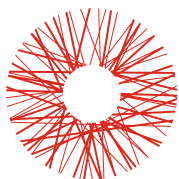




ROI CASE STUDY

PROGRAM: CUSTOMER RELATIONSHIP MANAGEMENT

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NUCLEUS
RESEARCH

ROI: 326%

Payback: 4 Months

SALESFORCE ENERGY SUPPLIER

ANALYST

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THE BOTTOM LINE

A non-traditional small-to-medium-sized energy supplier, deployed Salesforce Service Cloud and Field Service Lightning to facilitate growth, modernize the customer relationship management (CRM) infrastructure, and improve customer engagement. The project granted increased operational visibility and shortened the average time to complete a field service order by nearly half. The company dramatically improved efficiency as pen-and-paper reporting was moved to Salesforce CRM and grew its business by 50 percent without a commensurate increase in warehouse and field service staff.

THE COMPANY

The company is a privately-held energy supplier, focused on providing renewably-sourced energy to residential and enterprise customers across the northeastern United States. It is a small-to-medium sized business (SMB) that leverages increasing deregulation in municipal and metropolitan utility markets to distribute sustainably sourced low-cost electricity and natural gas to customers using the existing energy-delivery infrastructure.

THE CHALLENGE

Prior to the start of the project, the company carried out all its reporting manually, using pen and paper. Aside from wanting to minimize paper usage to improve its environmental footprint, physical reporting was slow, and data was difficult to update and compile; there was little to no actionable business intelligence (BI) being produced. As the business grew, it found that the reporting procedures were severely restricting company agility, and began considering a new solution that would improve visibility into individual interactions, and operationalize company data.

**Cost : Benefit
Ratio**

1 : 4.7

THE STRATEGY

The company had previously implemented Salesforce Sales Cloud to support its sales operations, and elected to deploy Salesforce Service Cloud and Field Service Lightning due to familiarity with the Salesforce platform and customer community, as well as:

- **Functionality.** The company needed an AI solution specially built for field service operations such as schedule and route optimization.
- **Integration.** It felt that deploying Field Service Lightning in conjunction with Service and Sales Cloud would reduce the need for IT support to facilitate communication between applications and enable the company to have end-to-end visibility across sales, customer support, and field service all on a singular cloud-based platform.

The CIO of the company made the decision to move forward with Salesforce in June 2016 and worked on the deployment for approximately three months. A team of outsourced international developers was chosen to configure and customize Service Cloud and Field Service Lightning within the existing Salesforce infrastructure. The need for training was limited because of in-house familiarity with the platform and the intuitive user interface.

TYPES OF BENEFITS

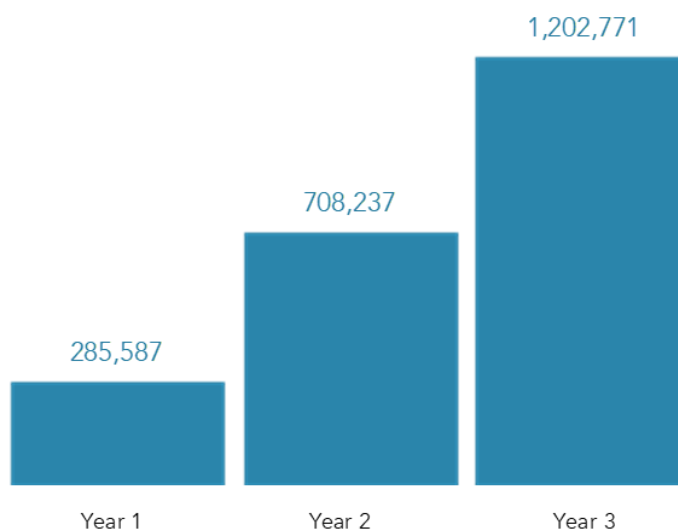


KEY BENEFIT AREAS

Moving to Service Cloud and Field Service Lightning enabled the company to streamline and automate its customer service and field service operations, allowing it to scale up its customer-service-centric model as needed to support growth. Key benefits of the project included:

- Increased visibility. It now has end-to-end visibility into its warehouse, truck loading, and field service operations, enabling it to optimize truck runs, eliminate the need for additional warehouse supervisors, and have up-to-date data for both tactical and longer-term decision making to support the business.
- Increased productivity. By automating manual processes and leveraging the intelligence of Field Service Lightning the company increased warehouse, field service, and customer service productivity, it decreased the average time needed to complete a project from 40 days to 21 days.
- Increased profits. Resulting improvements to field service efficiency allowed the company to avoid hiring four new technicians; the existing staff was able to maintain performance levels while keeping pace as the business grew by 50 percent in the first year of the deployment. Automation eliminated the need to hire an additional warehouse attendant and allowed it to maintain inventories without dedicated managers onsite.
- Reduced costs. By leveraging the platform's automation capabilities, the company was able to optimize scheduling and reduce fuel, paper, and printing costs.

CUMULATIVE NET BENEFIT



KEY COST AREAS

Primary costs of the project included annual software subscription fees, the cost of new devices and device service contracts, internal personnel time for initial and ongoing IT support, and third-party developer fees to initialize the software pre-start. The largest cost area was software, accounting for 67 percent of the total cost. The next largest cost areas were third-party consulting fees and the cost of personnel time spent configuring and maintaining the solution. These expenses comprised 10 percent and 18 percent of the total cost, respectively.

LESSONS LEARNED

In an industry where new competitors must differentiate themselves against firmly entrenched giants, growth and success depend not just on closing orders faster but on providing customers with a personalized service experience. Allowing dispatchers complete visibility into field operations – from when a technician routes and schedules to how long it takes to complete a work order – enables them to create sophisticated, data-driven interactions with customers.

This deployment demonstrates the lengths that a small business must go to in order to differentiate itself in an energy market that is dominated by entrenched enterprise players. By investing in technology that makes the organization more agile and improves the overall time to promise for its offering, in addition to its unique business model, the company is able to stay competitive against its larger enterprise-class competitors.

CALCULATING THE ROI

Nucleus quantified the initial and ongoing costs of software subscription fees, device purchases and service fees, initial and ongoing consulting and personnel costs, and the cost of training time to quantify the company's total investment in Salesforce Service Cloud and Field Service Lightning.

Direct benefits quantified included cost savings from the avoidance of additional hires in field service and warehouse staff, and the reductions in fuel, paper, and printing costs delivered through automation.

Indirect benefits quantified included the productivity savings of customer service agents, which were calculated based on the average annual fully loaded cost of those employees using a correction factor to account for the inefficient transfer of time between time saved and additional time worked.

Not quantified in the ROI analysis were savings in inventory management and fuel savings from route and schedule optimization, which the company will be able to measure more directly as it continues to build experience with Field Service Lightning.

FINANCIAL ANALYSIS

Annual ROI: 326%

Payback period: 0.3 years

BENEFITS	Pre-start	Year 1	Year 2	Year 3
Direct	0	245,430	245,430	245,430
Indirect	0	263,250	263,250	263,250
Total per period	0	508,680	508,680	508,680

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	71,884	71,884	71,884	0
Hardware	3,000	4,800	4,800	4,800
Consulting	32,000	0	0	0
Personnel	29,531	9,346	9,346	9,346
Training	648	0	0	0
Other	0	0	0	0
Total per period	137,063	86,030	86,030	14,146

FINANCIAL ANALYSIS	Results	Year 1	Year 2	Year 3
All government taxes	45%			
Cost of capital	7.0%			
Net cash flow before taxes	(137,063)	422,650	422,650	494,534
Net cash flow after taxes	(75,385)	232,458	232,458	271,994
Annual ROI - direct and indirect benefits				326%
Annual ROI - direct benefits only				134%
Net Present Value (NPV)				566,931
Payback period				0.3 years
Average Annual Cost of Ownership				107,756
3-Year IRR				306%

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