

White Paper Release: The ROI Study of Unburdening Service Costs from the Bottom Line — May 11, 2011

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The Business Case for Power Conditioning

POWERVAR launches industry white paper on how power quality can deliver ROI and unburden service costs from the bottom line

London, UK; 6 May 2011– POWERVAR, Inc., a global leader in power management systems, has today launched its new industry white paper outlining how power quality technology can deliver demonstrable cost savings and measureable return on investment (ROI) for businesses.

'The business case analysis for power conditioning: An ROI study of unburdening service costs from the bottom line' highlights how the highly competitive power quality and UPS market, which has been largely driven by price, has done little to demonstrate to customers how much power disturbances are costing their business and how power quality technology can deliver cost savings directly to the bottom line.

"Power quality is a topic that most people pay lip service to," according to POWERVAR's Director of Marketing, Chris Walsh, "but very few have been able to accurately nail down what the benefits are when implementing different power quality technologies, especially when it comes to delivering real cost savings. We have looked into this topic in-depth, and worked with many prominent companies around the world to help customers better understand the issues and make more informed choices."

The key focus is the so-called 'service burden rate' – a proportion of the price of a product allocated to cover ongoing maintenance and equipment repairs during the warranty period. Based on POWERVAR's research of thousands of pieces of equipment installed by customers, the range of the service burden rate by manufacturers was around 4 to 8 per cent of the sale price of the equipment or solution. The statistics showed a reduction of between 43 and 88 per cent in warranty service costs when a POWERVAR solution was part of the installation and an ROI of between 154 and 1,148 per cent.

According to the new white paper, the benefits are not just financial – there is a 'softer ROI', such as a reduction in warranty costs and the number of service calls, improved customer satisfaction, greater customer loyalty, competitive industry advantage and repeat business for the manufacturer.

POWERVAR's Chris Walsh adds: "For most organisations, power quality problems are 'out of sight, out of mind'. The reality is that in today's business environment, driven by high tech equipment incorporating sensitive electronic

components, the impact of poor power quality can have a profound effect on a company's systems. It may not be today, or tomorrow, or even in a year's time, but cumulative damage over time can cause sudden system failure or lock ups without warning.

"For a bank or a retailer, loss of critical equipment is devastating in terms of financial losses and customer dissatisfaction, but for a hospital or a clinic, where you have expensive clinical and diagnostic equipment and patient monitoring systems, it can be literally a matter of life and death."

In the white paper, POWERVAR includes a number of examples of customers who have seen a measurable ROI, including James Hall & Co, a Spar group wholesaler, which saw a reduction of 80 per cent in hard disk failures and data corruption in its EPOS and back office systems on its petrol retail forecourts, compared with its retail outlets that had no power quality equipment in place. This led to an investment in power conditioning equipment being rolled out across its entire retail base of 500 stores.

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Notes for editors

- POWERVAR's 'The business case analysis for power conditioning: An ROI study of unburdening service costs from the bottom line' white paper is now available from: www.powervar.com
- A demonstration of power quality and potential solutions can be found at: www.powervar.com/demo-room.cfm
- POWERVAR's ABCs of Power Conditioning, designed to simplify the process of understanding power protection, are available from: abc-philosophy.cfm

About POWERVAR

POWERVAR is a global provider of power management systems, headquartered in Waukegan, Illinois, with international sales and distribution offices in Swindon, United Kingdom and Paderborn, Germany. The company's primary products include transformer-based power conditioners and uninterruptible power supplies (UPS). It is ISO 9001:2000 registered and continues to lead the industry by creating higher standards for power quality to support the increasing use of technology in business, government and nonprofit sectors. More information is available at www.powervar.com.