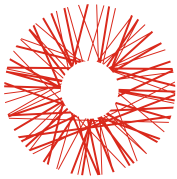




ROI CASE STUDY

PROGRAM: CUSTOMER RELATIONSHIP MANAGEMENT

DOCUMENT NUMBER: W139 AUGUST 2022



**NUCLEUS
RESEARCH**

ROI: 294%

Payback: 3.6 Months

SALESFORCE FOR ADVANCEMENT & ALUMNI RELATIONS

GORDON COLLEGE

ANALYST

Cameron Marsh

THE BOTTOM LINE

Gordon College realized a 294 percent ROI with a payback period of just under 4 months after switching to Salesforce from its previous higher education software provider. The college needed a solution that could support new gift-giving initiatives, and upon adoption of Salesforce, the college was able to increase the average yearly number of new donors by 48 percent, and increase overall gift giving by 10 percent.

THE COMPANY

Gordon College was founded in 1889 and is a private Christian liberal arts college located in Wenham, Massachusetts. It has a total undergraduate enrollment of approximately 1,400 students.

THE CHALLENGE

The college needed a cloud-based solution for managing information, engagement, and outreach with donors, alumni, faculty, and students. Prior to the Salesforce implementation, the college was operating on another Boston-based higher education technology provider. This legacy solution provided limited CRM functionality, making it difficult to create accurate forecasts and reports. Additionally, the inability to quickly segment and sort contact lists created bottlenecks in campaigns. The college realized that a significant investment in a new solution was needed, and sought a more focused CRM solution that would equip them with capabilities that could support its upcoming initiatives.

Cost : Benefit Ratio | 1 : 5.7

THE STRATEGY

After determining that it needed a new CRM solution that could support new alumni relationship initiatives and gift campaigns, the college conducted an internal business process analysis to determine the functionality required. Gordon College narrowed the decision down to Salesforce and Blackbaud Raiser's Edge NXT before ultimately selecting Salesforce in the spring of 2016. The implementation period took place over the span of 3 months, and the college partnered with Heller Consultants to help manage the conversion of contacts and accounts. To eliminate downtime in operations during the transition, the college used the summer months to completely migrate to Salesforce, leveraging both Salesforce and the legacy solution before making the complete transition prior to the start of the school year in 2016. 20 employees completed 16 hours of training that was split between online and in-person education.

TYPES OF BENEFITS

100% Direct



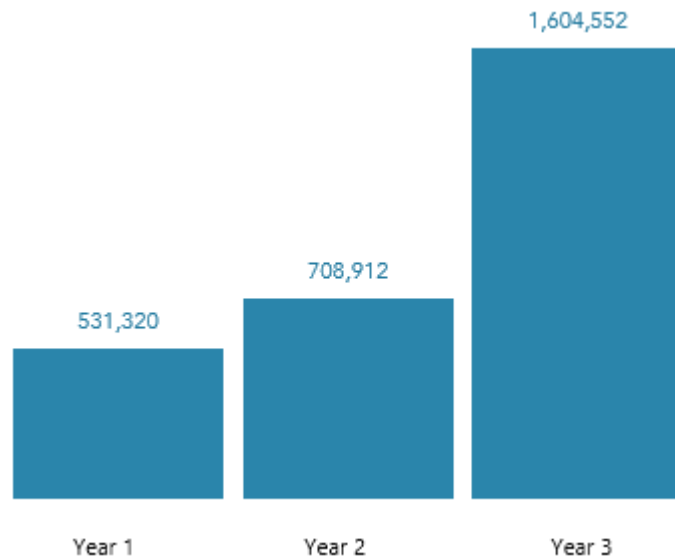
0% Indirect

KEY BENEFIT AREAS

Key benefits realized as a result of the Salesforce deployment included increased user productivity from reduced manual data entry and alumni lookup, and an increase in average dollars pledged to the university from supporters.

- **Time savings and increased productivity.** The college realized significant time savings from the reduction of manual data entry and new capabilities enabled by third-party app integration. The use of templates, more streamlined workflows, and the ability to quickly create custom fields for reporting enabled the college to increase gift officer productivity by over 80 percent. This allowed the college to significantly increase the volume of work without increasing headcount.
- **Increased donations.** The ability to track and monitor proposals and opportunities, paired with the onboarding of college partners, allowed the college to have more up-to-date and accurate information. This helped them better engage with constituent networks and led to more successful fundraising campaigns, resulting in a 10 percent yearly increase in gift-giving. Additionally, new processes and insights streamlined the fundraising efforts and enabled gift processors to perform their job more efficiently with fewer errors.

CUMULATIVE NET BENEFIT



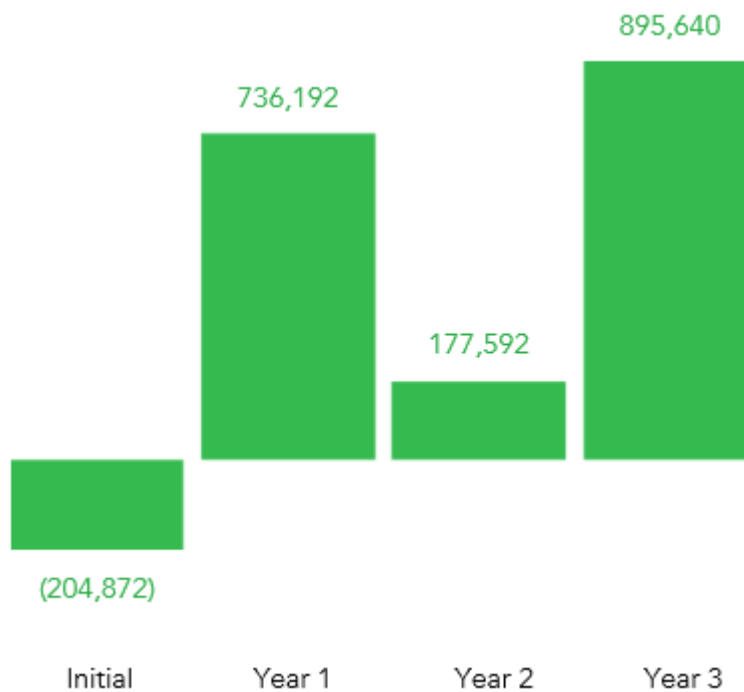
KEY COST AREAS

The largest cost of the college's deployment was the implementation consulting. Employees at the college had limited prior experience with Salesforce, and as a result, needed guidance throughout the conversion of contacts and accounts. Other costs included the time employees spent training on and managing the new system, and the ongoing annual licensing fees.

LESSONS LEARNED

The primary objective of the institution's deployment of Salesforce was to support its upcoming initiatives to scale fundraising and gift-giving opportunities. The college made the strategic decision to begin deployment in the summer months, avoiding downtime during the peak seasons when classes are in session. This strategy increased the importance of the implementation timeline, and representatives from Salesforce were dedicated to making sure the target completion time was met, while also staying within budget. The college further reduced downtime by performing double entries on the new and old systems throughout the transition period.

NET CASH FLOWS



CALCULATING THE ROI

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

Direct benefits quantified include the increase in annual gifts to the college. The increase was driven by improvements in the efficiency of gift officers, and their ability to more easily target specific alumni through various campaigns while increasing the volume of outreach.

FINANCIAL ANALYSIS

Gordon College

Annual ROI: 294%

Payback period: 3.6 months

BENEFITS	Pre-start	Year 1	Year 2	Year 3
Direct	0	794,040	245,440	903,640
Indirect	0	0	0	0
Total per period	0	794,040	245,440	903,640

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	57,848	57,848	57,848	0
Hardware	0	0	0	0
Consulting	132,500	0	10,000	8,000
Personnel	4,860	0	0	0
Training	9,664	0	0	0
Other	0	0	0	0
Total per period	204,872	57,848	67,848	8,000

FINANCIAL ANALYSIS	Results	Year 1	Year 2	Year 3
All government taxes	0%			
Cost of capital	7.0%			
Net cash flow before taxes	(204,872)	736,192	177,592	895,640
Net cash flow after taxes	(204,872)	736,192	177,592	895,640
Annual ROI - direct and indirect benefits				294%
Annual ROI - direct benefits only				294%
Net Present Value (NPV)				1,369,383
Payback period				0.3 years
Average Annual Cost of Ownership				112,856
3-Year IRR				307%