ROI CASE STUDY

SALESFORCE DATA.COM
TABLEAU SOFTWARE

NUCLEUS RESEARCH

THE BOTTOM LINE

Nucleus Research examined Tableau Software's use of Salesforce Data.com to help the company quickly identify sales leads across regions and to manage its customer data within a single, centralized solution. Benefits included increased bookings through greater lead generation and increased productivity through more accurate sales data and more precise territory distributions.

ROI: **249%**
Payback: **6 months**
Average annual benefit: **$859,868**

THE COMPANY

Tableau Software provides software designed to help companies quickly and easily understand database and spreadsheet data. The company's product offerings can be used in a number of industries, including banking, healthcare, and high tech analytics. Its customer base includes companies in the education, insurance, retail, business services, and transportation and logistics industries.

THE CHALLENGE

To manage its customer and sales data, Tableau was using Hoovers, but realized that territory management and whitespace analysis were insufficient to meet its sales team's needs. Sales people were still required to manually click through data, and were allowed too much latitude to change data in the field, creating inaccuracies across territories and customers.

Cost : Benefit Ratio | **1 : 3.2**

The company wanted a solution that would enhance its customer master list, territory assignment automation, and data cleanup. Management also wanted a solution that

would support its global accounts to ensure accurate price quoting for subsidiaries of customer organizations.

THE STRATEGY

In January 2013 Tableau's management implemented the Salesforce Data.com solution. It took approximately eight weeks to implement the solution. It took approximately 60 hours for the IT department and 20 hours for the rest of the business departments to complete the implementation. Because Data.com is built in the Salesforce Sales Cloud, no additional hardware or outside consulting was required for implementation.

Tableau assembled a training enablement team to train the sales staff to use Data.com. A short training video was made, and step-by-step e-mails were sent to all staff on how to use the new application. In addition, the team attended staff meetings for all managers. New employees attend a boot camp to learn how to use Salesforce and Data.com.

Direct 41%   59% Indirect

Sales staff in the field now have instant access to saved customer data and pricing information, without the need to re-enter and modify data for every contact. In addition, it has been able to redraw territory lines to keep employees focused on the best clients in their space.

KEY BENEFIT AREAS

Using Salesforce Data.com, Tableau has been able to generate new leads in all territories and streamline the way its sales force saves customer data resulting in increased profitability and productivity. Key benefits of the project include:

- Increased bookings. The company was able to generate more than $400,000 in business related to leads generated directly from use of Data.com Prospector, which provides information on individuals and companies. In addition, it has developed over $2 million in potential business in its sales pipeline.
- Increased productivity. By using the Data.com Clean service to maintain and enrich customer information in its Salesforce instance on a regular basis, sales reps no longer have to verify and validate customer data. They saved approximately five percent of their time by eliminating time devoted to research to verify account information. The sales staff was able to use the saved time to follow through with additional lead generation. Tableau was also able to use firmographic data provided through the Data.com Premium Data offering to create fair territory lines. Without any other changes, efficient territory redrawing led to an approximate three percent increase in

productivity because the best reps were in more fair territories. Territory management became a more mathematical, rather than iterative process.

- Reduced cost. Tableau was able to reduce its software licensing fees by eliminating Hoovers. Rather than add an additional layer of software and cost to its existing systems, it was able to replace a software solution with one that offered greater capabilities.

Cumulative Net Benefit

Year 1: 388,704
Year 2: 1,708,854
Year 3: 2,579,604
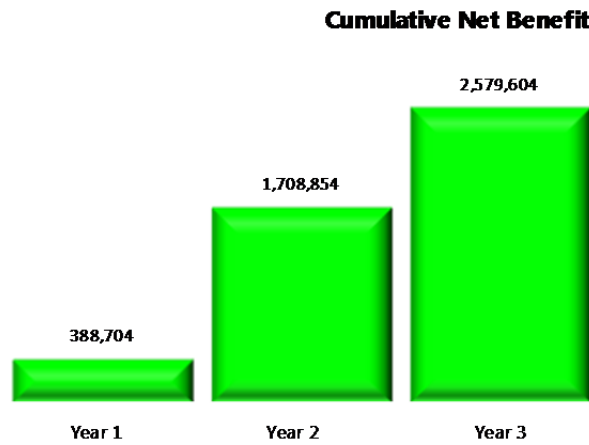
KEY COST AREAS

Costs of the project included software license fees, training, and personnel. Software licensing fees were the largest cost for implementation and operation. No outside consulting or additional hiring was required for the implementation.

Net Cash Flows

Initial: (399,446)
Year 1: 788,150
Year 2: 1,320,150
Year 3: 870,750
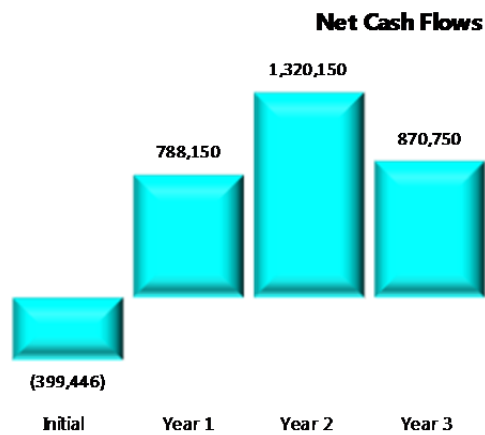
BEST PRACTICES

Lead generation and management is a key success factor for any sales organization. Being able to increase accuracy with automated customer lists and data means the entire sales team is able to make the best use of time in the field. Time previously spent verifying

contact information or debating data accuracy or territories could now be devoted to generating new leads within a territory. Creating a single, reliable source of customer information was a successful strategy for Tableau to increase profitability and productivity.

CALCULATING THE ROI

Nucleus calculated the costs of software licensing, personnel, and training over a 3-year period to quantify Tableau's investment in its deployment of Salesforce Data.com.

Direct benefits quantified included the eliminated cost for the previous Hoover software, increased profitability of sales representatives in the form of business generated by new leads. Indirect benefits quantified included increased productivity based on the time sales staff saved by not doing additional customer data research and entry. These productivity savings were quantified based on the average annual fully loaded cost of an employee using a correction factor to account for the inefficient transfer between time saved and additional time worked.

FINANCIAL ANALYSIS

Salesforce Data.com

Annual ROI: 249%
Payback period: 0.5 years

ANNUAL BENEFITS	Pre-start	Year 1	Year 2	Year 3
Direct	0	444,500	976,500	136,500
Indirect	0	734,250	734,250	734,250
Total per period	0	1,178,750	1,710,750	870,750

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	390,600	390,600	390,600	0
Hardware	0	0	0	0
Consulting	0	0	0	0
Personnel	3,846	0	0	0
Training	5,000	0	0	0
Other	0	0	0	0
Total per period	399,446	390,600	390,600	0

FINANCIAL ANALYSIS	Results	Year 1	Year 2	Year 3
Net cash flow before taxes	(399,446)	788,150	1,320,150	870,750
Net cash flow after taxes	(219,695)	433,483	726,083	478,913
Annual ROI - direct and indirect benefits				**249%**
Annual ROI - direct benefits only				65%
Net Present Value (NPV)				1,210,552
Payback period				**0.5 years**
Average Annual Cost of Ownership				393,549
3-Year IRR				221%

FINANCIAL ASSUMPTIONS

All government taxes	45%
Cost of capital	7.0%

By the Numbers

Tableau Software's deployment of Salesforce Data.com

Annual Return on Investment **249%**

6.0 Months — The total time to value, or **payback** period, for the Salesforce.com project

Cost : Benefit Ratio **1 : 3.2**

$859,868
Average annual benefit

THE PROJECT

Nucleus Research examined Tableau Software's use of Salesforce Data.com to help the company quickly identify sales leads across regions and to manage its customer data within a single, centralized solution. Benefits included increased bookings through greater lead generation and increased productivity through more accurate sales data and more precise territory distributions.

THE RESULTS

Increased productivity by 5%
Increased profits

Number of **users:** 125

8.0 Weeks — Total time for Tableau to **deploy** Salesforce.com

"Rather than having to do a big research project, we can use firmographic data to create fair territories for each sales rep."

- Evan Randall, Vice President, Tableau Software