

ROI CASE STUDY

ORACLE SALES CLOUD BATESVILLE



THE BOTTOM LINE

Batesville deployed Oracle Sales Cloud to replace an aging custom application that didn't support managers' need for greater visibility into the company's evolving product mix. Nucleus found the deployment enabled Batesville to increase the productivity of sales people and managers and enable managers to have more visibility into the pipeline to increase coaching opportunities.

ROI: **111%**

Payback: **1.1 years**

Average annual benefit: **\$1,376,846**

THE COMPANY

Batesville is a leader in the North American death care industry, providing burial solutions, cremation options, memorial solutions, and technology solutions. Headquartered in Batesville, Indiana, the company has been dedicated to helping families honor the lives of those they love for more than 125 years. Batesville's innovation has changed the funeral services industry, from advances in manufacturing and quality to patented features and memorialization offerings, technology and Web-based solutions, and profit-enhancing merchandising systems. Batesville is a wholly owned subsidiary of Hillenbrand, Inc.

THE CHALLENGE

Batesville had a distributed sales team across North America that was responsible for calling on clients and prospects on an ongoing basis, but was challenged by a declining market. As people are living longer and demand for traditional burial products has declined, Batesville's strategy has been to maintain steady revenues by adding new products, such as cremation products and funeral home Web sites. This means sales reps have been tasked with more accounts and more products to sell.

The company was using a custom-built Lotus Notes application to track and manage sales progress, but lack of a consistent way to manage and track the overall sales performance by account and product type challenged Batesville's sales managers to stay ahead of sales targets and have visibility into individual reps' pipeline challenges.

**Cost : Benefit
Ratio | 1 : 2.4**

THE STRATEGY

In May 2012, the company began looking for a modern CRM application that could drive greater sales and marketing efficiency. Batesville considered a number of applications including Salesforce.com, Microsoft Dynamics CRM, and Oracle, and after completing an RFP process with three finalists, ultimately chose Oracle Sales Cloud for three main reasons:

- Batesville believed the extensibility of Sales Cloud and the capabilities for sales management functions such as territory management and reporting would best meet its changing needs over time.
- Support for integration. Batesville uses Oracle JD Edwards as its ERP system, and Sales Cloud's ability to integrate with JD Edwards would enable it to quickly and cost-effectively link the two solutions.
- Compared to the alternatives, Sales Cloud was price competitive.

The decision was made in October 2012, and the company took a phased approach to deployment, configuring the application, completing the integration, and loading data in November and rolling out the iPad mobile app first with a pilot group. The application was rolled out to 160 sales users by January and Batesville continues to turn on additional functionality over time, including territory management, quota management, and incentive compensation.

Types of Benefits

Direct 10%



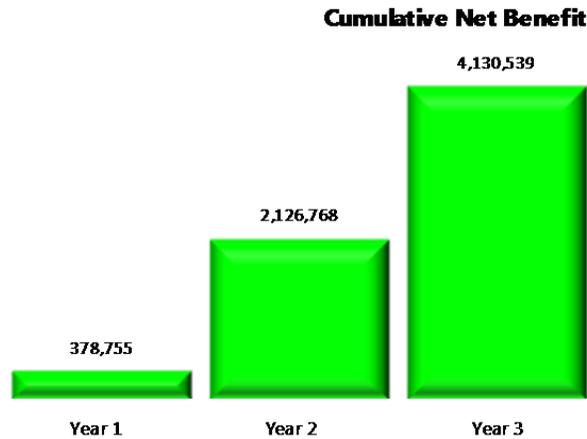
90% Indirect

KEY BENEFIT AREAS

Moving to a modern CRM application has enabled Batesville to maintain its position in an evolving marketplace by having greater visibility into sales performance and the sales product mix. Key benefits of the project include:

- Improved visibility. Integration with JD Edwards and the analytics capabilities of Sales Cloud have enabled managers to have greater visibility into sales trends and the associated product mix.

- Increased sales productivity. Because sales reps can now enter notes directly in their iPads while visiting clients, rather than waiting until they return to the office, they spend less time entering data while increasing the quality and detail of data they capture.
- Increased sales manager productivity. Sales Cloud has enabled Batesville to support a standardized process for sales management and pipeline reporting, saving them time with basic sales communications and reporting while increasing opportunities for coaching.



KEY COST AREAS

Key cost areas for the project included software license subscription fees, personnel, training, and travel. Batesville invested in training on how to configure and manage the application, which enabled the company to complete the initial deployment as well as ongoing enhancements without the need for external consulting.

BEST PRACTICES

In a changing market environment, lack of accurate and up-to-date data on sales can make it a challenge for managers to understand whether sales is underperforming or simply being challenged by market dynamics. Streamlining the process of entering notes in Oracle Sales Cloud for reps and the analytics capabilities within the application enables Batesville's managers to spend less time on tactical management and number crunching and to more quickly identify opportunities for correction and coaching.

CALCULATING THE ROI

Nucleus quantified the initial and ongoing costs of software fees, personnel, training, and travel to calculate the 3-year cost of Batesville's Sales Cloud deployment.

Direct benefits quantified included the savings from retiring the company's existing Lotus Notes application, and the savings Batesville achieved by avoiding adding a business analyst to develop and analyze reports. The indirect benefits of manager and sales rep productivity were calculated based on their time savings, using the average annual fully loaded cost of those employees and a correction factor to account for the inefficient transfer of time between time saved and additional time worked.

Not quantified were the additional benefits Batesville will achieve when territory and quota management and incentive compensation capabilities are fully adopted.

FINANCIAL ANALYSIS

Oracle Sales Cloud

Annual ROI: 111%

Payback period: 1.1 years

ANNUAL BENEFITS	Pre-start	Year 1	Year 2	Year 3
Direct	0	228,810	228,810	228,810
Indirect	0	2,147,279	2,147,279	2,147,279
Total per period	0	2,376,089	2,376,089	2,376,089

CAPITALIZED ASSETS	Pre-start	Year 1	Year 2	Year 3
Software	0	0	0	0
Hardware	176,934	0	0	0
Project consulting and personnel	387,533	140,166	0	0
Total per period	564,467	140,166	0	0

DEPRECIATION SCHEDULE	Pre-start	Year 1	Year 2	Year 3
Software	0	0	0	0
Hardware	0	35,387	35,387	35,387
Project consulting and personnel	0	77,507	105,540	105,540
Total per period	0	112,893	140,927	140,927

EXPENSED COSTS	Pre-start	Year 1	Year 2	Year 3
Software	255,757	255,757	255,757	0
Hardware	0	68,568	68,568	68,568
Consulting	0	0	0	0
Personnel	254,000	303,750	303,750	303,750
Training	116,269	0	0	0
Other	4,600	34,000	0	0
Total per period	630,626	662,075	628,075	372,318

FINANCIAL ANALYSIS	Results	Year 1	Year 2	Year 3
Net cash flow before taxes	(1,195,093)	1,573,848	1,748,014	2,003,771
Net cash flow after taxes	(911,311)	853,344	1,024,825	1,165,491
Annual ROI - direct and indirect benefits				111%
Annual ROI - direct benefits only				-18%
Net Present Value (NPV)				1,732,715
Payback period				1.1 years
Average Annual Cost of Ownership				999,242
3-Year IRR				89%

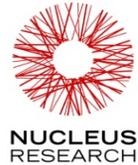
FINANCIAL ASSUMPTIONS

All government taxes	45%
Cost of capital	7.0%



By the Numbers

Batesville's Oracle Sales Cloud project



Annual Return
on Investment **111%**

1

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

Cost : Benefit
Ratio **1 : 2.4**

\$1,376,846

Average annual benefit

THE PROJECT

Batesville deployed Oracle Sales Cloud to replace an aging custom application that didn't support managers' need for greater visibility into the company's evolving product mix. Nucleus found the deployment enabled Batesville to increase the productivity of sales people and managers and enable managers to have more visibility into the pipeline to increase coaching opportunities.

THE RESULTS

Avoided 1.3 FTEs for reporting
Saved managers 2 hours/week
Saved sales people 1 hour/week

Number of **users: 160**

3
Months

Total time for the company to
deploy Oracle Sales Cloud

"Managers have far more reach than they did in the past. We've brought structure to the sales process and given them more opportunities for coaching."

- Diane Kinker, Director, SMART program, Batesville