

ROI-study of Projectplace:

Cambio realises yearly savings of EUR€2 000 per project

An independent case study concludes that Cambio Healthcare Systems AB, one of Sweden's largest vendors of healthcare administrative systems, enjoys a return of investment for the web based project management and collaboration solution Projectplace worth 4.5 times the cost. The increased efficiency saves Cambio's 16 consultants more than 250 hours per month. In addition, Cambio's customers experience substantial time savings and Projectplace also yields a number of unquantifiable benefits, for example higher quality and raised perceived professionalism of services rendered.

Today's market requires increased flexibility and customer orientation. This has led to an increasingly large proportion of companies' core activities being run as projects. As a consequence, project managers, project teams and project-intensive organisations struggle with a range of project-related problems. Major problems include establishing and maintaining effective communication within projects, and avoiding time-consuming and expensive administration.

Projectplace offers web based project solutions designed to effectively address these problems, and supply the differing needs of the project manager, project team, and the organisation – both as an effective tool for planning, executing, and delivering the individual project, and as a support tool on an overall level when co-ordinating and managing several projects at the same time. Projectplace minimises administration, rationalises processes, and enables a high level of quality.

Independent study highlights advantages

Just how beneficial Projectplace's collaboration tool can be for a project-intensive company is highlighted by a case study executed by the independent consultancy firm Agerra Consulting. The study takes a closer look at Cambio Healthcare Systems AB's use of Projectplace. Benefits and costs are identified and analysed in order to calculate Cambio's return on investment (ROI) from using the service.

Cambio is one of the largest vendors of healthcare administrative systems in Sweden. It has some 60 employees and offers both an IT based platform, a number of software applications and IT consultancy services. The case study is based on interviews with Cambio's employees as well as one of the company's customers, Landstinget i Uppsala län (Uppsala county health authorities). The Return on Investment (ROI) is measured as the relationship between the organisation's total cost for the Projectplace service and the estimated savings from using it. Agerra's study finds that Cambio realises an ROI-ratio of 4.5, i.e. each month they save 4.5 times the monthly cost of using the service. The benefits Cambio's staff experience from using Projectplace are mainly related to time savings, higher quality and security.

16 consultants save 250 hours per month

Through using Projectplace, Cambio makes it possible for all involved parties in a project to access all necessary information, completely up-to-date, anytime and anywhere. This enhances the collaboration both within Cambio and between Cambio and its customers, as well as the transparency of the project for the customer.

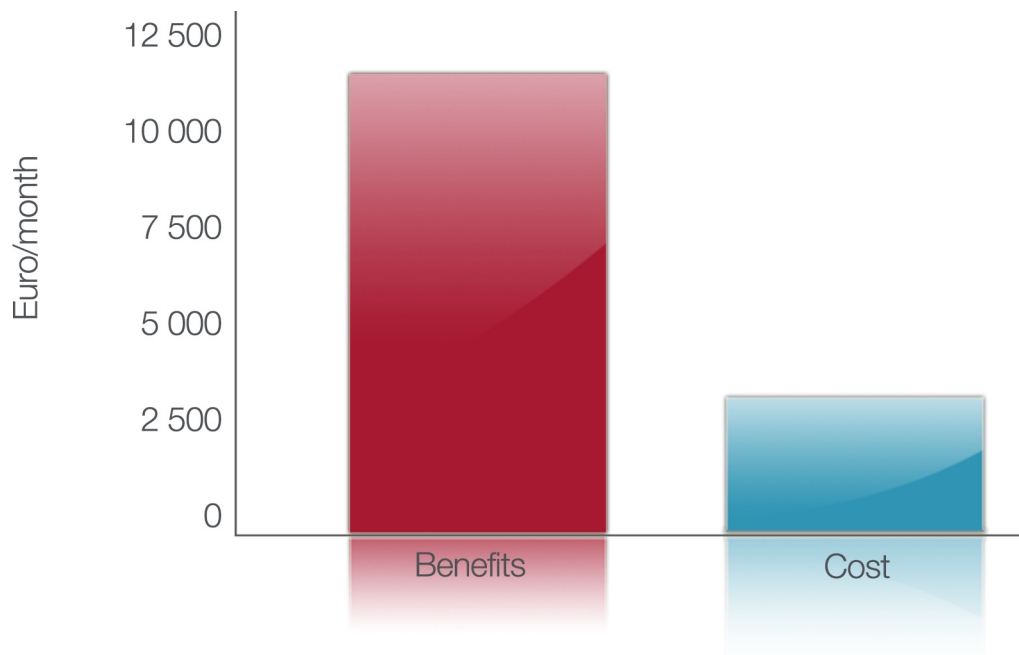
The case study concludes that the use of Projectplace saves time throughout Cambio's projects. Since the tool makes a project's structure, content, phases and areas of responsibility very clear and easy to overview, the start-up phase for a new project can be shortened. The management of an ongoing project is also more efficient, since much of the planning, control and follow-up is integrated into the tool.

Since updated information and documents are securely accessible via the Internet, project members can avoid idle time and do their work wherever they are. They also avoid spending time searching for information or the accurate version of a document. If you add time saved through more efficient communication and a reduced number of physical meetings, you quickly realise that the time savings are substantial within the projects.

On top of this, since Projectplace is a web-based service, it requires no administrative efforts from Cambio's IT department unlike a traditional software-based solution. There are also reduced direct costs from less printing, telephone calls, postage, couriers and data storage.

By using Projectplace, each of Cambio's project managers saves about 35 hours per month. Other project members each save around 15 hours per month and Cambio's CIO saves an average of 5-10 hours per month in avoided administration and support. On a corporate level, Cambio is saving more than 250 hours per month, purely based on their 16 consultants. This is equal to one and a half full-time consultants, or in fiscal terms EUR 11,500 per month. The total cost of using Projectplace for Cambio is EUR 2,600; thus the ROI-ratio is 4.5. In a year, the company saves more than EUR 110,000 and given that Cambio manages five projects a year, the average savings per project amounts to EUR 22,000. (See appendices for full details.)

ROI on Projectplace at Cambio Healthcare Systems AB



Increased quality and perceived professionalism

The study also identifies a number of benefits from using Projectplace that are difficult to quantify. Cambio states that their quality is enhanced because of better transparency and tracking opportunities with Projectplace, both internally and for the customer. All parts of a project can easily be controlled and followed up, and Projectplace lets the customer be directly involved in a project throughout its duration. Overall quality also benefits because the organisation is forced to apply a standardised corporate project methodology. Cambio is perceived as a more trustworthy and professional supplier thanks to the increased standardisation, structure, control and accessibility that Projectplace provides.

It's not only Cambio that saves time and money through using Projectplace. Their customers can also increase their efficiency in a project. In the case study, Uppsala county health authorities calculates that it saves 180 hours per month when participating in a project using Projectplace, equivalent to approximately EUR 5,500. This is bound to create goodwill towards Cambio in customers' eyes and add to the perceived quality of Cambio's solutions.

Return on Investment on Projectplace's Collaboration Tool

Appendix 1.A

Time & Cost Savings for Cambio Healthcare Systems

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)		
	<u>Time Saving</u>	<u>Input Data</u>			<u>Corporate Time Savings</u>		<u>Cost Savings</u>			
	Saved hours per month & user	Number of users	Avg. time on project	Effect during % of project	Saved hours /month	/year	Avg. salary /hour	Cost saving /month		
<i>Project Management</i>	Faster Delivery Cycles									
	Project Manager	16	6	80%	100%	77	922	40	3 072	
	Other Project Member	4	10	25%	100%	10	120	30	300	
	Rapid Project Start-Up									
	Project Manager	12	6	80%	20%	12	138	40	461	
	Other Project Member	4	10	25%	20%	2	24	30	60	
<i>Communication</i>	Effective Distribution of Information									
	Project Manager	6	6	80%	100%	29	346	40	1 152	
	Other Project Member	4	10	50%	100%	20	240	30	600	
	Fewer Meeting Occassions									
		Project Manager	4	6	80%	100%	19	230	40	768
	Other Project Member	4	10	25%	100%	10	120	30	300	
	Lower Travelling Costs									
	Total for Company	Price for a return trip: Number of reduced trips/month		110 2,0	Number of travellers: # of project months/year		2 55	2 017		
<i>Document Mgmt</i>	Spend Less Time Searching									
	Project Manager	8	6	80%	100%	38	461	40	1 536	
	Other Project Member	4	10	80%	100%	32	384	30	960	
	Reduced Direct Costs									
	Corporate Level								330	
<i>PMO</i>	Supports Project Management Office									
	Project Manager	0	0	0%	0%	0	0	0		
	Other Project Member	0	0	0%	0%	0	0	0		
<i>Security</i>	Higher Security Standards									
	Project Manager	0	6	80%	100%	0	0	40	0	
	Other Project Member	0	10	30%	100%	0	0	30	0	
<i>IT-Cost</i>	Lower IT-Costs									
	CTO or IT staff	7,5	1	100%	100%	8	90	40	300	
<i>Total</i>	Total Savings for Cambio Healthcare Systems					Hours/m	Hours/year	EURO		
						256	3 075	11 855		

Return on Investment on Projectplace's Collaboration Tool

Appendix 1.B

Time & Cost Savings for Cambio's Customer (Uppsala Läns Landsting)

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	
	<u>Time Saving</u>	<u>Input Data</u>			<u>Corporate Time Savings</u>		<u>Cost Savings</u>		
	Saved hours per month & user	Number of users	Avg. time on project	Effect during % of project	Saved hours /month	/year	Avg. salary /hour	Cost saving /month	
<i>Project Management</i>	Faster Delivery Cycles								
	Project Manager	12	1	75%	100%	9	108	40	360
	Other Project Member	12	9	65%	100%	70	842	30	2 106
	Rapid Project Start-Up								
Project Manager	12	1	75%	20%	2	21,6	40	72	
Other Project Member	12	9	65%	20%	14	168	30	421	
<i>Communication</i>	Effective Distribution of Information								
	Project Manager	4	1	75%	100%	3	36	40	120
	Other Project Member	4	9	65%	100%	23	281	30	702
	Fewer Meeting Occassions								
	Project Manager	4	1	75%	100%	3	36	40	120
	Other Project Member	4	9	65%	100%	23	281	30	702
Lower Travelling Costs									
Total for Company									0
<i>Document Mgmt</i>	Spend Less Time Searching								
	Project Manager	8	1	75%	100%	6	72	40	240
	Other Project Member	4	9	65%	100%	23	281	30	702
Reduced Direct Costs									
Corporate Level									110
<i>PMO</i>	Supports Project Management Office								
	Project Manager	0	0	0%	0%	0	0	0	0
Other Project Member	0	0	0%	0%	0	0	0	0	
<i>Security</i>	Higher Security Standards								
	Project Manager	0	0	0%	0%	0	0	0	0
Other Project Member	0	0	0%	0%	0	0	0	0	
<i>IT-Cost</i>	Lower IT-Costs								
CTO or IT staff	4	1	75%	100%	3	36	40	120	
<i>Total</i>	Total Savings for Cambio's Customer				Hours/m	Hours/year	EURO		
					180	2 163	5 775		