

THINKstrategies



A White Paper for Business Decision-Makers

How On-Demand, Self-Service Appointment Scheduling Solutions Help Organizations Better Serve Customers and Improve Employee Productivity

An Independent analysis
published on behalf of TimeTrade Systems.



Executive Overview

The old adage “*time is money*” has never been more true than in today’s increasingly complex, challenging and competitive business environment. Failing to capture a moment of opportunity can be costly in lost revenue, productivity and profit opportunities.

This is especially true in service-based businesses who view their “inventory” as a set of schedulable time slots for those services. When a time slot goes by, unsold or unused, it is lost forever. This not only means lower productivity, it can also represent a lost revenue opportunity.

A series of macro-trends has combined to make it harder than ever to operate a service business at optimal efficiency, even as it becomes more imperative to do so.

- Consumers’ busy lives mean that the deciding factor in a purchase decision is often *convenience*. Vendors who are available on the spur of the moment often get the deal, while vendors who are less available don’t. (Why else would some fast food outlets be open 24 hours a day and have *two* drive-thru lanes?)
- In many industries, globalization lowers the barriers to entry and lets competitors radically decrease their cost structures. Both result in greater competitive cost pressure, which trickles through the entire supply chain. But globalization can’t impact the cost structure of local service businesses. (Consumers in Chicago cannot outsource their dog grooming or family portrait to India.) Service businesses must find other ways to improve their costs, such as better automating their business processes.
- Not only do unsold time slots result in lost revenue and lower productivity; they dilute the amortization of overhead, resulting in a higher cost basis for the slots that do get sold.

In addition, the rise of ‘on-demand’ services in the consumer and entertainment world, such as Amazon and YouTube, has established a new standard for customer service and easy-to-use business applications in the corporate world.

This white paper will show how a new generation of web-based, on-demand, Software-as-a-Service (SaaS) solutions is helping organizations of all sizes overcome these common problems. These on-demand services leverage the power of the Internet to remove the latency of traditional scheduling methods and permit people to schedule their own appointments to satisfy their needs as consumers and employees. We will also show how these services eliminate the hassles of deploying and maintaining software, and are typically priced on a pay-as-you-go subscription basis so organizations do not have to make significant upfront capital investments in licensing fees, hardware, and system maintenance by IT staff.

We will also examine the market trends, technological developments and business benefits which are shaping this new generation of on-demand scheduling solutions. It will also show how TimeTrade Systems’ on-demand scheduling solutions are helping specific organizations achieve their business objectives.

Today's Escalating Scheduling Challenges and the Shortcomings of Traditional Software Applications

Making appointments that work for everyone has never been easy, but in our increasingly hectic world these basic day-to-day challenges have become even more complicated and the costs are getting higher.

While technology has enabled us to extend our reach globally, it has become a lot more difficult to schedule time to meet with someone even locally because of the pace of business and our personal lives.

Globalization has opened up new geographic markets and opportunities for new growth. It has also complicated coordination within companies and across extended supply chains, and created added customer support challenges across time zones. Companies grappling with these issues often must do so while they are also operating in increasingly price competitive markets which make it prohibitive to make significant capital investments in new systems to address these challenges.

Escalating time pressures have also dramatically changed consumer habits. As time becomes a precious commodity, people are turning to a widening array of web-based, on-demand services to satisfy their consumer and entertainment needs. Despite the success of eCommerce, there are still many cases in which a potential or existing customer may want to schedule an appointment to learn more about a product or receive a service, and a website doesn't offer this option or a company is closed for the day. This could also result in lost sales opportunities or even customer abandonment.

Just as the automated teller machine (ATM) has enabled banks to better serve their customers and generate more business in the process, a widening assortment of organizations are learning that they have to make it easier for their existing and potential customers to do business with them via similar self-service mechanisms. The most obvious example is giving customers the opportunity to create their own appointments when it is convenient for them, whether or not an organization is open for business.

Traditional on-premise, packaged applications are not designed to address these issues in a cost-effective fashion for many organizations. They have generally been developed to support people-based processes within a standard workday, rather than being able to serve people via the web on a 24/7 basis.

These packaged applications also lack the anytime/anywhere access necessary to serve the internal appointment needs of a highly dispersed workforce because these legacy applications were designed to work best within highly centralized corporate environments with inflexible operating procedures.

The on-premise applications often depend on direct network connections which make it difficult for remote workers or outside parties to access and utilize these applications without compromising an organization's firewall security system, unless they use a virtual private network (VPN). The traditional applications also often lack real-time synchronization and easy to use reporting of schedules and appointments among multiple users.

The Cost and Operational Burdens of On-Premise Appointment Systems

Legacy applications have also required significant capital investment to pay for the upfront perpetual license, hardware requirements and technical support to deploy and maintain the applications.

Despite these upfront investments, the Standish Group has found that 31.1% of software projects are cancelled before they are completed, according to industry research. Of those software projects which have been completed, over half (52.7%) have taken twice as long or have cost twice as much as originally expected, according to various research studies.

For those software applications which survive long enough to be deployed, the maintenance and management costs often amount to ten times the original license fee, according to AMR Research. AMR also has found that many organizations will purchase a larger software license than necessary in anticipation of future software usage that is never realized.

As a result, legacy applications have generally failed to produce the return on investment (ROI) that organizations expect because of the higher total cost of ownership (TCO) to keep them up and running, and because of over-provisioning. Few organizations can justify the added costs and unrealized returns of legacy applications in an increasingly competitive and demanding business climate.

These trends and concerns are forcing organizations of all sizes to seek new methods to permit easier scheduling of appointments with outsiders.

A New Generation of On-Demand, SaaS Solutions Is Addressing Today's Appointment Management and Scheduling Challenges

In response to these trends, THINKstrategies has found a growing willingness among organizations of all sizes to adopt on-demand, SaaS business applications.

These on-demand applications allow users to utilize them at any time, from anywhere via the Internet. SaaS solutions also eliminate the need for an organization to purchase a perpetual software license and additional hardware systems. It also eliminates the need for costly consulting help to deploy the application or dedicated staff to keep the application up and running.

This means that organizations can avoid the upfront capital investments and the ongoing operating expenses associated with traditional, legacy applications. They can also avoid the risks and hassles associated with trying to implement and maintain these applications.

As the name implies, on-demand applications can be acquired and deployed quickly and easily. They can also be utilized in a variable and scalable fashion to respond to changing business and end-user requirements.

Many people have become familiar with the advantages of on-demand applications by using various consumer-oriented, web-based services in their personal lives. These include Amazon.com, Apple iTunes, YouTube and a widening array of online storage and file-sharing services. The ease of use and low cost of these online

services has set similar expectations for business applications among corporate end-users and executives.

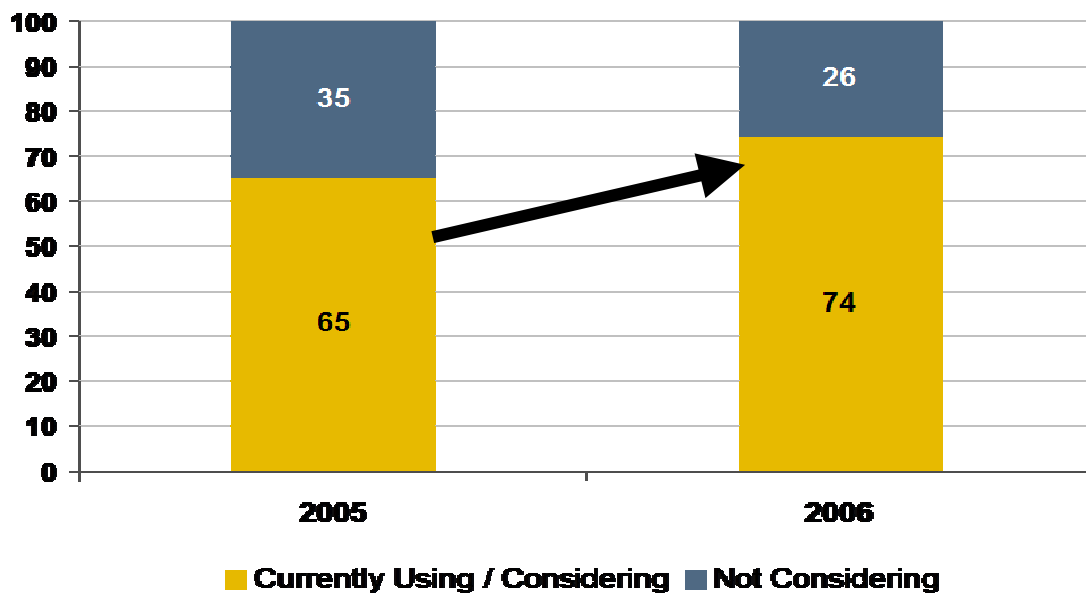
Organizations of all sizes are also recognizing that they can 'out-task' specific business functions so they can focus their limited resources on their core business. Just as many now out-task the payroll function to companies like ADP, many are also looking at how they can do the same in other business application areas.

In response, a proliferation of on-demand, SaaS solutions has emerged to address many age-old business challenges. The SaaS movement has been led by Salesforce.com in the customer relationship management (CRM) market.

Over the past two years, the proportion of organizations that have adopted or are considering SaaS solutions has jumped from 65% in 2005 to 74% in 2006. (See Figure 1.)

Figure 1

Percent of Companies Using or Considering SaaS



Source: THINKstrategies/Cutter Consortium 2005 and 2006.

According to THINKstrategies' surveys, in conjunction with Cutter Consortium, over 80% of current SaaS users are satisfied with their on-demand solutions, plan to renew and expand their use of SaaS, and would recommend SaaS to their peers.

The growing success of SaaS has led Gartner to forecast that 25% of software sales will be in the on-demand category by 2010. IDC predicts the SaaS market will grow at a 21% compound annual growth rate (CAGR) during the next three years, reaching \$10.7B worldwide in 2009.

A recent survey by TimeTrade Systems found that there are five primary motivators driving retail, healthcare, education, and professional services companies to improve their appointment scheduling processes and adopt an on-demand solution:

1. To enable customers to self-schedule appointments via the Web at any time.
2. To drive more efficient allocation of staff and facility resources.
3. To enforce business rules and standards via a centrally-managed system.
4. To transform operations from a 'walk-in' to an appointment driven model.
5. To enable call center and customer service agents to make appointments more easily while speaking with customers.

The respondents to TimeTrade Systems' survey, and many others, know that it is imperative to make their appointment scheduling processes easier in order to reduce the 'friction' in their internal operations and external interactions. The survey respondents also saw the added productivity benefits for employees, and the greater likelihood of customer satisfaction and new business opportunities with the potential customers.

TimeTrade Systems' On-Demand Appointment Scheduling Solution

TimeTrade Systems has developed a versatile on-demand appointment scheduling solution, TimeCommerce™, which can help organizations better serve customers and coordinate their employees.

TimeCommerce has been designed to be versatile and scalable to address the needs of a single department or entire enterprise by supporting a variety of self-service scheduling processes. TimeCommerce can scale from a small workgroup to millions of appointment transactions per month.

TimeCommerce complements other personal or group calendaring solutions, such as Microsoft Outlook or Microsoft Exchange. It automates appointment scheduling transactions by evaluating the availability of people, facilities, equipment and other resources. It determines availability based on a complex set of rules and dependencies defined by the TimeCommerce administrator. As a real-time solution, TimeCommerce immediately updates the scheduling database with each transaction and removes newly-reserved resources from the inventory of timeslots.

As an on-demand, SaaS solution TimeCommerce requires no software or hardware installation. Instead, it can be accessed via any Web browser. But, it also offers all of the customization that an organization needs to meet their business requirements.

TimeCommerce includes hundreds of configuration settings through the on-demand application's back-end administrative interface. The settings allow organizations to define the specific business rules and workflow steps, resource dependencies, roles-based rights and other parameters necessary to meet an organization's needs.

TimeCommerce is standards-based to permit integration with a wide range of external systems via Web Services, parameterized HTTP redirection, HL7, and iCalendar data interchange technology.

Most importantly, the SaaS architecture of TimeTrade Systems' solution makes it easy to deploy and manage, and cost-effective to adopt and grow. Rather than deal with the technical challenges of traditional applications, organizations can

immediately leverage the powerful functionality of TimeTrade Systems' solution to better serve their customers, coordinate their employees and achieve their business objectives.

The return on investment (ROI) can be significant:

- 24/7 self-scheduling allows more of an enterprise's customers to pick times from unsold inventory that meet their needs, generating additional revenue opportunities.
 - Only a real-time system ensures that customers are only shown the enterprise's *unsold* "time inventory."
 - The ability to browse inventory empowers the customer to make choices to satisfy their needs, at no extra cost to the vendor.
- Managers can better allocate staff for appointments by knowing in advance the slots that are going to be used.
- Conventional walk-in businesses inevitably lose sales when customers walk in and then leave because of long waiting lines. Every time a customer chooses an appointment that suits them, a potential lost sale is converted to revenue. It also enhances the organization's reputation.

Usually, as enterprises strive to lower costs, customer service suffers. The sole exception to this is when the customer interface can be automated successfully, as it has been with ATMs and Web-based travel agencies. In those cases, customers are happier *and* the organization's cost structure improves. This is a real transformation of a universal business process.

Sample On-Demand, Self-Scheduling Appointment Service Deployments

The versatility of TimeTrade Systems solution is clearly illustrated by the diverse assortment of organizations utilizing TimeCommerce, including:

- Charles Schwab for scheduling retirement planning appointments.
- Quest Diagnostics for scheduling diagnostic appointments.
- U.S. Dept. of Homeland Security for credentialing appointments.
- Harvard University for student counseling appointments.
- U.S. Transportation Security Administration for credentialing appointments.
- NYC Dept. of Health for social services appointments.
- BlueCross BlueShield of Massachusetts for clinical advisory appointments.
- Regus/HQ Global Workplaces for room reservations.
- Sears Portrait Studios for scheduling portrait sittings.
- Siemens Medical Solutions for scheduling sales demonstrations.
- Northeastern University for scheduling student activities.
- NJ Motor Vehicle Administration for scheduling driver tests.
- FLETC for scheduling federal law enforcement training.
- LA County Prisons for scheduling inmate hearings.

- PETCO Animal Supplies for scheduling grooming appointments.
- Yale University for scheduling admissions interviews.

These and other TimeTrade Systems users have reported the following business benefits as a result of implementing the company's Web-based appointment scheduling solutions:

- 88% reported happier and more loyal customers
- 85% achieved better staff accountability and utilization of resources
- 79% enabled 24x7 self-service scheduling for the first time
- 77% increased revenues
- 75% reduced costs and administrative overhead

Summary and Conclusions

A series of market forces have combined to make it more difficult than ever for people within organizations to systematically schedule appointments for their customers, employees and others.

The failure to handle these scheduling requirements can result in customer dissatisfaction and missed revenue opportunities, worker productivity losses, and reduced corporate profitability.

In an increasingly competitive market, organizations must be more responsive to the needs of their customers, partners and other external constituents. At the same time, they must maximize the effectiveness of their employees. Escalating price competition prevents many organizations from investing in expensive applications and added staff to maintain these applications.

Therefore, a growing proportion of organizations are seeking on-demand, SaaS solutions which enable their customers to self-schedule appointments and permit workers to more easily coordinate their appointments.

Today's SaaS solutions eliminate the upfront costs and ongoing hassles of legacy on-premise applications. These on-demand applications also accelerate the deployment process and reduce the time to value of a self-service scheduling system. It is for these reasons that online appointment scheduling may be one of the most significant new SaaS opportunities.

TimeTrade Systems' on-demand appointment scheduling solution leverages all the advantages of a web-based service. It is easy to deploy and economical to utilize. It is also scalable to meet the evolving needs of an organization.

The versatility and effectiveness of TimeTrade Systems' solution is most clearly demonstrated by the fact that in 2007 more than 55 million appointments were scheduled on its TimeCommerce platform, generating approximately \$1.5 billion in revenues for TimeCommerce users.

It is for this reason that TimeTrade Systems has more than 300 corporations and government agencies leveraging its appointment scheduling solutions, and its on-demand self-scheduling capability is becoming an attractive business feature for a growing population of companies and non-profit organizations.

This independent analysis was sponsored by TimeTrade Systems.

About TimeTrade Systems

TimeTrade Systems is the leading provider of transaction-based appointment scheduling. Privately held, the company's more than 300 customers comprise some of the largest brand names in financial services, retail and healthcare, as well as a strong presence in the education and government sectors. Customers include David's Bridal, HQ/Regus Business Centers, Quest Diagnostics, PETCO, Department of Homeland Security and NJ Motor Vehicle Commission. TimeTrade can be reached at www.timetrade.com.

About THINKstrategies, Inc.

THINKstrategies is a strategic consulting services company formed specifically to address the unprecedented business challenges facing IT managers, solutions providers and investors today as the technology industry shifts toward a services orientation. The company's mission is to help our clients re-THINK their corporate strategies, and refocus their limited resources to achieve their business objectives. We help enterprise decision-makers with their sourcing strategies, IT solutions providers with their marketing strategies, and VCs with their investment strategies. THINKstrategies is also the founder of the Software-as-a-Service Showplace (www.saas-showplace.com) a vendor-independent, online directory and information resource center of SaaS solutions. For more information regarding our unique services, visit www.thinkstrategies.com, or contact us at info@thinkstrategies.com.