

## ROI CASE STUDY

# EFFICIENTIP ANONYMOUS UNIVERSITY



### ANALYST:

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### THE BOTTOM LINE

A European university deployed EfficientIP to streamline and improve the management of its network's IP addresses, DNS zones, and DHCP scopes. Nucleus analysts found that moving from a legacy application with limited functionality to EfficientIP enabled the university to increase IT staff productivity and take advantage of the software's automation capabilities to reduce the staff knowledge needed to resolve issues while reducing network vulnerabilities.

ROI: **55%**

Payback: **11 months**

Average annual benefit: **\$24,027**

### THE COMPANY

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The organization profiled in this case study is a large public teaching and research university founded in the 1870s in England. The university has more than 25,000 students and annual turnover of more than £100m.

### THE CHALLENGE

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The university had been using an application from Infoblox to support management of its Domain Name System (DNS), Dynamic Host Configuration Protocol (DHCP), and IP addresses and other network-related issues. However, the university was notified by the vendor that its existing solution was reaching end of life and would require a significant hardware investment to maintain operational. Given that the university was undergoing a significant network refresh effort at the same time, the IT team at the university determined that it would take this opportunity to review what other solutions might be available in the marketplace that might better meet the university's needs.

**Cost : Benefit  
Ratio | 1 : 1.8**

## THE STRATEGY

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The team did a significant amount of due diligence and ultimately went out to tender with three potential vendors: BlueCat, EfficientIP, and Infoblox. The university ultimately selected EfficientIP for two main reasons:

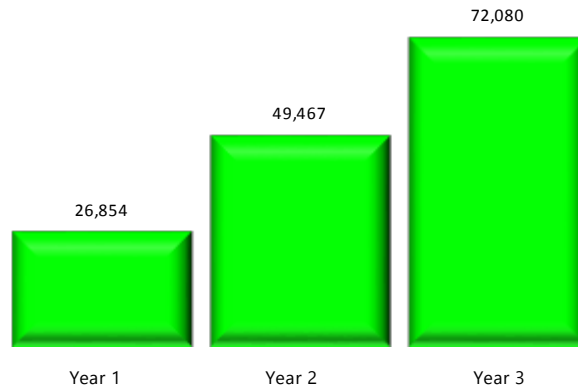
- Functional capabilities. The automation and other capabilities EfficientIP provided were far more advanced than the competition.
- Price competitiveness. EfficientIP was roughly one-third the cost of the competitors.

### Types of Benefits



The team worked with an EfficientIP services team to import existing data from the previous Infoblox system, with an on-site engineer from EfficientIP supported by remote developers as needed. The main work was completed in approximately one week, and team members received 2 to 4 days of training based on their role and need for expertise in the application.

### Cumulative Net Benefit



## KEY BENEFIT AREAS

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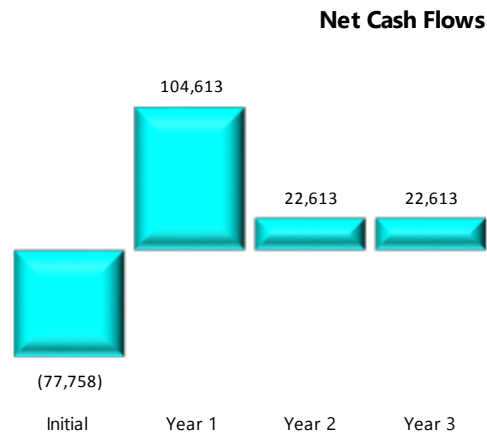
Moving from its legacy Infoblox deployment to a modern solution such as EfficientIP has enabled the university to streamline and automate its IT operations. Key benefits of the project include:

- Increased IT staff productivity. Automating processes that used to be mostly manual and time intensive, such as PC refreshes, server updates, and printer configurations, has freed up IT staff time to spend on other activities.
- Avoided hardware costs. Moving to EfficientIP enabled the university to avoid a significant hardware purchase that would have been required simply to maintain the limited capabilities of the previous legacy application.
- Reduced burden on higher-skilled IT staff. Because of the advanced functionality and capabilities in EfficientIP – such as workflow automation – the university can deploy less expensive staff to manage certain tasks and projects, thus avoiding the cost of more specialized resources.

## KEY COST AREAS

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Key cost areas of the project included consulting, hardware, training, software, and personnel time to deploy and support the application.



## BEST PRACTICES

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The university knew that it needed to make changes to its current IP management strategy as the application it was using required a significant update and hardware refresh just to remain operational. However, it recognized that time as an opportunity to modernize and drive greater efficiencies in its IT operations rather than just a “like-for-like” replacement.

Modernizing its solution has produced short-term gains but, as the university becomes more familiar with the advanced capabilities of the solution, it will likely be able to gain other benefits by further automating and streamlining its IT operations.

## CALCULATING THE ROI

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Nucleus quantified the initial and ongoing investments in software, hardware, consulting, personnel, and training over three years to quantify the university's total investment in EfficientIP. Hardware costs were calculated as capitalized assets and depreciated over a 5-year period.

Direct benefits quantified included a one-time hardware purchase avoided that would have been required simply to keep the university's existing solution operational, and the employee cost avoided by being able to devote a lower-cost resource to activities that would have required a more specialized (and costly) staff person without EfficientIP.

Indirect benefit quantified included the productivity savings associated with the streamlining and automation of tasks such as PC updates, server migration, printer configuration, and addressing malware threats. These were calculated based on the average annual fully loaded cost of the employees impacted using a productivity correction factor to account for the inefficient transfer of time between time saved and additional time worked.

## FINANCIAL ANALYSIS

### EfficientIP

Annual ROI: 55%

Payback period: 0.9 years

<b>ANNUAL BENEFITS</b>	<b>Pre-start</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
Direct	0	92,881	10,881	10,881
Indirect	0	15,242	15,242	15,242
<b>Total per period</b>	0	108,123	26,123	26,123

<b>CAPITALIZED ASSETS</b>	<b>Pre-start</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
Software	0	0	0	0
Hardware	23,500	0	0	0
Project consulting and personnel	0	0	0	0
<b>Total per period</b>	23,500	0	0	0

<b>DEPRECIATION SCHEDULE</b>	<b>Pre-start</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
Software	0	0	0	0
Hardware	0	4,700	4,700	4,700
Project consulting and personnel	0	0	0	0
<b>Total per period</b>	0	4,700	4,700	4,700

<b>EXPENSED COSTS</b>	<b>Pre-start</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
Software	3,300	0	0	0
Hardware	0	0	0	0
Consulting	40,500	0	0	0
Personnel	562	3,510	3,510	3,510
Training	9,897	0	0	0
Other	0	0	0	0
<b>Total per period</b>	54,258	3,510	3,510	3,510

<b>FINANCIAL ANALYSIS</b>	<b>Results</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
Net cash flow before taxes	(77,758)	104,613	22,613	22,613
Net cash flow after taxes	(53,342)	59,652	14,552	14,552
<b>Annual ROI - direct and indirect benefits</b>				<b>55%</b>
Annual ROI - direct benefits only				40%
Net Present Value (NPV)				26,997
<b>Payback period</b>				<b>0.9 years</b>
Average Annual Cost of Ownership				29,429
3-Year IRR				44%

### FINANCIAL ASSUMPTIONS

All government taxes	45%
Cost of capital	7.0%



NUCLEUS  
RESEARCH

# By the Numbers

Anonymous University's EfficientIP project



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Annual Return  
on Investment **55%**

**11.0**  
months  
The total time to value, or  
payback period, for the project

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Cost : Benefit  
Ratio **1 : 1.8**  
**\$24,027**  
Average annual benefit

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## THE PROJECT

A European university deployed EfficientIP to streamline and improve the management of its network's IP addresses, DNS zones, and DHCP scopes, enabling the university to increase IT staff productivity and take advantage of the software's automation capabilities to reduce the staff knowledge needed to resolve issues while reducing network vulnerabilities.

## THE RESULTS

Reduced technology costs  
Saved 1/4 FTE

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**Number of users: 5**  
**1** Total time for the company to  
Week deploy EfficientIP

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*"The day-to-day stuff that was really time consuming now takes minutes. And we have the flexibility because the appliance can be redeployed to support whatever's needed."*

- IT Manager