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ROI CASE STUDY SALESLOGIX BIG RIVER TELEPHONE COMPANY

THE BOTTOM LINE

Big River Telephone Company deployed SalesLogix to support a unified customer relationship management strategy, reducing administrative overhead while increasing profits.

ROI: 1139%

Payback: 1 month

THE COMPANY

Big River Telephone Company is a full service telecommunications company offering a full suite of local telephone, long distance, VoIP, broadband over power line, wireless, broadband over cable, and Internet services to business and residential customers in the Midwest. The company has grown by acquisition over the past few years, and thus had a number of different systems for billing, customer support, and sales management.

THE CHALLENGE

As Big River continued to grow, it found that its customer support technology infrastructure could not support the growing needs of its customer base. Customer service agents had to search manually for information in multiple systems before they could provide a response to customers – slowing response times and creating customer satisfaction challenges.

In an industry such as telecommunications, quality service delivery is key to attracting and maintaining customers – and growing revenues. Big River recognized it needed to streamline customer and order information and provide greater visibility to users across the organization.

THE STRATEGY

Big River considered a number of different CRM solutions and selected SalesLogix because of its flexibility to meet its unique needs and its ability to support Big River's changing needs over time. The company began its deployment in 2004, integrating SalesLogix CRM Suite with its operation support system to enable a unified customer relationship management and support system.

Big River employees use SalesLogix dashboards to manage customer account information and receive instant alerts when customers have support requests. SalesLogix is also used to streamline the customer newsletter process, enabling Big River to send newsletters electronically.

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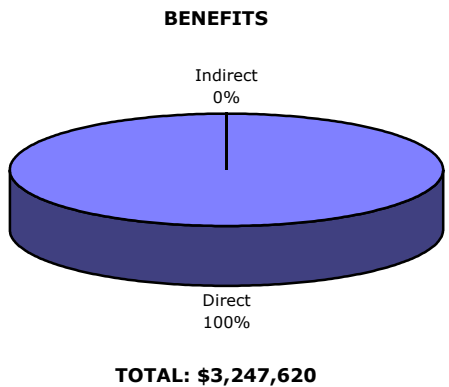
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KEY BENEFIT AREAS

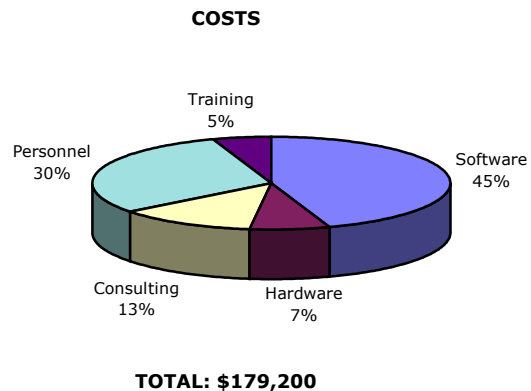
Deploying SalesLogix has enabled Big River to automate customer support processes and streamline customer support operations, delivering greater customer satisfaction and lower administrative overhead. Key benefits achieved include:

- Staffing costs avoided. Automating responses to customer support requests enabled Big River to improve the effectiveness of its customer service department, supporting broader business growth without the need to hire additional resources.
- Increased cross-selling revenues. Because employees can access detailed information about products and services related to a customer, they can respond to customer requests with recommendations for appropriate additional products or services.
- Increased customer satisfaction. A single system enables Big River not just to respond to customer requests more efficiently but also to proactively report to customers on service issues, increasing customer satisfaction to a reported 98.6 percent.



KEY COST AREAS

Key cost areas for the deployment included software, consulting, personnel, hardware, and training.



Software made up the largest cost area, accounting for 45 percent of total project costs. Less than one-half of a full-time IT staff person is needed to support SalesLogix on an ongoing basis.

LESSONS LEARNED

Using technology to support a streamlined customer support operation has enabled Big River to dramatically improve its service to customers – and leverage its positioning as a telecommunications service provider that has a customer-centric view. Planning its deployment to ensure that users would be effectively trained was key to the success of the SalesLogix project.

Big River also recognized that improving CRM is not just a one-phase process: it will need to continue to evolve its customer support and service functions to meet changing customer needs. When selecting its CRM solution, Big River focused not just on the initial project but on the solution's ability to grow and support changing needs over time, to leverage even more returns in the future.

CALCULATING THE ROI

Nucleus calculated the costs of software, hardware, consulting, personnel, training, and other investments over a 3-year period to quantify Big River's total investment in SalesLogix. Key direct returns came from reducing administrative staff, avoiding additional staff hiring costs as customer support demands grew, and increasing profits through greater customer retention and cross-selling.

DETAILED FINANCIAL ANALYSIS

BIG RIVER TELEPHONE COMPANY

SUMMARY

Project:	SalesLogix
Annual return on investment (ROI)	1139%
Payback period (years)	0.09
Net present value (NPV)	1,153,155
Average yearly cost of ownership	59,733

ANNUAL BENEFITS	Pre-start	Year 1	Year 2	Year 3
Direct	0	1,040,220	1,103,700	1,103,700
Indirect	0	0	0	0
Total Benefits Per Period	0	1,040,220	1,103,700	1,103,700

DEPRECIATED ASSETS	Pre-start	Year 1	Year 2	Year 3
Software	0	0	0	0
Hardware	0	0	0	0
Total Per Period	0	0	0	0

DEPRECIATION SCHEDULE	Pre-start	Year 1	Year 2	Year 3
Software	0	0	0	0
Hardware	0	0	0	0
Total Per Period	0	0	0	0

EXPENSED COSTS	Pre-start	Year 1	Year 2	Year 3
Software	50,000	10,000	10,000	10,000
Hardware	10,000	1,000	1,000	1,000
Consulting	12,000	3,500	3,500	3,500
Personnel	18,000	12,000	12,000	12,000
Training	2,500	2,400	2,400	2,400
Other	0	0	0	0
Total Per Period	92,500	28,900	28,900	28,900

FINANCIAL ANALYSIS	Year 1	Year 2	Year 3
Net cash flow before taxes	1,011,320	1,074,800	1,074,800
Net cash flow after taxes	505,660	537,400	537,400
Annual ROI - direct and indirect benefits			1139%
Net cash flow after taxes (direct only)	505,660	537,400	537,400
Annual ROI - direct benefits only			1139%
Net present value (NPV)			1,153,155
Payback (years)			0.09
Average annual cost of ownership			59,733
3-year cumulative ROI			2493%
3-year IRR			1098%

FINANCIAL ASSUMPTIONS

All government taxes	50%
Discount rate	15%