NexStep

NEXTEL-000807
CONFIDENTIAL

Business Case Update
August 27, 2003

Version 1

PENGAD-Bayonne, N. J.
GOVERNMENT EXHIBIT
Nextel 9

PENGAD-Bayonne, N. J.
GOVERNMENT EXHIBIT
4081-R

The Numbers for Phase 1

NEXTEL-000813
CONFIDENTIAL

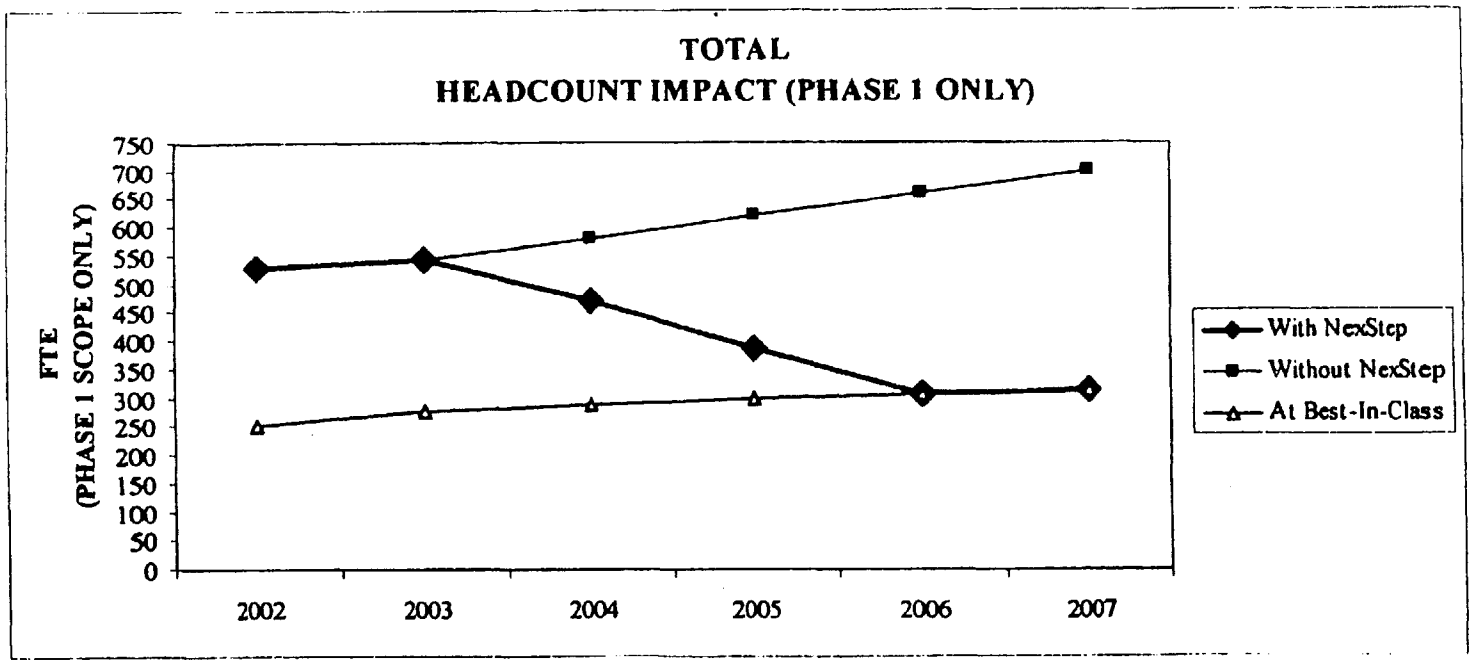
- Current benefit calculations for phase 1 are as follows (2003 – 2007....as reviewed by business owners):
  - **Total Net Value Gained - $**
    - **$ total dollars budgeted/spend for phase 1 ($ net project dollars)**
    - **$ M in total dollars of benefits**
      - $ in cost reduction (543 heads currently performing in scope functions can be reduced by 237 heads to = 306 in 2006). *This will enable Best-In-Class performance.*
      - $ in avoided costs (659 heads projected in 2006 without NexStep; 659 less 543 current = 116 heads not hired in 2004-2006)
      - $ in targeted business cases cost savings and $ in field benefit
  - **NPV = $ (discount rate of 12%)**
  - **ROI = 183% with field benefit**

REDACTED

Phase 1 FTEs Over Time

NEXTEL-000815
CONFIDENTIAL

Total



Mapping Hackett Areas for improvement to Phase 1 and Phase 2

NEXTEL-000817
CONFIDENTIAL

- **Hackett Summary of functions with the biggest opportunity for improvement/savings mapped to NexStep Phase:**
  - **Finance**
    - **General Accounting – Phase 1**
    - **Order to Cash functions – Phase 1**
    - **Reporting – Phase 1 and Phase 2**
    - **Budget Planning/Forecasting – Phase 2**
  - **Tax**
    - **Planning – Phase 1 and Phase 2**
    - **Tax Report Filings – Phase 1 and Phase 2**
    - **Financial Reporting – Phase 2**

Mapping Hackett Areas for improvement to Phase 1 and Phase 2

NEXTEL-000818
CONFIDENTIAL

- **Hackett Summary of functions with the biggest opportunity for improvement/savings mapped to NexStep Phase:**

  - **HR**
    - Payroll – Phase 1
    - Benefits Administration – Phase 1
    - Compensation Administration – Phase 1
    - Organizational Effectiveness – Phase 1 and Phase 2
    - Recruiting and Staffing – Phase 2
    - Learning and Development – Phase 2
  - **Procurement**
    - E-sourcing – Phase 1
    - Electronic Invoicing/order acknowledgement – Phase 1 and Phase 2
    - Establishment of end to end procure to pay process – Phase 1 and Phase 2
    - Material Receipts – Phase 1 and 2
    - E-online auctions – Phase 2
    - Supplier Performance Management – Phase 2
    - Contract Management – Phase 2