



Glomark-Governan

The EVC Report™

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Introducing The EVC Report

We are pleased to bring to you The EVC Report — A publication by Glomark-Governan for practitioners of the EVC™ (Economic Value Creation™) methodology .

Since 1992 Glomark-Governan has been working with enterprises around the world in assessing, comparing and measuring the economic value, ROI and risk of investments in technology and non-technology initiatives.

We have gained tremendous knowledge about the best practices for assessing and measuring ROI, and we plan to share some key experiences via The EVC Report.

In addition to best practices and tips for using the EVC methodology, we plan to share key benchmarks as well as news from Glomark-Governan, including enhancements to the Genius tools, Clients' success stories, and recent events and projects conducted by our team of consultants around the world.

In this Issue for example, we are sharing some key findings from a recent research study on IT Mobility. These results are been presented in industry events in various countries.

Please send an email to editor@governan.com to let us know what you think about The EVC Report.

Good EVC Reading!

Ruben E. Melendez
President and CEO
Glomark-Governan



ROI of Windows Vista and Office '07

While some people see the benefits of the new Windows Vista operating system and Office 2007 as soft or intangible, Glomark-Governan consultants have found a solid economic justification behind this new technology from Microsoft.

Certainly many of the features of these products are related to productivity improvements; however, the analyses conducted by Glomark-Governan consultants in various industries have identified considerable operational and economic benefits in business

areas, in addition to benefits in IT areas such as enhanced security.

For example, in a hospital with 3000 PC users Glomark-Governan identified the following annual economic benefits:

- Reduced rejection of invoices by payers: \$3,100,000
- Reduced downtime from improved security against malicious code: \$2,250,000
- Reduced costs of delivering care: \$904,000
- Reduced administration due to

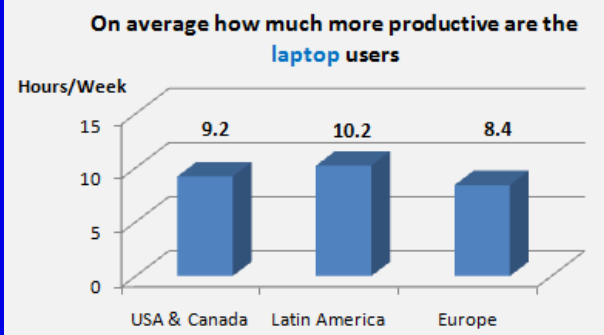
enhanced group and policy management: \$279,000

- Increased productive time from new document collaboration tools: \$160,000

These, plus other identified and quantified benefits, resulted in a most likely IRR of 112% for the hospital.

Contact Glomark-Governan for details on the EVC Templates developed for Windows Vista, Office 2007, and Exchange Server 2007.

ROI and Risk of IT Mobility



Results from 258 companies surveyed in various countries

A study conducted in March of 2007 by Glomark-Governan found that companies investing in IT mobility can expect a payback from 7 to 14 months,

and an ROI of 140% to 370%.

The survey identified the top three risk considerations from IT mobility as:

1. Higher risk of losing assets (including hardware and software).
2. Risk of losing information contained in the laptops and PDAs.
3. Risk of increasing business processes' downtime with increase assets lost.

The top three operational

benefits identified are:

- Increased revenue from improved customer satisfaction
- Improved productivity from increased collaboration
- Improved supply chain efficiencies.

Visit www.glomark.com to find a Glomark-Governan representative near you, and learn more about this study.

Glomark-Governan definition of Governance:

“Governance specifies the decision-making authority to communicate and track desirable performance, accountability and behavior throughout the organization”

ROI Metrics in Governance and BPM

Close to 70% of the Fortune 1000 companies have already implemented a Corporate and/or IT Governance function; and over 45% of those have implemented a Business Performance Management (BPM) system— also known as Corporate Performance Management (CPM), or Enterprise Performance Management (EPM).

While the majority of these companies have been able to improve their overall business results with the use of a Governance function and a BPM system, Glomark-Governan found that 80% of the managers and executives in these companies are still not sure what metrics to use to best assess and measure the ROI and economic value of specific

projects, such as the case of information technology initiatives.

A new white paper, available at no cost from Glomark Governan, discusses a three-tier model for organizing metrics to best measure the economic value of individual projects and linking the projects to BPM and balanced scorecard systems.

Best Practices for Measuring ROI

Operational metrics vary considerably from project to project, and industry to industry. It is not possible to define one or a few metrics that can be used across all projects. Some projects are aimed at improving the supply chain, and operational metrics on those cases can be things such as tons per day, inventory turn-

over, production cycle time, etc. Other projects for example can be geared to improving sales process efficiencies; and in those cases operational metrics can be things such as proposals per month, close-rate, revenue per order, etc. In order to define the operational metrics for individual

projects the Glomark-Governan EVC methodology suggests using a mapping approach using causes-and-effects. In other words, mapping the features of the initiative (or technology) to operational impacts (measures) in business functions or business processes.



Business Benefits of SOA

Compared to traditional component-based software development, service-oriented-architecture, a.k.a. SOA, enhances organizational agility and business capabilities through faster application development and lower development costs.

This represents a competitive edge for companies that want to establish and sustain a first-mover advantage with new products and services.

A study developed by Glomark-Governan for a \$4 billion chemical company identified and quantified the TCO and TBO of SOA.

The five top economic benefits from an SOA initiative include:

1. Additional revenue generated by enabling new projects and selecting best in breed systems.
2. Realize project returns from faster-time-to-market.
3. Eliminate incremental cost to develop traditional reusable components.
4. Reduction in costs associated with support, customization, and changes.
5. Reduce cost to integrate with vendors, suppliers, and partners.

Contact Glomark-Governan for additional information.

EVC Public Class - August 27-29, 2007

We are pleased to announce the upcoming EVC Template Builder / Business Case Builder public class that will take place in Glomark-Governan main office in Dublin, Ohio. The class is ideal for new template builders that want to develop EVC templates for their solutions and services; as well as product managers, ROI specialists, portfolio managers, IT managers, and just about any one interested in

learning how to build business cases from scratch.

The public class is a lower cost alternative for companies that need to train one or two individuals, instead of purchasing an on-site session for a larger group.

Please contact Ana Bermudez at al.bermudez@glomark.com for the registration form or any additional information on the EVC public class.



“Register now for the EVC Template Builder / Business Case Builder Public Class. Space is Limited”

Genius Version 7.1 Release

Genius Plus, designed for sales professionals and business case reviewers, is a new tool available in the Genius Suite version 7.1.

Version 7.1 also includes enhancements in Genius Base, Genius Pro and Genius Analyzer. Some of the new features in Genius Pro include;

- Additional financial graphs in the Word and PowerPoint reports.
- Ability to include non-cash-impact benefits in the business case; such as intangible or strategic benefits; or indirect productivity-related benefits.

Graphic below shows the benefit selection screen in Genius Plus

Operational Benefit	Solution	Include In Business Case	Include in Overview	Delay	Cash Impact
Reduced IT support from improved online help	Office 2007 Upgrade	Yes	Yes		Yes
Improved Document Item level security from RMS and SharePoint	Rights Management System & SharePoint	Yes	Yes		Yes
Reduced administration due to enhanced group and policy management	Vista, RMS & SharePoint	Yes	Yes		Yes
Cost avoidance of separate upgrades: IE7, Windows Defender, Encryption	Windows Vista	Yes	Yes		Yes
Enable software and capabilities not currently available or compatible	Windows Vista	No	No		Yes
Encryption reduces costs and risks associated with device loss or theft	Windows Vista	No	No		Yes
Improved user productivity from GUI and optimized background processes	Windows Vista	No	No		Yes
Reduced downtime from improved security against malicious code	Windows Vista	No	No		Yes
Reduced support and repair costs due to improved security against malicious code	Windows Vista	No	No		Yes
Reduced virus attacks from improved security tools in Windows Vista	Windows Vista	Yes	Yes		Yes

Benefit Abstract: Means Of Quantification:

Measurable Assumption: Solution: Apply:

Cost to install critical patches and features: OK: Cancel:



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Visit www.glomark.com to find the nearest
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Glomark-Governan helps enterprises around the world by providing them the methodology, training, consulting and software tools necessary to assess, communicate and measure the economic value of investments in technology and services.

Glomark-Governan has tested and refined the Economic Value Creation (EVC™) methodology for more than a decade, bringing to market a proven, complete solution that allows companies organize their solutions' value, define operational and performance metrics, assess economic risk, and quickly create project-specific business cases.

"Your Economic Value Creation Experts"

Other News From Glomark-Governan

- Marcelo Espejo has joined the Glomark-Governan team as EVC Consultant and Director of Glomark-Governan Argentina. Marcelo was previously a manager at Unisys, HP and Microsoft, where he was also a practitioner of the Rapid Economic Justification (REJ) methodology, which Microsoft consultants use around the world since 1997 under license from Glomark-Governan.
- A new optional "EVC Certification Program" is available now from Glomark-Governan. The modular program is broken down in four sessions, of two days each. By attending the modules and completing the tests, the participants can become certified as green, blue, brown and black level certification levels. The certification tests are optional and not a require-



- ment for the attendees to the Glomark-Governan training programs.
- Glomark-Governan is now a contributing member of the new Outsourcing Intelligence Network recently launched by the Outsourcing Institute.
 - With recent success in new orders from our subsidiaries in Mexico and Spain, Glomark-Governan has been able to reach a new international sales record. Regional executives that have contributed to this achievement include Carmen Tarrat, Ruben Portilla, Victor Melendez, and Javier Garcia-Bardon.
- In addition to several orders received in 2007 from existing clients, Glomark-Governan is pleased to welcome two new customers: Atos Origin and Deloitte Consulting.

- Phoenix Training and Consulting, a leading performance improvement organization, is now an business partner of Glomark-Governan.
- Ruben Melendez, CEO of Glomark-Governan, has been invited to participate in the Advisory Board of the Center for Business Performance Research (CBPR) of the Fisher College of Business at the Ohio State University.
- Brenda Klockenga, who until recently was Regional VP for the U.S., has agreed to continue assisting Glomark-Governan on a part-time basis as an Executive Sales Consultant. Brenda will continue using the same email address (b.klockenga@glomark.com).
- Stay tune— new EVC Selling public classes for sales professionals will be announced in the next issue of The EVC Report.

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