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ROI CASE STUDY MICROSOFT DYNAMICS CRM ISS WORLDWIDE

THE BOTTOM LINE

ISS Worldwide deployed Microsoft Dynamics CRM to streamline its CRM operations, increasing customer retention and cross selling while improving collections.

ROI: 2266%

Payback: 2 weeks

Average annual benefit: €7,974,658

THE COMPANY

ISS provides facility management, cleaning, and property services including landscape maintenance and construction, office support, catering, and security to more than 50 countries around the world. ISS now has more than 410,000 employees in 50 countries across Europe, Asia, North America, Latin America, and Australia.

THE CHALLENGE

ISS in Belgium needed to streamline its CRM efforts to more efficiently acquire new customers, retain existing customers, and support new revenue opportunities with the existing customer base such as landscaping and catering. Although ISS was already using SAP for some CRM functions, when it examined its CRM operations, ISS focused on three processes that needed improvements:

- Database management. With its existing systems, multiple users could create new companies in the system, which created errors and duplicate entries.
- Credit control. Credit checks were not integrated into the new customer acquisition process, so offers were made without ensuring that a customer would likely pay for the services provided in a timely manner.
- Customer service. ISS needed a more formal and structured case management process for customer complaints that could track any change in volume of complaints and ensure all complaints were addressed.

THE STRATEGY

ISS considered a number of CRM systems and chose Microsoft Dynamics CRM. The CRM manager worked with approximately a dozen stakeholders to define their application requirements. The manager also worked during the deployment to support adoption of the application, using articles in the company newsletter and meetings to set expectations. Ninety users were trained on the system through a 4-hour training class. The application went live in December 2008.

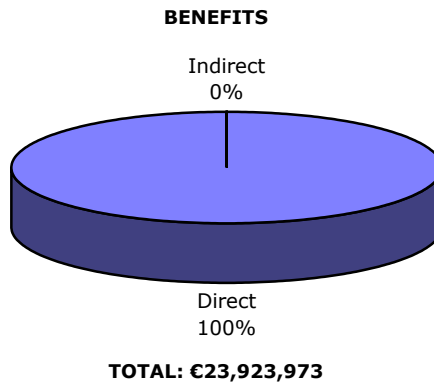
TOPICS

Customer Relationship Management

KEY BENEFIT AREAS

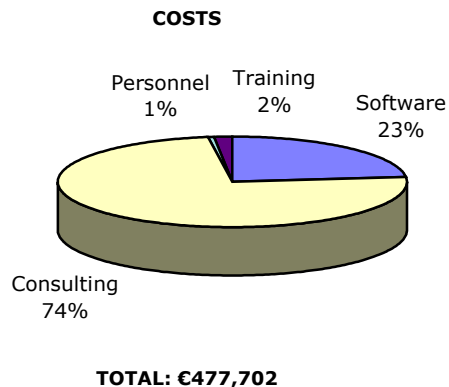
Moving to Microsoft Dynamics CRM has enabled ISS to reduce risk while increasing customer satisfaction. Key benefits from the solution include:

- Increased collections. An integrated credit check process enables ISS to avoid taking on new customers that ultimately can't pay their bills, enabling ISS to increase overall bill collection rates.
- Accelerated collections. Streamlined access to information in the system has enabled ISS to accelerate its collections process from 75 days to 18 days, producing a significant change in working capital.
- Increased customer retention. Supporting a structured sales and renewal process through the CRM system has enabled ISS to raise customer retention to 90 percent and increased sales people's ability to win new business.
- Eliminated IT costs. By retiring unneeded SAP licenses, ISS was able to eliminate annual maintenance fees on those licenses as well as redeploy support staff devoted to that part of the application.



KEY COST AREAS

Key cost areas for the deployment included software, consulting, personnel, and training. There was no hardware investment required because ISS was able to run the application on an existing internal hosting center that had already been allocated to the department. Training costs included the trainer's cost as well as the cost of employee time spent in training.



BEST PRACTICES

Especially with a technology like CRM, user adoption is critical to ensure success. ISS had a user adoption strategy that included early broad input into business requirements, ongoing communication about project plans and goals in different formats, and functionality training to ensure users would effectively adopt the application.

CALCULATING THE ROI

Nucleus calculated the costs of software, consulting, personnel, training, and other investments over a 3-year period to quantify ISS's total investment in Microsoft Dynamics CRM.

Direct benefits included increased collections, increased profits from an increase in renewal customers, eliminated IT costs, and a change in working capital as a result of accelerated collections.

Nucleus Research is a global provider of investigative technology research and advisory services. Building on its unique ROI case study approach, for nearly a decade Nucleus Research has delivered insight and analysis on the true value of technology and strategies for maximizing current investments and exploiting new technology opportunities. For more information or a list of services, visit NucleusResearch.com, call +1-617-720-2000, or e-mail info@NucleusResearch.com.

DETAILED FINANCIAL ANALYSIS

ISS WORLDWIDE

SUMMARY

Project:	Microsoft Dynamics CRM
Annual return on investment (ROI)	2266%
Payback period (years)	0.04
Average annual benefit	7,974,658
Average annual total cost of ownership	159,234

ANNUAL BENEFITS	Pre-start	Year 1	Year 2	Year 3
Direct	0	7,974,658	7,974,658	7,974,658
Indirect	0	0	0	0
Total Benefits Per Period	0	7,974,658	7,974,658	7,974,658

DEPRECIATED ASSETS	Pre-start	Year 1	Year 2	Year 3
Software	85,430	0	0	0
Hardware	0	0	0	0
Total Per Period	85,430	0	0	0

DEPRECIATION SCHEDULE	Pre-start	Year 1	Year 2	Year 3
Software	0	17,086	17,086	17,086
Hardware	0	0	0	0
Total Per Period	0	17,086	17,086	17,086

EXPENSED COSTS	Pre-start	Year 1	Year 2	Year 3
Software	0	8,543	8,543	8,543
Hardware	0	0	0	0
Consulting	168,429	84,000	74,000	30,000
Personnel	2,783	0	0	0
Training	7,431	0	0	0
Other	0	0	0	0
Total Per Period	178,643	92,543	82,543	38,543

FINANCIAL ANALYSIS	Pre-start	Year 1	Year 2	Year 3
Net cash flow before taxes	(264,073)	7,882,115	7,892,115	7,936,115
Net cash flow after taxes	(174,751)	3,949,600	3,954,600	3,976,600
Annual ROI - direct and indirect benefits				2266%
Annual ROI - direct benefits only				2266%
Net present value (NPV)				8,864,609
Payback (years)				0.04
Average annual cost of ownership				159,234
3-year IRR				2260%

FINANCIAL ASSUMPTIONS

All government taxes	50%
Discount rate	15%