

# Microsoft 365 Business Voice Improves Employee Communication And Business Performance

Forrester Consulting conducted a Total Economic Impact™ (TEI) study to provide readers with a framework to evaluate the potential financial impact of Microsoft 365 Business Voice on their organizations; further referred to as Business Voice. To better understand the benefits, costs, and risks associated with this investment, Forrester interviewed several customers with experience using Business Voice.

Through these customer interviews and data aggregation, Forrester concluded that Business Voice has the following three-year financial impact: \$247K in benefits versus costs of \$67K, resulting in a net present value (NPV) of \$180K and an ROI of 266%.

**Quantified benefits.** The following risk-adjusted quantified benefits are representative of those experienced by the companies interviewed and applied to a composite organization with 50 users:

- › **Employees save time from more efficient voice communication and improved call experience and availability.** This benefit varies by role, with some of the specific examples including salespeople and the IT support organization, which both save 1 hour per day. The savings over three years for the composite organization totals \$134,809.
- › **Improved voice communication contributes to increased sales and other positive business outcomes.** An additional \$250,000 in sales in Years 2 and 3 are partly attributed (5%) to better voice communication internally and with prospects. The attributed value totals \$16,764.
- › **Previous telephony solutions are replaced with Business Voice, which eliminates support costs.** Eliminated costs for the previous solutions include annual maintenance and support, a one-time upgrade of previous telephony solutions, and IT support. The savings over three years totals \$82,738.
- › **Telecommunication usage costs were also reduced.** Reduced costs include employee reimbursements for phone charges and some company mobile phones. The savings over three years totals \$13,491.

**Unquantified benefits.** The interviewed organizations experienced the following benefits, which are not quantified for this study:

- › **Business Voice makes compliance easier.** Examples of easier compliance include ISO 270001 and security-related compliance because Business Voice is tied into Microsoft's security and access solutions.
- › **Business Voice has better uptime and performance than the previous solution and helps with business continuity.** Interviewees reported that they had outages and performance problems with previous telephony solutions and that these problems went away after moving to Business Voice. Interviewees also said that a cloud-based telephony solution made their business continuity planning easier and more affordable.
- › **International expansion is easier because Business Voice is all in the cloud.** Opening overseas offices and adding users can be done with minimal effort and lead time.

## METHODOLOGY

The objective of the TEI framework is to identify the cost, benefit, flexibility, and risk factors that affect the investment decision. Forrester took a multistep approach to evaluate the impact of Microsoft 365 Business Voice, including interviews with Forrester analysts, Microsoft stakeholders, and three current Microsoft 365 Business Voice customers. Forrester constructed a financial model representative of the interviews using the TEI methodology.

## COMPOSITE ORGANIZATION

This analysis uses a composite organization, based on the interviewees, to present the aggregate financial analysis.

## RISK ADJUSTMENT

Forrester risk-adjusted the financial model based on issues and concerns of the interviewed organization(s) to account for uncertainties in benefit and cost estimates.

**"Integration of Business Voice into the whole Microsoft ecosystem is going to be the biggest benefit."**

*– Head of IT services,  
manufacturing*



**ROI**  
266%



**Benefits PV**  
\$247,802



**Costs PV**  
\$67,739



**Payback**  
<3 months

## The Microsoft 365 Business Voice Customer Journey

For this study, Forrester conducted three interviews with Business Voice customers. Interviewed customers include the following:

INDUSTRY	REGION	INTERVIEWEE	NUMBER OF EMPLOYEES
Manufacturing	Headquartered in Europe	Head of IT services	200
IT services	Headquartered in Europe	Operations director	24
Enterprise software	Headquartered in North America	CEO	20

### Key Investment Drivers And Results

The interviewed organizations shared the following investment drivers:

- › **Prior solutions were difficult to manage and expand.** Interviewees had either on-premises traditional PBX solutions or IP telephony solutions. In both cases, Business Voice was said to be both easier to manage and expand, in order to support more users and enter new geographies.
- › **Standalone phone systems limited the opportunities to collaborate.** Interviewed companies had moved, or were moving, to Microsoft Teams. Their existing telephony solutions did not integrate with other collaboration tools. This led to a wide range of problems including duplicate support and costs, wasted time, and dissatisfied employees.

The interviewed organizations achieved key investment results:

- › **Employee performance improved by integrating a better telephony solution into other collaboration solutions.** Business Voice provides a wide range of features to support different users' communication methods. New features can easily be rolled out because everything is cloud-based. Additionally, the integration with Microsoft Teams makes it easier for users to collaborate and seamlessly switch between computers, softphones, mobile phones, tablets, and meeting rooms.
- › **Total cost of ownership (TCO) has reduced.** Prior telephony solutions cost more to maintain and upgrade, and the amount of required administration is greater. With Business Voice, the need for IT resources with specialized telephony-infrastructure skills and/or outsourcing contracts is eliminated.
- › **Employees are happier.** Employees of all ages enjoy the greater flexibility and mobility that Business Voice has given them. This has opened up work-from-home business models and made employees more efficient and effective.

“We were having performance problems with our previous solution. Also, the feature set was limited because it doesn't change from the time of implementation.”

– CEO, enterprise software

“People are doing a lot more remotely now because Business Voice is integrated into Teams. This has improved sales and delivery. Account managers now spend more time on the road and are saving almost one day per week in communication and travel to and from the office.”

– Operations director, IT services

## Composite Organization

Based on the interviews, Forrester constructed a TEI framework, a composite company, and an ROI analysis that illustrates the areas financially affected. The composite organization has the following characteristics:

The composite organization is based in North America and sells its services domestically and in Europe. In Year 1 of the study, it had 40 employees. Headcount grew to 50 in Year 3. There are two offices in North America and a small sales office in Europe. The prior telephony solution was an on-premises IP telephony system that was nearing end of life and could not support growth.

The composite organization had previously adopted Office 365 and Microsoft Teams and added Business Voice. Components included Phone System, Audio Conferencing, Calling Plan (domestic), Communication Credits, and Teams-certified devices.

## Microsoft 365 Business Voice Improves Business Effectiveness

Improving communication and collaboration between employees and with outside parties is a top priority for companies. Increased competition, compacted timeframes, and distributed business models mean that everyone needs to be more efficient and effective if the company is to truly succeed. Telephony capabilities have never quite been able to fully integrate into other collaboration solutions; i.e., with telephony being the outlier in this paradigm shift, the challenge has continued to be that it lacks the flexibility to change and expand as the business needs evolve.

Business Voice provides the flexibility that companies need in order to introduce new features and support expansion in a cost-effective way. It also saves workers time and gives them tools to improve business outcomes such as faster time-to-market, increased revenues, and improved operations.

The benefit impact experienced by the composite organization is based on past and current experiences of the three interviewees. Over three years, the composite organization expects risk-adjusted total benefits to be a present value of \$247,802.

“Convergence is the main benefit. My key employees are more reachable. Business Voice’s small bandwidth requirements means I can call them in the car or wherever they are at.”

– CEO, enterprise software

## Total Benefits

REF.	BENEFIT	YEAR 1	YEAR 2	YEAR 3	TOTAL	PRESENT VALUE
Atr	Improved communication	\$51,482	\$54,394	\$57,305	\$163,181	\$134,809
Btr	Improved business outcomes	\$0	\$10,625	\$10,625	\$21,250	\$16,764
Ctr	Eliminated solution costs	\$50,400	\$23,400	\$23,400	\$97,200	\$82,738
Dtr	Reduced telecom costs	\$4,731	\$5,472	\$6,213	\$16,416	\$13,491
	Total benefits (risk-adjusted)	\$106,613	\$93,891	\$97,543	\$298,047	\$247,802

› **Better voice communication saves time, increases collaboration, and improves mobility.** Time savings are included in the financial analysis. A Forrester survey looking at the value of Microsoft Teams found that improved call quality saves time from having to redial calls or follow up because information was not heard properly. Interviewees shared the following examples of how Business Voice enables a greater degree of worker flexibility: 1) the IT help desk saves each person 1 hour per day because they can answer calls from any place in the office while helping other users and 2) salespeople save approximately one-half day per week because they can more effectively participate in phone calls with other employees and customers while on the road and avoid driving into the office. This adds up to a net benefit of \$134,809.

“Previously, people were stuck at their desks. Now they benefit from seeking people out around the office and using their mobile phones effectively. This makes them more flexible.”

– Head of IT services, manufacturing

› **More effective and efficient voice communication improves business outcomes, such as increased revenues and decreased time-to-market.** Effective communication makes for better and stronger businesses. Interviewees shared many examples of how business outcomes can improve. These include closing more deals, bringing new products to market faster, reducing operating costs, and streamlining operations. One interviewee shared an example of a new contract worth more than \$1.5 million, which required a global support help desk. Their previous telephony solutions could not support this requirement, and they would not have won the contract without Business Voice being in place. The financial analysis includes \$250,000 in additional sales in Years 2 and 3, and conservatively attributes 5% of this to improved voice communication. This adds up to a net benefit of about \$16,764. In reality, improved business outcomes are worth much more to an organization, and the reader is encouraged to think about ways their organization can benefit from enhanced and integrated voice solutions.

“Perception wise, we are seen as on the leading edge because of Business Voice. Customers see this and it helps us win deals.”  
– Operations director, IT services

› **Eliminating previous telephony solutions partially or fully offsets the cost of Business Voice.** Interviewed companies replaced a range of solutions from traditional PBXs to other cloud-based VOIP solutions. Replacing them eliminates \$3,000 per year in maintenance, support, and licenses. A one-time solution cost upgrade of the previous IP-based PBX solution, totaling \$30,000, was also avoided. Additionally, 0.2 of an FTE was spent supporting the previous solutions, and this time is now freed up to be used for other activities. These savings add up to a net benefit of \$82,738.

› **Individual user telecommunication costs are also reduced.** Eliminated telecommunication costs include an average chargeback of \$5 per user per month for both personal phone usage and getting rid of some company-provided mobile phones. Previously, one-third of employees had company phones, and this was cut by 50%. These savings added up to a net benefit of \$13,491.

“Previously people would expense phone calls from their mobiles, and there were a lot of mobile-to-mobile calls. Now people use the app and there are no more expenses coming in.”  
– Operations director, IT services

› **Business Voice makes compliance easier.** Interviewees said that moving to Business Voice helped with internal and external compliance. One company that works with financial companies reported that having Microsoft’s security solutions integrated into the telephony solution helped them meet Canadian and European regulatory requirements. Another interviewee said that their insurance company mandated a business continuity plan and solution, and Business Voice fulfilled the telephony-related requirement. Improved compliance was not included in the financial analysis.

› **Business Voice provides better uptime and performance than the previous solution and helps with business continuity.** Some interviewees said that they had outages and performance problems with their previous telephony solutions. These companies also said that since moving to Business Voice, voice quality improved and they did not experience any performance problems. Voice outages can have serious downtime costs for an organization, but they were not included in the financial analysis.

“At one point we had four outages in a three-month period, which required our phone service provider to implement fixes. Since moving to Microsoft we have had no voice outages.”  
– Head of IT services, manufacturing

› **International expansion is easier because Business Voice is all in the cloud.** Two of the interviewed companies have overseas employees, and they explained that moving to Microsoft made expansion faster, easier, and cheaper. One company was able to set up two new employees in South Africa in less than a week, something they would not have been able to do using traditional telephony solutions. Another company is using Business Voice to set up offshore workers. These workers cost 50% of a domestic employee, which is saving the company money. These benefits were not included in the financial analysis.

## Business Voice Costs Include Fees And Internal Effort

The composite organization experienced three categories of cost associated with the Business Voice investment. Over three years, the composite organization expects risk-adjusted total costs to be a PV of \$37,739.

## Total Costs

REF.	COST	INITIAL	YEAR 1	YEAR 2	YEAR 3	TOTAL	PRESENT VALUE
Etr	Business Voice solution costs	\$0	\$10,238	\$11,498	\$12,758	\$34,493	\$28,394
Ftr	Internal effort	\$8,462	\$11,000	\$11,000	\$11,000	\$41,462	\$35,817
Gtr	Training	\$0	\$3,491	\$225	\$225	\$3,940	\$3,528
	Total costs (risk-adjusted)	\$8,462	\$24,728	\$22,722	\$23,982	\$79,894	\$67,739

- › **Business Voice license costs \$28,394.** The user count grows from 40 users in Year 1 to 50 by Year 3. Each user has a phone system license, audio conferencing, and a domestic calling plan. At the time of writing, US prices were not finalized so an average based on the UK and Canada was used. There are also \$150 in Communication Credits used for international phone calls.
- › **Internal effort costs \$35,817.** The initial effort took two FTEs two weeks. Ongoing support on Business Voice solutions and supporting users is 0.1 FTEs.
- › **Training for users and IT costs \$3,528 in lost work time.** Each end user required, on average, 1 hour of training. Two IT resources received two days of training.

## A Microsoft 365 Business Voice Investment Today Can Create Future Opportunities

The value of flexibility is clearly unique to each customer, and the measure of its value varies from organization to organization. There are multiple scenarios in which a customer might choose to implement Business Voice and later realize additional uses and business opportunities. Interviewees shared the following examples:

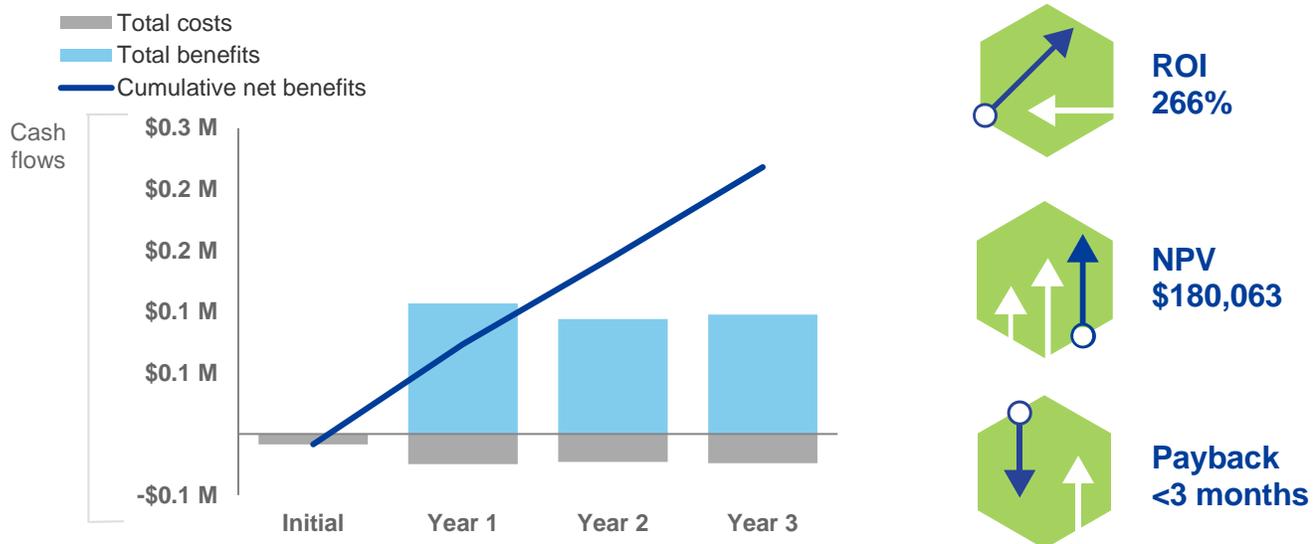
- › “Microsoft’s voice solutions are constantly evolving because everything is software-based. When you buy traditional hardware, you are buying the technology available that day, and it doesn’t improve. Going to Business Voice will bring us a lot of new features.”
- › Expanding into new geographies.
- › Easily adding new users and acquired companies.
- › Call recording (in the product roadmap) for the support desk; this will replace a \$29 per user per year expense.

None of these future opportunities are included in the financial analysis.

Flexibility, as defined by TEI, represents an investment in additional capacity or capability that could be turned into business benefit for a future additional investment. This provides an organization with the “right” or the ability to engage in future initiatives but not the obligation to so.

## Financial Summary

The financial results calculated in the Benefits and Costs sections can be used to determine the ROI, NPV, and payback period for the composite organization's investment in Microsoft 365 Business Voice. Forrester assumes a yearly discount rate of 10% for this analysis.



## Disclosures

The reader should be aware of the following:

- › The study is commissioned by Microsoft and delivered by Forrester Consulting. It is not meant to be a competitive analysis.
- › Forrester makes no assumptions as to the potential ROI that other organizations will receive. Forrester strongly advises that readers use their own estimates within the framework provided in the report to determine the appropriateness of an investment in Microsoft 365 Business Voice.
- › Microsoft reviewed and provided feedback to Forrester. Forrester maintains editorial control over the study and its findings and does not accept changes to the study that contradict Forrester's findings or obscure the meaning.
- › Microsoft provided the customer names for the interviews but did not participate in the interviews.

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### ABOUT TEI

Total Economic Impact™ (TEI) is a methodology developed by Forrester Research that enhances a company's technology decision-making processes and assists vendors in communicating the value proposition of their products and services to clients. The TEI methodology helps companies demonstrate, justify, and realize the tangible value of IT initiatives to both senior management and other key business stakeholders. The TEI methodology consists of four components to evaluate investment value: benefits, costs, risks, and flexibility. <https://go.forrester.com/consulting/content-marketing-consulting/>

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