

## ROI CASE STUDY

# SUGARCRM BANCVUE



### ANALYST:

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### THE BOTTOM LINE

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BancVue deployed software from SugarCRM to provide sales, customer service, and marketing with a single point of access to customer information. Nucleus found that moving from multiple data sources and systems enabled the company to support its rapid growth while increasing productivity, visibility, and customer data accuracy.

ROI: **444%**

Payback: **9.6 months**

Average annual benefit: **\$1,260,000**

### THE COMPANY

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BancVue is a wholesale financial services company founded in 2005 and headquartered in Austin, Texas. It provides technology and marketing products to more than 700 credit unions and community banks. BancVue developed a proprietary product, Kasasa, a reward-driven checking account for banks and credit unions, that provides marketing, data-driven consulting, training, ongoing support, and compliance insight. Kasasa won Best of Show at the 2009 Finovate financial technology conference.

### THE CHALLENGE

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BancVue experienced significant growth between 2006 and 2008 and recognized that it needed more scalable systems than the multiple databases and spreadsheets that were being used to track customer data. It also wanted a central source of customer information so it could leverage analytics for greater insight into customer needs and scale its high-touch, relationship-based approach.

*"We had a thousand spreadsheets flying around before Sugar. They were confusing, cumbersome, and error prone."*

-Thomas Shields, BancVue Vice President and General Manager of Operations

**Cost : Benefit  
Ratio | 1 : 5.6**

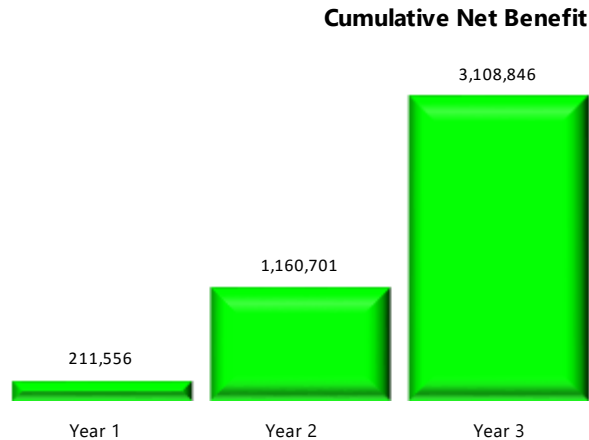
## THE STRATEGY

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In 2009 the management team at BancVue began investigating CRM solutions. It partnered with Levementum, a cloud services solutions provider, as a consultant. After reviewing options, BancVue ultimately selected Sugar for its core CRM capabilities and its ability to support the company's customization needs.

The BancVue team worked with Levementum over a 3-month period to define organizational requirements around BancVue's sales cycle and internal support operations, develop the needed customizations, and deploy Sugar to all BancVue employees across customer service, finance, legal, marketing operations, sales, technical operations, and training. The project included integrations with Echosign, Clicktools, Marketo, and a number of other applications and the development of custom modules for BancVue's specific needs including client management, Kasasa management, technical operations, mystery shopping and prospecting, association and branch management, and service-level agreement management.

Today, sales team members use a Sugar Sales Dashboard to track, manage, and forecast opportunities. BancVue also uses Sugar to map key indicators into a "Health Score" from third party sources that guides BancVue in its client service, training, and sales approaches, and leverages integration with transaction-level banking data from client institutions to track client activities and identify potential support opportunities.



## KEY BENEFIT AREAS

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Deployment of Sugar has enabled BancVue to support its rapid growth and provide all employees with a “golden copy” of almost all client data, as well as providing a development platform for automating processes across the business. Key benefits of the project included:

- Increased visibility. A common view of customer transactional and other data and dashboards and analytics for each area of the business provide users with visibility into their clients’ activities and goals as well as new opportunities.
- Increased sales productivity. Sales now has access to all client information in one place and a streamlined process for tracking clients throughout their engagement cycle.
- Improved client service. Using the Health Score capabilities, training and service employees can quickly identify opportunities for client improvement and propose training or support solutions to help them better leverage BancVue services.
- Avoided new hires. By automating processes and driving operational efficiencies across all departments, BancVue has been able to continue its aggressive growth without the need to add a commensurate number of new employees across sales, service, and operations.

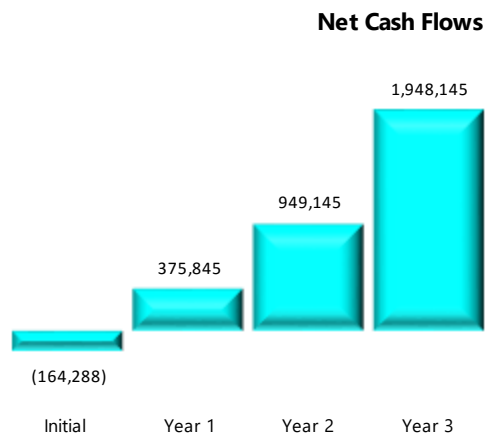
*“SugarCRM data helps us understand if we’re being really efficient with our dollars, and assures us that our clients – community banks and credit unions – are getting a great return on investment.”*

-Thomas Shields

## KEY COST AREAS

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Costs for the project included consulting fees, hardware, software, personnel, and training.



## **BEST PRACTICES**

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BancVue embraced SugarCRM's mantra of empowering every customer-facing employee by providing all employees with access to data and workflows to better enable them to interact with customers and identify opportunities for improvement. This approach has enabled BancVue to continue to meet its aggressive growth targets while staying ahead in a highly competitive market.

## **CALCULATING THE ROI**

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Nucleus quantified the initial and ongoing costs of software, hardware, consulting, and personnel time for implementation and training over a 3-year period to calculate BancVue's total investment in Sugar.

Direct benefits quantified were avoided hires based on the company's growth in business that did not require a commensurate increase in staff, and were calculated based on the fully loaded cost of the avoided hires. Not quantified were the growth in profits or the indirect benefit of increased productivity, to avoid double counting, or the impact on ongoing client satisfaction.

## FINANCIAL ANALYSIS

### SugarCRM

Annual ROI: 444%

Payback period: 0.8 years

ANNUAL BENEFITS	Pre-start	Year 1	Year 2	Year 3
Direct	0	540,000	1,080,000	2,160,000
Indirect	0	0	0	0
<b>Total per period</b>	0	540,000	1,080,000	2,160,000

CAPITALIZED ASSETS	Pre-start	Year 1	Year 2	Year 3
Software	90,000	90,000	0	0
Hardware	10,000	0	0	0
Project consulting and personnel	0	0	0	0
<b>Total per period</b>	100,000	90,000	0	0

DEPRECIATION SCHEDULE	Pre-start	Year 1	Year 2	Year 3
Software	0	18,000	36,000	36,000
Hardware	0	2,000	2,000	2,000
Project consulting and personnel	0	0	0	0
<b>Total per period</b>	0	20,000	38,000	38,000

EXPENSED COSTS	Pre-start	Year 1	Year 2	Year 3
Software	0	0	0	0
Hardware	0	0	0	0
Consulting	16,000	9,667	9,667	9,667
Personnel	40,500	56,700	113,400	194,400
Training	7,788	7,788	7,788	7,788
Other	0	0	0	0
<b>Total per period</b>	64,288	74,155	130,855	211,855

FINANCIAL ANALYSIS	Results	Year 1	Year 2	Year 3
Net cash flow before taxes	(164,288)	375,845	949,145	1,948,145
Net cash flow after taxes	(135,359)	175,215	539,130	1,088,580
<b>Annual ROI - direct and indirect benefits</b>				<b>444%</b>
Annual ROI - direct benefits only				444%
Net Present Value (NPV)				1,387,895
<b>Payback period</b>				<b>0.8 years</b>
Average Annual Cost of Ownership				223,718
3-Year IRR				227%

### FINANCIAL ASSUMPTIONS

All government taxes	45%
Cost of capital	7.0%



# By the Numbers

BancVue's SugarCRM project



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Annual Return  
on Investment **444%**

**9.6** months  
The total time to value, or  
**payback** period, for the project

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Cost : Benefit  
Ratio **1 : 5.6**

**\$1,260,000**  
Average annual benefit

## THE PROJECT

BancVue deployed Sugar to provide sales, customer service, and marketing with a single point of access to customer information. Nucleus found that moving from multiple data sources and systems enabled the company to support its rapid growth while increasing productivity, visibility, and customer data accuracy.

## THE RESULTS

Avoided 10+ additional hires in each year  
Reduced operational costs  
Increased revenues

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Number of **users: 170**

**3** Months  
Total time for the company to  
deploy Sugar

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