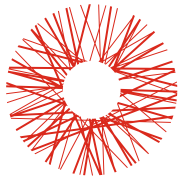




ROI CASE STUDY

PROGRAM: CUSTOMER RELATIONSHIP MANAGEMENT

DOCUMENT NUMBER: T111 JULY 2019



NUCLEUS
RESEARCH

ROI: 998%

Payback: 1.2 Months

SALESFORCE ESSENTIALS

5P CONSULTING

ANALYST

Daniel Elman

THE BOTTOM LINE

5P Consulting deployed Salesforce Essentials to create a single, unified repository for customer and account data. It utilizes automation and artificial intelligence (AI) to surface relevant insights and eliminate manual processes like data entry, and to increase lead generation with a Web-to-lead integration. By implementing Salesforce Essentials, 5P Consulting tripled lead generation, saved each user approximately four hours per week from eliminated data entry and time spent searching for records, and avoided a business development hire. The software was implemented and ready to use within a week, and delivers an ROI of 998 percent to 5P Consulting.

THE COMPANY

5P Consulting is a boutique consulting company that specializes in management and solutions consulting for its diverse set of clients. As a technology consultant, it is not like traditional small businesses that are reluctant to invest in new technology, as it sees firsthand how strategic technology projects can transform businesses. It helps customers optimize the people, processes, and technology that run businesses. Examples of the services 5P provides include growth planning, streamlining processes and implement automation (where applicable) to operate more efficiently, data management and analytics strategy, developing and executing information technology (IT) strategy, and traditional executive training and management consulting.

**Cost : Benefit
Ratio**

1 : 24.2

THE CHALLENGE

As a boutique consulting group, 5P was aware of the benefits and improvements that implementing an effective and integrated customer relationship management (CRM) system can deliver. It had identified that Salesforce met its needs; however, with a user group of only five leadership team members, buying professional or enterprise edition Salesforce licenses was unfeasible. When Salesforce Essentials—the CRM that caters specifically to small businesses—became available, 5P was able to affordably implement Salesforce.

As consultants whose business is built around helping clients optimize their organizations by strategy, process, and systems, the company is experienced in successful software implementations. It identified the following capabilities and features that the system needed to deliver in order to add value:

- Centralize data to ensure all users have a unified view of the company and minimize time spent searching for data and duplication of effort from manually entering data.
- Support the lead-to-cash cycle. Web-to-lead integrations automatically populate Website traffic into the CRM system as leads. Additionally, the system should have the ability to track cases automatically throughout the sales pipe and surface relevant account updates to guide outreach.
- Create shared dashboards and reports to track key performance indicators and provide a single source of truth for the leadership team to track company health and progress toward goals.

TYPES OF BENEFITS



THE STRATEGY

The core functionality was implemented in approximately twelve hours. The CEO spent two hours customizing some aspects of the interface, implementing the email inbox integration with Salesforce, and adding other users to the system. The CEO was also responsible for establishing organization-wide communication to drive adoption. A principal architect spent approximately ten hours on customer contact and account data migration, configuring the Web-to-lead system, and creating the reusable reports and dashboards. Some additional hours were needed to complete an integration with DocuSign for electronic document signage and sharing, however the core CRM functionality was up and running after the twelve hours of implementation work.

The system is easy to maintain and requires virtually no regular ongoing support. There are currently five users on the system. It is used by company leadership to unify and formalize the lead-to-cash system, giving the entire team visibility to account activity and the ability to coordinate customer more efficiently outreach without duplicating effort. The next step for 5P is to implement the customer service component of Essentials. The vision is that when customers call in with requests or questions, the system would automatically create a ticket and log it within Salesforce, allowing for better tracking and visibility to service cases.

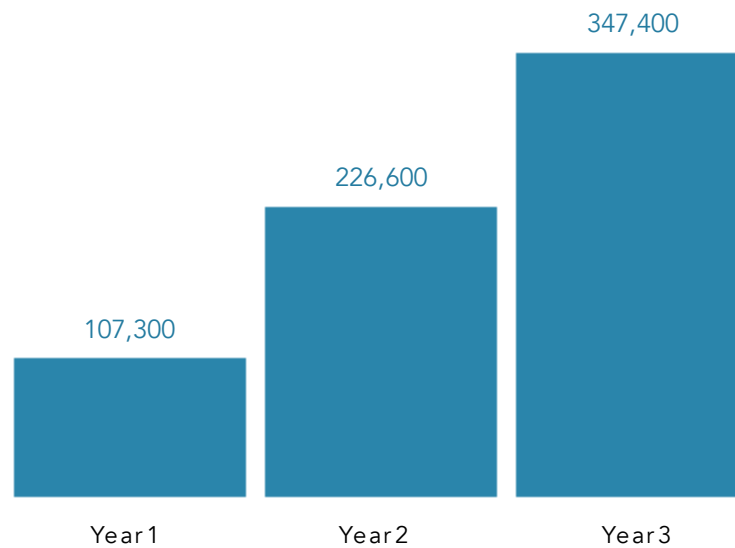
KEY BENEFIT AREAS

Key benefit areas seen as a result of the Salesforce Essentials deployment include cost savings from an avoided business development hire, increased user productivity by reducing duplication of data entry and time spent searching for customer information, increased lead generation from Web-to-lead configuration, and increased data transparency and visibility for company leadership to assess more accurately the health of the company.

- Avoided business development hire. With the uniform visibility to account information, the leadership team was able to formalize a business development process. Now each member of the team is responsible for bringing in two new leads per week and converting two of those leads to opportunities per month. This is a more standardized and process-driven approach to business development than was possible before Salesforce; it allowed the company to avoid hiring one full-time equivalent business development staffer.

- Increased user productivity. Centralizing all operations and data on the Salesforce system reduced the duplication of efforts in data entry and cut down on time spent searching for account information. These efficiency improvements allowed each of the five users to save four hours per week on average.
- Increased lead generation. Since implementing Salesforce Essentials, 5P has tripled its lead generation rate. It implemented Web-to-lead functionality which automatically creates leads from inbound traffic to the company websites. Additionally, the integration with Gmail allows inbound email traffic to be automatically populated in the system.
- Increased data transparency and visibility to sales pipeline. The shared dashboards and reports appear on the Salesforce homepage upon logging in, so all users have access to the same up-to-date data regarding sales pipeline and company health. This has allowed the company to reduce meetings spent coordinating the sales pipeline and has increased trust in data company wide.

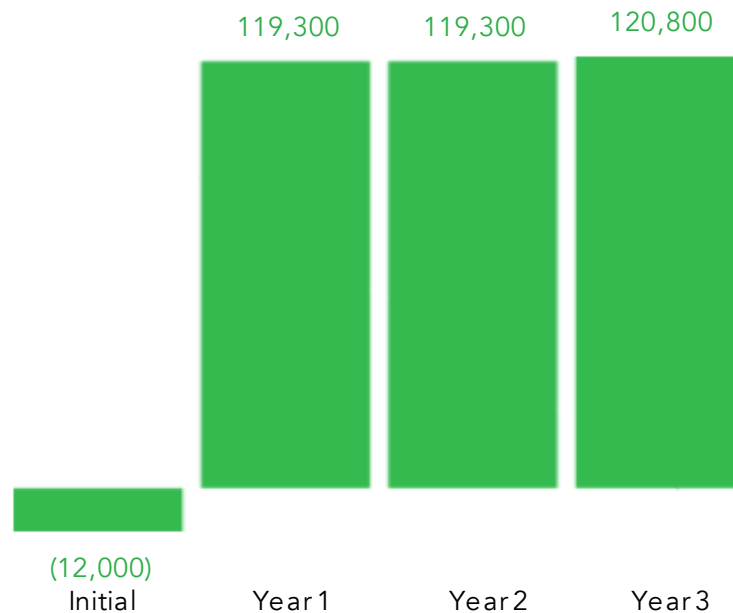
CUMULATIVE NET BENEFIT



KEY COST AREAS

The largest cost area of the 5P Consulting deployment was the cost of approximately twelve hours of personnel time for the implementation of the Salesforce software. The other cost over the three-year period was the Salesforce Essentials licenses.

NET CASH FLOWS



LESSONS LEARNED

Two of the most valuable aspects of the Salesforce instance to 5P are the dashboards and reports that are automatically displayed to all users from the home screen upon logging in. This ensures that the users always have a single source of truth that accurately displays sales and company performance metrics. This streamlines leadership meetings because all participants are accustomed to viewing the same data and can proactively address issues as they arise.

Configuring the Salesforce Inbox plugin was key for the organization as well because it eliminates data entry for email activity. In addition to populating the Salesforce system with data from emails automatically, the plugin helps train Salesforce Einstein—Salesforce’s artificial intelligence technology—which in turn helps surface relevant updates and recommendations for each account to aid in converting leads to sales.

On a high level, this shows how 5P was able to take advantage of the technology available to them to automate repeated processes and benefit from advances in AI technology with Einstein.

CALCULATING THE ROI

Nucleus Research analyzed the costs of software, hardware, personnel, professional services, and user training over a three-year period to quantify 5P Consulting's total investment in Salesforce technology. Direct and indirect benefits were also quantified over the three-year period.

Direct benefits quantified included the cost savings realized from an avoided business development hire.

Indirect benefits quantified included time savings from reduced data entry, duplication of effort, and time spent searching for account information. We calculated the time savings benefit using the fully loaded cost per hour of employees. Time savings were multiplied by a correction factor to account for the inefficient transfer of time between time saved and additional time worked.

FINANCIAL ANALYSIS

Annual ROI: 998%

Payback period: 0.1 years

BENEFITS	Pre-start	Year 1	Year 2	Year 3
Direct	0	100,000	100,000	100,000
Indirect	0	20,800	20,800	20,800
Total per period	0	120,800	120,800	120,800

COSTS - CAPITALIZED ASSETS	Pre-start	Year 1	Year 2	Year 3
Software	0	0	0	0
Hardware	0	0	0	0
Project consulting and personnel	0	0	0	0
Total per period	0	0	0	0

COSTS - DEPRECIATION	Pre-start	Year 1	Year 2	Year 3
Software	0	0	0	0
Hardware	0	0	0	0
Project consulting and personnel	0	0	0	0
Total per period	0	0	0	0

COSTS - EXPENSED	Pre-start	Year 1	Year 2	Year 3
Software	1,500	1,500	1,500	0
Hardware	0	0	0	0
Consulting	0	0	0	0
Personnel	10,500	0	0	0
Training	0	0	0	0
Other	0	0	0	0
Total per period	12,000	1,500	1,500	0

FINANCIAL ANALYSIS	Results	Year 1	Year 2	Year 3
All government taxes	45%			
Cost of capital	7.0%			
Net cash flow before taxes	(12,000)	119,300	119,300	120,800
Net cash flow after taxes	(6,600)	65,615	65,615	66,440
Annual ROI - direct and indirect benefits				998%
Annual ROI - direct benefits only				825%
Net Present Value (NPV)				166,268
Payback period				0.1 years
Average Annual Cost of Ownership				5,000
3-Year IRR				994%

All calculations are based on Nucleus Research's independent analysis of the expected costs and benefits associated with the solution.