

**NUCLEUS  
RESEARCH**

RESEARCH NOTE D115

ROI ANALYSIS YOU CAN TRUST™

# ROI Case Study: Microsoft Office InfoPath Enterprise Sales Productivity Group

## **THE BOTTOM LINE**

Microsoft's Enterprise Sales Productivity Group used Microsoft Office InfoPath to provide a standardized method for collecting and tracking customer account planning information. The project has increased the productivity of Microsoft's enterprise sales teams by simplifying the creation and improving the data integrity of its strategic customer account plans.

**ROI: 143%**

**Payback: 1.13 years**

## **THE COMPANY**

Microsoft's Enterprise Sales Productivity Group (ESPG), numbering approximately 25 employees worldwide, works with more than 5700 employees in Microsoft's enterprise sales team to better align the company's solutions and services with its customers' business needs. Enterprise sales account managers create and maintain detailed account plans that provide a comprehensive view of Microsoft's strategic relationship with its customers.

## **THE CHALLENGE**

Microsoft's enterprise sales account managers were creating account plan documents based on ad hoc processes using their own methodologies. Although templates were available for guidance, account plans continued to be created inconsistently across the team, and the information collected in the plans differed from customer to customer.

Account plans include data mined and manually copied or entered from external and internal sources, such as a Microsoft sales database, Siebel, and a third-party financial data provider. The existing account planning process had much inefficiency. The lack of unified tools or methodologies to support the planning process often led the quality of the plans to be different and hard to control. Aggregation of planning information was extremely difficult because there was no way to roll up the account plan information into an enterprise view that could be easily compiled and analyzed. This hampered the team's ability to generate consolidated management reports for strategic planning and analysis.

Microsoft ESGP needed a solution that would improve the management of the planning process so that it could increase the quality of the intelligence it gathered on customers, provide reporting capabilities that gave sales management a deeper view into its key accounts, and enable account managers to deliver increased customer satisfaction.

In March 2003, as a first step in standardizing the account reporting process, the group created an advanced spreadsheet tool to support the next fiscal year's planning activities. While this tool provided a standard look and feel, the spreadsheet solution did not

provide prepopulation of data, nor did it provide optimal performance for sales teams when they were working remotely.

Realizing the need for improvement in its account plan creation process, ESPG identified the following issues that needed to be addressed:

- Lack of standards. One of the major objectives of the project was to create a standard methodology for collecting and analyzing account plan information.
- Inefficient processes. To increase the productivity of the team, ESPG had to build a comprehensive form template that would guide account managers through the process of building the plan.
- Inconsistent data. To reduce the amount of work necessary to bring data into the forms and to improve the quality of data contained in the forms, the ESPG sought a solution that provided live data transfer. The staff also wanted the capability to have a two-way data-updating process so that account managers could automatically do a data refresh to populate their forms with the latest data from the back-end systems and also allow the managers to write back to those systems with their updated customer account plan information.
- Limited flexibility. The inability to extend the planning templates or to roll up planning information in the aggregate prevented the sales team from generating timely management reports and slowed the sales management's ability to conduct a thorough analysis of planning information.

### **THE STRATEGY**

In the first step to establish standard practices, ESPG worked with an external consultant to design a new methodology for account planning requirements, information and data components, and workflow.

In assessing alternatives to its existing spreadsheet tool, the ESPG program manager chose InfoPath for the account planning tool for the following reasons:

- InfoPath provided XML-based Web services integration capabilities to connect with the data sources necessary to populate the account planning form.
- InfoPath supports offline functionality and provides improved loading time on a Web browser with a form that is only 40–50KB in size. Users can download forms, fill out the information while they are offline, and submit the completed form when they reconnect to the network.
- InfoPath enabled ESPG to create an account planning form that fit its new methodology and workflow for developing and updating an account plan. In addition to providing a framework for capturing consistent account planning information, the InfoPath form provides step-by-step process guidance and contextual help to ensure that account managers adhere to the methodology.

- InfoPath form templates are maintained on a central server, and updates can be automatically pushed out to all client machines without requiring any additional activity or administration. As a result, the sales team can streamline its processes and ensure that everyone is working with the latest version of the planning form.

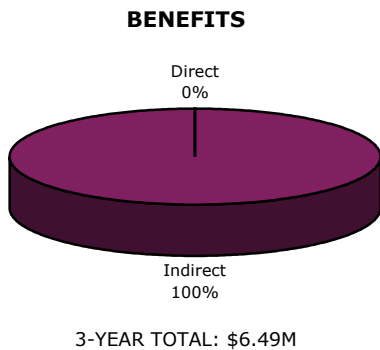
The project had a tight timetable; the sales organization wanted to have the account planning tool implemented for the start of the fiscal year, July 1, 2003. The development work was outsourced to a vendor that was also responsible for project planning, feature testing, and deployment of the account planning tool as well as ongoing maintenance and support. Post-initial deployment consisted of biweekly product release cycles for the account planning tool to add functionality, provide prepopulation of the integration sources, and incorporate additional form refinements.

The project was kicked off in April 2003 with a six-week window for the entire development and user acceptance testing processes. Because the account planning tool was built based on the methodology that the sales team was already familiar with, training sessions consisted of demos and question-and-answer sessions. The sessions were held regionally, with 30 to 40 users per session, and it took three to four weeks to complete training for all users of the tool.

#### KEY BENEFIT AREAS

Using the new Microsoft InfoPath account planning tool has provided the enterprise sales team with improved team collaboration, increased productivity, and an optimized standard process for account planning. Supported by a strong set of validation rules, the sales team now has a consistent method of collecting account information, which can be more easily rolled up to the account managers for improved analysis and ultimately enable them to provide better service to their customers. Key benefits of the new solution include:

- Improved productivity. The InfoPath account planning forms enable the enterprise sales teams to build account plans in less time and with more accuracy. Automatic integration with data sources provides the most up-to-date information for inclusion in the planning document. Because the InfoPath form can prepopulate data fields from back-end systems, sales team members do not have to rekey data that already exists elsewhere in the organization. Supporting sales team members can now send their completed forms electronically to the account manager, and they can then be merged into the master plan, eliminating a manual compare and contrast of separate documents that was error-prone and time consuming. With InfoPath's support for offline form entry, the sales reps can now update their plans while on the road meeting with customers, which improves the accuracy of the information collected. Initial time savings of six hours a quarter per account manager are

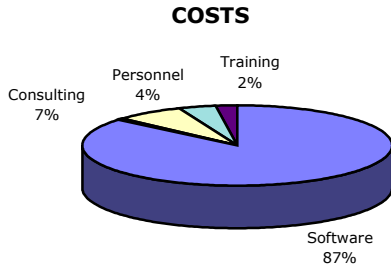


anticipated to grow to 12 hours a quarter when the second phase of the ESPG deployment will enable account plan data to be written back to the Siebel system.

- Reduced development time. InfoPath's XML-based data integration capabilities saved significant development time for the project. The product provides a drag-and-drop user interface and simple "click and program" features to speed the creation of forms. Support for XML Web services provides developers with a faster means for connecting data fields in the plan form with multiple back-end systems.

### KEY COST AREAS

Key costs involved in the InfoPath project included software, consulting, training, and personnel. Software made up the largest cost category, accounting for 87 percent of the project costs. Nucleus included the full list price for Microsoft Office InfoPath licenses and Software Assurance fees as well as the upgrade licenses and maintenance fees for access to third-party financial data.



3-YEAR COSTS: \$1.67M

Consulting costs for development work and ongoing support and maintenance of the project made up the next-largest cost category, at 7 percent of overall costs. Personnel time spent on program management, field training delivery, and the time of the external account planning methodology expert to work with the developers to ensure that the tool mapped to the established methodology made up 4 percent of the total. Training accounted for the smallest portion of project expenses; sessions were brief and consisted of demonstrations and Q&A rather than intensive tool training. Because the account planning template contained contextual help embedded within it, along with a reference guide listing all the requirements and steps necessary for completing the form, end-user training on the tool was minimal.

### LESSONS LEARNED

Although the overall project rollout went successfully, ESPG had initial challenges because InfoPath was in early beta when the project started, and the group had also set an ambitious deployment schedule for the project. Close contact with the InfoPath development team enabled the project developers to keep up with software updates and ensure that ESPG had the correct versions of the operating system and Microsoft Office necessary to run InfoPath on their computers. More time spent refining usability prior to project rollout and the flexibility to do bug fixing in bulk rather than on an ad hoc basis would have been beneficial as well.

### CALCULATING THE ROI

Nucleus quantified the costs of software, consulting, personnel, and training over a 3-year period to determine the ESPG's total investment in Microsoft Office InfoPath. Nucleus included the full list price for initial InfoPath licenses and annual Software Assurance fees as a proxy for this project's software costs. Costs for a third-

party data provider's software license upgrades and maintenance fees were also included in the software costs. ESG was already using Microsoft Office and the Windows XP operating system software, so the costs for these licenses were not included. While it is likely that companies already operating on the Microsoft platform will have access to these technologies, those organizations that do not own Microsoft Windows XP or Windows 2000 should include the cost of those licenses when quantifying deployment costs.

Indirect benefits for increased user productivity and reduced development time were calculated based on the average fully loaded cost of employees. Time savings associated with reduced data entry, faster account plan creation, and reduced development time were multiplied by a productivity correction factor to account for the inefficient transfer of time from time saved to additional time worked. Reduced development time benefits were based on the project time's being cut in half because the group used InfoPath's XML-based data integration capabilities rather than build a comparable spreadsheet-based tool.

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## Microsoft Enterprise Sales Productivity Group

### SUMMARY

Project:	<b>Microsoft Office InfoPath</b>
Annual return on investment (ROI)	<b>143%</b>
Payback period (years)	<b>1.13</b>
Net present value (NPV)	<b>1,500,167</b>
Average yearly cost of ownership	<b>557,302</b>

ANNUAL BENEFITS	Pre-start	Year 1	Year 2	Year 3
Direct	0	0	0	0
Indirect	5,938	1,298,077	2,596,154	2,596,154
<b>Total Benefits per Period</b>	5,938	1,298,077	2,596,154	2,596,154

DEPRECIATED ASSETS	Pre-start	Year 1	Year 2	Year 3
Software	600,000	0	0	0
Hardware	0	0	0	0
<b>Total per Period</b>	600,000	0	0	0

DEPRECIATION SCHEDULE	Pre-start	Year 1	Year 2	Year 3
Software	0	120,000	120,000	120,000
Hardware	0	0	0	0
<b>Total per Period</b>	0	120,000	120,000	120,000

EXPENSED COSTS	Pre-start	Year 1	Year 2	Year 3
Software	0	330,000	330,000	180,000
Hardware	8,000	0	0	0
Consulting	120,000	0	0	0
Personnel	27,708	18,769	10,000	10,000
Training	37,428	0	0	0
Other	0	0	0	0
<b>Total per Period</b>	193,136	348,769	340,000	190,000

FINANCIAL ANALYSIS	Results	Year 1	Year 2	Year 3
Net cash flow before taxes		949,308	2,256,154	2,406,154
Net cash flow after taxes		534,654	1,188,077	1,263,077
<b>Annual ROI - direct and indirect benefits</b>				<b>143%</b>
Annual ROI - direct benefits only				-12%
<b>Net present value (NPV)</b>				<b>1,500,167</b>
<b>Payback (years)</b>	<b>1.13</b>			
Average annual cost of ownership		1,141,905	740,953	557,302
3-year cumulative ROI	216%			
3-year IRR	104%			

### FINANCIAL ASSUMPTIONS

All government taxes	50%
Discount rate	15%

All calculations are based on Nucleus Research's independent analysis of the expected costs and benefits associated with the application profiled in the accompanying case. Financial modeling tool, format, and methodology copyright Nucleus Research Inc., all rights reserved.