• Leader in measuring the value of technology
• Leader in evidence-based ROI analysis
• More than 900 published case studies
• Founded in 2000, Boston HQ
• Primary clients: business decision makers
• Registered with National Association of State Boards of Accountancy
Let's talk about

- What is AI?
- Where is AI today?
- Key CRM use cases
- 5 factors of ROI potential
- Business case best practices
5%
What is AI?

a branch of computer science dealing with the simulation of intelligent behavior in computers

the capability of a machine to imitate intelligent human behavior

it took our jobs
What is AI?
Where is AI today?
The three As of CRM AI

Automate = replace tasks (NLP, image/pattern matching)

Assist = make people more productive (recommendations, info surfacing, virtual assistants)

Augment = deliver value at scale humans cannot (chatbots, marketing/commerce recommendations)
Deployed Salesforce Einstein to automate processes and predict key business risks and opportunities.

Automate, Assist
- Creates customer records based on deals won
- Recommends sales prioritization efforts to increase close rates
- Identifies propensity of customers to pay late to alert accounting

ROI: 170%
Payback: 1 year
Fabric retailer

Deployed Oracle Intelligent Recommendations to automate targeted promotions to Web buyers.

Augment

>10% increase in lift over traditional promotions
Fast food chain

Deployed proprietary NLP app to scan Yelp, other reviews as leading indicators of potential health / licensing problems.

Augment, Assist

Reduced health code violations
Increased manager productivity
3 Steps to Building a Business Case

Identify
- Identify areas of greatest benefit

Estimate
- Estimate costs and benefits

Calculate
- Calculate metrics
The five key factors

BREADTH

REPEATABILITY

RISK

COLLABORATION

KNOWLEDGE
Breadth

The more people, applications, or channels a project touches, the greater the potential return.
Repeatability

The greater the frequency of use, the greater the potential return.
Risk
The greater the likelihood of a project to reduce risk, the greater the potential return.
Collaboration

The greater the potential of an application to support collaboration, the greater the potential return.
Knowledge

The more a project has the potential to disseminate knowledge, the greater the potential return.
3 Steps to Building a Business Case

- **Identify**
  - Identify areas of greatest benefit

- **Estimate**
  - Estimate costs and benefits

- **Calculate**
  - Calculate metrics
Estimating benefits

Direct benefits
- Reduced / avoided costs
- Reduced/redeployed/avoided staff

Indirect benefits
- Increased productivity
- Increased customer engagement
- Increased net promoter scores
Indirect savings
> Increase in worker productivity

Semi-direct savings
> Expected reduction in cost

Direct savings
> Reduction in cost

Very indirect savings
> Increase manager productivity

Believability

1st Order  2nd Order  3rd Order  4th Order
Direct  Indirect
Productivity Correction Factors

- Account for the inefficient transfer of time between time saved and additional time worked.

- Use factor between 0 and 100% depending on employee’s role, compensation, supervision, and motivation.

- Allows you to agree on the time savings and then the correction factor, and calculate a value of the productivity based on employee’s fully loaded cost.

We expect AI-enabled assistants will save sales 3 hours/week.

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average hourly fully loaded cost of sales person</td>
<td>$40</td>
</tr>
<tr>
<td>Correction factor</td>
<td>.70</td>
</tr>
<tr>
<td>Weeks/year</td>
<td>50</td>
</tr>
<tr>
<td>Annual net benefit</td>
<td>$4,200</td>
</tr>
</tbody>
</table>
Other estimation techniques

- Triangulation
- How many more?
- Bigger than a breadbox
3 Steps to Building a Business Case

Identify
• Identify areas of greatest benefit

Estimate
• Estimate costs and benefits

Calculate
• Calculate metrics
ROI Business Case Tool

SALES FORCE AUTOMATION BENEFITS

Increased sales-force productivity: 35,000

Reduced administrative overhead: 50,000

Increased profits: 10,000

Financial Analysis

Summary Data

Net Cash Flows

Cost: Benefit Ratio 1:3.0
Business case best practices
The best business case

- Focus
  The best business case has only 2-3 benefits
  Few good cases have more than 5

- Keep it simple
  You have 30 seconds to pitch each benefit

- Build a case up – and down
  Management
  Impacted employees

- Remember the human factors
Resources

NucleusResearch.com
- Standard CRM Business Case tool
- ROI case studies, Guidebooks

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