



## IDC ExpertROI® SPOTLIGHT

# Houghton Mifflin Harcourt Relies on Salesforce Wave Analytics to Enable Its Sales and Marketing Teams

Sponsored by: Salesforce

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### Overview

Houghton Mifflin Harcourt (HMH) has embraced its position as a global learning company in the digital age. It is a leading provider of educational content for pre-K to 12th-grade students, with more than 50 million students in over 150 countries using its content, and publishes fiction and nonfiction books for young readers and adults. HMH seeks to provide modular and adaptive content solutions that can be consumed via an expanding number of form factors.

In recent years, HMH has made data analytics a core component of its strategy for growing its business, which reached \$1.4 billion in net sales in 2015. According to Brian Wickham, Vice President, Sales Operations and Business Intelligence, HMH realized that it needed to provide its executives, sales team, and marketing staff better visibility, particularly into pipeline opportunities with customers. With this in mind, HMH set an objective of accomplishing this goal through better use of analytics.

HMH has made strides in leveraging analytics to support its business in recent years but concluded that it needed increased visibility into product line opportunities with stronger real-time information that could be accessed on mobile devices. As a result, HMH deployed Salesforce Wave Analytics at the beginning of 2015 to provide the analytical functionality its business requires.

According to Wickham, Wave Analytics has already built on HMH's existing analytics capabilities to provide improved account visibility into pipeline business opportunities. This has enabled sales managers and sales account representatives to easily run key performance indicator (KPI) analyses and obtain visibility into account information through customizable dashboards, lenses, and charts, which enables better insight into customer needs and ultimately drives more sales. In addition, Wave Analytics offers sales managers mobile access to high-quality analytical queries – functionality that HMH is currently extending to more of its sales team. HMH's market and business intelligence teams have also benefited from its ease of use, making team members more productive and better able to support the business.

### Business Value Highlights

**Organization:** Houghton Mifflin Harcourt

**Location:** Boston, Massachusetts

**Challenge:** Provide sales managers and sales staff – through robust, timely, and actionable data – better visibility regarding customers and customer pipeline

**Solution:** Salesforce Wave Analytics

#### Five-Year Cumulative Benefits:

- ROI of more than 200%
- Payback in less than one year

#### Other Benefits:

- >99% success rate for analytical queries
- New business KPIs every 6-8 weeks
- Higher productivity for sales managers and account representatives

Based on interviews with Wickham, IDC projects that HMM will achieve business benefits in the form of increased employee productivity and time savings, with benefits increasing over time as HMM extends the functionality of Wave Analytics to more of its sales staff. This translates to a projected five-year return on investment (ROI) of more than 200% and a payback period of less than one year.

## Implementation

HMM has used customer relationship management (CRM) solutions from Salesforce since 2007 to streamline sales data workflows and expedite decision making for its sales team. In 2010, the company added pipeline management software to supplement Salesforce dashboards and other native analytic capabilities. However, the management software proved inadequate with expanding sales. HMM found that it could not satisfactorily report on product lines or view information about pipelines. Further, the software was limited to a single, end-of-day refresh, which meant that data was not always current. As HMM increasingly emphasized data-driven sales strategies and efforts, it realized that it needed better analytical capabilities, especially for pipeline analysis and forecasting. As a result, the company began looking for a more robust analytics solution.

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According to Wickham, HMM realized that it had a good interface for pushing data through to its sales team members with the Salesforce CRM platform, which led it to consider deploying Salesforce Wave Analytics. Salesforce Wave Analytics combines management capability and a high-speed query processing engine into a single cloud analytics solution. It brings together all data from customer interactions, which can then be viewed through custom dashboards and visualizations as well as reports on KPIs and other business metrics.

Before deploying Wave Analytics, HMM ran a proof-of-concept exercise, loading 50 million record sets on the platform. According to Wickham, it was a success: "We were impressed with how readily Wave Analytics could handle the volume and slice and dice the data," he said. "No other product had that capability." At the beginning of 2015, HMM began deploying Wave Analytics for its sales managers. Wickham reported that integration with his company's existing Salesforce platform was simple and that HMM was running its pipeline data on Wave Analytics by the end of February 2015.

Although HMM's sales managers are currently the most significant beneficiaries of Wave Analytics, the company plans to extend the functionality of Wave Analytics to more of its sales team, which will realize greater benefits as the deployment is extended. At the time of the interviews, HMM's entire sales team was benefiting from having access to dashboards and visualizations, particularly with regard to data about pipeline sales prospects. Meanwhile, HMM has provided mobile access to Wave Analytics to its sales managers and is progressively increasing the number of sales team members using Wave Analytics on mobile devices.

## Benefits

Deployment of Wave Analytics has enabled HMM to leverage a wide range of information to operate more efficiently, gain insights across its business, and better position its sales efforts. It has also provided the company with a set of metrics to measure performance and guide planning for business growth. As many organizations have found, data generated through business operations was both an opportunity and a challenge for HMM. Wickham explained: "With our multiple products, HMM has lots of sales opportunities, but few analytics tools can handle the pipeline diversity. Wave Analytics has

allowed us to grow more rapidly and to achieve our goal of becoming an increasingly responsive company."

Wickham elaborated on how Wave Analytics has driven analytics deeper into operations: "We found the visibility we need into our business through analytics with Wave Analytics. We've reimagined the entire analytics process end to end where data could be managed in the cloud and analyses done mainly through mobile devices. It also allowed us to run multiple daily refreshes with much higher reliability." Wickham said that analytical queries run with the previous analytics solution had about a 95% success rate, whereas the success rate with Wave Analytics is at least 99%.

Wickham explained that HMM's sales team is benefiting from timely, relevant, and easily consumable data. He described how HMM's sales managers are better managing their sales teams: "With Wave Analytics, sales managers can now better track sales and business performance, more easily review pipeline forecasts and trends, and identify sales opportunities and risk indicators." According to Wickham, this enables more targeted, efficient sales efforts that are more likely to lead to business, meaning that each sales team is on average able to close more deals every month. In addition, sales managers are able to execute comparative analyses with Wave Analytics with very little effort, saving them time previously spent analyzing Excel-based data and creating visualizations.

**"With Wave Analytics, sales managers can now better track sales and business performance, more easily review pipeline forecasts and trends, and identify sales opportunities and risk indicators."**

Meanwhile, sales account representatives are benefiting from having access to customizable dashboards and visualizations in near real time. Activities such as generating quotations and forecasting can be created in front of the customer, and account representatives can respond more fully and accurately to customer inquiries. "It is very important to have a one-to-one relationship with the customer, and that requires a deeper understanding of the customer beyond a series of transactions," Wickham said.

Also, because the Wave Analytics platform was designed for smartphone and tablet use, it provides HMM's sales managers with mobile access to dashboards, visualizations, and other analytics tools to stay informed, proactive, and nimble in the field. It also helps sales managers lead their sales teams more efficiently and better target and support potential customers. Wickham noted that sales account representatives are increasingly benefiting from an even closer understanding of their markets and business opportunities. With Wave Analytics, they avoid needing to spend significant amounts of time engaging others to obtain needed information or working with data based in Excel files.

Wickham also said that HMM's marketing, customer service, and business intelligence teams either are already achieving or will achieve time savings and higher productivity with Wave Analytics. For each of these groups, the ease of delivering and obtaining analytic outputs "more directly and intuitively" saves time, freeing up staff resources to focus on supporting the business to the fullest extent possible.

## ***Business Productivity Benefits***

HMH is benefiting from enhanced productivity and time savings for its sales managers, sales account representatives, and other employees as a result of using Wave Analytics. HMH's sales management team benefits from enhanced visibility, mobile access to customizable dashboards and data visualizations, and new KPIs with Wave Analytics. This enables HMH's sales managers in several ways:

- The ease of use of Wave Analytics and access to intuitive and meaningful information help sales managers better direct their sales teams. This leads to improved focus on pipeline opportunities and ultimately means that each sales manager's team is able to conclude deals in a timely manner.
- Sales managers have immediate access to key metrics on mobile devices in comparative form, instead of needing to spend time extracting comparative metrics from Excel. Additionally, sales managers benefit from having the data to make decisions and engage their teams of sales account representatives.
- The ability of HMH's business intelligence team to provide new KPIs on a more regular basis with Wave Analytics means that sales managers are more productive because they are able to take these KPIs into account in planning and setting sales objectives.

Meanwhile, HMH's sales account representatives will increasingly benefit in some of the same ways as their sales managers, particularly as more of them have access to KPIs and data visualizations on their mobile devices. With mobile access to near-real-time information in actionable form, sales account representatives will be better able to determine how to better meet customer needs. With Wave Analytics, sales account representatives are able to save time they previously had to spend working in Excel to obtain data or working with others to obtain data.

## ***IT Infrastructure Cost Reductions***

HMH has been able to discontinue using its previous analytics solution, eliminating an annual subscription fee, by using Wave Analytics and integrating the solution into its Salesforce CRM platform.

## ***IT Staff Productivity Gains***

HMH's business intelligence team is also saving time with the analytics solution. Previously the team had only Excel and limited analytics capability to develop dashboards and create KPIs and other sales and management metrics. With Wave Analytics, the staff members who develop KPIs and other business intelligence metrics save a number of hours each month. The team developing dashboards, visualizations, and other analytic tools also saves time with Wave Analytics.

## ***Risk Mitigation Benefits***

Having the current status on KPIs and other performance measures makes sales directors more productive in their meetings with their sales teams and enables more efficient and constructive biweekly meetings. In addition to having more timely access to refreshed data, sales managers and account representatives are benefiting from improved performance and reliability with Wave Analytics. Because queries and visualizations fail less often with Wave Analytics than with HMH's previous solution, sales managers are able to drive more productive meetings with their teams. In addition to improving their teams' performance, this also means that less productive time is lost during these

meetings when requested data fails to materialize. However, because of the softer nature of this benefit, IDC has not quantified this benefit for this study.

## Return on Investment

Based on the discounted benefits HMM is achieving with its investment in Wave Analytics, IDC calculates that the company will earn a five-year ROI of more than 200% and will break even on its investment in less than one year.

IDC conducted several interviews with Wickham to discuss HMM's use of Wave Analytics and to gather the information needed to quantify the benefits and investment associated with the company's use of Wave Analytics and created an ROI analysis from the results.

IDC calculates the ROI and payback period in a three-step process:

1. Measure the financial benefits directly resulting from the solution, including decreased IT infrastructure costs, increased IT staff and user productivity, revenue enhancements, and operations cost reductions since deployment.
2. Ascertain the total investment.
3. Project the investment and benefit over five years and calculate the ROI and payback period. The ROI is the five-year net present value (NPV) divided by the investment. Payback period (expressed in months) is the time required to pay back the initial investment and establish a positive cash flow. To account for the time value of money, IDC bases the ROI and payback period calculations on a 12% discounted cash flow.

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