

NUCLEUS
RESEARCH

ROI: 507%
Payback: 2.4 Months

SALESFORCE PRIVATE RESEARCH UNIVERSITY

ANALYST

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THE BOTTOM LINE

The university deployed Salesforce solutions including Lightning Communities, Sales Cloud, and Marketing Cloud to create a centralized interface for accessing university CRM projects, initiatives, profiles, and other information. The implementation allowed the university to save significant time in a number of areas including producing dean's reports, financial reporting, searching records, and processing gifts. It also was able to redeploy a full-time equivalent worker, avoided paper costs from digitizing data, and the technology enabled users to process gifts more efficiently, leading to a significant net increase in gifts processed annually.

THE UNIVERSITY

The university is private research university on the United States' Eastern seaboard. It has a total undergraduate enrollment of approximately 10,000 students.

The university needed an enterprise-scale CRM solution for managing information, engagement, and outreach with students, faculty, alumni, and donors. Before Salesforce, it was using a third-party financial system that made receiving, approving, and documenting gifts an error-prone and time-consuming process. The gift processor was receiving unsorted lists of prospective donations and was responsible for manually parsing the list to seek the requisite approvals. This led to audit issues and a general bottleneck for the process. Additionally, with times changing and the tastes and demands of modern students changing with them, the university wanted to proactively assert itself as a leader in the space by providing an easily-accessible, cloud-based system of record for student information to be kept—this facilitates more streamlined and personalized student advising, scholarship considerations, and job recommendations, allowing the university to serve its students better and deliver successful post-graduation outcomes.

Cost : Benefit
Ratio | 1 : 2.0

THE STRATEGY

For the new CRM project, the university was careful to only consider enterprise solutions as it did not want a system that was higher-education specific. Instead it was looking to create a commercial-level experience that went beyond a student information hub. In 2016 it considered the vendors on the short list—Microsoft Dynamics, Salesforce, and Pivotal—and ultimately elected to go with Salesforce for the breadth of capabilities and ease of integrating multiple solutions and functional areas all on the Salesforce platform. The system scalability was also key as the university planned to base many different operations and process significant amounts of data on the platform. Additionally, Salesforce's ethos in being philanthropic and committed to social justice resonated with the university as they share those beliefs.

After choosing Salesforce, the university worked with implementation consultants and brought customer 360 functionality for higher education and the faculty community live in Spring 2017. The university rolled out Affinaquest, the advancement solution, and the student advising portal. Although the system has about 300 heavy day-to-day users, the university purchased 6000 licenses of varying types to support all the data stored on the system. Along with the core technology, even more individuals use the Communities pages. As more functionality and departments are brought onto the Salesforce platform, the university anticipates the user count to increase.

TYPES OF BENEFITS

Direct 86%



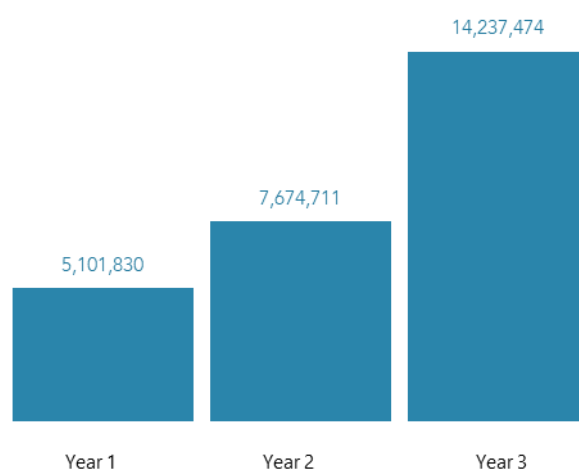
14% Indirect

KEY BENEFIT AREAS

Key benefits seen as a result of the Salesforce deployment include: an increase in total dollars pledged to the university, avoided costs from not purchasing paper and binders to hold records, a redeployed FTE gift processor, and significant user time savings across a number of different job roles and functions.

- Increased ability to book dollars pledged to the university. With a more standardized and professional interface, more streamlined gift processing, documenting, and approval protocols, and the ability to book gifts in a timely and organized manner, the university was able to increase annual pledges by 189 percent since go-live. While the technology wasn't directly responsible for the increase, it did streamline the procedure and enable the gift processors to do their jobs more efficiently and with fewer errors, so a percentage of the increase can be reasonably attributed to the solution.
- Avoided paper and binder costs. Before the Salesforce system, each student record was printed and stored in a binder for each advisor to have as a reference during student advising appointments. Since these records are all digitized, the university will be able to eliminate the paper and binder costs and take back the time spent hand-delivering each binder to the correct advisor.
- Redeployed FTE gift processor. With the streamlined approval process in Salesforce, particularly the ability to automatically sort and batch gifts for processing and quickly access the required information for documenting the gift, the university was able to redeploy a gift processor who did much of this work manually before the new system was live.
- Time savings and increased productivity. The university realized significant time savings across a number of different job roles. It saved 100 hours of time that would have been spent gathering documents and preparing for an audit that did not happen due to improved documentation of gifts. The gift processing team of seven FTE workers saves approximately two hours per day from the smart gift batching and more connected documentation and approval process. The records team of seven people saves approximately four hours per day of time that would have been spent manually searching for physical files. On the legacy system, there was a team of people responsible for creating monthly reports for university deans concerning gifts and donors. Since deploying Salesforce, this report is superfluous as deans can have real-time visibility into the data directly from whatever device they access Salesforce from, saving the reporting team twelve hours per month.

CUMULATIVE NET BENEFIT



KEY COST AREAS

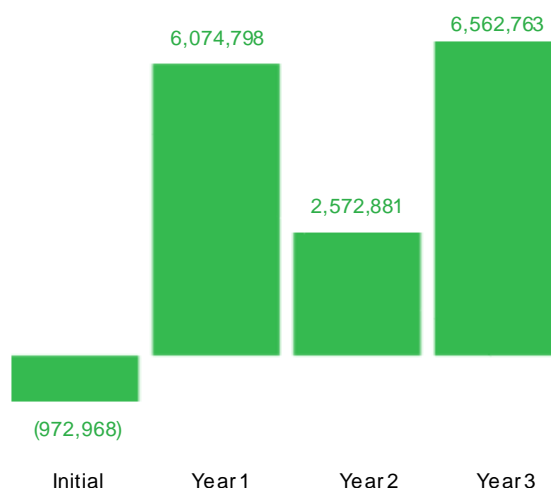
The largest cost of the university's deployment was the implementation consulting. The university purchased commercial CRM technology from Salesforce, not a higher-education specific solution. As a result, configuring the tools for higher-education use cases would have been more involved and thus, expensive, than a typical Salesforce deployment. Other cost areas over the three-year period included the price of Salesforce licenses, and personnel time for the employees who executed the implementation and who manage it on an ongoing basis.

LESSONS LEARNED

Most universities deploying a CRM product start by implementing admissions-based functionality first. This is the most sales-like process, as part of the admissions process is the university "selling" itself to prospective students, making it low-hanging fruit for the implementation team. It's a sensible approach that can streamline and modernize the admissions process while branding the university as professional, forward-thinking, and tech-savvy.

Much of the university's focus for the project was on fundraising and gift processing, but rather than implement the directly related functionality, it started by rolling out the advancement module. This was a strategic move, predicated on the university's belief that the key to driving strong donations to the school in the future is to ensure that students have a great experience while at the university. By focusing first on advancement instead of sales or financials, the university differentiates itself from other universities and demonstrates a legitimate students-first mentality.

NET CASH FLOWS



CALCULATING THE ROI

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

Direct benefits quantified include the cost savings from a redeployed FTE gift processor, cost savings from avoided paper and binder costs, and the increase in annual gifts to the university.

Indirect benefits quantified include the time savings for deans, financial managers, records team members, gift processors, and avoided audit preparation. 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: 507%

Payback period: 0.2 years

BENEFITS	Pre-start	Year 1	Year 2	Year 3
Direct	0	8,256,781	8,256,781	8,256,781
Indirect	0	1,396,998	1,396,998	1,396,998
Total per period	0	9,653,780	9,653,780	9,653,780

COSTS - CAPITALIZED ASSETS	Pre-start	Year 1	Year 2	Year 3
Software	0	0	624,238	0
Hardware	0	0	0	0
Project consulting and personnel	0	0	0	0
Total per period	0	0	624,238	0

COSTS - DEPRECIATION	Pre-start	Year 1	Year 2	Year 3
Software	0	0	0	124,848
Hardware	0	0	0	0
Project consulting and personnel	0	0	0	0
Total per period	0	0	0	124,848

COSTS - EXPENSED	Pre-start	Year 1	Year 2	Year 3
Software	600,000	1,000,000	1,000,000	0
Hardware	0	0	0	0
Consulting	230,368	904,419	3,948,961	1,514,724
Personnel	135,588	1,555,026	1,423,947	1,558,690
Training	0	0	0	0
Other	7,011	119,536	83,753	17,602
Total per period	972,968	3,578,981	6,456,661	3,091,016

FINANCIAL ANALYSIS	Results	Year 1	Year 2	Year 3
All government taxes	45%			
Cost of capital	7.0%			
Net cash flow before taxes	(972,968)	6,074,798	2,572,881	6,562,763
Net cash flow after taxes	(535,132)	3,341,139	1,134,177	3,665,701
Annual ROI - direct and indirect benefits				507%
Annual ROI - direct benefits only				364%
Net Present Value (NPV)				6,570,366
Payback period				0.2 years
Average Annual Cost of Ownership				4,907,955
3-Year IRR				571%

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