ROI CASE STUDY

SALESFORCE SERVICE CLOUD
FLEXERA SOFTWARE

THE BOTTOM LINE

Flexera Software deployed Salesforce Service Cloud to streamline and consolidate its customer service and support processes and provide greater visibility across customer relationships. Nucleus found the project enabled the company to reduce its IT costs while increasing support engineer productivity and improving the overall customer experience.

ROI: **100%**

Payback: **1.2 years**

Average annual benefit: **$583,097**

THE COMPANY

Flexera Software provides solutions to help software application producers and companies increase application usage and the value they derive from their software. With roots in the 1987 introduction of InstallShield, which became the global leader in software installation tools for Windows developers, Flexera Software serves more than 80,000 customers around the globe as an expert in licensing, installation, and compliance solutions. Headquartered in Itasca, Illinois, the company is growing rapidly, with more than 600 employees.

THE CHALLENGE

Like many rapidly growing software companies, Flexera Software had expanded its customer service and support capabilities over time with different tools for different departments and divisions. It had also grown by acquisition, and many of those acquisitions were using different customer support tools, resulting in a lot of unconnected silos of customer service information.

With customer service and support becoming an increasingly important differentiator in the infrastructure software market, the customer service team at Flexera Software knew they needed to have a more complete view of customer interactions. They also needed to

modernize their customer support technologies to provide the latest service enablers, both to make internal support engineers more productive and to ensure that their clients who wanted to take advantage of self service had a positive experience.

Cost : Benefit Ratio | **1 : 1.7**

THE STRATEGY

The company had already deployed Salesforce Sales Cloud and had an enterprise license for all employees, so when Flexera Software started exploring options for rationalizing its support organization and technologies in fall 2012, Salesforce Service Cloud seemed like an attractive option. That said, Flexera Software went through an extensive due diligence process with Salesforce which included numerous demos and site visits and reference calls with companies with similar profiles.

Flexera Software began working on its Service Cloud project in February 2013, using the services of Salesforce Platinum Cloud Alliance partner Etherios to build out a phased deployment over the next 12 months. The project which included migrating data from existing systems including Pivotal, Oracle Siebel, ServiceNow, and various Excel spreadsheets; configuring the Service Cloud application to meet the company's objectives, and populating the knowledge base for self service.

Knowledge transfer was an important part of the overall deployment project, with two developers, one database administrator, and one systems administrator working with the Etherios team throughout the deployment so they would have the knowledge and expertise to expand the capabilities of Service Cloud over time. Training for end users was a phased process, with an initial brief training session for approximately 90 users and then additional ad-hoc training over time as they learned more about the application.

Types of Benefits

Direct 97% ▬▬▬▬▬▬▬▬▬▬▬ 3% Indirect

KEY BENEFIT AREAS

Moving to one centralized cloud for customer support and service has enabled Flexera Software to better meet its strategic goal of improving customer service and customer experience by having:

- One single view of customer interactions for greater real-time reporting and analytics and better business decision making
- A modern,flexible cloud application that can be modified over time as new capabilities become available and Flexera Software identifies different methods to better service its customers
- Self-service options for clients that want to resolve their issues online.

Key benefits of the project include:

- More effective use of IT resources. By consolidating all its customer service and support technologies on Service Cloud, the company redeployed IT resources that were previously responsible for basic support to more strategic projects and reduce ongoing license maintenance spend.
- Increased visibility. Consolidated customer interaction data in one application, and new sources of data from areas like self service, have enabled Flexera Software to have a better understanding of overall client interactions and project progress.
- Increased productivity. Moving to Service Cloud has increased the productivity for support engineers and managers, both by having one common version of the truth by deflecting basic client inquiries to self service, thus reducing the number of inbound support requests.
- Improved customer satisfaction. The ability to provide clients with more ways to access support and enable agents to have knowledge of clients' issues, regardless of the channels of interaction, drives faster issue resolution and increased client satisfaction.
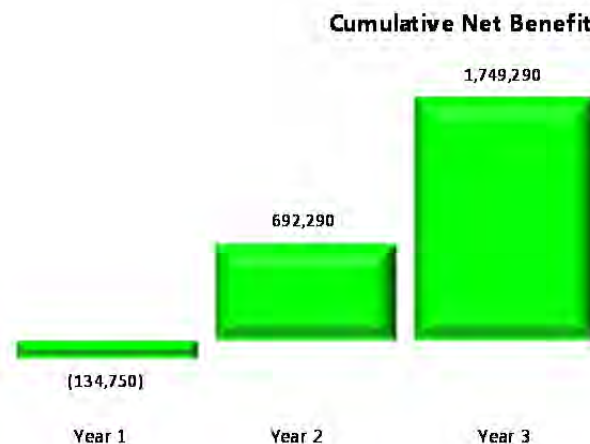
KEY COST AREAS

Key cost areas of the project included software license subscription fees, consulting, personnel, and training. Because the company already had an enterprise license with Salesforce.com, only the incremental additional license subscription investment that would be required to support Service Cloud was included in the ROI assessment.

BEST PRACTICES

Flexera Software deliberately took a phased approach to deploying Service Cloud. This ensured that effective knowledge transfer could happen between Etherios and the company's Service Cloud team, an iterative process could be used to configure and deploy the new application to users that were accustomed to other systems, and a major shift in customer service processes and technologies could happen without a disruption in customer service.

CALCULATING THE ROI

Nucleus calculated the initial and ongoing 3-year costs of software license subscription fees, consulting, personnel, and training to quantify Flexera Software's total investment in Salesforce Service Cloud.

Direct benefits quantified included the elimination of IT license maintenance and support fees from applications and servers that were retired as a result of deploying Service Cloud. Other direct benefits included the IT staff redeployed as well as the additional business analyst and management hires that were avoided that would have been needed without Service Cloud. Indirect benefits quantified included the increased productivity of IT staff that had some of their time devoted to server support, and was calculated based on the average annual fully loaded cost of an IT staff person.

Not included in the analysis are the additional efficiencies Flexera Software will gain as more clients adopt self service and the company continues to build out reporting and analytics.

FINANCIAL ANALYSIS

Salesforce Service Cloud

Annual ROI: 100%
Payback period: 1.2 years

ANNUAL BENEFITS	Pre-start	Year 1	Year 2	Year 3
Direct	0	1,281,850	1,381,850	1,481,850
Indirect	0	38,250	38,250	38,250
Total per period	0	1,320,100	1,420,100	1,520,100

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

DEPRECIATION SCHEDULE	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

EXPENSED COSTS	Pre-start	Year 1	Year 2	Year 3
Software	100,000	114,000	129,960	0
Hardware	0	0	0	0
Consulting	525,000	0	0	0
Personnel	114,750	463,100	463,100	463,100
Training	138,000	0	0	0
Other	0	0	0	0
Total per period	877,750	577,100	593,060	463,100

FINANCIAL ANALYSIS	Results	Year 1	Year 2	Year 3
Net cash flow before taxes	(877,750)	743,000	827,040	1,057,000
Net cash flow after taxes	(482,763)	408,650	454,872	581,350
Annual ROI - direct and indirect benefits				**100%**
Annual ROI - direct benefits only				95%
Net Present Value (NPV)				771,011
Payback period				**1.2 years**
Average Annual Cost of Ownership				837,003
3-Year IRR				77%

FINANCIAL ASSUMPTIONS

All government taxes	45%
Cost of capital	7.0%

By the Numbers

Flexera Software's Salesforce Service Cloud project

NUCLEUS RESEARCH

Annual Return on Investment **100%**

1 years The total time to value, or **payback** period, for the project

Cost : Benefit Ratio **1 : 1.7**

$583,097

Average annual benefit

THE PROJECT

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THE RESULTS

Avoided 3 additional FTEs
Avoided hiring 2 additional managers
Reduced technology costs

Number of **users: 92**

12 Months Total time for the company to deploy Service Cloud

"Our Service Cloud project was really about gaining greater visibility and understanding across all our client interactions so we could support them better."

- Andy McGovern, Flexera Software