

Callan Consulting

IDC: Cost of Downtime Calculator



“The first thing you notice about Ed is that he is quick. Quick to understand the value proposition of the underlying technology, quick to grasp the key elements of each project, quick to develop creative solutions and most importantly, quick in execution of high quality deliverables.”

Randy Perry, Vice President, Business Value Consulting

Background

IDC is one of the premier global providers of market intelligence, advisory services, and events for the information technology and communications industries. With over 1,000 analysts tracking over 110 countries, IDC has provided strategic insights to help its clients achieve their business objectives for more than 40 years.

Business Problem

In mid-2008, IDC was asked by a major technology provider to develop a customer-facing tool that calculates the actual cost of IT system downtime associated with operational risks in businesses and organizations. This calculator would be used as a sales tool to help the provider’s customers assess the current cost of downtime to their business and the cost reduction achievable by implementing the provider’s products and services.

The provider had other ROI and TCO models available, but the sales teams found them to be too complex and as a result rarely used them in customer engagements.

Solution

Working closely with IDC’s Business Value Consulting team, Callan Consulting developed a spreadsheet model that calculates the cost of downtime and can be

tailored based on a variety of customer-specific input criteria. It calculates downtime costs associated with six separate industry segments and seven different countries. It can also be used to calculate downtime costs associated with internally-facing applications (e.g. business productivity applications), customer-facing applications (e.g. e-commerce), or both.

The model was grounded in data from IDC’s global Business Value Database of over 3,000 companies, but the primary model development was performed by Callan Consulting. Callan Consulting also wrote a user guide describing the model and its workings, and participated in training the technology provider’s staff.

Results

The technology provider was very pleased with the results. In one of the first sales engagements during the model rollout, a sales representative was able to secure a seven-figure deal in a competitive situation and credited the model with changing the tone of the sales conversation to the technology provider’s favor. The provider told IDC it particularly liked the streamlined, user-friendly inputs and outputs and is planning to use it as a model for future ROI/TCO tools.

Callan Consulting
61 Baywood Avenue
San Mateo, CA 94402
Phone: 650-375-0573
Fax: 650-375-0144
ed@callan-consulting.com

