ABCD Corp.
Traditional Faxing
Versus
Domino / Network Faxing
Faxing Time/Cost Business Case

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Table of Contents

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1

Introduction:

In today's corporate environment, email and fax systems are two of the main methods of communication and information exchange.

ABCD Corp. uses faxes and emails to maintain contact with internal and external parties.The goal is to have prompt, accurate, convenient and low cost delivery of information.

There are two approaches to sending and receiving faxes that provides us with full control of our faxing and maintains secure point-to-point transactions with no third party involvement:

- Traditional fax machine(s): ABCD Corp. currently has 45 fax machines to accomplish these tasks.
- Network faxing: Integrated faxing with the company's Notes environment.

The purpose of this document is to provide an analysis of the time/costs of traditional faxing and to determine if savings can be realized by moving to a network faxing solution.

All dollar amounts in this document are in US funds.

Current Situation:

At the present time fax machines are being used to handle incoming and outgoing faxes. With fax machines it takes approximately 10 minutes (0.16 hour) of staff time to send out a typical 5-page fax.

As the machines are located in different areas, the steps needed to send a fax include:

Sending a Fax Activity	Time in Minutes
Open on computer and print document	1
Go to a fax machine	1
Insert fax and dial number	1
Faxing Time	5
Retrieve Confirmation Report	1
Return to desk	1
Total	10

The time spent for faxing can increase on a per job basis for one or more of the following conditions:

- Fax machine mechanical issue (paper jam)
- Busy signals
- Other staff sending faxes resulting in waiting before sending
- Retrieval of faxes to resend

Costs for Sending Outbound Faxes:

ABCD Corp. faxes approximately 9000 pages each week. If a typical fax is 5 pages, this represents approximately 1800 fax jobs. Outbound faxes would total approximately 7800 fax jobs per month and 93600 fax jobs per year.

Outbound Faxes/Week	Outbound Faxes/Month	Outbound Faxes/Year
1800	7800	93600

Different levels of staff may send out a fax. For example, administrative staff may send the bulk of the faxes, with managers and senior management only directly sending a small number.

Based on the current faxing situation, the following table illustrates what type and percentage of staff are involved in manually sending faxes.

Some standard staffing rates have been applied to calculate the time cost for each fax.

Based on this information, the following table provides a summary of the outbound faxing costs:

Type of Staff	% Faxes Sent	Week	Month	Year
Administrative Staff	85%	$4896	$21216	$254592
Managers	15%	$2160	$9360	$112320
Senior Management	0%	$0	$0	$0
Total Costs		**$7056**	**$30576**	$366912

Inbound Fax Management Costs:

The cost for inbound fax management is often overlooked. When faxes are received, there are associated costs for managing this process.

Sending a fax Activity	Times in Minutes
Go to fax machine, gather faxes	1
Distribute to in-box, notify recipient	2
Return to desk	1
Recipient accesses fax	1
Total	5

With inbound faxes, additional time may be involved for instances where there are:

- Fax machine mechanical issues (paper jam)
- Busy signals
- Other staff receiving faxes
- Retrieval of faxes lost or incomplete faxes that need to be resent

Approximately 9000 pages per week are received (inbound) and that translates into 1800 faxes per week, 7800 per month or approximately 93600 per year.

Inbound Faxes/Week	Inbound Faxes/Month	Inbound Faxes / Year

1800	7800	93600

The following table provides a summary of the administrative costs for managing inbound faxes. It is assumed that administrative staff handles all inbound faxes.

Type of Fax	Week	Month	Year
Inbound Fax Costs	$2880	$12480	$149760

Summary of Faxing Costs:

Type Of Fax	Week	Month	Year
Outbound Fax Costs	$7056	$30576	$366912
Inbound Fax Costs	$2880	$12480	$149760
Total			**$516672**

What is Notes Desktop Faxing?:

Network faxing does away with traditional fax machines and utilizes the computer network thereby allowing staff to fax from their desktop. The advantages of network faxing include:

- Accurate and efficient delivery of information over the fax/email network.
- Integration of an Email/Fax delivery system.
- Management of Email/Fax communication and traffic flow for internal use.
- Implementing a cost saving and cost accounting structure.
- Providing both mobile and external access interface for the corporate user for the out-of-office environment. Mobile users can access central resources while on business trips.
- Cost-effective messaging service for frequent business use.
- Use network workstations to check status/history of faxing including retrieving and resending faxes.

Another key benefit is that a fax can be sent externally with an electronic copy sent to another internal staff member. This allows the "cc:" of documents for internal purposes without physically sending a fax or printing a copy. These savings and workflow benefits will be substantial as well, but have not been included in this case.

Cost of Sending/Receiving the Faxes with Notes Network Faxing:

If the faxes for one year were sent using network faxing, there would be significant productivity gains that are translated into cost savings. A conservative 50-60% time saving can be realized with network faxing. A conservative 50% time saving value has been used in the calculation of faxing. It is possible to achieve an optimized saving of 80% or more once staff members are comfortable using the technology.

It should be pointed out that the network fax has a very short learning curve for staff. This learning curve is short because of the fact that network faxing is now an email tasks. Staff already has the knowledge to

send and receive emails for internal purpose only. The only other task to learn is to view the fax application log, should that be necessary.

The following table provides a comparison of the standard fax activities with both methods:

Sending a Fax Activity	Fax Machine	Network Fax
Print document	1	0
Go to a fax machine	1	0
Insert fax and dial number	1	1
Faxing Time	5	0
Retrieve confirmation Report	1	1
Return to desk	1	0
Total	**10 minutes**	2 minutes

The above graph demonstrates and 80% time gain if network fax is used to send a fax. If the person faxing were able to be productive during the faxing time, then the traditional fax would take 5 minutes of time. Network faxing would represent a conservative time gain of 50%.

For inbound faxes the following table provides a comparison of the time used to process inbound faxes. For network faxing the assumption is that DID would be used. DID, a technology patented by Brooktrout Technology, means that each person has their own fax number and faxes arrive automatically in their Notes desktop. No manual routing is required.

Receiving a Fax activity	Fax Machine	Network Fax
Go to a fax machine, gather faxes	1	Not applicable
Distribute to in-box notify recipient	2	Not applicable
Return to desk	1	Not applicable
Recipient pickups fax	1	Not applicable
Total	**5 minutes**	0 minutes

The following graph provides a comparison of the costs once fully implemented and effectively used by staff: Two cost scenarios for network fax have been calculated. The network fax at 50% assumes that there is a conservative 50% time saving. The network fax at 20% scenario assumes that an optimum and achievable cost that is 20% of the current fax machine cost.

Costs	Fax Machine	Network Fax at 50%	Network Fax at 20%
Outbound Faxing	$366912	$183456	$73382
Inbound Faxing	$149760	$74880	$29952
Yearly Totals	**$516672**	**$258336**	$103334

Projected Savings:

Yearly Cost Savings(%)	Projected Savings($)
Conservative Scenario at 50%	$258336
Optimized Scenario at 80%	$413338

There are additional benefits and savings that can be realized through network fax:

- Reduced toner costs
- Significant saving of resources/time that are presently allocated to junk faxes
- If multiple locations are used, least-cost-routing can save phone carrier charges
- The fax log serves as a document management library and faxes can be retrieved

Analysis:

Integrated Notes network faxing can significantly increase our staff productivity and lowering costs each and every year. Our communication contact with internal and external parties will also improve. Network faxing will lower our current time needed to fax by 50%. As network fax become prevalent, it is possible to achieve 90% cost savings.

Cost Savings	Year1	Year2	Year3	Year4	Year5	5Year Savings
Conservative (50%)	$258336	$258336	$258336	$258336	$258336	**$1291680**
Optimized (80%)	$413338	$413338	$413338	$413338	$413338	**$2066690**

A network fax solution does involve some start-up costs that must be considered, such as fax board and network software with maintenance fees.

Conclusion:

Over a 5-year period significant savings can be made with a network fax solution, in addition to improving our fax delivery system. The costs incurred for startup of network faxing should be recouped quickly in order to provide us with a continual annual return on the investment.

In order to realize these savings, ABCD Corp. should investigate a fully integrated Domino faxing solution to calculate the startup costs to implement, maintain and determine the period for a timely return on investment.