



SALESFORCE MARKETING CLOUD AMPLIFY

ANALYST

Moira Smalley

THE BOTTOM LINE

Amplify deployed Salesforce Marketing Cloud to replace a decentralized system with a cloud-based marketing solution that would drive future growth. Nucleus found that the project enabled the company to increase the productivity and effectiveness of marketing, optimize advertising spend, and increase revenue.

ROI: **1079%**

Payback: **16 weeks**

Average annual benefit: **\$2,784,792**

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THE COMPANY

Amplify Credit Union is a member-owned financial cooperative with 57,000 members, and eight locations throughout Texas. Amplify's services include personal banking and savings, auto, personal, and real estate loans, wealth management, and commercial banking and lending. Founded in 1967 as IBM Texas Employees Federal Credit Union, Amplify has stayed true to its mission to serve the best interests of its members, providing them with the opportunity to accumulate savings, and to reinvest those savings into its borrowers and communities.

THE CHALLENGE

Prior to Salesforce Marketing Cloud, Amplify relied on a decentralized collection of solutions that made running effective marketing campaigns a challenge. With data stored across 80 systems, retrieving and manipulating it could take multiple hours, and tracking and reporting capabilities were limited. The company recognized the

need for one common marketing solution that could maximize the productivity of marketers and help them to execute a more effective marketing strategy.

THE STRATEGY

When the company began exploring marketing solutions, it first considered another marketing solution. After nearly one year of working with the vendor, they reached a roadblock. In September 2015, Amplify was introduced to Salesforce and began exploring its Marketing Cloud solution, along with Sales Cloud, Social Studio, Advertising Studio, and mobile applications. After four months, the decision was made to implement Salesforce Marketing Cloud. Salesforce was selected for the following reasons:

- **Trust and Security.** After running into complications regarding what would happen to member data if the relationship were to end with the other vendor Amplify had considered, Amplify was looking for a vendor which could ensure that its data would remain secure and private. Salesforce's Trust and Security, built natively in the platform, allowed Amplify to take advantage of cloud-based applications without security concerns.
- **Salesforce Ecosystem.** Amplify saw in Salesforce's platform a solution to its bottlenecks in marketing, sales, CRM, advertising, and mobile functionality. What set Salesforce apart from other vendors was its usability, flexibility, cost, and integration capabilities. These features, in tandem with its partners – including Competitor Inbox Insight and Premium Inbox Tools – were attractive to Amplify.

January 31, 2016 Amplify signed with Salesforce to launch the Marketing Cloud and Sales Cloud simultaneously. April 1, 2016 Amplify launched the two solutions, with the assistance of two implementation partners – Shell Black and Perry Software – who also assisted with on-the-job training.

KEY BENEFIT AREAS

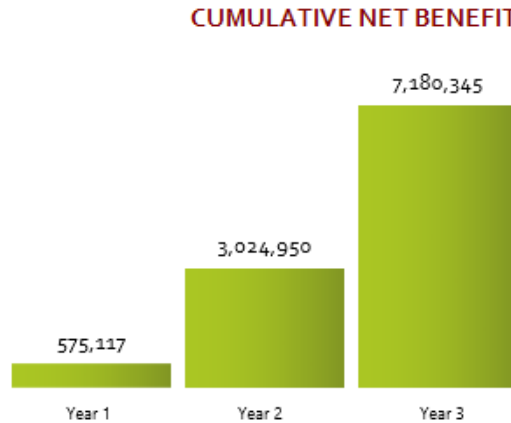
By implementing Salesforce Marketing Cloud, Amplify increased the effectiveness and productivity of its marketing team, optimized campaigns, and increased its revenue. Nucleus assessed the direct and indirect benefits associated with Amplify's implementation of Salesforce Marketing Cloud, and found that benefits included:

- **Increased marketing productivity.** With Salesforce Marketing Cloud, marketers increased their efficiency. For example, time devoted to running reports

decreased by 98 percent, from 120 hours to three hours per month. Without Salesforce Marketing Cloud, Amplify estimates it would need four additional full-time marketing employees to do the same amount of work its marketing department does now, leading to annual savings of over \$300,000 in employee salary alone.

Reporting time decreased by 98 percent, and over \$300,000 in employee salary alone was saved annually.

- Improved effectiveness of marketing. Salesforce Marketing Cloud significantly improved the effectiveness of the marketing department by improving lead generation and client engagement.
 - Amplify increased the number of leads generated for the same advertising spend by 50 percent, using its own CRM data to target advertising.
 - Using look-alike audience functionality and Journey Builder, Amplify increased e-mail open rates by 45 percent and click-through rates by 20 percent.



- Optimized campaigns. Amplify estimates it would have needed to double its advertising spend with its prior marketing program to achieve the same number of leads per month as it does now. Salesforce Marketing Cloud, therefore, decreased Amplify’s cost per lead by 50 percent.

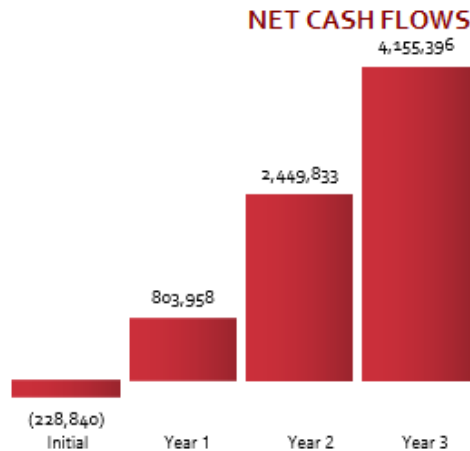
Amplify increased leads by 50 percent, e-mail open rates by 45 percent, and click-through rates by 20 percent, while decreasing the cost per lead by 50 percent.

- Increased revenue. Salesforce Marketing Cloud has directly impacted revenue. Implementing the solution led to an annual net profit of over \$1.4 million, and a 400 percent increase in revenue for Amplify’s outbound sales team.

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KEY COST AREAS

The greatest cost of the project was personnel costs – initial and ongoing – which amounted to 60 percent of the total costs. Other costs included software and consulting costs.



BEST PRACTICES

Prior to Salesforce, Amplify spent over one year considering another vendor that did not end up suiting the needs of the business. To avoid delaying deployment, companies should consider several vendors and select the one that best suits their needs, taking all factors – such as functionality, usability, and compliance – into

account. Had Amplify considered Salesforce initially alongside the other vendor, it would have one additional year of experiencing the benefits of Salesforce Marketing Cloud.

CALCULATING THE ROI

To calculate the total investment made in Salesforce Marketing Cloud, Nucleus quantified, over a three-year period, the initial and ongoing costs of personnel, software subscriptions, and consulting. Direct benefits quantified included increased revenue, optimized advertising spend, and hiring savings, which was calculated based on the average annual fully loaded cost of an employee using a productivity correction factor to account for the inefficient transfer of time between time saved and additional time worked. Indirect benefits quantified included increased marketing productivity through increased reporting speed, and improved effectiveness of marketing through improved lead generation and engagement.

The cumulative net benefit represented in the graphic is presented in US dollars and is calculated by aggregating the net benefit over the three years of the study. The net cash flows represented in the graphic is also presented in US dollars and represents the cash inflows and outflows associated with the project from initial investment through the 3-year period analyzed.

FINANCIAL ANALYSIS

Salesforce Marketing Cloud

Annual ROI: 1079%

Payback period: 0.3 years

BENEFITS	Pre-start	Year 1	Year 2	Year 3
Direct	0	1,189,250	2,811,500	4,353,625
Indirect	0	0	0	0
Total per period	0	1,189,250	2,811,500	4,353,625

COSTS - 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

COSTS - 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

COSTS - EXPENSED	Pre-start	Year 1	Year 2	Year 3
Software	115,438	115,438	115,438	0
Hardware	0	0	0	0
Consulting	8,000	54,192	54,192	6,192
Personnel	105,402	215,663	192,038	192,038
Training	0	0	0	0
Other	0	0	0	0
Total per period	228,840	385,293	361,668	198,230

FINANCIAL ANALYSIS	Results	Year 1	Year 2	Year 3
All government taxes	0%			
Cost of capital	7.0%			
Net cash flow before taxes	(228,840)	803,958	2,449,833	4,155,396
Net cash flow after taxes	(228,840)	803,958	2,449,833	4,155,396
Annual ROI - direct and indirect benefits				1079%
Annual ROI - direct benefits only				1079%
Net Present Value (NPV)				6,054,341
Payback period				0.3 years
Average Annual Cost of Ownership				391,343
3-Year IRR				487%

All calculations are based on Nucleus Research's independent analysis of the expected costs and benefits associated with the solution.