

ROI Analysis

ValueSpace

Intel® Core™2 Processor with vPro™ Technology



Substantial savings and revenue gains via 65% to 98% faster remote help-desk services¹

ValueSpace, an award-winning iCafe franchise headquartered in South Korea, recently studied the return on investment (ROI) realized by deploying PCs with Intel® Core™2 processors with vPro™ technology in their distributed cybercafe environment.² The franchise wanted to identify the positive ROI offered by deploying 2,500 PCs with Intel® vPro™ technology in their 24/7 iCafes.³ ValueSpace also wanted to identify the potential revenue gains for their iCafe owners.

ValueSpace was particularly interested in PCs with Intel vPro technology because its iCafes operate 24/7. There are no “off-hours” in a cybercafe, so PCs must be available to users at all hours. At the same time, the franchise needs to reduce support costs in order to improve revenue margins. Downtime at any time means lost revenue. For example, with a 40% occupancy rate over each 24-hour period and \$1 per hour of revenue per PC for the iCafe owner, each hour of PC downtime costs the business owner \$0.40.⁴ Unfortunately, one of the biggest problems in getting PCs serviced quickly is dense street traffic which, when combined with multiple site visits, pushes some repairs to 72 hours.⁴

Since deploying the PCs with Intel vPro technology, ValueSpace has been able to eliminate the need for virtually all site visits for software-related problems, and about half the site visits for hardware-related problems.³ The franchise has already seen service costs go down and revenue gains go up. With a positive ROI of 259% projected over five years – ValueSpace is excited to innovate their maintenance process and begin immediate planning to integrate their online gaming patch service with Intel vPro technology.

TCO/ROI investigation

The franchise’s investigation was conducted in an environment with 420 franchised Internet cafes and 21,800 systems, of which 2,513 (12%) were PCs with Intel vPro technology. Data was analyzed for two key IT service tasks: hardware and software diagnostics and repair.⁵ Data was then projected for four years, with the assumption that ValueSpace would continue to grow steadily at 2% per year and would deploy approximately 6,000 (25%) PCs with Intel vPro technology each year as part of their typical hardware refresh cycle.⁵ ROI was calculated conservatively, for only the two service tasks.

Positive results

Based on the results of their investigation (see Table 1 on back page), ValueSpace concluded that the hardware-based capabilities in PCs with Intel vPro technology will deliver a dramatic reduction in IT costs for remote diagnostics and repair for hardware and software problems:

- Reduce service cost per-PC by up to 75% – even when taking advantage of only two help-desk processes (hardware and software diagnostics and repair).¹
- Reduce lost revenue per-PC from hardware and software problems by up to 88%.¹
- Reduce PC downtime per hardware problem by up to 65%.¹
- Reduce total PC downtime from software-related problems by up to 98%.¹

Key findings from TCO/ROI analysis

- **Positive ROI across 5 years of 259% deploying PCs with Intel® vPro™ technology** to support remote hardware diagnostics, and software problem diagnosis and repair.¹
- **Break-even point achieved 1-1/2 years!**
- **Projected savings for the franchise of over \$1M in IT help-desk costs over 5 years.** The franchise used the improved remote diagnosis and repair capabilities built into the PCs to streamline processes by eliminating virtually all deskside visits for hardware diagnostics, software diagnostics, and software repair.¹
- **Projected revenue gains for iCafe owners of over \$300,000 over 5 years!** Because PCs with Intel vPro technology are easier to remotely diagnose and repair, PC uptime is improved and iCafe owners see more revenue.

The franchise is already implementing a new refresh plan to shift their entire environment to PCs with Intel vPro technology. Based on the significant results from just a few uses of Intel vPro

technology, ValueSpace and its iCafe owners expect to take advantage of other capabilities built into these PCs to see additional savings across the business.

Table 1: Comparison of operational costs and ROI for diagnostic and repair use cases¹

	Without Intel® vPro™ technology	PCs with Intel® vPro™ technology					Estimated savings with 100% PCs with Intel® vPro™ technology
	Year 0 ^a	Year 1 ^a	Year 2 ^b	Year 3 ^b	Year 4 ^b	Year 5 ^b	
Total number of desktop PCs (adjusted for 2% annual growth)	21,373 total PCs	21,800 total PCs	22,236 total PCs	22,681 total PCs	23,134 total PCs	23,597 total PCs	
PCs without Intel vPro technology	21,373 typical PCs	19,287 typical PCs	13,957 typical PCs	8,387 typical PCs	2,937 typical PCs	0	
PCs with Intel vPro technology	0	2,513 (12%) Intel vPro PCs	8,399 (38%) Intel vPro PCs	14,294 (63%) Intel vPro PCs	20,197 (87%) Intel vPro PCs	23,597 (100%) Intel vPro PCs	
Support cost without Intel vPro technology	\$513,634 cost	\$523,900 cost	\$545,000 cost	\$572,600 cost	\$601,600 cost	\$632,000 cost	Average annual costs: 65% less
Support cost with Intel vPro technology	0	\$501,100 cost 4% less cost	\$448,500 cost 18% less cost	\$360,000 cost 37% less cost	\$265,800 cost 56% less cost	\$218,100 cost 65% less cost	Cumulative 5-year savings: over \$1M
Total savings in support costs with Intel vPro technology	0	\$22,800 cost savings	\$96,500 cost savings	\$212,600 cost saving	\$335,800 cost savings	\$413,900 cost savings	
Revenue lost from downtime for PC without Intel vPro technology	\$125,000 to \$150,000 revenue lost	\$125,400 revenue lost	\$130,400 revenue lost	\$137,000 revenue lost	\$144,000 revenue lost	\$151,200 revenue lost	Revenue gain: 76% gain
Revenue lost from downtime for PCs with Intel vPro technology	0	\$119,000 revenue lost 5% revenue gain	\$103,400 revenue lost 21% revenue gain	\$77,700 revenue lost 43% revenue gain	\$50,300 revenue lost 65% revenue gain	\$35,900 revenue lost 76% revenue gain	Cumulative 5-year revenue gains: over \$301,000
Total revenue saved with Intel vPro technology	0	\$6,400 revenue gain	\$27,000 revenue gain	\$59,300 revenue gain	\$93,700 revenue gain	\$115,300 revenue gain	
Overall NPV costs	N/A	\$77,344 cost	\$60,626 cost	\$62,537 cost	\$64,510 cost	\$67,775 cost	Break-even point: year 1.5 ^{c,d}
Overall NPV benefits	N/A	\$29,100 benefits	\$123,600 benefits	\$272,000 benefits	\$429,400 benefits	\$529,200 benefits	Positive ROI: 259% in year 5 ^{c,d}

^a Data is the result of measurements.

^b Data is the result of projections.

^c ROI is calculated based on only two IT support processes (hardware diagnostics and repair, and software diagnostics and repair), an analysis of actual trouble tickets (12,775 tickets per year, with 80% of hardware problems and 60% of software problems requiring a desktside visit), a four-year projection to identify continued trends from taking advantage of the hardware-based capabilities of Intel vPro technology.

^d ROI results and projections do not include savings from improved user uptime or productivity.

For more information about PCs with the Intel Core 2 processor with vPro technology, visit www.intel.com/vpro

¹ PCs with Intel® Core™2 processor with vPro™ technology include powerful Intel® Active Management Technology (Intel® AMT). Intel AMT requires the computer system to have an Intel AMT-enabled chipset, network hardware and software, as well as connection with a power source and a corporate network connection. Setup requires configuration by the purchaser and may require scripting with the management console or further integration into existing security frameworks to enable certain functionality. It may also require modifications of implementation of new business processes. With regard to notebooks, Intel AMT may not be available or certain capabilities may be limited over a host OS-based VPN or when connecting wirelessly, on battery power, sleeping, hibernating or powered off. For more information, see www.intel.com/technology/platform-technology/intel-amt/.

² All content about ValueSpace was provided by ValueSpace.

³ Source: The ValueSpace 2007-2008 Pilot of PCs with Intel® Core™2 processor with vPro™ technology, conducted in 2007, at the franchise's distributed sites in South Korea.

⁴ Source: ValueSpace knowledge base.

⁵ Source: Where limited data around hardware was available, Intel internal and Industry standards were provided. In order to understand the changes in inventory across time, three impacts were documented and applied: refreshes, repairs, and growth. Refresh cycle and growth rate were provided for analysis. Repair numbers were provided by the franchise or inferred from the data collection and Intel' understanding of system behavior.

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