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## **ROI CASE STUDY SCANSAFE PAUL DAVRIL INC.**

### **THE BOTTOM LINE**

**By deploying ScanSafe, Paul Davril improved its worker productivity, freed up telecommunications bandwidth, and improved information sharing practices.**

**ROI: 208%**

**Payback: 6 months**

### **THE COMPANY**

Paul Davril Inc. is a leading manufacturer with more than 25 years experience in the design, development, procurement, and distribution of branded and private label apparel, accessories, and footwear. The company bases its success on market foresight, dominance of sourcing markets, and its operational efficiency and accuracy. Paul Davril has as customers Kenneth Cole and Ecko Red and provides private label merchandise to retailers such as Sears and JC Penney. The company operates offices worldwide with global sourcing headquarters located in Hong Kong, China, under the name of Damrak, Ltd.

### **THE CHALLENGE**

Three years ago Paul Davril's IT department determined that it had a problem with spyware. Spyware was wasting the company's bandwidth, causing PCs to stall, and reducing employee productivity. The company had tried standard scanners, but these were not successful because they were not sufficiently automated. As a result, Spyware had become a drain on the company's IT staff, employees, and telecommunications infrastructure.

### **THE STRATEGY**

In late 2005, Paul Davril decided to improve its employees' productivity by installing a spyware solution. The project manager was leaning toward an on-demand solution because he had already successfully used an on-demand solution for spam. In selecting a vendor, the company looked at a number of on-premise solutions, accepted a 60-day trial of ScanSafe, and sought out other on-demand spyware solutions. ScanSafe was selected because it was the only available on-demand solution and it performed well during the 60-day trial period.

Because ScanSafe is an on-demand solution, little work is required to deploy it. To accommodate ScanSafe, Paul Davril's IT staff reconfigured space on a domain controller that had excess capacity and implemented a number of policy changes

**RELATED RESEARCH**

F83 Research Note:  
Desktop Security  
Best Practices

E50 Research Note:  
Spam – the Serial  
ROI Killer

through Active Directory. After fine-tuning the configurations on servers at both Paul Davril and ScanSafe, installation took only a matter of hours.

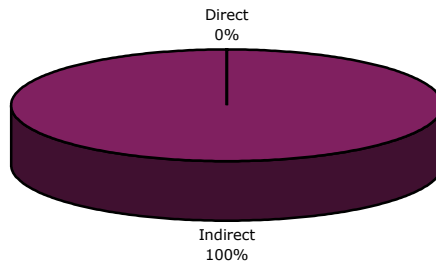
Paul Davril deployed ScanSafe in January 2006, and it now protects 200 employee PCs from spyware. The program utilizes a blacklist of sites to which employees are denied access and prevents the downloading of unnecessary content from the Internet. ScanSafe also prevents malware and Internet sites from delivering legitimate content that can waste bandwidth. For example, ScanSafe blocks data-rich ads from eHarmony — even though they appear on legitimate Web sites — in order to conserve bandwidth. ScanSafe is blocking approximately 32,000 monthly instances of malware, such as a pop-up or spyware program.

The IT staff spends very little time supporting the solution. On a daily basis a member of the staff attempts access to an inappropriate site in order to ensure that ScanSafe is filtering. The staff also spends a relatively small amount of time managing ScanSafe's blacklist on an as-needed basis. Because Paul Davril is in the fashion business, some employees may need access to Web sites that are typically on ScanSafe's blacklist.

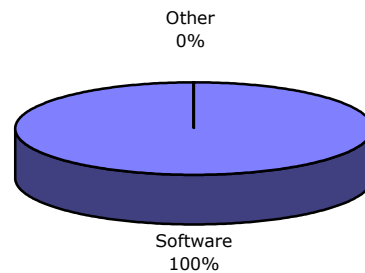
**KEY BENEFIT AREAS**

Benefits from the ScanSafe deployment have exceeded Paul Davril's expectations. Since adopting ScanSafe, the company's IT department has eliminated time spent addressing spyware issues. Benefits outside of the IT department include more efficient use of Internet bandwidth and better data sharing. Key benefits from the solution include:

- Increased productivity. As a result of deploying ScanSafe, the number of monthly trouble tickets related to spyware has reduced from approximately 25 to zero. This has significantly improved the productivity of the IT staff and the majority of PC users. Employees are also more efficient because they are no longer able to download content or access sites that are unrelated to their job descriptions.
- Recovered bandwidth. ScanSafe has reduced the volume of several types of Internet activity, including surfing, downloads, pop-ups, and streaming ads at legitimate sites. This has freed up a significant amount of bandwidth on the company's T1 lines — more than Paul Davril had expected— enabling the company to increase the flow of data across the organization without purchasing additional T1 capacity.
- Improved data sharing. Prior to the deployment, insufficient bandwidth over the T1 lines made it difficult to transfer data between the servers of the company's various offices. Because ScanSafe now prevents unproductive content from wasting bandwidth, it is easier and faster to transfer data. As a result, employees are sharing more data more often, and the company is using its LAN more efficiently.

**BENEFITS****TOTAL: \$111,023****KEY COST AREAS**

Costs consisted entirely of annual fees for on-demand delivery of the ScanSafe solution. Because of the on-demand delivery model and ScanSafe's ease of use, no costs were incurred in the areas of hardware, consulting, personnel, or training.

**COSTS****TOTAL: \$48,000****LESSONS LEARNED**

Paul Davril's operating environment includes both Windows Server 2000 and Windows Server 2003. As a result, parts of the ScanSafe deployment had to be fine tuned to accommodate both operating systems. Ideally, an organization would spend less time on such fine-tuning by making sure that only one operating system is deployed across the operating environment.

**CALCULATING THE ROI**

Nucleus quantified Paul Davril's total investment in ScanSafe based on the 3-year cost of fees for on-demand access to the solution. Benefits for both PC users and IT staff were calculated based on time saved by removing the need to troubleshoot approximately 25 spyware events per month. Time savings for general employees were multiplied by a correction factor to account for the inefficient transfer of time from time saved to additional time worked. All productivity benefits were based on the average fully loaded salary of the impacted employees.

# DETAILED FINANCIAL ANALYSIS

Paul Davril Inc.

## SUMMARY

Project:	<b>ScanSafe</b>
Annual return on investment (ROI)	<b>208%</b>
Payback period (years)	<b>0.48</b>
Net present value (NPV)	<b>22,549</b>
Average yearly cost of ownership	<b>16,000</b>

<b>ANNUAL BENEFITS</b>	<b>Pre-start</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
Direct	0	0	0	0
Indirect	0	37,008	37,008	37,008
<b>Total Benefits Per Period</b>	0	37,008	37,008	37,008

<b>DEPRECIATED ASSETS</b>	<b>Pre-start</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
Software	0	0	0	0
Hardware	0	0	0	0
<b>Total Per Period</b>	0	0	0	0

<b>DEPRECIATION SCHEDULE</b>	<b>Pre-start</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
Software	0	0	0	0
Hardware	0	0	0	0
<b>Total Per Period</b>	0	0	0	0

<b>EXPENSED COSTS</b>	<b>Pre-start</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
Software	12,000	12,000	12,000	12,000
Hardware	0	0	0	0
Consulting	0	0	0	0
Personnel	0	0	0	0
Training	0	0	0	0
Other	0	0	0	0
<b>Total Per Period</b>	12,000	12,000	12,000	12,000

<b>FINANCIAL ANALYSIS</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
Net cash flow before taxes	25,008	25,008	25,008
Net cash flow after taxes	12,504	12,504	12,504
<b>Annual ROI - direct and indirect benefits</b>			<b>208%</b>
Net cash flow after taxes (direct only)	(6,000)	(6,000)	(6,000)
Annual ROI - direct benefits only			-100%
<b>Net present value (NPV)</b>			<b>22,549</b>
<b>Payback (years)</b>			<b>0.48</b>
Average annual cost of ownership			16,000
3-year cumulative ROI			376%
3-year IRR			201%

## FINANCIAL ASSUMPTIONS

All government taxes	50%
Discount rate	15%