

## ROI CASE STUDY

# ASCAP



## CUSTOMER PROFILE

### Company Name:

**ASCAP, the American Society of Composers, Authors and Publishers**

Headquarters: New York City

Membership: 435,000 U.S. composers, songwriters, lyricists and music publishers



## BUSINESS VALUE OF REPLACING LOTUS NOTES WITH THE SALESFORCE PLATFORM

### HIGHLIGHTS

#### Salesforce Products:

- Sales Cloud
- Salesforce Platform: Force.com and Chatter

#### Key Business Value:

- Revenue increase of 40% with net staff increase of only 2%
- Real-time data enables licensing reps to improve sales productivity by 25%
- Salesforce Chatter reduces email, streamlines communications, and saves 4 minutes per encounter
- Adopted a Bring-Your-Own-Device (BYOD) model, saving \$292K in annual hardware and software
- Improved invoicing productivity by 900%, reassigned 60% of redundant resources
- Process 75% more licenses per month with 60% fewer people
- Review and approve commissions 89% faster, freeing 60% of an FTE per year (150 work days)

### EXECUTIVE SUMMARY: The Salesforce Platform Powers 40% Revenue Increase

ASCAP replaced its outdated Lotus Notes applications that ran its licensing business with Salesforce.com's CRM solution and custom apps running on the Salesforce Platform. By gaining the benefits of real-time data, automated business processes, and improved productivity, their revenue has increased by 40%. Their licensing representatives have been able to shift attention from mundane tasks to prospecting and closing deals. Apps created on the Salesforce Platform have helped to streamline critical business workflow to fuel business growth while reducing costs across the organization. Functions like administration, invoicing, and commissions are exponentially more efficient.

### Business Challenge: Outdated Client Server Platform Creates Manual Processes, Error-Prone Data

The American Society of Composers, Authors and Publishers, or ASCAP, is a performing rights organization that represents over 435,000 songwriters, composers, and music publishers. ASCAP licenses commercial music users—such as restaurants, websites, and TV shows—and tracks song playback so the music creators can be paid copyright royalties. With hundreds of thousands of license customers and millions of songs—both old and new—ASCAP needs reliable, flexible technology systems to streamline operations; provide real-time sales, commissions, and royalty data; accommodate its mobile sales force; and enable revenue growth. Additionally, ASCAP doesn't want to maintain a large IT infrastructure—servers, upgrades, and complex software—for its critical business applications.

To run its unique business model of managing license customers, and computing license fees, ASCAP built custom contact management, sales operations, and royalty tracking systems in Lotus® Notes® back in the 90s. While this collaboration platform served them well for many years, the applications weren't able to keep pace with ASCAP's growing business, mobile workforce, specialized workflow, and the overall trend towards web-based business systems. According to Vincent Candilora, a veteran ASCAP employee and Senior Vice President of Licensing, "Our previous applications were very cumbersome." The organization had been using an early version of Lotus Notes to track customers and manage the sales pipeline. Candilora says, "We had to capture lots of data, and Lotus Notes wasn't built for that type of use." The outdated infrastructure required four separate servers creating disparate data stores. This meant that users had to export and consolidate data to create reports and analyze information. As a work-around, paper reports were compiled in district offices and often took weeks to deliver. This data consolidation effort led to manual processes for critical functions like tracking sales performance and commissions—reports that typically took two weeks to reconcile and were highly likely to have errors.

Since data was siloed and systems weren't integrated, administrative staff had to copy account information from Lotus Notes to the organization's general licensing system

Table 1

**Comparing the Salesforce Platform to Lotus Notes**

|                               | <b>Lotus Notes</b>   | <b>Salesforce Platform</b>  |
|-------------------------------|--|---|
| <b>Infrastructure</b>         | <ul style="list-style-type: none"> <li>• Client server, hardware and software to maintain</li> <li>• Manual upgrades</li> <li>• Must develop new features into applications</li> </ul> | <ul style="list-style-type: none"> <li>• Cloud apps, no infrastructure</li> <li>• Automatic upgrades</li> <li>• Apps have built in innovation from new platform features</li> </ul>   |
| <b>Reporting</b>              | <ul style="list-style-type: none"> <li>• No reporting</li> <li>• Disparate data sources require manual aggregation and reporting tools</li> </ul>                                      | <ul style="list-style-type: none"> <li>• Real-time, reporting and dashboards built in, across all apps</li> </ul>   |
| <b>Development</b>            | <ul style="list-style-type: none"> <li>• Specialized developers</li> <li>• Easy to break apps, fragile development framework</li> </ul>  | <ul style="list-style-type: none"> <li>• Point and click building for business developers and administrators</li> <li>• Extensible with APIs and programmatic languages</li> <li>• 'Safety' built in that limits breaking apps</li> </ul> |
| <b>Workflow and triggers</b>  | <ul style="list-style-type: none"> <li>• Manual, code-intensive</li> </ul>   | <ul style="list-style-type: none"> <li>• Built in, visual drag-and-drop and declarative form builder</li> </ul>   |
| <b>Remote employee access</b> | <ul style="list-style-type: none"> <li>• Client software</li> </ul>  | <ul style="list-style-type: none"> <li>• Web-based, any device, mobile</li> </ul>   |
| <b>Social</b>                 | <ul style="list-style-type: none"> <li>• Different application required</li> </ul>   | <ul style="list-style-type: none"> <li>• Built in social feeds for records, opportunities, documents, groups</li> </ul>   |
| <b>Mobile</b>                 | <ul style="list-style-type: none"> <li>• Separate development with device OS</li> </ul>  | <ul style="list-style-type: none"> <li>• Touch Platform with mobile container, policy management, mobile APIs</li> </ul>  |
| <b>Search</b>                 | <ul style="list-style-type: none"> <li>• Separate per application and server, query-based</li> </ul>   | <ul style="list-style-type: none"> <li>• System wide, across all apps (with permissions), built in</li> </ul>   |
| <b>Schema Builder</b>         | <ul style="list-style-type: none"> <li>• No relational model, list-based</li> </ul>  | <ul style="list-style-type: none"> <li>• Visual schema builder, drag with pre-built components, templates and auto generated UI</li> </ul>  |
| <b>Governance</b>             | <ul style="list-style-type: none"> <li>• Disparate servers, insecure data, one-off app maintenance</li> </ul>  | <ul style="list-style-type: none"> <li>• Centralized control with permissions, data access</li> </ul>   |

**"Dashboards give me everything I need at a single glance. I can monitor teams and individuals on each team who are identifying prospects and closing license deals."**

**— Vincent Candilora, Senior Vice President of Licensing**

(GLS), its master customer database. With employees performing mundane, manual tasks, productivity wasn't optimal, and the copying and re-typing of information created the potential for data errors.

In addition, ASCAP's IT department found it difficult to keep the Lotus Notes applications up-to-date because upgrades required code changes. Since applications were developed and managed by the IT department, Candilora's requests for system changes to the critical licensing application were often delayed until IT resources became available. New functionality requests often took 3–4 months, and the infrastructure design made outsourcing an impractical alternative solution. Years ago, when ASCAP had two full-time developers maintaining Lotus Notes, new functionality production was slow, but assured. As IT resources dwindled to half of a headcount in recent years, Candilora knew that managing the Lotus Notes infrastructure and enhancing the applications would be challenging and expensive.

### Sales Cloud Replaces Tired Technology

Candilora realized he was at a crossroads—either the Lotus Notes applications had to be re-architected or he had to deploy a new solution in the licensing department. Given

Lotus Notes' outdated client/server architecture and the growing difficulty of finding reasonably-priced application developers, Candilora convinced the ASCAP CEO to allocate funds to replace the Lotus Notes platform.

Candilora and John Johnson, Vice President of Licensing Operations & Systems, had considered several options to improve ASCAP's technology and decided to go with the SaaS and PaaS solutions from Salesforce.com. The vendor offered Sales Cloud, a Software as a Service CRM solution that could be deployed quickly, and Salesforce Platform, a cloud-based application development platform (Platform as a Service) that would enable the organization to develop custom applications to facilitate and streamline its unique business processes. In less than a year, the licensing department began using the web-based CRM sales tool for customer prospecting.

### Real-time Data Enables Spike in Revenue

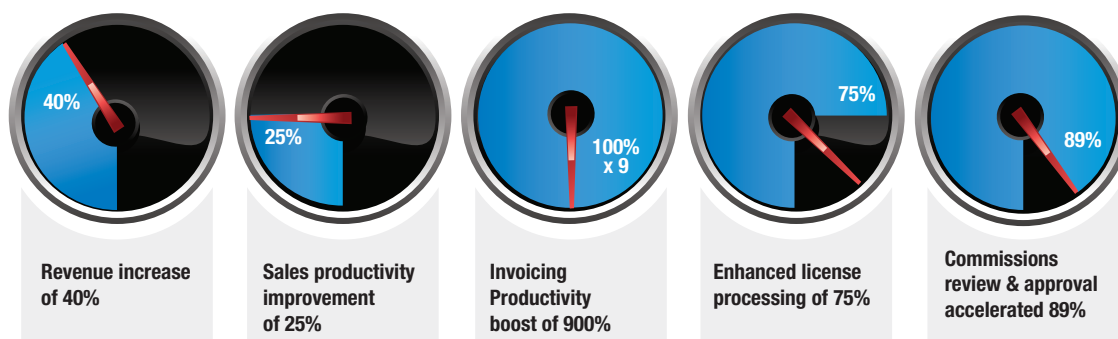
In just nine months, the organization was able to transition from the previous custom-built Lotus Notes contact management application, that was difficult to use and required manual processes, to a cloud-

based application with real-time sales data and functionality. According to Candilora, productivity doubled. Using a dashboard of key performance indicators, he says, "I could click on an icon and literally see what a salesperson in Omaha, Neb. or Seattle, Wash. was doing in real-time. It was astounding to me." The Sales Cloud application allowed Candilora to immediately gain insight into the activities of the six sales directors and 36 licensing sales reps, such as new prospects, sales calls, and face-to-face meetings. With real-time data and improved forecasting capabilities, sales reps and management staff could pin-point current revenue and commission standings, to work proactively rather than hoping for sales success each month.

In the six years that Sales Cloud has been in use at ASCAP, Candilora has seen a 40% increase in new business revenue, and he's been able to increase the number of sales reps by 55%. Candilora acknowledges that similar sales and prospecting functionality would have taken years to develop in Lotus Notes, and this kind of growth would have been unimaginable on the old platform. In addition, Candilora was able to go from two developers dedicated to Lotus Notes to none for Salesforce.com development.

Figure 1

### Business Value



### Automated Alerts, Search Capabilities Boost Productivity

Since each licensing team also has a dashboard of alerts, action-item triggers, and functional icons, day-to-day work is streamlined for maximum sales productivity. According to Pam Gibson, Sales Manager, Lotus Notes didn't offer alerts, so sales reps had to use hand-written reminders or "to-do" lists. The automated alerts in Salesforce.com remind reps to follow up on action items when prospecting, closing deals, and servicing customers.

In addition, Gibson says that the search and query capabilities in Salesforce.com make critical information readily available to reps. Whether running reports on new business accounts, delinquencies, and hot leads, or searching for incoming correspondence, reps have data at their fingertips rather than waiting for weeks for reports to be compiled in district offices. With the dashboard alerts and search functionality in Salesforce.com, Gibson estimates that reps are 20–30% more productive.

Furthermore, as Candilora meets with ASCAP board members and artists about play-back statistics and royalties, he can use the robust search and rapid-query reporting capabilities in Salesforce.com to immediately locate specific information in real-time. He says, "Rather than stumbling through a lot of data to get an answer to a question, the system's search functionality pin-points information very, very quickly. Searching in Salesforce.com is easy and comprehensive."

### Salesforce Chatter Reduces Email, Streamlines Communications 5:1

Salesforce Chatter is part of the Salesforce Platform. It offers social news feeds for topics, groups, people, account records, opportunities, and more in ASCAP's Salesforce.com deployment—including its CRM Sales Cloud solution and any custom applications the company has built on the Salesforce Platform. Much like Facebook and Twitter, where users can post links, photos, and follow comment streams, Chatter lets ASCAP employees follow people, accounts, and opportunities. Using Chatter's "@ mentioning a colleague" functionality, users can instantly bring

someone into a relevant topic—eliminating the need for back and forth emails.

ASCAP has been using the Chatter functionality for about a year and a half. Brenda Barnhill, Director of Administration, estimates that 50–60% of ASCAP staff use the functionality to track down missing or unknown information for accounts, such as matching accounts to stray bank checks. She sees Chatter as a tremendous time-saver and estimates that an email takes about five minutes versus one minute for a Chatter conversation. Barnhill says that before Chatter, she would have to leave a customer account file in Salesforce.com, go to Gmail to compose an email, then go back into the Salesforce.com account record once she received the information she needed. She regularly uses Chatter to contact licensing reps from within Salesforce.com to answer questions about customer history and activating or terminating license agreements. Reps can follow a communication string within Salesforce.com and respond quickly. Barnhill has been coaching reps to use the Chatter functionality to streamline communications and become more efficient.

Figure 2

### Headcount Changes, 2005–2012

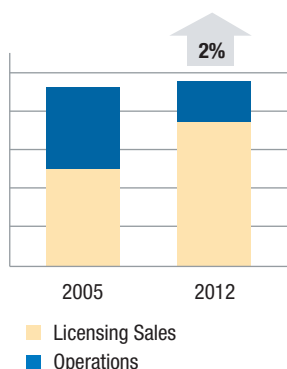
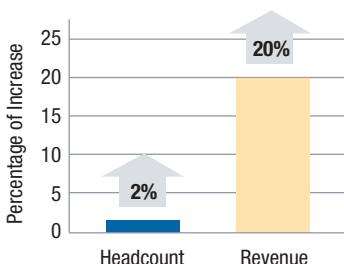


Figure 3

### Organization and Revenue Increases, 2005 to 2012



**"Before Salesforce.com, managing data on the system was very slow. It would take several minutes instead of seconds to perform simple queries."**

**— Pam Gibson, Sales Manager**

**“I find Chatter to be such a great tool. I only use email if something is not related to Salesforce.com.”**

**– Brenda Barnhill, Director of Administration**

### **Sales Reps: “Bring-Your-Own-Device”**

Thanks to the cloud infrastructure of Salesforce.com—that can be accessed anywhere and from any device—ASCAP licensing reps are free to use whatever device they choose. In fact, the organization has moved completely away from a distributed laptop model to a “bring-your-own-device” paradigm. So whether a sales rep chooses to use the most high-powered laptop or the latest iPad, as long as the device connects to the internet, the rep can work productively.

This shift has created tremendous savings for ASCAP, both in the hardware and maintenance cost savings associated with laptops as well as the productivity boost of reps using their own devices. Previously, ASCAP needed 1.5 full-time employees to purchase, image, distribute, and maintain computers for sales reps. At \$3,000 per laptop and refreshes every three years, the new process is saving the company an estimated \$292,070 annually by eliminating the IT personnel, hardware, software, and maintenance costs.

In the previous distributed-laptop model, when a sales rep’s computer needed repairs, the device would be shipped to a central location for maintenance—leaving the rep completely unproductive for 2–3 days. Since reps use their own devices with no installed software, they can access the Salesforce.com cloud anywhere and anytime, with virtually no downtime—a

huge boost to productivity. This model suits ASCAP’s mobile sales force and enhances the autonomy of licensing reps.

### **Custom Apps Automate Critical Business Processes to Create Efficiencies**

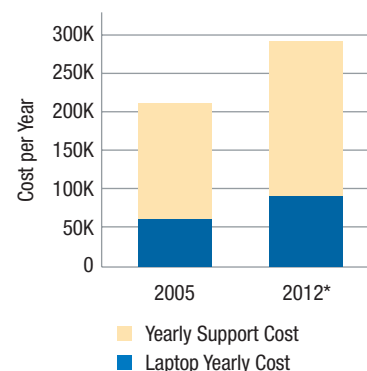
With the success of the CRM capabilities of Sales Cloud, the organization began developing applications on the Salesforce Platform. To date, ASCAP Salesforce.com administrators have created about 40 different apps for functionality like customer service, HR, vacation tracking, and litigation. According to Johnson, who created a vacation tracking app in just a couple of days, application development in Salesforce.com is much easier and exponentially faster than development on Lotus Notes. Previously, development would have taken 3–4 months for such an application, because each component of the app—forms, workflows, reports, and dashboard alerts—would have been custom-designed, tested, and deployed before operational. Instead, development on the Salesforce Platform is much quicker because Salesforce.com administrators work with a metadata framework and a series of point and click wizards to design custom user interfaces as well as to modify the structure of a data model and application business logic. If necessary, Salesforce administrators can create specialized functionality in a cloud integrated development environment using rich APIs and frameworks.

In fact, app development has become so streamlined on the Salesforce Platform that ASCAP no longer needs application developers on staff, so the company was able to eliminate \$150,000 annually in unnecessary headcount. Instead, a team of two business analysts manage applications through Salesforce.com’s point-and-click admin interface.

Mary Katherine Simmons, Business Analyst and Salesforce.com Administrator, helps to manage the Salesforce.com system at ASCAP. Without a formal application development background, she has learned Salesforce.com “on the fly.” She says, “It’s intuitive, and you can figure it out yourself. If I have problems, I can log a case with Salesforce.com Premium Support. They’ll

Figure 4

### **Laptop Cost with Legacy Systems**





help me figure it out.” She has created many objects (a.k.a. apps), including:

- **Territory zip and zones.** This app allows reps to group accounts based on zip codes to help them determine where they are spending most of their time.
- **Employee information record.** It lists the hire date, territory, vacation time, and equipment assigned to the employee, and the app enables a manager to view pertinent employee information in one place.
- **Team and individual performance.** These objects track standard sales accounts, collection accounts, and associated commissions by sales team and individual rep.

#### ***Queue Sheet App Facilitates Musician Royalties***

As music is played on TV shows, musicians earn royalty fees. ASCAP has a department that tracks “queue sheets” of TV programs to tally songs and corresponding copyright payouts. With thousands of TV shows, music scores, and artists awaiting royalties, it’s crucial that this data be accurate and timely.

To help streamline the complex process of tracking queue sheets, the team of two

business analysts—Simmons and her counterpart—developed a specialized app on the Salesforce Platform that integrates music play-back data from a third party. This department has gained efficiencies and improved processes with Salesforce.com and the queue sheet app.

#### **Sales Cloud and GLS Integration Lead to Impressive Departmental Improvements**

As Salesforce.com has permeated the ASCAP organization with new application functionality, it became crucial to integrate the CRM Sales Cloud platform with GLS, the company’s master customer database. Now with the click of an icon, users can automatically populate GLS records with information from Salesforce.com. This capability has led to tremendous process improvements in many ASCAP departments.

#### ***Administrative Improvements—Team Hits Record for Processing Nearly 1,500 New Licenses in One Month***

The administrative department, a team of six located in Nashville, Tenn., processes all new license agreements. Using the account page in Salesforce.com to manage the flow of new contracts, the team relies on the integration with GLS to correctly categorize

the different types of license agreements and ensure that account information is accurate. No longer does the team have to copy and paste information from Lotus Notes into GLS—saving critical amounts of time and boosting productivity exponentially. With the previous Lotus Notes system, this team needed a staff of 15 to process 600–800 agreements per month. Now, with fewer headcount—only six administrators—the team can process 1,200–1,400 licenses per month. In August 2012, the team hit an all-time record of 1,489 agreements processed in one month.

The team can also process payments with an e-Payment app. Using a “money box” icon, admin staff can verify checks electronically, process credit card payments, and confirm the appropriate sales rep is associated with the account. Prior to the automated process in Salesforce Platform, a large staff was needed to manually correlate checks with invoices.

With a dashboard of pertinent functionality, the admin team can work at an optimal productivity level to process new license agreements. On a single page, staff can view an account status summary and activity log with alerts for action items. Training of new administrative staff is also much quicker. Previously, training took four weeks, and now training takes only two weeks.

#### ***Billing Improvements—900% Productivity Boost, 60% Headcount Reduction***

As new licensing contracts are processed, invoices are sent to customers on a weekly basis. Previously, five employees printed

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**“Salesforce.com has made us 20–30% more productive in our day-to-day work.”**

**– Vincent Candilora, Senior Vice President of Licensing**

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and mailed 400 invoices each week. Since Lotus Notes didn't provide real-time data updates or an effective way to track returned mail, the billing staff would unwittingly re-send invoices to accounts that had paid or gone out of business—leading to unnecessary postage and handling costs.

With the real-time, integrated data between Salesforce.com and GLS, the billing staff can quickly verify paid invoices and terminated accounts as well as manage the flow of invoices much more efficiently. This avoids unnecessary paper, postage, and labor costs.

As the licensing sales organization has grown by 55% since the 2005 implementation of Sales Cloud, invoices have ballooned from 400 to 4,000 per week—an increase of 900%. With efficiencies gained from Salesforce.com, the billing team has actually decreased from five employees to two—a headcount savings of 60%.

#### **Commissions Improvements—Productivity Increases 89%**

In the previous Lotus Notes platform, calculating sales commissions was a manual work effort that required exporting and consolidating data. Commission reporting took a full-time employee 14 days to reconcile each month. Now that ASCAP has a commissions app in Salesforce.com and data is integrated with GLS, this single full-time employee can prepare commissions in just a day and a half—an 89% productivity improvement.

Since sales reps and management staff can view commissions in real-time, reps can work proactively to hit sales goals.

#### **What's Next for ASCAP**

ASCAP runs its business on the Salesforce Platform. By moving from the outdated Lotus Notes applications to a cloud app platform, they realized enormous gains in efficiencies and revenue. The Salesforce Platform gives them the flexibility and speed to create innovative apps as new revenue streams or licensing models emerge. That agility, along with built in mobile and social has allowed ASCAP to transform their business in an industry that is rapidly changing.

**“Salesforce.com enables me to create dashboards and deploy in 1–2 hours, instead of 1–2 weeks.”**

**– Mary Katherine Simmons,  
Business Analyst  
and Salesforce.com  
Administrator**

Figure 5

#### **Administrative Staff**

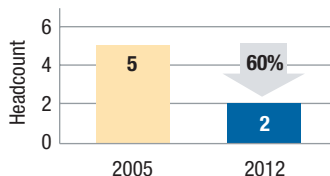


Figure 6

#### **Prospect Offers/Letters Per Week**

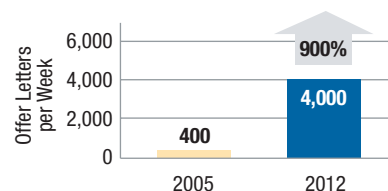
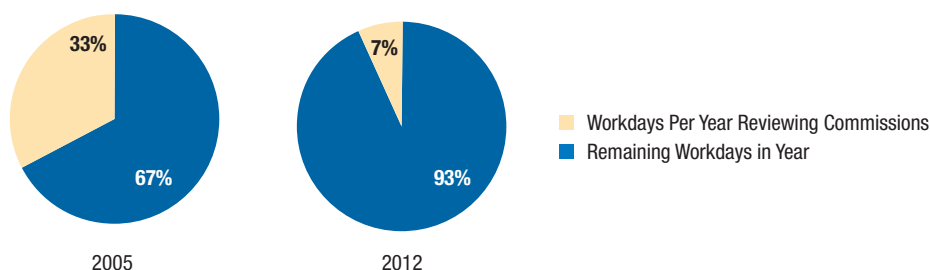


Figure 7

#### **Commissions Improvement**





#### ABOUT THIS CASE STUDY

Research and analysis for this study was conducted by Mainstay Salire, an independent consulting firm, drawing from interviews with ASCAP employees, review of planning documents and searches of industry literature. ROI calculations use industry-standard assumptions regarding the time value of money. Mainstay Salire is the leading provider of independent value assessment and IT strategy services.

For more information, please visit [www.mainstaysalire.com](http://www.mainstaysalire.com). Information contained in this case study has been obtained from sources considered reliable but is not warranted by Mainstay Salire.

