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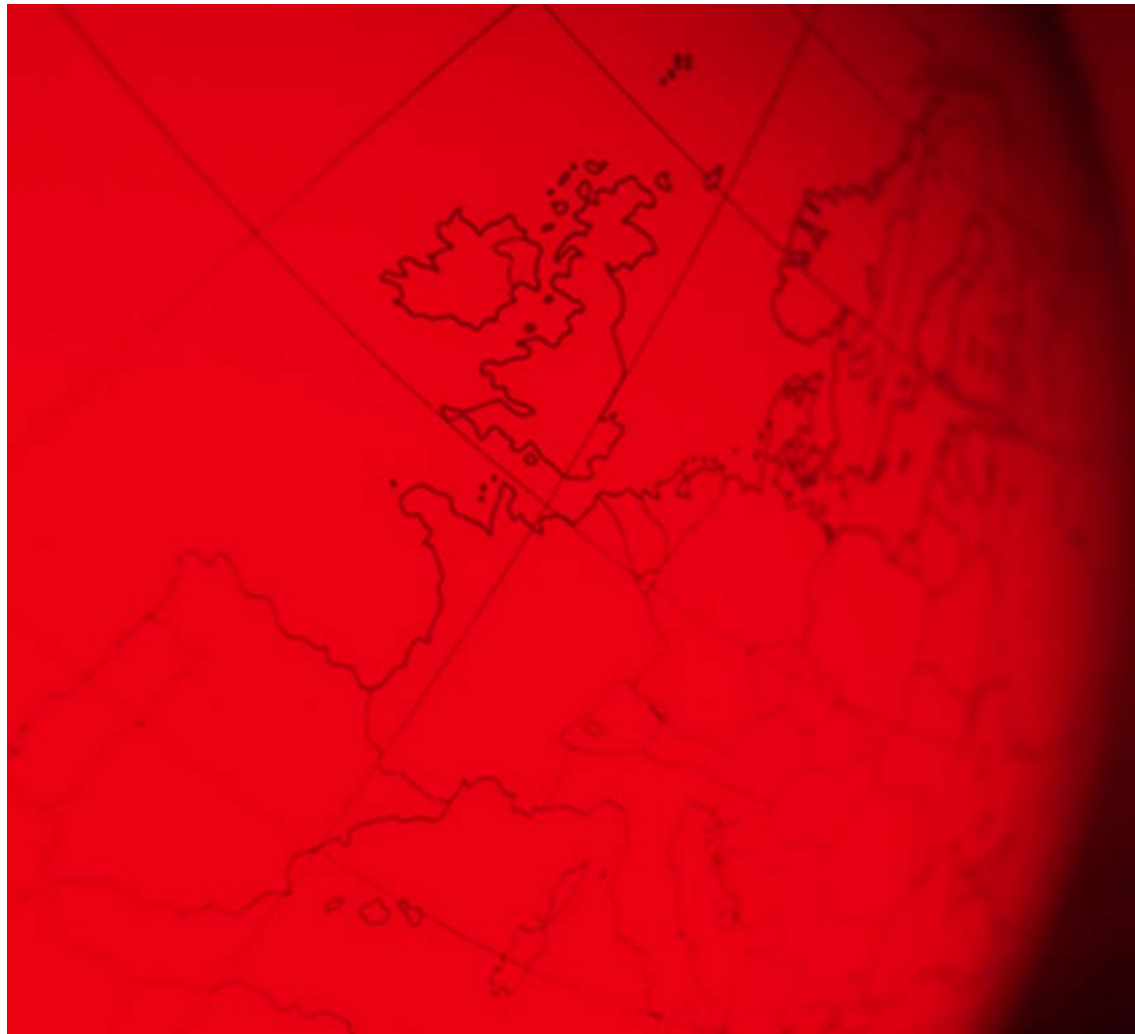
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# **ROI REPORT**

## **MICROSOFT EXCHANGE SERVER 2003**



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## **THE BOTTOM LINE**

**As electronic messaging becomes key component of a communications infrastructure, companies that treat e-mail as a commodity may miss return on investment (ROI) opportunities. Investigating upgrades can deliver greater value to users while streamlining management.**

E-mail is no longer just a productivity application: it's a core component of an organization's communications infrastructure. Small increases in efficient use of e-mail spread across hundreds of users can have a significant impact on the bottom line – just as a "minor" spam problem can produce significant expenses. Nucleus has found companies that are actively tuning – and in some cases upgrading – their e-mail environment can deliver considerable ROI.

Microsoft Exchange Server 2003 provides e-mail, collaboration, and administrative tools – and also provides a number of options to enable rapid and cost-effective remote and mobile access to Exchange Server 2003 data and applications. Key features and components of the solution include:

- Microsoft Exchange Server 2003 provides SMTP, POP, IMAP, MAPI, and HTTP/HTML support for e-mail clients as well as xHTML and cHTML support for mobile browser-based devices. Exchange enables companies to create, set policies for, and manage e-mail accounts, and also provides services for group scheduling, contact sharing, and folder sharing. Integration of Exchange with other Microsoft technologies can support instant messenger, shared workspaces, and tactical collaboration and task management.
- Microsoft Office Outlook 2003 provides users with tools for e-mail messaging, contact management, Task Management, group calendaring, and instant messaging. Users can use Outlook to filter and organize e-mail communications, check busy/free status for scheduling, and manage shared projects and tasks.
- Microsoft Exchange ActiveSync enables mobile devices such as Smart phones to access and synchronize e-mail, contacts, and calendars directly with the Microsoft Exchange Server.
- Microsoft Exchange Server 2003 supports remote procedure calls (RPC) over HTTP to access Exchange servers, enabling users to connect to their Exchange mailbox from a remote office without investing in a virtual private network (VPN).
- Microsoft Outlook Web Access supports secure remote access from the Outlook client.

## **KEY BENEFIT AREAS**

In evaluating a potential e-mail change or upgrade, there are two key areas for ROI an organization should consider: improved communication and collaboration, which typically impacts the top line in terms of increased productivity, and improved management of technology, which often results in reduced IT costs. This report evaluates the potential returns from upgrading an e-mail environment to Microsoft Exchange Server 2003 and focuses on potential returns in both areas.

**RELATED RESEARCH**

- F3 ROI Case Study:  
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- E115 Microsoft's  
Magnifying Glass for  
Exchange
- E109 Instant Messaging:  
Breaking the Bad  
ROI Rap
- D105 ROI Case Study:  
MGM

**Improved communication and collaboration**

There are a number of potential steps organizations can take to improve communication and collaboration and increase returns from their e-mail infrastructure – some include providing more functionality within the e-mail platform; others focus on providing users with more consistent cost-effective access. Microsoft Exchange Server 2003 provides enhancements in both areas:

- **Enable rapid access with electronic devices.** Mobile Exchange users can access their in boxes from mobile devices that support iMode, cHTML, and WAP 2.0 microbrowsers. Exchange also supports services such as T-Mobile that support Short Message Service (SMS) to alert always-on mobile devices when new messages arrive.
- **Reduce cost of remote access.** RPC over HTTP, which enables users to access their Exchange mailbox data without a VPN, can provide remote users with a more cost-effective means to access Exchange on a regular basis.
- **Enable access via the Web.** Outlook Web Access enables users to access Exchange information securely via any PC with an Internet connection – without a dedicated Exchange client.
- **Reduce the impact of spam.** Exchange Intelligent Message Filter provides server-side message filtering to combat spam or junk e-mail. Features include heuristics-based analysis of messages and the ability to adapt over time, improving its ability to catch unwanted messages and prevent false positives.

Upgrading from Microsoft Exchange Server 2000 to Microsoft Exchange Server 2003 enabled one company to save each of its employees 15 minutes per day – just by reducing the time needed to filter and delete incoming spam messages.

- **Reduce e-mail filtering time.** Outlook 2003 helps streamline the task of sorting and organizing e-mail messages, with features such as “quick flags” to quickly categorize e-mail messages with color-coded flags, search folders to group e-mails and search queries, and automated tools to filter incoming messages by subject, person, task, and other criteria.
- **Increase real-time communication.** Integrated instant messenger functionality enables users to quickly identify colleagues that are on-line and available and get their questions answered – or arrange further collaboration – in real time.
- **Add context to communication.** Exchange and Outlook provide user-friendly tools that simplify the support of group schedules and personal tasks; the ability to create team and meeting work spaces leveraging the integration with Windows SharePoint Services provide additional support for team collaboration.

In evaluating the potential ROI from increases in productivity, companies should consider both the number of employees impacted and the expected time savings. In some cases, even a small increase in individual user productivity, when multiplied by a broad user base, can produce significant returns.

**Improved technology management**

Moving to Exchange Server 2003 can also enable organizations to reduce IT costs and improve efficiencies through a number of key strategies:

- **Consolidate and standardize.** Enhancements in Exchange Server 2003, such as the ability to support multiple mail databases on a single server, can enable organizations to reduce their overall hardware footprint. For companies current running dual environments – such as Novell eDirectory and Active Directory or Windows and another operating system – to support GroupWise or Lotus Notes, standardizing on Exchange can reduce both e-mail administration and network administration burdens and total license costs.
- **Streamline mobile access and support.** Exchange 2003 integrates the capabilities of Microsoft’s Mobile Information Server so that Exchange users no longer need a separate front-end server to support mobile devices.
- **Leverage other Microsoft technologies.** Companies with an existing investment in Microsoft Office and Windows can leverage their integration with Microsoft Exchange Server to streamline management and monitoring. For example, the Exchange Management Pack enables administrators to quickly monitor Exchange environment health and performance. It is integrated with Microsoft Operations Manager, enabling a single point of access for automated monitoring of the Exchange and Windows environment.
- **Reduce tactical support requirements.** New tools and administrative features reduce the time required for monitoring, moving mailboxes, resolving issues, and managing spam and viruses. The Exchange Management Pack, for example, immediately notifies administrators if Exchange services stop running, user clients can’t connect, mail isn’t flowing between servers, disks are reaching capacity, or other key factors that may impact performance before they become critical.

To evaluate the potential returns from improved technology management, organizations will need to look at three key areas: the technology being licensed today to support e-mail and the broader network environment, the number and distribution of e-mail administrators, and the amount of time spent supporting the e-mail system.

## **DEPLOYMENT STRATEGIES**

In evaluating the ROI from a move to Microsoft Exchange Server 2003, companies can identify key areas of potential returns based on their current messaging environment.

### **Upgrading from previous versions of Microsoft Exchange**

Nucleus found companies upgrading from previous version of Microsoft Exchange to Exchange Server 2003 can reduce the IT time needed to manage Exchange and potentially consolidate sites and servers – while providing end users with better mobile access and more tools to enhance productivity.

**Customer profile:** Lifetime Products, a leisure equipment manufacturing company, achieved a 1387 percent ROI by upgrading from Microsoft Exchange Server 2000 to Microsoft Exchange Server 2003. Key benefits included increased out-of-office access for users, reduced e-mail filtering time, and increased IT staff productivity (for more details, please see Nucleus Research ROI Case Study #F3).

Key ROI strategies for customers moving from a previous version of Exchange to Exchange Server 2003 include:

- Increasing IT staff productivity through improved administration and management tools.
- Increasing end user productivity by reducing the impact of spam, increasing mobile access, and increasing system performance.

**Customer profile:** MGM Mirage, a resort and entertainment company, achieved a 125 percent ROI by upgrading from Microsoft Exchange Server 5.5 to Microsoft Exchange Server 2003. Key benefits included reduced downtime by moving to a clustered environment and easier administration and restoration of messages and mailboxes – enabling the company to reduce administrator time to support Exchange by 25 percent (for more details, please see Nucleus Research ROI Case Study #D105).

### **Migrating from Lotus Notes**

Although the Lotus Notes platform includes many of the key collaboration capabilities of Microsoft Exchange, organizations with a predominantly Microsoft environment have found a positive ROI from migrating from Notes to Exchange by providing users with a single sign-on instead of multiple directory and messaging application sign-on requirements, and by enabling administrators to manage one directory to add, remove, and manage users.

Key ROI strategies for customers moving from Notes to Exchange include:

- Reducing VPN and other remote access costs using Exchange ActiveSync and RPC over HTTP.
- Consolidating sites and servers to reduce ongoing IT costs and increase administrator productivity.
- Increasing end-user productivity through single sign-on and mobile access.

### **Migrating from Novell GroupWise**

Companies that are currently managing a Microsoft Windows environment for Office and other applications as well as Novell NetWare to support their messaging platform can eliminate IT management time devoted to managing multiple directories while leveraging their existing investment in Windows Server and Active Directory.

Key ROI strategies for customers moving from GroupWise to Exchange include:

- Reducing VPN and other remote access costs using Exchange ActiveSync and RPC over HTTP.
- Increasing end-user productivity through integration with Windows and Office applications and functionality such as instant messenger and team workspaces.
- Eliminating cost of multiple networking and directory software licenses by standardizing on Microsoft Windows and Active directory.

## **KEY COST AREAS**

Key cost areas to consider when planning a move to Microsoft Exchange Server 2003 include:

- **Software.** Companies deploying Microsoft Exchange Server 2003 will need to consider the combined cost of Exchange 2003 Server licenses, CALs, and licenses for supporting software.
- **Hardware.** The number of physical servers needed to support an Exchange 2003 deployment will depend on the number of users, performance goals, and the kind of hardware chosen to support Exchange. Many organizations may find they can consolidate servers by moving to Exchange 2003, so limited additional hardware investment will be necessary.
- **Consulting.** Companies moving from a Lotus Notes or Novell GroupWise environment may need to make a more significant investment in consulting to ensure success, depending on their level of Microsoft technology skill. For most organizations, a relatively small consulting investment will support the necessary planning, testing, and configuration support for a successful Exchange Server 2003 deployment.
- **Personnel.** Nucleus found most companies were actually able to reduce the amount of IT staff devoted to supporting the e-mail infrastructure by upgrading to Exchange 2003. This was particularly true in consolidation situations and in migrations from Lotus Notes to Microsoft Exchange.
- **Training.** It's highly unlikely companies will need to invest in individual user training for an upgrade to Microsoft Exchange 2003; however, those moving from another vendor's solution may find some basic training guides accelerate adoption. The level of IT training needed to support Microsoft Exchange 2003 will depend on current staff experience with Exchange and with the Microsoft Operations Manager.

## **CONCLUSION**

Given the ubiquitous nature of e-mail as a corporate communications tool, small changes in an e-mail environment can have a significant impact on ROI. Organizations that don't consider upgrading their e-mail environment may be missing significant ROI opportunities that have a relatively low risk. Microsoft Exchange Server 2003 can support improved user productivity and reduced IT costs – while leveraging a company's existing investment in Microsoft Windows and Office technologies. Organizations may also find more flexible options for remote access can deliver greater user productivity while reducing IT and communications costs.