



Business-Critical SharePoint
Connected systems. Connected enterprise.

Connected Value:

The ROI Benefits of Business-Critical SharePoint

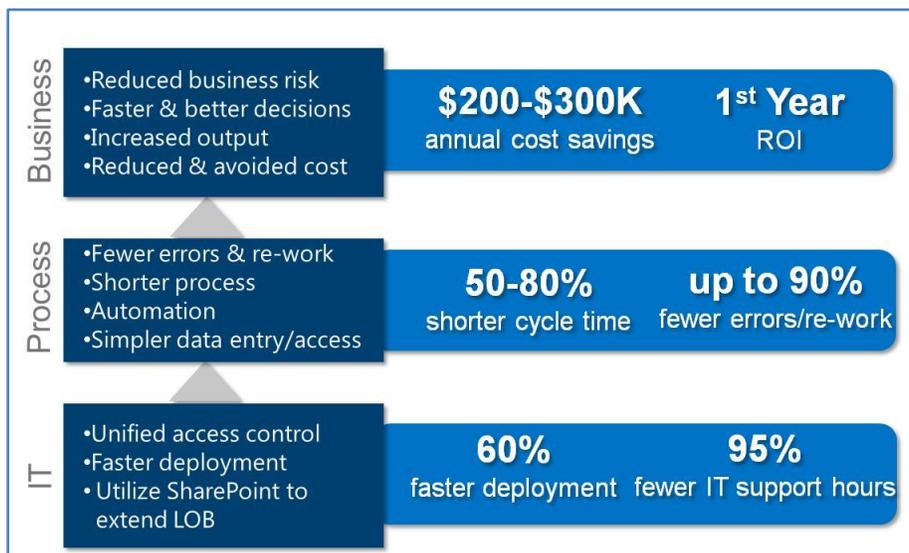
Executive summary

Business-Critical SharePoint (BCSP) solutions create business value by connecting people across an organization to information and data stored in a variety of line-of-business (LOB) systems. Traditionally, LOB applications served discrete teams or departments within organizations—for example, human resources (HR) system accessible only by the HR department. This “silo effect” kept information in disparate systems and hampered cross-team productivity.

BCSP solutions are extending and automating important business processes across, and even beyond, organizational boundaries by exposing LOB data in Microsoft SharePoint and enabling this crucial business data to be used across the organization by all relevant stakeholders, as appropriate to their roles and permissions. The result is a flow of “connected value” created by increased user productivity and efficiency, more effective cross-team collaboration, improved business processes, and more. Customers found that these solutions, rather than delivering savings in the marginal range (e.g., 10 to 20 percent), actually drove “transformational” savings as high as 80 to 90 percent. By employing BCSP as the path to these solutions rather than other IT approaches, companies also realized faster deployment, far less custom coding, and simplified ongoing administration and governance. The combination of these high returns (“R”) and low investment (“I”) led to a very rapid return on investment (ROI).

Microsoft and Pique Solutions, an independent research and analysis firm, conducted in-depth research with partner and customer organizations in a variety of industries to identify the key ROI drivers that those organizations experienced in real-world deployments. As illustrated in **Figure 1**, the summary results showed a flow of “connected value” that leads to very rapid ROI.

Figure 1: The connected nature of BCSP ROI

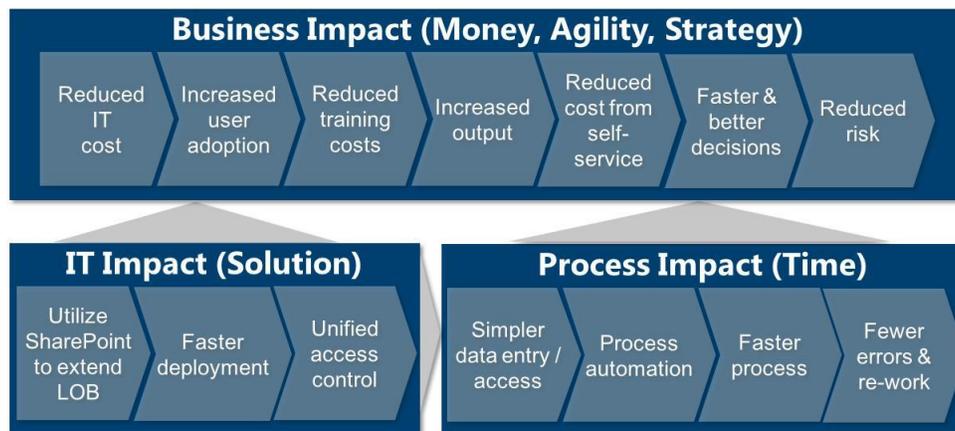


Given the breadth and impact of the benefits identified in this research, there are indeed many pathways to BCSP ROI. For several companies in the study, the benefits of BCSP went beyond financial ROI and were enabling fundamental changes in their business and even their business models.

The connected nature of BCSP ROI

One of the key findings of the study was the connection between BCSP value and ROI, as illustrated in **Figure 2**. In short, the IT- and process-related effects led to a tangible business impact. First, many customers found that “getting to the desired solution” via BCSP yielded important IT-related benefits—namely, reduced or avoided IT costs associated with deploying the solution and the ability to deploy faster than with alternative approaches. In nearly all cases, companies already licensed and were actively using SharePoint for intranet sites, document sharing, and basic workflows. They simply engaged with the right BCSP Partner to connect the LOB systems, build the workflows, and deploy the solution.

Figure 2: The flow of value of Business-Critical SharePoint



With the BCSP solution in place, customers cited several key benefits related to the processes enabled or automated. Notably, benefits included savings related to business-user productivity, cross-team collaboration, process automation, a reduction in errors, and a shorter cycle time. Finally, and perhaps most important, are the initial and lasting effects at the business level. The aforementioned IT-related and process-related benefits led to a host of tangible economic benefits that positively affect the top and bottom line for customer organizations. It is this quantifiable business impact that is increasingly driving organizations to invest in and deploy BCSP solutions. It addresses the primary question from the business community, namely, “Why should we be doing this?”

Street Crane, a UK manufacturer of cranes and hoists, perhaps answered that question best: Its solution illustrated not simply ROI, but also the transformational capability that these solutions offer. Along with Microsoft Business-Critical SharePoint Partner Siemens, Street Crane wrapped SharePoint around its PLM system and extended an internal, directory-based, error-prone product life-cycle management process to a secure, cross-organizational process that spans the supply and demand chain and provides a 24-hour-a-day window into its business. In six years, it has increased output more than sixfold, from 30 cranes per month to more than 200, with minimal staffing growth.

In the words of Chris Russell, Street Crane Director of Development:



“Our BCSP solution certainly provided ROI in the first year, but the impact to our business has been transformational. We have created a 24/7 window into our business, enabling suppliers and customers to participate directly in our business processes. Our rapid cycle times have allowed us to enter entirely new markets based on a ‘design-to-order’ process enabled by SharePoint.”

Methodology

In the first phase of this study, Pique Solutions interviewed BCSP Partners and customers who collectively represent more than 200 BCSP deployments. The initial round of interviews resulted in a master list of potential value drivers and a general rating of the level of business impact each has in customer organizations (see Appendix A). The benefits fall into three categories:

- **Business impact**—Benefits related to the company’s top or bottom line or its strategic position
- **Process impact**—Benefits related to productivity and efficiency gains in business processes
- **IT impact**—Benefits related to the BCSP solution deployment vs. alternative approaches

In a second phase, Pique Solutions conducted in-depth interviews with BCSP customers to identify the most relevant benefits and quantify those benefits for each organization. The topics of those interviews were deployments spanning education, health care, government, manufacturing, and retail.

Business impact of BCSP solutions

The business benefits are the economic and strategic reasons *why* companies are using SharePoint to build and deploy BCSP solutions and generate ROI. After all, it is great to enable user productivity and more efficient processes, but how does that benefit the business? Customers answered that question by quantifying the value of SharePoint in the context of the following value drivers.

Reduced IT costs

Customers found BCSP solutions to be far less costly than alternative solutions they considered. BCSP solutions require less coding to develop and deploy, which lowers initial and ongoing costs and accelerates deployment and adoption. Most companies already have SharePoint deployed in some capacity, so extending it to business-critical processes is a modest, incremental investment. BCSP Partners also provide complementary solutions and expertise, which lowers cost and speeds deployment.

ROI profile: University of Nottingham, Malaysia Campus and BCSP Partner Webparts 360



The BCSP solution

A portal solution that provides unified access to finance, registration, and research departments with a data model that consolidates all the LOB data on the SharePoint platform. They linked information found in external Microsoft® SQL Server® and Oracle databases, imported data from Microsoft Excel, and built workflows to enable administrators to verify and approve new information.

ROI impact

- ✓ \$200,000 savings in development costs, compared to an alternative solution
- ✓ 60% faster deployment than with custom development
- ✓ 50% productivity increase in information gathering
- ✓ A shift from reacting to business needs to being a proactive and strategic partner to the business

In the words of Lotus Ong, IT Manager for University of Nottingham:

“SharePoint has enabled us to ‘turn the tables’ on the business. For the first time we are waiting on our customers instead.”

Increased user adoption of LOB systems

BCSP solutions utilize the familiar and nearly ubiquitous SharePoint user interface shared with other Microsoft productivity applications. Customers are finding it easy to foster the adoption of the capabilities and information within LOB applications by exposing them through SharePoint because of its ease-of-use and the unified logon it provides. Interestingly, many found that they were able to increase the ROI of their existing LOB systems by exposing them more broadly.

Furthermore, when new users are given access to LOB applications via SharePoint in the context of a workflow or portal solution, it shields them from the complexities of the LOB application and obviates the need for and expense of in-depth training.

Reduced cost and/or increased output from shorter and more efficient processes

After their BCSP solution deployments, nearly all customers experienced a form of savings in business user productivity. In many cases, these savings in time freed up staff to focus on other activities and to handle additional output with the same amount of effort. In several cases, the productivity gains led to staffing cost reductions or avoided costs. Yokohama Tire Canada and REI demonstrated this benefit: Yokohama simultaneously reallocated staff hours and increased output by 25 percent, and REI avoided the cost of peak season staffing.

ROI profile: Yokohama Tire Canada and BCSP Partner Spot Solutions



The BCSP solution

A quote-to-fulfillment solution for “special price concessions,” which involve a nonstandard quoting and discounting process. Yokohama used SharePoint (for which it already had a Microsoft Enterprise license) to expose data from JD Edwards and Cognos in the context of an automated workflow that involves five functions in the company.

ROI impact

- ✓ 665 hours saved annually for gross profit evaluation and customer service activities
- ✓ 70% reduction in end-to-end cycle time from six or seven days to 48 hours
- ✓ Eliminated quoting errors and associated rework
- ✓ 25% increase in quoting volume without any additional staffing
- ✓ The ability to track metrics and insights on special pricing concessions, which wasn't possible prior to the BCSP deployment

In the words of Kyle Butt, Team Leader at Yokohama Tire:

“With the automation via SharePoint, cycle time has been reduced from 6.5 days to 48 hours, and by eliminating the manual effort, we are able to handle the quoting growth of 25% without any additional staffing. We now have visibility into the process as well as the ability to track business intelligence on these deals so we can track win/loss data and their contribution to the top line.”

[Read complete case study](#)

Reduced service or support costs from employee, partner, or customer self-service

The process automation provided by BCSP often gives business users direct access to information that they would otherwise have to request or acquire via an offline process (e.g., paper). This often generates a hard cost savings that alone justifies the investment. NPL Construction Company, for example, deployed a BCSP solution for self-service payroll, which eliminated US\$300,000 per year in labor, printing, and postage costs.

ROI profile: NPL Construction and BCSP Partner MyOVS



The BCSP solution

A self-service payroll solution, integrated into NPL Construction's SharePoint 2010 intranet and extranet, provides employee pay stub data and W-2 tax form data previously housed only within SAP. The deployment of the MyOVS web parts in SharePoint 2010, together with a deployment of a mobile web app, effectively eliminated the need for manually printing and mailing pay stubs and W-2 forms to the thousands of employees at NPL.

ROI impact

- ✓ US\$300,000 in annual cost savings and ROI in the first year, stemming from:
 - Reduced the equivalent of 1.5 full-time employees
 - Reduced printing costs (printers, toner, maintenance)
 - Reduced mailing and postage costs
 - Eliminated costs for specialized paper forms

[Read complete case study](#)

More informed decisions...faster

BCSP solutions increase productivity across an organization, enabling departments to collaborate on decisions and providing critical information to those who need it, particularly early in the business process. This faster decision making reduces effort, cost, and wasted cycles. A perfect example was provided in the Yokohama case, in which account managers creating quotes can see the impact of pricing decisions on gross profit. They are now able to avoid creating quotes, and wasting the time of other participants in the process, on deals that aren't profitable to the company. On the "back end," the management team can now make more informed, better decisions by tracking the impact of those deals on the business across a number of dimensions.

Customers find that more informed and faster decisions reduces risk. A key benefit described by many customers was the shift from being reactive to proactive in terms of process and, to a larger extent, managing risk for the business. Real-time visibility into processes and automated alerts help companies prevent problems before they adversely affect the business.

Impact on business processes

Most companies are deploying BCSP solutions to augment or automate key business processes that connect several LOB systems. In some cases, the BCSP solution is improving the productivity and efficiency of users accessing existing LOB applications and in others it is providing authorized access to

applications or systems that users previously did not have access to. By and large, the benefits in the area of process are measured in terms of time savings. That time savings covers both the increased productivity and efficiency of business users and a reduction in the overall work and waiting time built into processes. The value drivers in this area are described below.

Savings from simplified data entry/access to LOB systems

BCSP solutions employ SharePoint as enterprise collaboration platform that's connected to existing LOB systems, often adding information from other systems in the context of a workflow or process. Customers found that it streamlines both data entry and access to information from LOB systems. They also found that authorizing access to other departments' systems brought teams closer together and improved cross-department productivity.

Savings from the automation of manual or ad-hoc activities

BCSP solutions enable automated steps in a workflow and support process automation via sequential and parallel processing rules, contextual data aggregation, notifications and alerts, and real-time visibility into the workflow. This reduces the amount of human effort involved in a process and dramatically reduces the amount of latency, or waiting time, in the process cycle.

Savings from the reduction in errors and rework

By providing streamlined data entry, data validation, and process automation, BCSP solutions dramatically reduce the quantity of errors produced through the course of the business process. This lowers the effort required to identify and correct errors, which often involves multiple human resources spanning the business process.

ROI profile: REI and BCSP Partner WinShuttle



The BCSP solution

An automated "Procure to Pay" process used by 70 staff members within the Merchandising division who are responsible for buying for and replenishing products to the company's retail stores. The merchandise order allocation workflow and data-entry solution was deployed on top of REI's back-end SAP system.

ROI impact

- ✓ 86% reduction in the effort involved in the order allocation process, recovering an estimated 2,500 buyer hours, 400 distribution center hours, and virtually eliminating the need for additional IT support of the process
- ✓ 90% reduction in errors as compared to the prior process
- ✓ 93% fewer missed order allocations

In the words of Kentner Cottingham, Senior Business Analyst:

"Combining SharePoint, Microsoft Excel, and WinShuttle, we have created a business-critical solution for our order allocation process that reduces end user effort by 86% on average and cuts down potential process errors by 90%. The new process has actually far exceeded our initial expectations and because we, as the business, deploy and manage this solution ourselves we now have a rapidly scalable, consistent, and accountable tool to manage this key business process."

Shorter processes

The aforementioned process value drivers substantially reduced the time required to complete a process. That reduction was especially pronounced in processes that spanned departments, an entire organization, and in some cases, multiple companies.

ROI profile: Barking, Havering and Redbridge University Hospitals NHS Trust and BCSP Partner Ascribe



The BCSP solution

An automated workflow and task management system for ensuring patient safety in the process of handing off patients from shift to shift in the hospitals. Called eHandover, the solution provides a way for doctors and medical staff to collaborate on a set of patients on a service and ensure that all relevant patient details are made available in a systematized manner.

ROI impact

- ✓ 50% to 66% reduction in the time required to prepare for and conduct the hand-over sessions
- ✓ 95% to 98% task completion rate, which previously could not be tracked
- ✓ An improvement of 30 to 45 percentage points in physician satisfaction ratings across a range of survey questions related to the hand-off process
- ✓ A three-year downward trending in the weekend mortality rate
- ✓ A GBP 600,000 grant, awarded for BHR Trust Hospitals' ability to measure and report on emergency access target service level agreements (SLAs); specifically, the SLA for a medical consultant to see a patient within the first 24 hours

In the words of Dr. Aklak Choudhury, Pulmonologist and eHandover Solution Lead:

"Now we can work as a team, and information is available to those who need it across shifts focusing on completing the critical tasks associated with patient care. It has reduced the amount of time and effort in the hand-over process, contributed to our declining weekend mortality rate over the past several years, and improved clinician satisfaction with the overall process."

[Read complete case study](#)

IT impact

For some organizations, the IT-related or solution-related effects are a considerable source of value for the organization. In other words, *how* they achieve the desired solution is a driving factor in their ROI. Using SharePoint as the basis for process automation yields significant benefits from an IT perspective and often allows the line of business to deploy solutions quickly and without relying on, or affecting, IT resources. BCSP solutions provide the business with unified and centralized access to LOB systems and a scalable governance model. The following sections list the value drivers in this area.

Employing SharePoint to modernize, extend, and connect LOB systems

Customers are using SharePoint as their collaboration platform for important business processes. Because they do not need to “rip and replace” existing LOB systems when pursuing the BCSP approach, they can eliminate, reduce, or avoid the costs associated with the licensing, customization, and ongoing maintenance of those systems. Most customers are already using and are familiar with SharePoint, which fosters adoption and makes it easy for users to connect to both LOB systems they already access and those that they are newly accessing via the solution. According to BCSP customers, many users do not even realize they are accessing LOB systems; they simply work in SharePoint in the context of the process or activity they are completing.

ROI profile: Boise State University and BCSP Partner InFlight



The BCSP solution

A campus-wide SharePoint portal known as my.BoiseState, which delivers on the university's Unified Web Experience strategy. It provides students, faculty, and staff with a single source for information and a single place for accessing key applications including Google Apps, Blackboard, and PeopleSoft.

ROI impact

- ✓ Avoided costs arising from the decustomization of PeopleSoft
- ✓ 50% productivity increase in completing activities and processes
- ✓ Reinvestment of savings to improve the user experience and to increase “marketability” to students

In the words of Brian Bolt, Boise State University Operational Director:

“Our BCSP solution pulls information from a number of different PeopleSoft components. The alternative would be a number of different web services or a PeopleSoft native application. Now, we can actually deliver the information from these disparate sources within PeopleSoft seamlessly into a single window for this particular process. The user doesn't recognize they're in PeopleSoft; they just recognize they're in the my.BoiseState experience.”

[Read complete case study](#)

Faster deployment of BCSP solutions as compared to alternative approaches

The aforementioned benefits all lead to a faster deployment, which means companies can quickly benefit from the process and business impact of BCSP solutions. In many cases, deploying the BCSP solution took less than half the time that alternatives the customers evaluated would have required.

Unified and centralized security and access control

Instead of administering and maintaining security and access controls for each LOB system independently, companies that deploy BCSP solutions find that for most LOB systems they can administer and govern access centrally, which reduces complexity and saves IT time and costs.

Beyond ROI: Enabling transformational change

For several companies in this study, the benefits of BCSP went beyond basic ROI and were enabling fundamental changes in their business and even their business models. For example, Barking, Havering and Redbridge University Hospitals NHS Trust cited SharePoint as a leading factor in the downward trend in mortality rates and in reducing the risk to the trust.

Several other companies have utilized BCSP to fundamentally change the dynamics of their businesses. Street Crane is a perfect example: Over the past several years, its BCSP deployment has transformed its entire product life-cycle management process. Cycle time is dramatically reduced, and suppliers and customers are now able to securely and directly participate in the business around the clock. Street Crane's agility has increased to the point that they are able to engage in new markets with a "design-to-order" offering.

ROI profile: Street Crane and BCSP Partner Siemens



The BCSP solution

By wrapping SharePoint around its LOB system, Street Crane has extended an internal, directory-based, and error-prone process to a secure, cross-organizational process that spans the supply and demand chain and provides a round-the-clock window into its business.

ROI impact

- ✓ 99% reduction in shop floor order-processing time (1.5 days to 30 seconds)
- ✓ 20% to 40% manufacturing growth over the past six years with minimal staffing increase; a more than sixfold increase in output from 30 cranes per month to more than 200
- ✓ 50% increase in user productivity and efficiency
- ✓ Suppliers and customers get secure access to business processes around the clock

Chris Russell, Street Crane Director of Development, on transformational change:

"SharePoint has certainly provided ROI, but the impact to our business has been transformational. We have created a 24/7 window into our business, enabling suppliers and customers to participate directly in our business processes. Our rapid cycle times have enabled us to enter entirely new markets based on a 'design-to-order' process enabled by SharePoint."

[Read complete case study](#)

Conclusion: What can the ROI of Business-Critical SharePoint mean for your business?

This white paper demonstrates the many ways in which BCSP provides tangible value for organizations in a host of industries and in a variety of usage scenarios. The value of BCSP has a “connected nature”: IT and process benefits manifest themselves in *business* impact that drives economic and strategic value.

In the context of the ROI equation

$$\frac{\text{Return} - \text{Investment}}{\text{Investment}} = \text{ROI}$$

BCSP solutions are unique in that they have numerous ways of driving the economic value or return, while minimizing the investment required. In Pique Solutions’ experience analyzing the value of IT investment, it is rare to see the magnitude of economic return by taking advantage of a software solution that is largely in place. Certainly, Microsoft’s stable of BCSP Partners significantly contributes to the high returns by offering solution elements that complement the capabilities of SharePoint, and by accelerating both the deployment and the adoption of BCSP because of their SharePoint expertise. That is why many of the companies in this study realized ROI in the first year and why nearly all of them are extending BCSP deployments to additional business-critical processes.

This study also demonstrates that BCSP solutions, when deployed to support core business processes, have had a transformational impact on many of the companies in the study. For these companies, the dramatic improvements in agility and the capability to connect entire industry value chains have created new business opportunities and provided access to new markets and customers.

The research indicates that companies using SharePoint for more basic functions like intranet sites and file sharing should consider using SharePoint for process automation, extending SharePoint to LOB applications, or both. The value case is clear and compelling. For decision makers chartered with developing a business case for BCSP deployment, the framework, value drivers, and data highlighted in this white paper provide guidance on quantifying the potential IT, process, and business benefits of BCSP solutions in their organizations.

To learn more about BCSP or to find a BCSP Partner suited to your needs, please visit www.sharepoint.com/bcsp.

Appendix A: Key BCSP value drivers and survey results

The primary research collected in this project demonstrates:

1. There are a broad range of benefits spanning the categories of IT, process, and business impact, all of which have moderate to high levels of business impact.
2. The leading ROI value drivers are related to processes and effective decision making.
3. The value of process and IT drivers are manifested via their business impact.

Figure 3: Key BCSP value drivers

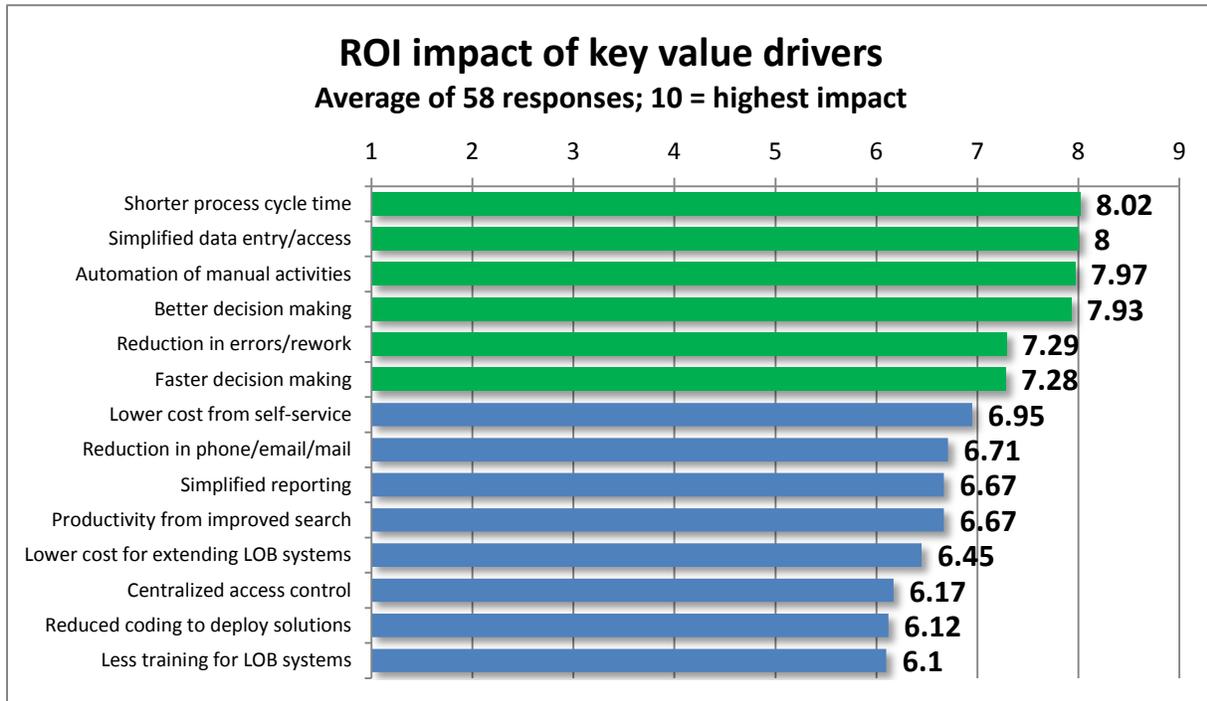


Table 1: Categorized ROI benefits of business-critical SharePoint

Category	Benefit
Business impact	Reduced costs or increased output from shorter and more efficient processes
	Faster decision making (proactive vs. reactive) or more informed decisions due to exposing LOB information across functions
	Reduced service or support costs because of employee, partner, or customer self-service
	Reduced business risk from monitoring/prevention vs. reacting
	Increased user adoption of LOB systems
	Reduced or avoided cost of staff training for LOB applications
	Reduced IT costs
Process impact	Efficiency or productivity gains from simplified data entry/access for LOB applications
	Efficiency or productivity gains from the automation of manual activities
	Reduced errors and rework
	Reduced time required to complete processes
IT impact	Avoided "rip and replace" by utilizing SharePoint as a front end and workflow solution to modernize, extend, and connect LOB systems
	Faster deployment of BCSP compared to IT alternatives
	Easier end-user adoption because the SharePoint UI is familiar and intuitive
	Increased savings from unified security/access controls