

## Return on Investment Model

RESEARCH, ANALYSIS, AND CONSULTING SERVICES

### SIMPLIFYING IT INVESTMENT DECISIONS

Whether you are an IT vendor or an IT user you need to justify your own or your customers IT initiatives. More than 80% of companies need to calculate the return of their IT investment and the current economic situation will make it even more essential.

IDC research shows that an investment of \$1m typically has a decision cycle of 18 months. However, once a customer can measure the impact, 65% of purchases occur in 6 months or less.

So by applying an IDC Return of Investment model (ROI model) you will shorten decision cycles, make the decision more defensible and understand the payback to the business from the investment.

- Shorten sales cycles or shorten decision cycles
- As a vendor you can qualify your leads and identify the customers that will benefit the most from your products
- As an IT user, you can turn the costs of an investment into an advantage by demonstrating the return
- IT projects can be compared to other projects as well as to other companies as a benchmark

### WHY USE THE ROI MODEL?

*IDC understands both the deployment of technologies and the economy of projects. We are therefore in a unique position to discuss and assist you in the development of an IDC ROI model.*

*IDC analysts provide:*

- An independent and neutral model from one of the most recognised companies in the industry
- Understanding of costs as well as benefits from an investment
- Easy to understand and use ROI tools that can calculate return of investment and payback period
- Customizable ROI model, adapted to your situation
- Ability to compute "what if" scenarios
- Full documentation of model and results
- Generation of appropriate financial metrics according to your needs

### THE IDC ADVANTAGE

**IT  
Investment**



**Return on  
Investment**

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## TOOLS AND METHODOLOGIES

### IT User Interviews

IDC interviews more than 300,000 IT users world wide every year. This means that IDC has proven methods for interviewing IT users both face to face and by telephone.

### ROI Models

IDC has more than 15 years of proven experience in developing ROI models.

### IDC White Papers

The results from ROI case studies can be published in IDC White Papers which constitutes an unique marketing tool.

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## EXAMPLES OF RECENT RIO STUDIES

### Web Hosting

**Scope:** To develop a model to measure the total cost of running one or more Web servers.

**Benefit:** The Web hosting company was able to identify the most potential customers for Web hosting and demonstrate savings. Also sales cycles were significantly reduced.

### Integration ROI

**Scope:** As part of an European project, a ROI model was developed to calculate costs and benefits from using standard integration tools.

**Benefit:** The understanding of the advantages of using standard integration tools were quickly demonstrated to IT users and sales cycles were reduced. The results from cases studies were presented at an European road show.

FOR MORE INFORMATION, VISIT US AT [HTTP://NORDIC.IDC.COM](http://nordic.idc.com)



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