Microsoft® Office
White Paper

for Windows® 95

Financial Impact Analysis Tool

Purpose of this Tool

Organizations will experience many benefits from moving to the Microsoft Windows® 95 operating system and Microsoft® Office for Windows® 95 including:

- Reduced support burden
- Increased control of the desktop
- Improved end-user productivity

The purpose of this business analysis tool is to provide you with a general framework for analyzing the business impact on your organization and to estimate specific elements of the impact, including the benefits, costs, and pay-back period of migrating to Windows 95 and Office for Windows 95.

This tool provides a general model for analysis and the output is highly dependent on the information that you choose to include. You should view this tool as a starting point for performing additional analysis. We recommend you use the output of this tool as an input to your own analysis. So, when analyzing the impact on your organization, you should also consider other benefits such as productivity gains from new capabilities in the product (for example, giving employees in your organization the new ability to access a mission critical application remotely).

How to Use this Tool

To most effectively use this business analysis tool, follow these steps:

- Read this document completely.
- Gather data (fill out the Business Analysis Tool Input on the following pages).
- Input the information into the spreadsheet tool. (Note: This model was developed to use Microsoft® Excel for Windows, version 5 or later and will work with either Windows 3.1 or Windows 95.)
- Review the output.
- Consider other assumptions and incorporate the output into your own model.

Limitations of the Financial Impact Analysis Tool

There are certain limitations to this Financial Impact Analysis Tool:

The time horizon is one year from when your organization migrates to Windows 95 and Office for Windows 95. This tool does not make any assumptions on subsequent year affects on your organization. Therefore, if you want to perform "pay-back" analysis, you may want to take this model and project the affect on your organization for subsequent years following the migration.

The tool does not take into consideration labor rates nor does it place a value on the person-hours saved in this model. (This is a logical way for you to use the output data in further analysis.)

The spreadsheet model has been tested in a limited number of environments and configurations. You may encounter technical problems with the spreadsheet.

Financial Impact Analysis Tool Input Worksheet

This worksheet will help prepare you for information needed in the Business Analysis Tool spreadsheet (Financial Impact.xls). You should use this worksheet as a guide in acquiring data on your upgrade base.   Some of the information you will need to input is unique to your organization (such as the number of desktops you'll be upgrading) and other information includes industry-appropriate data that you can tailor to your environment (amount of training time provided to users).

Once you've collected the necessary data specific to your upgrade base, merely plug the numbers into the Business Analysis Tool model.

Windows 95 Inputs

Input Description	Default Value	Default Source	Your Estimate
Upgrade Effort			
Number of users to upgrade	1,000		
Cost of the operating system software	$99	Estimated retail street price	
Estimated time to upgrade a user	2 hours	"Push" and "Pull" combination installation estimates	
Amount of end-user training you will conduct to upgrade users to Windows 95	10 minutes	Usability Sciences study	
Number of IS professionals that support this upgrade effort	2.7 per 1,000 users	Workgroup Technologies "Rescue for the Helpdesk" study	
Amount of training (in hours) for these support professionals to learn Windows 95	8 hours	Internal Microsoft estimates	
Support Burden			
Number of help desk calls you receive today (average per PC)	.6 calls per month	Workgroup Technologies "Rescue for the Helpdesk" study	
Average call time (per call)	30 minutes	Combination of Workgroup Technologies "Rescue for the Helpdesk" study and Microsoft internal estimates	
Percent of these calls that require an onsite visit by a technician	31%	Workgroup Technologies "Rescue for the Helpdesk" study	

Average difference in time between calls handled by technicians on site versus via phone support	30 minutes	Combination of Workgroup Technologies "Rescue for the Helpdesk" study and Microsoft internal estimates	
Projected affect on help desk as a result of upgrading to Windows 95 (for the first 2 weeks after the upgrade)	.3 calls unit upgraded	Microsoft internal estimates	
End-User Time Assumptions			
Amount of time (hours per year) that each user in your upgrade base uses a PC	1,000	Microsoft internal estimates	
Percent of time the user spends working with the operating system (rather than an application) components (such as launching an application, copying files, printing, and the like)	10%	Microsoft internal estimates	
Impact of Windows 95 on Help Desks			
Percent of support calls alleviated	11%	Workgroup Technologies "Rescue for the Helpdesk" study	
Increased efficiency in handling calls (reduced number of site visits by technicians)	30%	Workgroup Technologies "Rescue for the Helpdesk" study	
Improved End-User Productivity			
Efficiency in the user interface	91%	Usability Sciences study	
Fewer mistakes in performing common tasks	10%	Usability Sciences study	
Cost Avoidance from Included Software		Individual cost savings are based on Microsoft internal estimates	
Time Avoidance from Integrated Software		Time estimates from a Microsoft Solution Provider	

Sources of Assumptions

Workgroup Technologies found that between 7 and 15 percent of all PC support calls will be alleviated by your upgrade base on Windows 95. This same study found that up to 50 percent of PC support calls that have been handled by technicians at the user's desks can be handled via telephone support.

Call alleviation refers to the number of calls that will no longer be placed to the help desk as a result of migrating to Windows 95 as an operating system (versus Windows® 3.1). The improvements in efficiency of existing support resources is based on the number of calls that can now be handled via the phone in lieu of having a technician physically visit the desktop. In the spreadsheet, you will input the number of requests for support your organization receives monthly (on a per PC basis). Then, you will input the number of minutes your organization spends on average servicing each request. To be able to apply the Workgroup Technology study to your environment, you also need to define how many of these total calls required a technician site visit and how much longer, on average, these calls take to service compared to supporting them via the phone. This will allow you to apply a help desk efficiency component to this model.

For more information on this study, please refer to the *Rescue for the Helpdesk* document located on the Windows 95 & Office 95 Evaluation and Migration Planning Kit CD (in the \Business Impact\Business Value Studies folder).

This study on Windows 3.1 users tested during their first experiences with Windows 95 found that Windows 3.1 users were immediately almost twice as productive on Windows 95 and they made 10 percent fewer mistakes. Although this study was conducted on different types of users from a variety of organizations and is projectable to the population of users of Windows at large, you must decide whether you feel this is applicable to your organization.

For more information on this study, please refer to the *Windows 3.1 versus Windows 95 Quantification of Learning Time and Productivity* document located on the Windows 95 & Office 95 Evaluation and Migration Planning Kit CD (in the \Business Impact\ Business Value Studies folder).

COST AVOIDANCE FROM INCLUDED SOFTWARE

This tool provides a pick list of software that has functionality included in Windows 95. Currently, you would have to purchase third-party software and install it on the each desktop. Windows 95 includes significant software utilities in the operating system—such as hard disk compression, disk utilities, integrating messaging, internetworking protocols, diagnostic tools, and remote access software. You should go through the pick list to choose the utilities that you use and the number of these that would be offset by migrating to Windows 95.

TIME AVOIDANCE FROM INTEGRATED SOFTWARE

This tool provides a pick list of software (that's included in Windows 95) that you would otherwise have to spend time to integrate onto each desktop. With Windows 95, you can save time because these features are already included in the operating system. You don't have to spend subsequent time installing them on each desktop. You should go through the pick list to choose the utilities you use today and the number of these that would be offset by purchasing Windows 95.

Office for Windows 95 Inputs

Input Description	Default Value	Default Source	Your Estimate
Upgrade Effort			
Number of users to upgrade	1,000		
Cost of Application Software for Office Standard and Professional editions.	$249 (std) $349 (pro)	Estimated upgrade retail street price	
Estimated time to upgrade a user	2 hours	"Push" and "Pull" combination installation estimates	
Amount of end-user training you will provide to upgrade users to Office 95 Existing Office application users New Users	2 hours 5 hours	The MASIE Center's "Learning Office for Windows 95" White Paper	
Number of IS professionals that support this upgrade effort	2.7 per 1,000 users	Workgroup Technologies "Rescue for the Helpdesk" study	
Amount of training (in hours) for these support professionals to learn Office for Windows 95	12 hours	Internal Microsoft estimates	
Support Burden			
Number of help desk calls you receive today (average per PC)	.6 calls per month	Workgroup Technologies "Rescue for the Helpdesk" study	
Average call time (per call)	30 minutes	Combination of Workgroup Technologies "Rescue for the Helpdesk" study and Microsoft internal estimates	
Percent of these calls that require an onsite visit by a technician	31%	Workgroup Technologies "Rescue for the Helpdesk" study	

Input Description	Default Value	Default Source	Your Estimate
Average difference in time between calls that are handled by technicians on site versus via phone support	30 minutes	Combination of Workgroup Technologies "Rescue for the Helpdesk" study and Microsoft internal estimates	
Projected effect on help desk as a result of upgrading to Office for Windows 95 (for the first 2 weeks after the upgrade)	.3 calls per unit upgraded	Microsoft internal estimates	
End-User Time Assumptions			
Amount of time (hours per year) that each user in your upgrade base uses a PC	1,000	Microsoft internal estimates	
Percent of time the user spends working with Office applications (rather than the operating system) components	40%	Microsoft internal estimates	
Impact of Office 95 on Help Desks			
Percent of total PC support calls alleviated	5%	Workgroup Technologies "Rescue for the Helpdesk" study	
Increased efficiency in handling calls (reduced number of site visits by technicians)	11%	Workgroup Technologies "Rescue for the Helpdesk" study	
Improved End-User Productivity			
Increased user productivity	37%	Kelly Services "Office 95 Productivity Study"	
Fewer mistakes in performing common tasks	36%	Kelly Services "Office 95 Productivity Study"	

Sources of Assumptions

Workgroup Technologies found that between 3 and 7 percent of all PC support calls will be alleviated by upgrading to Office for Windows 95. This same study found that up to 11 percent of PC support calls that have been handled by technicians at the user's desks can be handled via telephone support.

Call alleviation refers to the number of calls that will no longer be placed to the help desk as a result of migrating to Office 95. The improvements in efficiency of existing support resources is based on the number of calls that are addressed by the improved on-line help or can now be handled via the phone in lieu of having a technician physically visit the desktop. In the spreadsheet, you will input the number of requests for support your organization receives monthly (on a per PC basis). Then, you will input the number of minutes your organization spends on average servicing each request. To be able to apply the Workgroup Technology study to your environment, you also need to define how many of these total calls required a technician site visit and how much longer, on average, these calls take to service compared to supporting them via the phone. This will allow you to apply a help desk efficiency component to this model.

For more information on this study, please refer to the *Rescue to the Helpdesk* document located on the Windows 95 & Office 95 Evaluation and Migration Planning Kit CD (in the \Business Impact\Business Value Studies folder).

KELLY SERVICES, OFFICE 95 VS. OFFICE 4.3 USER PRODUCTIVITY TEST

Kelly Services conducted a controlled usability test comparing employee productivity with Office 4.3 and Office 95. They found users were able to complete a set of common tasks 37% faster and they made 36 percent fewer mistakes. In addition, 70% of their users felt they could be productive with Office 95 without additional formal training.

For more information on this study, please refer to the *Office 95 User Productivity* document located on the Windows 95 & Office 95 Evaluation and Migration Planning Kit CD (in the \Business Impact\Business Value Studies folder).

This Business Analysis Tool is just one of many methods for modeling the effect Windows 95 and Office for Windows 95 will have on your organization. The following studies may also provide some insights:

Title	Author	Description
Total Cost of Ownership	The Gartner Group	Research note that details the costs of owning a Windows 3.1-based PC over a five-year period and compares this costs of running Windows 95.
		For additional information, contact the Gartner Group at (203) 967-6700.
Microsoft Office for Windows 95 Upgrades: Cost-to-Use and Value-to-Use in Cutting Client/Server Costs	International Data Corporation	Return on investment analysis of Office for Windows 95 that considers both cost-to-use and value-to-use data. The summary of the paper entitled, Office 95 Cost and Value to Use, is located on the Windows 95 & Office 95 Evaluation and Migration Planning Kit CD (in the \Business Impact\Business Value Studies folder).
		For additional information, contact IDC at (508) 872-8200.

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