

Siemens Enterprise Communications

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Companies with 100 Employees Could Be Losing More Than \$5,000 (€ 3,900) Per Employee Per Year by Not Addressing Inefficient Communication Issues

Communications Barriers and Latencies Can Cost Small and Medium Businesses Up to 40 Percent of Their Productive Time, According to a Siemens-Sponsored Global Study

On average, 70 percent of employee respondents of small and medium businesses (SMBs) with up to 400 employees said they spend 17.5 hours each week addressing the pain points caused by communications barriers and latencies, according to a global study sponsored by Siemens Enterprise Communications and conducted by SIS International Research. The research also showed that while SMB awareness of unified communications as a solution is rising, nearly 60 percent of SMBs do not currently employ one based on the sampling.

In addition, researchers at SIS International Research determined that the time spent per week dealing with communications issues was more than 50 percent higher in companies with more than 20 workers. In hard costs, the study concluded, companies of 100 employees could be losing more than \$500,000 (€ 390,000) each year by not addressing their employees' most painful communications issues.

Key Findings

The Siemens-sponsored SMB study ascertained the top five pain points to be, in order of their estimated expense to an SMB: inefficient coordination; waiting for information; unwanted communications; customer complaints; and barriers to communication. Specifically, they obtained the following responses to each of these pain points:

1. Inefficient Coordination: Sixty-eight percent of respondents have trouble coordinating communications among team members, affecting their ability to respond quickly to time-sensitive

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customer requests. They also average 3.7 hours per week attempting to coordinate communications across team members, slowing the realization of goals and deadlines.

2. Waiting for Information: Sixty-eight percent of respondents said they experience work delays while waiting for information from others that they have attempted to reach live multiple times using multiple methods. The average delay is 3.5 hours per week per knowledge worker. This is a considerable amount of time to spend before making progress on a particular task, which could negatively affect critical business processes.

3. Unwanted Communications: Unwanted communications, including low-priority calls and voicemail, were experienced by the survey group by 77 percent of respondents, who said they spend two or more hours per week dealing with unwanted communications. These interruptions create distractions and disrupt workflow, leading to lower productivity and missed deadlines.

4. Customer Complaints: Seventy-four percent of respondents said they average 3.3 hours per week dealing with negative comments or complaints from customers, specifically because the customer was unable to reach them in a timely fashion. This eight percent loss in productivity is itself significant, but the true cost of customer dissatisfaction may be much greater.

5. Barriers to Collaboration: Sixty-one percent of respondents find difficulty in establishing collaboration sessions with colleagues and average 3.3 hours per week attempting to address issues of inaccessibility or lack of full collaboration with colleagues.

Other Findings. Another finding of the SIS International Research study is that SMB employees are highly mobile, with more than 50 percent identifying themselves as mobile workers, either traveling outside the office, roaming inside the office, or working from home some or all of the time. Overall, SMBs placed a high or very high priority on improving communications for mobile workers.

Researchers also confirmed that SMBs are increasingly using various communications technologies, including phone, instant messaging, and video conferencing, in an effort to increase productivity. However, they found that the proliferation of these technologies has created multiple points of presence for individual employees with which other employees must contend. The resulting fragmentation of the SMB communication fabric can create a barrier to effective communications and collaboration.

According to Frost & Sullivan analyst, Vanessa Alvarez, in general SMBs currently have very ad-hoc communications strategies in place. Integrated unified communications solutions, such as Siemens OpenScape® Office, which integrates voice, email, instant messaging, presence and mobility, can help efforts to solve the increasingly fragmented communications landscape SMBs

are facing. "With the SIS research suggesting that unified communications can help SMBs eliminate as much as 20 percent of hidden costs due to fragmented communications, it's clear that the return on investment is significant," Alvarez said.

"This study echoes the very communication pain points that many of our SMB customers have told us are driving their adoption of our UC solutions," said Rudolf Hamann, Vice President of SMB Product Management, Siemens Enterprise Communications. "Although we are seeing strong adoption in this market, based on this study's findings, we believe that more than 60 percent of SMBs are not currently using a UC solution and are missing out on a major opportunity to cut costs. In addition, they can gain new levels of competitiveness, productivity and collaboration."

"Even by assigning hard costs of more than \$5,000 (€ 3,900) per employee a year for these pain points, there remain the soft costs of lost opportunities and customer dissatisfaction due to the lack of responsiveness caused by disparate communications."

The study surveyed a total of 513 knowledge workers, in Brazil, France, Germany, India, Italy, Russia, United States, and United Kingdom. The knowledge workers also represented eight key vertical industries: communications, finance, healthcare, insurance, manufacturing, professional business services, real estate, and wholesale or retail trade.

For an executive summary of the research, go to [www.siemens.com/us/open/smb].

About Siemens Enterprise Communications Group (SEN Group)

The SEN Group is a premier provider of enterprise communications solutions. More than 14,000 employees in 80 countries carry on the tradition of voice and data excellence started more than 160 years ago with Werner von Siemens and the invention of the pointer telegraph. Today the company leads the market with its "Open Communications" approach that enables teams working within any IT infrastructure to improve productivity through a unified collaboration experience. SEN Group is a joint venture between the private equity firm, The Gores Group, and Siemens AG and incorporates Siemens Enterprise Communications, Enterasys Networks, SER Solutions, Cycos and iSEC. In fiscal 2008, The SEN Group generated revenues of approximately 3.21 billion Euros.

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