productive and red-tape paper trails have virtually been eliminated. Projected over a 5-year period, PeopleSoft hopes to realize an ROI of 415%, or more than US\$8 million, with the initial investment being recouped within 1.5 years.

(Source: PeopleSoft, "The ABCs of Return on Investment")

The results show that employees who were highly satisfied with their intranet or corporate portal also had a high level of job satisfaction. Conversely, those who were very dissatisfied with their intranet or corporate portals were much more likely to be dissatisfied with their jobs. Other research has shown that effective internal communications – often the responsibility of HR – is a driver of job satisfaction. Since the portal functions as an online communications tool, it naturally flows that a significant correlation between the effective portal and higher job satisfaction would exist.

An Atlanta IT-consulting firm considers it critical to build long-term commitments with both employees and customers. To help measure the performance of the organization, Extreme Logic encourages both employees and customers to take the annual employee survey on the combined intranet-extranet.

This system has not directly affected revenues, which topped \$30 million last year. But it has impacted the company's own showing in two top-priority areas: retaining star performers and nurturing all employees. When workers leave – whether they're hired away by competitors or fired for poor performance – the company spends as much as three times an employee's annual salary to find and train a replacement. Getting quick online feedback directly from customers lets Extreme Logic reward its stars and provide specific improvement goals for everyone else.

Extreme Logic reports that the company's turnover rate is 5% to 10% lower than the IT industry standard. In addition, according to an internal study, since the company added the performance-evaluation feature to its intranet 18 months ago, about 80% of its employees and managers feel that they were working toward the same goals, compared with 52% before the new intranet.

(Source: Inc. Magazine)

EXTRANET CASE STUDY

Speed was the issue at Eminent Research Systems, in Minneapolis, where clogged procedural arteries were stunting the company's growth. The \$7 million, 22-employee company specializes in coordinating trials for heart and blood vessel devices such as stents. However, Eminent products typically have a market lifespan of only 18 months before being replaced by newer models.

Eminent used to send 150 to 500-page study-protocol documents to participating physicians and regulators, who marked them up and mailed them back. Sometimes the hefty hard copies made several round trips before

everybody agreed on protocols – a process that typically took at least two months. The lengthy procedure caused some customers to forgo putting their devices on the market altogether, which meant less work for Eminent.

“Turnaround time is key,” said Linda Laak, vice-president and chief operating officer. “Our competition is not necessarily another company but whether or not the client will do the study at all.”

That changed in February 2001, when Eminent launched an extranet that allows doctors nationwide to collaborate on protocols electronically. The system sliced the approval process from two months to two weeks. Meanwhile, although Eminent spent \$50,000 to launch its private Web site, Laak estimates that the company saves 10 times that amount by eliminating the ‘heavy lifting’ of shipping, storage, and paying the salaries of two administrative people who handled all the documents. And the company can handle 10 times as many projects as before, resulting in a 40% increase in revenues

MORE THAN MONEY

While appraising the return on investment of an organization's intranet or portal is critical for most executive leaders, there exists a great deal of untapped, intangible ROI that is perhaps even more critical than the measured dollars and cents.

David Upton, a professor at the Harvard Business School, believes that it is foolhardy to measure the value of either an intranet or website merely in terms of cost savings and cost avoidance. "The Internet has the potential to lead to new business mode Is that managers may not currently be aware of," explained Upton in a CIO Web Business Magazine article. Upton believes that the best means for measuring an intranet's value is to treat it as a financial investment.

Upton encourages organizations to experiment with technology while basing decisions on lessons learned from their experimenting. "It's like an option value in the future," he said. "The value of investing in the web comes from the options it will create for an organization in the future." Mitre Corp executives agree. "Our most important gain can't be as easily measured the quality and innovation in our solutions that become realizable when you have all this information at your fingertips," said Mitre CIO Al Grasso in an interview with CIO Web Business Magazine.

"The value of investing in the Web comes from the options it will create for an organization in the future."

David Upton, a professor at the Harvard Business School

"Our high level (priority)...is to make it easier for people to give information to others and to use information from others to solve the next problem that comes along," added Mark Maybury, Mitre's director of artificial intelligence and executive director of the IT division.

Of course, there are many other important, intangible benefits that cannot be measured (or are very difficult to measure) that deserve attention. A well planned and deployed intranet can lift an organization's reputation in the market. Companies such as Cisco Systems, General Electric and Oracle have received millions of dollars in free publicity and media coverage related to their in house efforts to reduce costs and increase operational efficiencies thanks to their investments in intranet technologies.

PLANNING

You cannot measure specific benefits unless you are operating from a plan with specific objectives (or goals) to measure against – a plan allows the intranet owner to track performance and investment over time.

Planning is a mission-critical component of any intranet. All great intranets begin with planning. Failure to develop an integrated plan that accounts for an organization's structure, stakeholder and user requirements will certainly ensure failure and, with it, a loss of significant time, money and often jobs.

Like the content of your intranet, planning and governance is technology agnostic; whether it's SharePoint or another portal or content management platform, the necessity for and the approach to planning is the same. Given its technology neutral status, planning is largely applicable to any technology platform and as such is generic to start.

The process of planning an intranet, and the role of executive management and end users in developing the plan, determines the potential success of an intranet. True intranet success is not often achieved (or held for long), and most intranet managers and champions at those companies often rate their own intranet as satisfactory at best – less than truly successful – and requiring a lot of work.

Achieving “great intranet” status usually takes years of careful planning, commitment, hard work, executive support and funding. While a successful intranet does not necessarily require a lot of money per se, there are many, many ingredients to successful planning and executing a great intranet, including:

- Executive sponsorship
- Strategic planning
- Governance
- Functional planning
- Content
- Design
- Policies and processes
- Search
- Applications
- Etc.

The most critical determinant of an intranet's success – and it cannot be stressed enough – is people. This includes executive sponsorship, ownership and management (more on governance to follow), user engagement, and ongoing operations including content development. All great intranets have great teams, and enjoy superb executive management.

And all great intranets follow a process or methodology. Prescient Digital Media's dedicated Intranet Project Methodology, built over many years and on the strength of 200+ intranet projects, has five distinct phases:

- 1- Assessment** – understand the requirements of the business, the user, and best practices
- 2- Planning** – establish high-level strategic, governance, and specific functional plans and policies
- 3- Technology** – evaluate and select the appropriate technology, and specific technology requirements
- 4- Implementation** – develop, customize, test, and launch the desired technology platform
- 5- Adoption** – market, communicate, educate, and train the end employee users and managers



Ironically then, it is the Planning activities (and those Assessment activities depicted in the Intranet Project Methodology illustration), that builds and secures the necessary support from both the organization’s executives and end user employees.

PLANNING (STRATEGY)

Planning addresses the needs documented during the Assessment. Intranet planning incorporates both the strategic vision, governance model and the functional plan, and maps out the strategic and tactical steps for designing the intranet or portal including:

- High-level vision and mission
- Goals and objectives
- Governance
- Critical success indicators (KPIs)
- Business case and ROI
- Content management & policies

A strategy has definition, is well documented and shared by all stakeholders, and has key performance indicators (KPIs) or metrics. The strategy provides direction for executable actions (in the context of this white paper, we treat strategy as synonymous with planning, though a strategy in the broader definition might contain many plans). For an intranet, a typical strategy includes the following elements:

- Vision
- Mission
- Target audience definition / segmentation
- Governance model
- Goals
- Objectives
- Action plans
- KPIs (or CSIs)

Strategy and planning is independent of technology, and should precede the selection, architecture, and implementation of any intranet. In fact, any choice for or work on technology before the development of plans and governance is synonymous with putting the cart before the horse (although it is understood that many companies have already invested in technology platforms such as SharePoint or WebSphere, and therefore must turn their attention to making these platforms work accordingly). Regardless of the technology, intranets risk failure without a well-defined strategy. Even the smallest of intranets requires a strategy and plan.

Additionally, detailed tactical plans should include:

- Functional plan
- Information architecture
- Page wireframes
- Design concepts
- Usability testing

GOVERNANCE

As is the case with most intranets it is simply impossible to achieve any long-lasting success without a clearly defined ownership and management structure. Far from being a buzz word, intranet governance provides clarity and rules namely the titles, roles and responsibilities of its owners, managers, stakeholders and contributors.

Simply put, governance defines an intranet's ownership and management model and structure including the:

- Management team
- Roles & responsibilities of contributors
- Decision making process
- Policies & standards

Like the content of your website or intranet, planning and governance is technology agnostic; whether it's SharePoint, IBM or another portal or content management system, the necessity for and the approach to governance is the same. Given its technology neutral status, governance is largely applicable to any technology platform.

The major components of an Intranet Governance Model should include:

- The umbrella ownership model (Centralized? Decentralized? Collaborative?)

- Defined ownership structure (names and titles)
- Roles and responsibilities (jobs and duties)
- Decision making process (who is responsible for what and when)
- Content and development policies & standards (the rules of establishing pages, sites and content)

Politics and the issues of control, ownership and standards go hand-in-hand with an intranet. Sadly, very few organizations actually have a well-defined governance model, and many of those have spent hundreds-of-thousands or millions of dollars on their intranet – amounting to extraordinary investments left to chance and execution on a whim.

ABOUT PRESCIENT DIGITAL MEDIA

Listen. Understand. Deliver.

We are the original intranet consultants; The Intranet Experts.

Prescient Digital assesses, plans, designs and builds world-class intranets and enterprise solutions for Fortune 500 and big brand leaders. We are recognized experts in this space for more than 19 years working with over 300 organizations. We are technology agnostic, working with many technology platforms, but most of our clients run SharePoint and Office 365, for which we have particular expertise.

Headquartered in Vancouver, BC, Prescient works for global corporations in various industries and sectors worldwide. Our core strength lies in understanding and balancing the digital needs of our clients' business models, with the goals and intents of the people who will ultimately use these digital solutions. We see the digital workplace as the primary means to manage your most important relationships with your employees, beginning with the hub or gateway, the intranet.

We treat each client as unique; we listen to their needs, goals and challenges; understand a client's requirements and potential; and deliver highly effective and innovative website and intranet plans, designs and solutions.

Some of our clients

Having worked on more intranets than any firm of our size, we are simply one of the best at planning, designing and delivering highly effective intranets and digital workplaces. We are the:

- First to develop an intranet specific methodology and service approach
- First to study and define a social intranet
- First to study and define intranet governance
- 15+ awards including a Webby Award

Why Prescient

- Prescient boasts a full roster of world class, Fortune 500 clients.
- We build success measures (key performance indicators) into every project.
- Prescient has an extensive list of global, expert speaking engagements with dozens of conference, seminar and webinar events every year.
- Our work has won more than 15 awards including a prestigious Webby Award.
- Prescient has the most published team of experts of any firm in its class with hundreds of published articles to date.

Expertise

Our leaders have rich, hands-on expertise and 25 years of experience. We know the industry inside out because we've been inside it as it evolved. We have worked alongside hundreds of customers, from Fortune 500 companies to small and medium sized businesses alike. Our leaders have held senior management positions at reputable companies and brought all their expertise and knowledge together in Prescient. We use proven methodologies, to deliver measurable results that are superior relative to other companies.

Focused on Each Client

No two clients are the same. All organizations have different cultures, structures, workflows, communication channels, resources, directions, objectives, and so on. Therefore, your intranet must be customized to your business, to meet all your unique needs. This is the reason why our in-depth consulting methodology (Listen. Understand. Deliver.) is so central to our work and focus on our clients.

We are the original intranet consultants; The Intranet Experts.

For more information, call us at 416.926.8800 or visit www.PrescientDigital.com