

NUCLEUS
RESEARCH

ROI: 173%
Payback: 4.8 Months

RINGCENTRAL

AIMBANK

ANALYST

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THE BOTTOM LINE

AimBank deployed RingCentral's unified cloud communications system across 27 branch locations to replace a costly legacy multi-carrier PBX system that suffered outages that interrupted communications with customers. After modernizing its phone system with RingCentral, AimBank was able to offer a wider communication window to reach customers and improve satisfaction, save user time and increase productivity, and retire legacy PBX hardware and supporting infrastructure while gaining team messaging and video conferencing. It realized an ROI of 173 percent and recovered the cost of its investment within the first 5 months of deployment.

THE COMPANY

AimBank was founded in Littlefield, Texas in 1925. Since then, it has expanded to include 27 locations across Texas and New Mexico with nearly \$2 billion in assets under management. It offers commercial and consumer banking products like loans and deposit options. It also offers credit and debit cards, 24-hour telephone banking (enabled by the RingCentral system), and mobile banking.

THE CHALLENGE

AimBank was using a custom-built private branch exchange (PBX) voice over IP (VoIP) telephony system to keep up communications between branches and to customers for telephone banking. The physical PBX appliances were positioned across the different market areas, with some sharing services between different branch locations within a market. This caused certain locations to be dependent on systems for phone service from other markets, so the service was not connected or resilient. The disruptions to service impacted customers as they were unable to use the telephone banking for locations where the phone systems were down. Additionally, different phone carriers serviced different towns, so to cover all the markets AimBank was paying regular fees to multiple carriers. Switching to a single provider would allow them to eliminate the redundant fees and create connected coverage with minimal downtime across all markets. Further, the bank did not have a unified messaging or video conferencing system. Individual users communicated over Skype, but it was cumbersome, inefficient, and disconnected from other workflow tools like the telephony system. Also, users had to share Skype contact information in order to connect, which presented a bottleneck when connecting with a new person or setting up a last-minute, impromptu conference. The bank needed to unify all its communication channels and tools on a single platform.

**Cost : Benefit
Ratio | 1 : 4.2**

THE STRATEGY

In early 2019, AimBank began considering other providers for its VoIP system to reduce or eliminate the PBX units and improve service quality. It considered several vendors including solutions from Grasshopper, AT&T, OneStream, and RingCentral. After being quoted for its nearly 400 endpoints, AimBank purchased RingCentral for its cloud-based phone system in April 2019. One of the key factors in its decision to go with RingCentral was the fact that all the phones were able to switch onto the new system without needing any new hardware. The numbers could all be kept and there was minimal disruption to the day-to-day user

experience. Moving to RingCentral allowed AimBank to unify its communications technology on one single back-end to simplify support and billing.

Additionally, RingCentral offered team messaging and video conferencing capabilities that are integrated with the communications system to centralize messaging on a single platform and enable easier communication between branch locations. Previously, the bank used a separate tool, Skype, for video conferencing. This meant users had to share Skype information in order to connect, and users would have to abandon their existing workflows to enter Skype for conferencing. With video conferencing from RingCentral, the bank could phase out using Skype for internal communications. This simplified the toolset and user experience, and unified communications overall to a single platform.

AimBank partnered with Blue Layer IT Services to set up the system back-end and build custom dashboards during the initial deployment. Internally, seven people were primarily involved with the deployment including a senior director and six help desk analysts. All 27 locations were converted to the RingCentral system within one month, and all of the setup and user training was complete within three months. After the training, the system has been virtually self-sustaining; help desk analysts average about 15 minutes each week answering calls from users and helping troubleshoot minor issues. AimBank was able to drop multiple carriers and only a single unified bill through RingCentral. This simplified their accounting and reduced the total system cost.



KEY BENEFIT AREAS

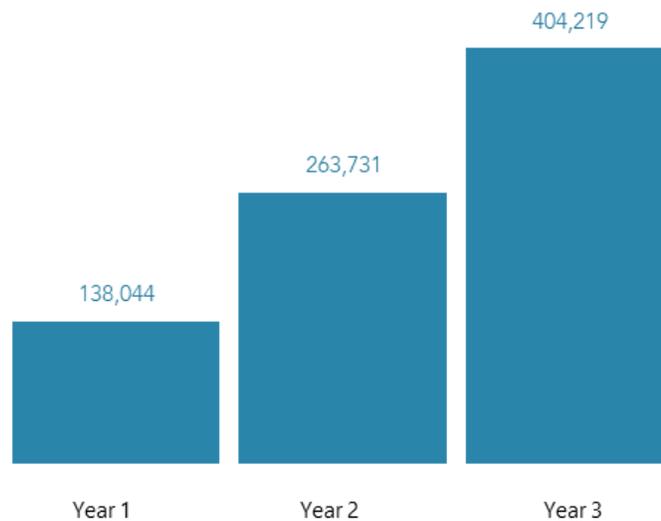
Key benefits of the RingCentral deployment include eliminated hardware costs from retiring PBX units and the supporting server infrastructure, increased user productivity, and improved customer satisfaction through better quality of service and improved phone system uptime.

- Eliminated hardware and carrier costs. AimBank was able to retire PBX systems at each branch that cost between \$3,000 and \$4,000, annually per unit. Additionally, it was able to retire the servers and supporting infrastructure and eliminate fees from multiple carriers, as the billing and service was all unified on the RingCentral system.
- Increased user productivity. The users realized between 70 and 90 percent productivity improvements through using a messaging application on the system and from constantly available communication (in the past when a branch's phone system was down, communication was interrupted causing work delays at other locations as well). Additionally, creating a conference call or video conference and submitting a ticket is much faster and easier with RingCentral than with the legacy system. On the PBX system, onboarding and setting up a new user was time consuming and required multiple hours; on RingCentral it takes only a few minutes

to add a new user. To create a video conference, users would have to open Skype (assuming all contact information had been shared prior to the call) and connect there. On RingCentral, users can message, video conference, and conduct voice calls from the same platform, which simplifies the user experience and minimizes workflow disruptions and the need to pre-emptively share Skype contact information.

- Increased customer satisfaction through improved phone system uptime. In the past when the PBX systems would fail, customers would not be able to use the telephone banking service for those affected locations. Now without regular outages, AimBank can truly uphold its commitment to 24-hour telephone banking without interruptions.
- Time saved that was spent regularly fixing PBX outages. When the legacy systems failed, IT staff would be dispatched to resolve the issues and bring the system back online as quickly as possible. Now using RingCentral, without the regular outages, AimBank is no longer incurring the labor costs for system maintenance and repair. This yields savings of tens of thousands of dollars annually.

CUMULATIVE NET BENEFIT



KEY COST AREAS

The largest cost area for the deployment is the internal personnel responsible for configuring and managing the RingCentral system. Other cost areas include the annual RingCentral spend and the one-time cost of third-party consulting during the initial deployment from Blue Layer IT Services.

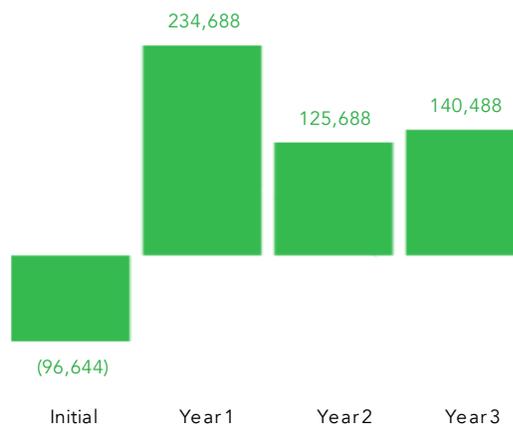
LESSONS LEARNED

This project highlights the necessity of a unified communication and technology strategy for optimizing costs and service levels. The PBX system was a natural choice for the time period it was chosen, and it was reasonable for linking the different branches with a server network before the cloud was a viable option. However, as customer expectations changed (enabled by improving technology), the interrupted service levels and complex multiple carrier fees limited customer satisfaction and made the system costly to maintain, which ultimately put a cap on future top line growth. Implementing RingCentral was a cost effective and smooth transition; preserving AimBank's investment in handsets (with nearly 400 individual endpoints, replacing all of these in the transition would have been a significant cost) minimized implementation costs, while maintaining their original phone numbers made the transition seamless to customers who would only notice the improved service levels.

Additionally, the bank realized value from simplifying its internal communication channels and enabling users to communicate via messaging and video conference from the same unified platform. Skype required sharing of contact information in order to connect; for impromptu communications at another branch, it was not always possible to quickly connect with the necessary party if they hadn't shared their Skype information. On the RingCentral platform, users can connect with other internal users without having to open another tool or search for contacts. This streamlined inter-branch communications and helped the organization simplify its communications toolset.

With the current COVID-19 pandemic response necessitating more and more business be moved to a mobile or distributed operating model, unifying its phone system on RingCentral offered AimBank a leg up on competitors with an already-solid mobile communication service capacity. At a high level, this deployment highlights how RingCentral can serve as a key differentiator enabling more seamless digital and distributed communication with customers as the business world acclimates to this so-called "new normal."

NET CASH FLOWS



CALCULATING THE ROI

Nucleus Research analyzed the costs of software, hardware, personnel, professional services, and user training over a three-year period to quantify AimBank's investment in the RingCentral solution.

Indirect benefits quantified include the productivity gains for users from streamlined ticketing, improved internal communication from messaging and video conferencing, and increased phone system uptime. The indirect benefit is multiplied by a correction factor to account for the inefficient transfer of time between time saved and additional time spent working.

Benefits not quantified include the improved customer satisfaction from the improved phone service quality and expanded communication window. Additionally, time previously spent fixing a faulty or down PBX unit can be rededicated to value-add work since the RingCentral system requires virtually no regular maintenance to ensure continued performance.

FINANCIAL ANALYSIS

Annual ROI: 173%

Payback period: 0.4 years

BENEFITS	Pre-start	Year 1	Year 2	Year 3
Direct	0	129,000	20,000	20,000
Indirect	0	120,488	120,488	120,488
Total per period	0	249,488	140,488	140,488

COSTS - CAPITALIZED ASSETS	Pre-start	Year 1	Year 2	Year 3
Software	0	0	0	0
Hardware	0	0	0	0
Project consulting and personnel	0	0	0	0
Total per period	0	0	0	0

COSTS - DEPRECIATION	Pre-start	Year 1	Year 2	Year 3
Software	0	0	0	0
Hardware	0	0	0	0
Project consulting and personnel	0	0	0	0
Total per period	0	0	0	0

COSTS - EXPENSED	Pre-start	Year 1	Year 2	Year 3
Software	14,800	14,800	14,800	0
Hardware	0	0	0	0
Consulting	3,375	0	0	0
Personnel	78,469	0	0	0
Training	0	0	0	0
Other	0	0	0	0
Total per period	96,644	14,800	14,800	0

FINANCIAL ANALYSIS	Results	Year 1	Year 2	Year 3
All government taxes	45%			
Cost of capital	7.0%			
Net cash flow before taxes	(96,644)	234,688	125,688	140,488
Net cash flow after taxes	(53,154)	129,078	69,128	77,268
Annual ROI - direct and indirect benefits				173%
Annual ROI - direct benefits only				48%
Net Present Value (NPV)				190,933
Payback period				0.4 years
Average Annual Cost of Ownership				42,081
3-Year IRR				202%

All calculations are based on Nucleus Research's independent analysis of the expected costs and benefits associated with the solution.