

ROI CASE STUDY

SALESFORCE CITY OF ELGIN



ANALYSTS:

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THE BOTTOM LINE

The City of Elgin, Illinois deployed Salesforce Service Cloud with Knowledge Base, Live Agent and Chatter and Community Cloud to provide the city with a 311 system for non-emergency issues and requests. The city also leveraged the Salesforce AppExchange to have disparate departments operating on a single platform in order to support a contact-driven system. Some of the benefits achieved included manager and employee efficiency gains and overall improved community-wide communication.

ROI: **120%**

Payback: **0.7 years**

Average annual benefit: **\$553,981**

THE COMPANY

Elgin, Illinois has approximately 110,000 residents and has continued to grow since the early 2000's. The city covers 37 square miles and is located about 40 miles northwest of Chicago. The city officials are responsible for maintaining a variety of communications and procedures including water billing, asset management, judiciary functions, and inspections and permits.

THE CHALLENGE

The City of Elgin wanted to achieve a higher level of transparency for government interactions to enable more fluid government responses and operations. Elgin has 19 different departments conducting a variety of city tasks ranging from billings to inspections, and it wanted to unify these departments on a contact-driven system. In order to accomplish this the city looked to a customer relationship management (CRM) solution as the key to a new technology infrastructure. Elgin wanted to start off with using CRM to develop a 311 system for all non-emergency requests that would associate the

requests with contacts. Eventually, its goal is to blend all contacts, locations, and assets together on the CRM system.

Cost : Benefit Ratio | 1 : 1.7

THE STRATEGY

The City of Elgin began its due diligence in 2009 and evaluated a number of different applications, all within Salesforce. Although Salesforce did not have any 311 customers at the time, Elgin found that it would be furthering investments in the public sector. Ultimately, the city chose Salesforce for a number of reasons including:

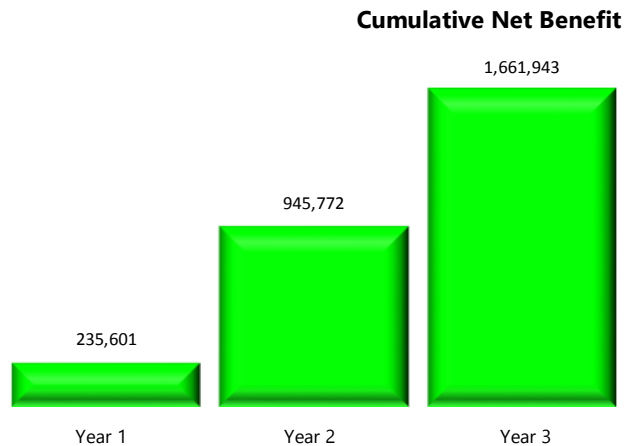
- The team found that Salesforce would provide a shared source of information that is contact focused, which would allow all employees to have access to a complete picture of who they were talking to.
- Elgin believed that Salesforce offered a more modern solution that would enable employees to increase productivity and reach.
- The city felt that Salesforce would be configurable and flexible enough to support the responsibilities of its 19 departments.

Types of Benefits



The team took a phased-based approach to roll out, so that departments and users were added into the system in a staggered format. The first launch began in late 2012 with Chatter. The second phase primarily involved a soft launch for several months as well as contact capture so that each 311 requests would be tied to a citizen. In June, 2013, there were 150 employees using the system and by January 2014 the number of active users doubled to 300.

Now the team is utilizing the Salesforce app exchange and its partners to tie in work orders and asset management. In doing this, Elgin plans to decrease siloes in order to share information across departments, which will allow for faster and more informed decision making. For the long-term roadmap, the city is planning on leveraging the Internet of things (IoT) to further enhance city efficiency.



KEY BENEFIT AREAS

Deploying Salesforce has been a catalyst for the City of Elgin to accomplish a higher level of support for its citizens. With a modernized CRM solution, employees have access to a contact-driven data source that encourages fluid and open communication. Key benefits of the project include:

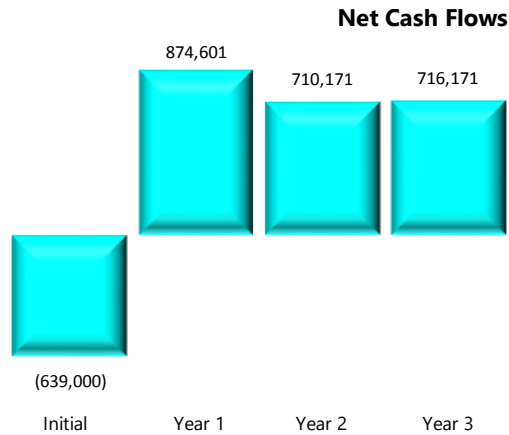
- Increased employee productivity. With a more efficient system, employees have been redistributed throughout the departments to allow for a more effective use of their time.
- Increased manager productivity. Managers no longer have to spend time collecting and analyzing data for reports because the information is available and is automatically prepared for reports.
- Increased user adoption. As a result of its usability the number of participants has increased, leading to improved interdepartmental communication and better service for the citizens of Elgin.

"We didn't look at it as setting up a contact center, but as a catalyst for improvement – a way to invest in tech and bring the city to the forefront of what is available."

- Dan Ault, Senior Management Analyst, City of Elgin

KEY COST AREAS

Costs of the project include third-party consulting costs, training costs, software license subscription fees, and personnel time to implement and support the application.



BEST PRACTICES

In deploying Salesforce, Elgin found it beneficial to plan the implementation as a phased effort from the very beginning. This allowed the city to plan the best course of action that would leverage Salesforce for all 19 departments. For example, Salesforce is built into the daily routine of all the departments in order to best take advantage of the real-time information. It functions as a roll call so that departments are posting what’s going on via status updates. This allows users to be informed on areas such as traffic and inspections on a daily basis.

As a result of considerate implementation, employees are more aware and engaged with city actions, which has led to increased productivity. As one of the first cities to implement Salesforce for a 311 system, Elgin serves as an example for changing government processes in order to improve operating efficiencies and response capabilities.

CALCULATING THE ROI

Nucleus quantified the initial and ongoing costs of third-party consulting fees, software license subscription fees, personnel time to implement and support the application, and employee training time over a 3-year period to calculate the city’s total investment in Salesforce.

Direct benefits quantified included the elimination of 2 managers through attrition, the elimination of ERP maintenance fees, and a repurposing of 15 staff members, which were calculated based on the average annual fully loaded cost of the employees. Indirect benefits quantified included the increase in user productivity driven by the deployment and were calculated based on the average annual fully loaded cost of the employees.

Not quantified were the overall enhancements to community-wide communication. Moving forward, the city will experience additional efficiencies and capabilities as it expands its use of the applications from Salesforce's partner ecosystem with more CRM applications as well as Internet of things applications.

FINANCIAL ANALYSIS

Salesforce Service Cloud

Annual ROI: 120%

Payback period: 0.7 years

ANNUAL BENEFITS	Pre-start	Year 1	Year 2	Year 3
Direct	0	850,004	850,004	930,004
Indirect	0	523,667	523,667	523,667
Total per period	0	1,373,671	1,373,671	1,453,671

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	90,000	189,000	189,000	285,000
Hardware	0	45,600	0	0
Consulting	484,000	59,710	417,000	395,000
Personnel	65,000	192,500	57,500	57,500
Training	0	12,260	0	0
Other	0	0	0	0
Total per period	639,000	499,070	663,500	737,500

FINANCIAL ANALYSIS	Results	Year 1	Year 2	Year 3
Net cash flow before taxes	(639,000)	874,601	710,171	716,171
Net cash flow after taxes	(351,450)	481,031	390,594	393,894
Annual ROI - direct and indirect benefits				120%
Annual ROI - direct benefits only				38%
Net Present Value (NPV)				760,806
Payback period				0.7 years
Average Annual Cost of Ownership				846,357
3-Year IRR				114%

FINANCIAL ASSUMPTIONS

All government taxes	45%
Cost of capital	7.0%



By the Numbers

City of Elgin's Salesforce project



Annual Return
on Investment **120%**

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

Cost : Benefit
Ratio **1 : 1.7**

\$553,981
Average annual benefit

THE PROJECT

The City of Elgin, Illinois deployed Salesforce Chatter and Service Cloud to provide the city with a 311 system for non-emergency issues and requests. The city also leveraged the Salesforce AppExchange to have disparate departments operating on a single platform in order to support a contact-driven system. Some of the benefits achieved included manager and employee efficiency gains and overall improved community-wide communication.

THE RESULTS

Repurposed 15 administrative staff members
Increased manager productivity
Increased user adoption

Number of **users: 331**

6 Months
Total time for the company to
deploy phase two

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