What it is — Technology Allowance Program. Reimburses individuals for technology purchases of their choice such as laptop computers, tablets, smartphone and WiFi / broadband services.

What it does — Facilitates mobile computing and communications while providing individuals with freedom of choice computing at reduced firmwide cost.

When it began — The program was conceptualized in 2010 and began in February 2011.

The proliferation of powerful computing devices and smartphones, including iPads and notebook computers, has resulted in the consumer market driving innovation in personal computing. Tech savvy consumers naturally acquire strong affiliation to and competence with particular brands and types of devices. This phenomenon — the Consumerization of IT — has created a unique opportunity for businesses. They can remain several years behind in enterprise adoption, or empower workers by allowing, even encouraging them, to use and purchase personally-owned computing devices for both personal and business use. The Foley Technology Allowance Program empowers our attorneys to use personally-owned computing and mobile devices for business purposes while saving the firm 22 percent over the former enterprise procurement and support model.

Rather than enforce an artificial boundary between “work and home” we choose to allow our attorneys to choose which devices they prefer to work with — and provide a generous, but reasonable, allowance that assists them in making these purchases. For example, some attorneys are power BlackBerry® users and can manage quite well traveling with only that device. Others prefer a small laptop, while a significant and growing number are acquiring iPads and/or netbooks.

The economic downturn of the past few years resulted in a 26 percent reduction in IT staffing. It became clear that we could no longer do “more with less” and that the IT business model of the prior ten+ years needed to be updated to the realities of today. Reducing direct costs and reducing indirect costs, such as “tech touches” became a critical part of the new reality. The old school enterprise volume purchase environment and support staff model doesn’t cut it anymore.

Deflecting anticipated costs directly into the end user community is a win-win outcome. Our users enjoy the personal satisfaction of working with preferred devices, and IT can redirect support budget and hardware investments toward more core services.

The genesis of the program began in November 2009 after a second round of budget cuts required additional IT staff reductions. After the initial round of cuts we “reorganized” in an attempt to do more with less. However, with a second round of cuts it was clear that we needed to find a new way to do things — a new IT business model, aligned with the firm’s new objectives and the new corporate business model. Times had changed.

At the same time the consumerization of IT was developing with our attorneys and others wanting to use devices of choice. This included laptop computers, netbook computers, smartphones and various wireless services. This quickly accelerated upon the introduction of the iPad in April 2010. Times had changed.

Demand for participation has been strong and we nearly reached our year-one limit of 300 participants within 24 hours of announcement.
The Technology Allowance:

1. **Assists Foley in getting out of the “equipment business.”** Procuring, financing, shipping, configuring, supporting, maintaining and disposing of laptop computers, smartphones and other devices is costly. The Consumerization of IT is much discussed — at Foley we have implemented *freedom-of-choice computing* increasing user satisfaction while reducing costs.

2. **Offloads technology department direct and indirect costs** of maintaining hardware while effectively increasing the level of best in class mobile technology.

3. **Allows for quick adaptation to ever-changing technology advancements** without loss in costly hardware or license investments or dependency on corporate capital expense cycles.

The project encompasses many aspects of evolving technologies and technology business models including the consumerization of IT, self-service, and virtual desktop infrastructure. There is much discussion in the trade and press about each of these innovations. Our Technology Allowance project blends each of these together.

The Technology Allowance program was developed to facilitate mobility and permits individuals to purchase a personally chosen mix of mobile computer, communications devices, and services. We have historically defined the life expectancy for most mobile-enabled devices at three years. Therefore, the allowance spans a three-year cycle and a reimbursement is paid upon presentation of purchase receipts. The reimbursement method has been selected over a direct stipend so that individuals are not charged with additional income per IRS regulations.

The “Technology Allowance” reduces the firm’s need to purchase, finance, inventory, and maintain specific devices, such as laptop computers, BlackBerry smartphones and broadband cards. The program yields limited saving with respect to the firm’s prior annual capital expense; however, significant savings occur after full life cycle costs are applied. The program benefits attorneys and others by providing freedom-of-choice with regard to “personal” communications and computing. The program is being phased in over a 3-year adoption period to provide a cost neutral program during implementation.

The program provides up to $3,800 for the purchase of mobile technology from an approved group, which includes laptop and netbook computers, tablets, smartphones and WiFi/3G-4G services, regardless of brand. In prior years IT needed to own the equipment as complex software images and configurations were required to be installed on laptop computers. Today our IT department’s focus is on providing access to the network. If a user can access the corporate network, then they have access to our programs and services. We no longer need to own or control the equipment in order to make this happen.

The firm uses Citrix, VMware and VPN to effectively connect to the Foley computer network allowing use of all Foley programs. The firm’s licensing agreement with Microsoft also permits attorneys and staff the use of one copy of the Microsoft Office product suite for “home use” and is available to install on laptop and netbook computers acquired under the program.

The maximum allowance is $3,800 every three years, reimbursed only for devices and services authorized under the program. Some individuals will acquire less expensive laptops; others will get various mixes of devices and services; while others yet, will go bare-bones with minimal technology. The three-year cycle for each person begins on the date of the first reimbursement payment to an individual. Therefore, the three-year allowance cycles will vary for each individual. Expense submissions require receipts and are paid only for approved devices and services. The allowance limit is reset upon the conclusion of an individual’s three-year cycle, beginning a new three-year period. The firm also provides everyone with a VDI / thin-client desktop in the office.
During the initial stage of deployment, technology managers met one-on-one with each program candidate to ensure their compatibility with the program and its objectives. This minimized misunderstanding and assured a smooth rollout with high participant acceptance. *(See attached Technology Allowance Program Agreement.)*

**Our Investment:**

Approximately $12,000 in developer time was invested to program a self-serve reimbursement intake processing system linked to automated disbursement.

**Current Status:**

The program is being phased in over a three-year adoption period to provide a cost neutral program during implementation as we phase out remaining leased laptop computers.

**The Technology Allowance Program:**

- **Generates User Satisfaction** – While we have counseled some people away from participating in the first year of the program while we fine-tune details, the initial and on-going response of participants has been extraordinary as represented by the quotes below.

- **Enables Cost Reduction** – As shown in the following analysis, the Technology Allowance program will save Foley over $1 million every three years and has already eliminated $500,000 in capital expenditures in the current fiscal year. These recurring savings move directly to the firm’s bottom-line, year after year.

**User Satisfaction — Quotes from Foley Attorneys:**

- What a smart, progressive policy. I think it is fantastic. It is just this kind of thing, that if promoted externally in an effective way, will raise industry and client awareness of how innovative Foley is, and will go a long way toward achieving our Strategic Plan goal of becoming among the very best law firms at which to work.

- Very forward thinking.
- Brilliant!
- I want to say that I appreciate this program.
- It is a good “win - win” for the firm and its technology users.
- I would be interested in starting the program as soon as possible.
- Good deal - Thanks.
- Thanks a million!
- This is an interesting program indeed!
- I’m interested in getting in the program. Is it too late to get in the first wave?
- Thank you. All of the attorneys in our office were discussing the program over our weekly lunch. I look forward to participating in the program.
- This is a great program! I will gladly turn in my firm computer.
- I am interested! Sign me up.
- Thanks. It is a good program for the attorneys, and recognizes the diversity of communications devices that we are using.
- Thanks! This is for both the iPad and BlackBerry, correct? Much obliged in advance!
- Please sign me up. A great program!
- Thank you!! Sounds like a great program!
Cost Savings – Financial Analysis:

**Legacy Enterprise Procurement Model**
Three-year costs for 1,000 users:

<table>
<thead>
<tr>
<th>Cost Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase of laptop computers and BlackBerrys</td>
<td>$1,667,854</td>
</tr>
<tr>
<td>Additional acquisition costs and financing</td>
<td>148,575</td>
</tr>
<tr>
<td>Configuration and pre-deployment preparation</td>
<td>344,503</td>
</tr>
<tr>
<td>Usage costs: repairs/maintenance, air time, etc.</td>
<td>2,717,477</td>
</tr>
<tr>
<td>Disposal</td>
<td>193,191</td>
</tr>
<tr>
<td>Warehouse/configuration facility cost</td>
<td>421,500</td>
</tr>
<tr>
<td><strong>Total three-year cost</strong></td>
<td>$5,493,100</td>
</tr>
</tbody>
</table>

**Technology Allowance Model**
Three year costs for 1,000 users, Including thin client desktop

<table>
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<tr>
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<td>421,500</td>
</tr>
<tr>
<td><strong>Total three-year cost</strong></td>
<td>$4,300,000</td>
</tr>
</tbody>
</table>

**Three-year savings, recurring** $1,193,100 22%
I understand that the Technology Allowance Program is voluntary and may not be suitable for everyone.

The purpose of the program is to facilitate mobile computing and communications, and to provide attorneys with freedom of choice with respect to related services and devices. The primary computer while you are in your office is intended to be the firm-supplied desktop computer. Because personally acquired laptops and other devices and services will vary by individual, the Technology Department will be limited in the support it can provide. The Technology Department will attempt to provide support as it is able, but if you choose to participate in this program, you should be prepared to be self-sufficient in using technology that you choose to purchase via the program.

I also understand that once any reimbursement has occurred that the program is a three-year obligation. I have discussed with my Region Technology Manager, or other designated Technology Manager, the pros and cons of the program and accept its rules and obligations as set forth below.

- The three-year (cycle) allowance is a maximum of $3,800. The three-year cycle begins the day your first reimbursement is approved.
- A maximum of $1,500 will be reimbursed in any 12-month period, starting the day your first reimbursement is approved.
- Reimbursements require that the appropriate electronic form be completed and that the original purchase receipt be sent to Jon Wooden in the Milwaukee office. When purchasing equipment, it is recommended that you request a duplicate receipt to facilitate any warranties or exchanges.
- Reimbursement will occur within 45 days of approval via your Foley payroll check.
- Reimbursable expenses in excess of the $1,500 annual cap (but less than the $3,800 cycle maximum) may be carried over to the next 12-month period. Such expenses must be resubmitted and accompanied by the original purchase receipt. (A copy of the receipt is sufficient if you have already submitted the original receipt.) It is your responsibility to resubmit such carry-over reimbursement requests. Expenses cannot be carried over from one three-year cycle to the next three-year cycle.
- Monthly voice and data charges will only be reimbursed in the year they are incurred. Such service charges (i.e., cell phone, email, WiFi, and broadband) from one year may not be carried over into the following year.
- The $3,800 allowance limit is reset upon the conclusion of an individual’s three-year cycle, beginning a new three-year cycle.
- If I leave the firm within 90 days after receiving a reimbursement, I agree that the Firm may withhold the reimbursed amount from my final pay check.
- Only specific types of devices and services may be reimbursed. These include and are limited to:
  - Portable computers such as laptop computers, netbook computers, iPads and other tablets.
  - Smartphones that are able to synchronize with the firm’s network in order to receive email, such as BlackBerry, iPhone and Android, including monthly service fees.
Wireless communication devices and services such as Boingo WiFi and/or broadband “card,” iPad monthly 3G/4G fees and similar wireless fees from various vendors, including short-term pay-as-you-go WiFi fees.

Accessories specific to the above devices such as spare battery, power cord, docking station. Printers, monitors and other non-mobile accessories are excluded.

- A firm-provided PC or equivalent computer will be placed on your office desk to ensure that you always have access to all firm provided systems and software.

- To ensure the integrity and security of the Firm’s network, personally-owned laptop computers, including those bought under this program, may not connect to the office network via a cable. Only “remote” wireless access via Citrix (or equivalent) is permitted whether in or out of the office.

- You must return your firm-owned laptop computer and BlackBerry in a timely manner – typically within 30 days or less of signing this agreement.

- The firm will not procure software for your personally-owned computer or device, with the exception of that which is needed to use Citrix or other firm-approved software to access the Foley network.

- You agree to purchase and install laptop encryption and anti-virus software and to keep this protection up-to-date. Recommendations are included in Appendix A.

- You agree to install password protection on mobile devices and to comply with the firm’s then current security requirements including the ability to remotely “wipe” a device’s memory/data if it should be lost or stolen.

- All devices and services acquired under the program are owned by you. Repairs, maintenance, support and/or replacement are your responsibility. The firm highly recommends that you acquire extended equipment warranties to cover the three-year cycle.

- Due to the variety of personal-choice devices, the Technology Department will not be able to repair or facilitate the repair/replacement of personally-owned computers and devices.

- The firm is not responsible for lost or damaged devices, accessories or batteries.

_________________________________________
Signature

_________________________________________
Printed Name

Dated: ________________________________