



Enterprise Video 

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Is Affordable
and a
Business Requirement**



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We're in a media-centric society: A digital age, where the core of the media is video content.

Video represents an overwhelming amount of the content accessed by consumers and people in the workplace.

For instance, Netflix and YouTube together account for the majority of Internet traffic over fixed access networks in North America. And the amount of video content for mobile consumption is projected for exponential growth.

It's a time where insightful executives are using video to reach their internal and external audiences and they are seeing an impact on business results through the use of video communications and workplace learning.

Despite this trend, a business case is still required, comparing anticipated costs against potential savings and revenue increases. However, many executives are finding the building of a business justification to be less challenging.

Much of this is due to the digital transition that lowered costs and improved quality and capabilities of video equipment. Also, it can be attributed in part to the fact that most organizations have some capabilities and infrastructure to create, manage, distribute and display video throughout all or parts of the enterprise.

We believe that conducting an analysis to understand your organization's business needs and video capabilities, including a system audit, can determine your situation.

This would be followed by research and benchmarking against industry best practices and the development of the desired future state for enterprise communications and workplace learning.



The ensuing business case will compare anticipated costs against potential savings and revenue increases and should include a 3-to-5 year roadmap and life cycle plan.

It's likely to identify cost savings by:

- Leveraging existing systems and capabilities to provide value for all departments and business units.
- Eliminating repetitive and unnecessary systems and equipment that are inefficiently performing in silos across the enterprise.
- Enhancing the current ecosystem only with additional systems and capabilities that are clearly justified and support the roadmap.
- Aggregating the purchase of products and services through fewer vendor vehicles and leverage the benefits of managed services.
- And improving the system workflow throughout the organization.

The business case is enhanced through other cost savings, cost offsets and increased revenue generation opportunities, such as:

- Reductions in travel costs and time for new hire orientation, employee training and executive communications.
- Also, improved sales through employee training, product promotions via digital signage, and on the job, in the field, performance support using mobile devices.

Numerous studies show that the cost of replacing an employee is expensive and increases for employees with higher skill and experience levels. Generally accepted guidelines state that a front line, hourly employee will cost about 15% of their annual salary to replace. This cost includes advertising, interviewing and training a new employee. A \$10/hour employee will cost the organization about \$3000 to replace.



There are numerous examples of retailers using product training and information to improve seasonal item sales, for example. Typically, seasonal items have unique properties and a limited window to sell. We have seen retailers capture greater than 10% sales improvement of seasonal items when they utilize video training to prepare the sales organization for seasonal events. Pick a single item in your portfolio—if you could affect a 10% increase in sales, what would that equate to in additional dollars to the company? What would be the gross margin uplift of that increase?

The best way to ensure that you have an effective, secure and affordable system is to:

- Make it available to all authorized content providers, including marketing, communications, public relations, human resources, and the learning groups.
- Interface it with all distribution channels for internal and external viewers.
- Make content readily and easily accessible to all audiences.
- Give viewers the video they want: When, where and how they want it.

When compared to the cost of PCs, laptops, tablets, smartphones, and other business and communications tools for employees, achieving a fully functional, effective enterprise-wide video ecosystem is affordable making a key point for the business case. At this rate, how can an organization afford to not have the appropriate and necessary system?

*This is an excerpt of an article co-authored by Randy Palubiak, Enliten Management Group, and Mike Tippets, Hughes Network Systems, *Video in the Enterprise – An affordable Business Requirement*, 2014.