

ROI for CRM

CRM web site ROI

Return On Investment template calculation

Benefits and costs calculations

Input to CRM strategy

Step4R Methodology

Introduction

The objective of this ROI calculation for a Customer Care web site (without Contact Call Center) is to analyse current processes costs (phone contacts, letters, fax) and calculate an ROI based on these processes' shift to a web site for product/ services inquiry, self service for personal data updates, internet sales, ...).

This ROI calculation is an opportunity to take advantage on competition at the right moment through a profitable solution.

The ROI data collection and calculation should integrate the following actors:

- data collection validation by several managers from operations
- customers processes' contacts trends analysis and validation by marketing and sales
- financial parameters provided by the customer' s financial manager
- minimum of 2 simulations with upper and lower figures validated by decision-makers

Step4R methology

1. Design : *Industry information and customer's focus area*

Solicit background information to collect data from the recent past and to understand customers' behaviour trends within your industry and region.

Fullfill the folowing tabs: Collected data, Parameters, Projected data, Information

2. Build : *Relevance of the Contact Call Center ROI approach*

Seek information to customize to your context the benefits and costs lines in the calculation spreadsheet.

Customize the tabs with a name followed by a B (Benefits) and a C (Costs)

3. Analyse : *ROI calculation*

Perform several calculations with upper and lower figures in order to provide different payback scenarios

Customize the tab(s) ROI calculation and perform calculations. Check results according to your formula customization and your figures.

4. Decide: *Executive summary*

Compile calculation spreadsheets, integrate assumptions and recommendations and present findings to executives.

Summarize findings for an executive presentation including copies of major spreadsheet lines.

Warning: this ROI spreadsheet is a template for any customer care web site. The benefits and costs lines must be customized to the customer's context. Parameters must be aligned with business sectors, services, country and region. Calculations formulas must be checked and compared to your business rules, this is NOT a turnkey application. All figures are only examples and should not be considered as recommendations or goals. Fiscal aspects may have to be reviewed (ex: large investments depreciation) by a local financial manager to integrate local practices and fiscal rules.

Set up parameters (in blue) on required tabs for your needs. You may set useless parameters for your calculation to zero rather than deleting tabs, many cells or tabs being linked for calculation purposes. Calculation formulas capabilities are provided by Microsoft Excel TM.

Excel is registered Trademark from Microsoft.

More information and templates on:

<http://www.consulting-methods.com/>

Company Inc.		Customer Care Web site project						Step4R Methodology	
Customer care web site		ROI calculation							date:
	years	2005	2006	2007	2008	2009	2010	Total	
	period	0	1	2	3	4	5		Template to be customized and tested
Comments									
1	Benefits								
	Item 1: Shift contacts from employees to Self Service	(350,000)	360,961	768,033	767,579	1,271,709	1,239,781	4,058,062	
	Item 2: Cost savings with electronic data exchange	0	780,344	922,610	1,072,708	1,230,982	1,377,830	5,384,474	
	Item3: Cross-sales and up-sales benefits	31,430	60,344	884,372	1,349,658	1,148,422	1,643,048	5,117,274	
	Item 4: Support services revenue from chargeable calls	0	369,840	519,478	233,606	272,845	313,772	1,709,541	
	Item 5: ICT tools cost savings by replacement	0	0	23,000	28,460	29,029	29,610	110,099	
	Other budgets							0	
	Total benefits	(318,570)	1,571,489	3,117,492	3,452,012	3,952,987	4,604,040	16,379,450	
2	Costs								
	Item 11: Web site Customer care pages	(1,184,400)	(81,173)	(71,872)	(73,310)	(74,776)	(76,272)	(1,561,803)	
	Item 12: VPN (IP based network)	(87,880)	9,000	9,000	9,000	9,000	9,000	(42,880)	
	Item 13: IT upgrades	0	0	0	0	0	0	0	
	Other budgets							0	
	Total costs	(1,272,280)	(72,173)	(62,872)	(64,310)	(65,776)	(67,272)	(1,604,683)	
	Net Benefits	(1,590,850)	1,499,316	3,054,620	3,387,702	3,887,211	4,536,769		
	Cumulative Net Benefits	(1,590,850)	(91,534)	2,963,086	6,350,787	10,237,998	14,774,767	14,774,767	
3	CASH FLOW								
	Net cash flow	(1,590,850)	1,499,316	3,054,620	3,387,702	3,887,211	4,536,769	14,774,767	
	Net Present Value	(1,590,850)	1,441,650	2,824,168	3,011,654	3,322,804	3,728,893	12,738,319	
	Cumulative cash flow	(1,590,850)	(91,534)	2,963,086	6,350,787	10,237,998	14,774,767	14,774,767	
	Cumulative NPV	(1,590,850)	(149,200)	2,674,967	5,686,622	9,009,426	12,738,319	12,738,319	
4	PAYBACK								
	Payback period (years)		1.03						
	NPV payback period (years)		1.05						
5	IRR								
	Internal rate revenue by period		-9.38%	86.04%	114.52%	125.13%	129.57%		

Company Inc.		Customer Care Web site project						Step4R Methodology		
Customer care web site			Item 1: Shift contacts from employees to Self Service						date:	
			year	2005	2006	2007	2008	2009	2010	
			period	0	1	2	3	4	5	
1	Phone calls efficiency improvement	unit	cost							Comments
	new subscription									Template to be customized and tested
	Contact volume by phone	calls		2,600,000	2,756,000	2,921,360	3,096,642	3,282,440	3,479,387	see Parameters tab
	Cost of calls with current procedures	call	3.00	7,800,000	8,268,000	8,764,080	9,289,925	9,847,320	10,438,160	Comments
	Web usage by customers	%		0%	3%	5%	7%	8%	8%	b
	Web cost contribution per year			0	100,000	200,000	300,000	300,000	300,000	
	Cost saving through web usage			0	148,040	238,204	350,295	487,786	535,053	
	Cumulative cost saving			0	148,040	386,244	736,539	1,224,324	1,759,377	
2	subscription modification									
	Contact volume by phone	calls		260,000	280,800	303,264	327,525	353,727	382,025	
	Cost of calls with current procedures	call	3.00	780,000	842,400	909,792	982,575	1,061,181	1,146,076	
	Web usage by customers	%		0%	5%	8%	10%	15%	20%	
	Web cost of ownership per year			0	0	0	0	0	0	e
	Cost saving through web usage			0	42,120	72,783	98,258	159,177	229,215	
Cumulative cost saving			0	42,120	114,903	213,161	372,338	601,553		
3	product inquiry									
	Contact volume by phone	calls		300,000	327,000	356,430	388,509	423,474	461,587	
	Cost of calls with current procedures	call	3.00	900,000	981,000	1,069,290	1,165,526	1,270,423	1,384,762	
	Web usage by customers	%		0%	20%	30%	30%	30%	30%	
	Web cost of ownership per year			0	0	0	0	0	0	
	Cost saving through web usage			0	196,200	320,787	349,658	381,127	415,428	
Cumulative cost saving			0	196,200	516,987	866,645	1,247,772	1,663,200		

4	after sales support								
	Contact volume by phone	calls		160,000	184,000	211,600	243,340	279,841	321,817
	Cost of calls on legacy system	call	4.00	640,000	736,000	846,400	973,360	1,119,364	1,287,269
	Web usage by customers	%		0%	2%	3%	5%	5%	5%
	Web cost of ownership per year			0	0	0	0	0	0
	Cost saving through web usage			0	14,720	25,392	48,668	55,968	64,363
	Cumulative cost saving			0	14,720	40,112	88,780	144,748	209,112
5	resellers' activations								
	Contact volume by phone	calls		125,000	128,125	131,328	134,611	137,977	141,426
	Cost of calls on legacy system	call	3.00	375,000	384,375	393,984	403,834	413,930	424,278
	Web usage	%		0%	20%	25%	30%	30%	35%
	Web cost of ownership per year			0	0	0	0	0	0
	Cost saving through web usage			0	76,875	98,496	121,150	124,179	148,497
	Cumulative cost saving			0	76,875	175,371	296,521	420,700	569,198
6	billing inquiry								
	Contact volume by phone	calls		130,000	131,950	133,929	135,938	137,977	140,047
	Cost of calls with current procedures	call	3.00	390,000	395,850	401,788	407,815	413,932	420,141
	Web usage by customers	%		0%	10%	20%	30%	40%	40%
	Web cost of ownership per year			0	0	0	0	0	0
	Cost saving through web usage			0	39,585	80,358	122,344	165,573	168,056
	Cumulative cost saving			0	39,585	119,943	242,287	407,860	575,916
7	payment issue								
	Contact volume by phone	calls		13,000	13,260	13,525	13,796	14,072	14,353
	Cost of calls with current procedures	call	3.00	39,000	39,780	40,576	41,387	42,215	43,059
	Web usage by customers	%		0%	0%	0%	0%	0%	0%
	Web cost of ownership per year			0	0	0	0	0	0
	Cost saving through web usage			0	0	0	0	0	0
	Cumulative cost saving			0	0	0	0	0	0

8	address changes								
	Contact volume by phone	calls		60,000	60,600	61,206	61,818	62,436	63,061
	Cost of calls with current procedures	call	3.00	180,000	181,800	183,618	185,454	187,309	189,182
	Web usage by customers	%		0%	10%	30%	30%	40%	40%
	Web cost of ownership per year			0	0	0	0	0	0
	Cost saving through web usage			0	18,180	55,085	55,636	74,923	75,673
	Cumulative cost saving			0	18,180	73,265	128,902	203,825	279,498
9	delivery or credit inquiry								
	Contact volume by phone	calls		125,000	126,250	127,513	128,788	130,076	131,376
	Cost of calls with current procedures	call	3.00	375,000	378,750	382,538	386,363	390,227	394,129
	Web usage by customers	%		0%	10%	15%	20%	20%	20%
	Web cost of ownership per year			0	0	0	0	0	0
	Cost saving through web usage			0	37,875	57,381	77,273	78,045	78,826
	Cumulative cost saving			0	37,875	95,256	172,528	250,574	329,399
10	other questions								
	Contact volume by phone	calls		6,200	6,386	6,578	6,775	6,978	7,187
	Cost of calls with current procedures	call	3.00	18,600	19,158	19,733	20,325	20,934	21,562
	Web usage by customers	%		0%	10%	20%	30%	30%	30%
	Web cost of ownership per year			0	0	0	0	0	0
	Cost saving through web usage			0	1,916	3,947	6,097	6,280	6,469
	Cumulative cost saving			0	1,916	5,862	11,960	18,240	24,709
11	OTHER CHANNELS								
	Letters and fax admin efficiency								
	Contact volume	calls		102,000	101,500	101,000	98,000	98,500	98,000
	Cost of admin. with current procedures	call	3.00	306,000	304,500	303,000	294,000	295,500	294,000
	Web usage by customers	%		0%	10%	20%	30%	30%	30%
	Web cost of ownership per year			0	0	0	0	0	0
	Cost saving through web usage			0	30,450	60,600	88,200	88,650	88,200
	Cumulative cost saving			0	30,450	91,050	179,250	267,900	356,100

	period	0	1	2	3	4	5	
Total savings								
Web site content maintenance FTE		10	7	7	10	10	10	
FTE cost of maintenance	(35000)	(350000)	(245000)	(245000)	(350000)	(350000)	(350000)	
Cost saving through web usage		0	605961	1013033	1317579	1621709	1809781	
Other costs/ savings		0	0	0	(200000)	0	(220000)	major's upgrades
Cost saving by period		(350000)	360961	768033	767579	1271709	1239781	
Cumulative cost saving		(350000)	10961	778993	1546572	2818281	4058062	

Notes	
General	all figures' sources should be mentioned in appendix documents Web usage: figures will overlap as the same customers will use internet for different processes, i.e. do not add web usage % figures
Specific	
a	2 Figures integrate only web users achieveing the complete transaction without calling an operator. Web usage by customer depends on the business activity, the country, the region and type of services.
b	
c	
d	
e	5 Web cost is charged only on new subscriber activity
f	direct web savings are calculated in the Web site tab

Company Inc.		Customer Care Web site project						Step4R Methodology	
Customer care web site		Item 2: Cost savings with electronic data exchange							date:
	year	2005	2006	2007	2008	2009	2010		
	period	0	1	2	3	4	5	Template to be customized and tested	
	unit/rate	cost						Comments	
1	Customer base	20.0%	10,000,000	10,300,000	10,609,000	10,927,270	11,255,088	11,592,741	see projected data tab
	Electronic billing								
	Total number of invoices per year	2	4,000,000	4,120,000	4,243,600	4,370,908	4,502,035	4,637,096	1 invoice per new product acquisition
	Planned costs without electronic bills		9,600,000	10,085,760	10,388,333	10,699,983	11,020,982	11,351,612	
	Projected number of printed invoices		4,000,000	4,111,760	4,218,138	4,327,199	4,439,007	4,562,903	see note c
	Cost of invoicing	2	8,000,000	8,059,050	8,267,551	8,481,310	8,700,453	8,943,289	
	Cost of routing letters	0.40	1,600,000	1,611,810	1,653,510	1,696,262	1,740,091	1,788,658	
	Other costs:		0	0	0	0	0	0	
	Total projected cost1		9,600,000	9,670,860	9,921,062	10,177,572	10,440,544	10,731,947	
	Electronic billing penetration		0%	1%	3%	5%	7%	8%	b
	Number of electronic bills		0	8,240	25,462	43,709	63,028	74,194	c
	Cost of electronic billing	0.20	0	1,648	5,092	8,742	12,606	14,839	generation and display costs
	Other costs per year		0	0	0	0	0	0	a
	Total web costs2		0	1,648	5,092	8,742	12,606	14,839	
	Total savings1		0	413,252	462,179	513,669	567,833	604,826	
2	Payment processing								
	Total number of payments per year (to consider)	100.0%	4,000,000	4,120,000	4,243,600	4,370,908	4,502,035	4,637,096	x % of invoices
	Planned costs without electronic payment		6,000,000	6,303,600	6,492,708	6,687,489	6,888,114	7,094,757	
	Projected number of paper payment		4,000,000	3,996,400	4,031,420	4,064,944	4,096,852	4,127,016	d
	Cost of cash for paper payments	1.50	6,000,000	5,874,708	5,926,187	5,975,468	6,022,373	6,066,713	
	Other costs per paper payments	0.00	0	0	0	0	0	0	
	Other costs per year:		0	0	0	0	0	0	
	Total projected cost1		6,000,000	5,874,708	5,926,187	5,975,468	6,022,373	6,066,713	
	Electronic payment penetration		0%	3%	5%	7%	9%	11%	f
	Number of electronic bills		0	123,600	212,180	305,964	405,183	510,081	
	Cost of electronic payment	0.50	0	61,800	106,090	152,982	202,592	255,040	e
	Other costs per year		0	0	0	0	0	0	
	Total web costs2		0	61,800	106,090	152,982	202,592	255,040	
	Total savings2		0	367,092	460,431	559,039	663,150	773,004	
	Cost savings due to electronic data		0	780,344	922,610	1,072,708	1,230,982	1,377,830	
	Cumulative cost saving		0	780,344	1,702,954	2,775,662	4,006,645	5,384,474	

Notes

General

all figures' sources should be mentioned in appendix documents

assumption: telecom costs are indexed on the inflation rate. Check market trends in your country during the pre study phase.

benefits on calls are calculated in the Self service tab

Specific

- a no inflation rate on web costs (market trends)
- b electronic billing is much lower in BTC than in BTB, check market trends in your country
- c only customers with printed invoices canceled
- d paper based payments: checks, money orders, deposits, ...
- e no inflation rate on electronic transactions (market trend), cost of transaction plus admin. Control
- f for new products acquisition (regular services are paid by wire transfer), discounts for electronic payment, secured electronic transaction through bank services

Notes

General

all figures' sources should be mentioned in appendix documents
assumption: average sales basket will decrease as prices on internet tend to decrease due to the volume of sales

Specific

- a
- b
- c

Company Inc.		Customer Care Web site project					Step4R Methodology		
Customer care web site		Item 4: Support services revenue from chargeable calls						date:	
		year	2005	2006	2007	2008	2009	2010	
		period	0	1	2	3	4	5	
		unit/rate	cost						Template to be customized and tested
									Comments
1	Total number of after sales support calls		160,000	184,000	211,600	243,340	279,841	321,817	see projected data tab non chargeable support
	Help desk services								
	Percentage of calls shifted to the web site		0%	20%	25%	30%	30%	30%	
	Total number of avoided calls per year		0	36,800	52,900	73,002	83,952	96,545	
	Average call time for services	mn	3.00	3.00	3.00	3.00	3.00	3.00	
	Call charge per minute		0.15	0.15	0.15	0.15	0.15	0.15	
	Connect fee per call		0.00	0.00	0.00	0.00	0.00	0.00	
	Total call savings		0	16,560	23,805	32,851	37,779	43,445	
	Cost per inquiry transaction (average)		0.40	0.40	0.35	0.35	0.30	0.30	
	Total cost of transactions		0	14,720	18,515	25,551	25,186	28,964	
	Other costs per year		0	0	0	0	0	0	
Total costs		0	14,720	18,515	25,551	25,186	28,964		
Total net revenue1		0	1,840	5,290	7,300	12,593	14,482		
2	Technical support								chargeable calls
	Percentage of calls shifted to the web site		0%	25%	30%	30%	30%	30%	
	Total number of shifted calls per year		0	46,000	63,480	73,002	83,952	96,545	
	Average call time for services	mn	5.00	5.00	5.00	5.00	5.00	5.00	
	Call charge per minute		2.00	2.00	2.00	2.00	2.00	2.00	
	Connect fee per call		1.00	1.00	1.00	1.00	1.00	1.00	
	Total lost revenue from chargeable call		0	(506,000)	(698,280)	(803,022)	(923,475)	(1,061,997)	
	Average basket from product downloads		20	20	20	15	15	15	
	Revenue from downloads		0	920,000	1,269,600	1,095,030	1,259,285	1,448,177	
	Cost per sales transaction (average)		1.00	1.00	0.90	0.90	0.90	0.90	
	Total cost of transactions		0	46,000	57,132	65,702	75,557	86,891	
Other costs per year		0	0	0	0	0	0		
Total costs		0	46,000	57,132	65,702	75,557	86,891		
Total net revenue1		0	368,000	514,188	226,306	260,252	299,290		
Benefits due to web site support support		0	369,840	519,478	233,606	272,845	313,772		
Cumulative web support revenue		0	369,840	889,318	1,122,924	1,395,769	1,709,541		
Check up									
Total calls % must be < or = to 100%		0%	45%	55%	60%	60%	60%		
		test ok	test ok	test ok	test ok	test ok	test ok		

Notes

General

all figures' sources should be mentioned in appendix documents

assumption: technical support by phone is chargeable through specific phone numbers. Tele-operators have access to a technical base

technical support: part of support employees will shift to the web site content maintenance. There is no employee cost saving

Specific

a charge through operator (800, 1010, ...)

b

c cost per transaction tend to decrease

Company Inc.		Customer Care Web site project						Step4R Methodology		
Customer care web site			Item 5: ICT tools cost savings by replacement					date:		
			year	2005	2006	2007	2008	2009	2010	
			period	0	1	2	3	4	5	
Savings by product type			unit	cost						Comments
1	Telecoms									Template to be customized and tested
	Switchboard maintenance			0	0	2,000	2,040	2,081	2,122	1
	Phone sets rental			0	0	10,000	10,200	10,404	10,612	VoIP new hand sets in period 2
	Other			0	0	0	0	0	0	
2	IT hardware									
	CTI xx maintenance			0	0	4,000	4,080	4,162	4,245	
	Printer maintenance reduction			0	0	3,000	3,060	3,121	3,184	
	Other			0	0	0	0	0	0	
3	IT software									
	Software licences cancelation			0	0	2,000	2,040	2,081	2,122	
	Software licences reduction			0	0	2,000	2,040	2,081	2,122	
	Other									
4	Miscellaneous									
	Printer paper volume reduction			0	0	0	5,000	5,100	5,202	web usage
	Other			0	0	0	0	0	0	
Cost savings due to new CCC enviroment				0	0	23,000	28,460	29,029	29,610	
Cumulative cost saving				0	0	23,000	51,460	80,489	110,099	

Notes	
General	
all figures' sources should be mentionned in appendix documents	
assumption: ICT maintenance and support costs are indexed on the inflation rate. Check market trends in your country during the pre study phase.	
Specific	
1 Web access require less teleoperators' infrastrucure	
2	

Company Inc.		Customer Care Web site project						Step4R Methodology
ROI general parameters for calculations in other tabs							Comments	
1	Context							Template to be customized and tested Warning: parameters links to other pages
	Company name	Company Inc.	creation:	20-Jan-05				
	Project name	Customer Care Web site project	update:	25-Jan-05				
	Author	JJ						
2	Dates							
	Project & invest start year	2005	2006	2007	2008	2009	2010	
	Year 0 for calculations	2005						
3	General Parameters							
	Currency	\$						
	Sales tax	7.00%						
	Discount rate	4.00%						
	Loading	30.0%	65.0%	65.0%	65.0%	65.0%	65.0%	
	Employee cost per FTE	35,000						
	Employee cost per day	140						
	Wage growth per year	2.00%						
	Collections growth	5.00%						
	Inflation	2.00%						
	Depreciation Server	0.00%	33%	33%	33%	0%	0%	straight-line, 3 years
	Depreciation Desktop	0.00%	33%	33%	33%	0%	0%	straight-line, 3 years
	Depreciation Software	0.00%	20%	20%	20%	20%	20%	straight-line, 5 years
	Employee training cost/ day	140						time, expenses and training fees
	Cost of IT for Customer care/ year							
	Consulting per FTE	150,000						
	Consulting per Day	800						
	Hourly cost for IT employee	26.50						
	daily cost for an IT employee	212						
	Weekly cost for IT employee	1,060						hourly rate * 40 hours
	IT engineer cost per FTE	55,120						weekly rate * 52 weeks
	Software1 per seat	800						
	Other software's per seat	1,000						
	Working days per year	180						
	other							

Company Inc.		Customer Care Web site project						Step4R Methodology			
Contact call Center: data collected										date:	
	Month	1	2	3	4	5	6	average	Trend/ year	% contacts	Comments
	contact reasons										Template to be customized and tested
	call center										
1	new subscription	200,000	205,000	203,000	205,000	210,000	220,000	207,167	5.92%	41.67%	calculation based on 2 quarters average growth
2	subscription modification	20,000	20,200	19,000	20,000	22,000	22,000	20,533	10.81%	4.13%	
3	products inquiry	20,000	21,000	20,500	21,000	22,000	25,000	21,583	14.09%	4.34%	
4	after sale support	10,000	11,000	10,000	11,000	11,500	13,000	11,083	19.35%	2.23%	
5	resellers' activations	100,000	102,000	102,000	103,000	105,000	104,000	102,667	3.51%	20.65%	
6	billing inquiry	10,000	11,000	10,500	10,000	11,000	11,000	10,583	2.12%	2.13%	
7	payment issue	1,100	1,000	1,100	1,100	1,050	1,100	1,075	2.08%	0.22%	
8	address changes	5,000	5,000	5,500	5,000	5,600	5,200	5,217	2.58%	1.05%	
9	delivery inquiry	10,000	11,000	10,500	10,500	11,000	10,500	10,583	2.12%	2.13%	
10	other questions	500	510	500	550	500	520	513	5.30%	0.10%	
	other channels										
11	web	6,000	6,100	6,200	6,300	6,500	6,600	6,283	8.01%	1.26%	contact reasons non available
12	letters and fax	102,000	101,500	101,000	98,000	98,500	98,000	99,833	-4.38%	20.08%	contact reasons non available
	Contacts total	484,600	495,310	489,800	491,450	504,650	516,920	497,122	5,965,460	100.00%	

Notes	
General	all figures' sources should be mentioned in appendix documents average calls per operator per day: 50 key in blue figure sonly
Specific	
a	
b	

Company Inc.	Customer Care Web site project	Step4R Methodology
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Contact call Center: projected volumes (before ROI calculations)										
Year	0	1	2	3	4	5	average	Trend/ year	% contacts	Comments
contact reasons										Template to be customized and tested
call center										
new subscription	2,600,000	2,756,000	2,921,360	3,096,642	3,282,440	3,479,387	3,022,638	6.00%	66.38%	
subscription modification	260,000	280,800	303,264	327,525	353,727	382,025	317,890	8.00%	7.29%	actions for web self service
product inquiry	300,000	327,000	356,430	388,509	423,474	461,587	376,167	9.00%	8.81%	actions for web self service
after sales support	160,000	184,000	211,600	243,340	279,841	321,817	233,433	15.00%	6.14%	actions for web self service
resellers' activations	125,000	128,125	131,328	134,611	137,977	141,426	133,078	2.50%	2.70%	actions for web self service
billing inquiry	130,000	131,950	133,929	135,938	137,977	140,047	134,974	1.50%	2.67%	actions for web self service
payment issue	13,000	13,260	13,525	13,796	14,072	14,353	13,668	2.00%	0.27%	
address changes	60,000	60,600	61,206	61,818	62,436	63,061	61,520	1.00%	1.20%	actions for web self service
delivery or credit inquiry	125,000	126,250	127,513	128,788	130,076	131,376	132,690	1.00%	2.51%	actions for web self service
other questions	6,200	6,386	6,578	6,775	6,978	7,187	7,403	3.00%	0.14%	actions for web self service
Total number of users	0	1,000	1,000	1,000	1,000	1,000				teleoperators, sales, resellers
other channels										
letters and fax	102,000	101,500	101,000	98,000	98,500	98,000	99,833		1.87%	actions to turn letters to email
other	0	0	0	0	0	0	0		0.00%	
Contacts total	3,881,200	4,116,871	4,368,733	4,636,741	4,928,498	5,241,266	4,533,294		100.00%	

Customer base growth	10,000,000	10,300,000	10,609,000	10,927,270	11,255,088	11,592,741		3.00%	
Cross & up sales revenue	25,000,000	26,250,000	27,562,500	28,940,625	30,387,656	31,907,039		5.00%	

Notes

<p>a</p> <p>b</p>	<p>General</p> <p>all figures' sources should be mentioned in appendix documents</p> <p>average calls per operator per day: 50</p> <p>key in blue figure only</p> <p>Projected data are based on collected data, market trends and executive goals. They may be reviewed after the ROI simulation</p> <p>Replace BLUE figures by your figures. If you modify the number of lines, please check the links to other pages</p> <p>Trends figures are managers objectives and related to an action plan for the web self service</p> <p>% contact is based on year 5</p> <p>web self service: number of achieved transactions without calling the CCC</p> <p>Specific</p>
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Company Inc.			Customer Care Web site project			Step4R Methodology					
Customer care web site			Item 11: Web site Customer care pages							date:	
	year	2005	2006	2007	2008	2009	2010	Total			
	period	0	1	2	3	4	5		Template to be customized and tested		
	Qty	unit/rate	cost								Comments
				0	1,000	1,000	1,000	1,000	1,000		see note d) and projected data tab
1	One-time costs										CALCULATIONS to set up see e)
			(10000)	0	0	0	0	0	(10000)	a	
			0	0	0	0	0	0	0	b	
			(1000000)	0	0	0	0	0	(1000000)	c	
	20 day	(700)	(14000)	0	0	0	0	0	(14000)		
	1 day	(140)	(70000)	0	0	0	0	0	500		300 teleoperators, plus sales and resellers
	200 day	(212)	(42400)	0	0	0	0	0	(42400)		implementation costs in period 0
	200 day	(140)	(28000)	0	0	0	0	0	(28000)		
			(20000)	0	0	0	0	0	0		
			0	0	0	0	0	0	0		no calculation on this line
			(1184400)	0	0	0	0	0	(1184400)		
2	Recurring costs										
	year		0	(4000)	(4080)	(4162)	(4245)	(4330)	(20816)	a	
	year		0	0	0	0	0	0	0	b	
	year	(10,000)	0	(10200)	(10404)	(10612)	(10824)	(11041)	(53081)	c	
	5 day	(700)	0	(3570)	(3641)	(3714)	(3789)	(3864)	(18578)		
	1 day	(140)	0	(14280)	(3641)	(3714)	(3789)	(3864)	100		100 key users and managers g)
	180 day	(212)	0	(38923)	(39702)	(40496)	(41306)	(42132)	(202558)		
	0 day	(140)	0	0	0	0	0	0	0		
		(10,000)	0	(10200)	(10404)	(10612)	(10824)	(11041)	0		no calculation on this line
			0	0	0	0	0	0	0		
			0	(81173)	(71872)	(73310)	(74776)	(76272)	(377403)		
2	Recurring savings										Canceled fees: see f)
	year		0	0	0	0	0	0	0	0	savings: no calculation, enter manually
	year		0	0	0	0	0	0	0	0	positive figures
	year		0	0	0	0	0	0	0	0	
	0 year		0	0	0	0	0	0	0	0	
	0 year		0	0	0	0	0	0	0	0	
	0 year		0	0	0	0	0	0	0	0	
	0 year		0	0	0	0	0	0	0	0	
	0 year		0	0	0	0	0	0	0	0	
		0	0	0	0	0	0	0	0	0	
			0	0	0	0	0	0	0	0	
			0	0	0	0	0	0	0	0	
			0	0	0	0	0	0	0	0	
			(1,184,400)	(81,173)	(71,872)	(73,310)	(74,776)	(76,272)	(1,561,803)		
			(1,184,400)	(81,173)	(71,872)	(73,310)	(74,776)	(76,272)			
			(1,184,400)	(1,265,573)	(1,337,446)	(1,410,756)	(1,485,532)	(1,561,803)	(1,561,803)		

Notes

General

all figures' sources should be mentioned in appendix documents

Hardware and software One-time costs are based on fixed price implementation from vendors

Specific

- a hardware: hosting solution in this template
- b software licence for customer care: my account, billing, payments, ... (no software investment which would cost \$ 50.000 for an ecommerce solution, job offers, press releases, ...)
- c personnel: customer care integration
- d users: teleoperators, sales, resellers, end customers
- e one time costs: calculation must be set up according to your investment plan (only in period 0 in this emxemple)
- f savings: canceled maintenance fees when some components replace legacy components
- g key users will train other users

Company Inc.			Customer Care Web site project						Step4R Methodology				
Customer care web site			Item 12: VPN (IP based network)							date:			
			year	2005	2006	2007	2008	2009	2010	Total			
			period	0	1	2	3	4	5		Template to be customized and tested		
			Qty	unit/rate	cost						Comments		
Number of teleoperators on VPN						100	300	300	300	300	300		
1 One-time costs													
Hardware						0	0	0	0	0	0	0	IP router, ATM switch, workstation, proxy ...
Hosting				user									ISP
Software						0	0	0	0	0	0	0	SNMP, gateway, FTP, firewall,
Telecommunication						0	0	0	0	0	0	0	Dialer
IT consultants (integration, developments)				80 day	(800)	(64,000)	0	0	0	0	0	(64,000)	
Vendors' Trainings				10 day	(700)	(7,000)	0	0	0	0	0	(7,000)	
IT Employee Training				10 day	(140)	(1,400)	0	0	0	0	0	0	
IT internal staff (project team)				40 day	(212)	(8,480)	0	0	0	0	0	(8,480)	
Key users (project team)				0 day	(140)	0	0	0	0	0	0	0	
Other budgets						0	0	0	0	0	0	0	
Total costs1						(80,880)	0	0	0	0	0	(80,880)	
2 Recurring costs													
Maintenance				year		0	0	0	0	0	0	0	
Hardware						0	0	0	0	0	0	0	
Hosting				user	(70.00)	(7,000)	(21,000)	(21,000)	(21,000)	(21,000)	(21,000)	(112,000)	ISP , no inflation rate as costs decrease
Software						0	0	0	0	0	0	0	
Telecommunication						0	0	0	0	0	0	0	
IT Personnel (integration, developments)						0	0	0	0	0	0	0	
Vendors' Trainings				0 day	(700)	0	0	0	0	0	0	0	
Employee Training				0 day	(140)	0	0	0	0	0	0	0	
IT internal staff & webmaster (project team)				0 day	(212)	0	0	0	0	0	0	0	
Key users (project team)				0 day	(140)	0	0	0	0	0	0	0	
Facilities				sq feet	(250)	0	0	0	0	0	0	0	
e-marketing campaigns, optimizations					0	0	0	0	0	0	0	0	
Other budgets						0	0	0	0	0	0	0	
Total costs2						(7,000)	(21,000)	(21,000)	(21,000)	(21,000)	(21,000)	(112,000)	
2 Recurring savings													
Maintenance				year		0	0	0	0	0	0	0	0 manual entry: key in positive figures for savings
Hardware						0	0	0	0	0	0	0	
Hosting						0	0	0	0	0	0	0	
Software						0	0	0	0	0	0	0	
Telecommunication						0	30,000	30,000	30,000	30,000	30,000	150,000	no inflation applied as costs decrease
IT Personnel (integration, developments)						0	0	0	0	0	0	0	
Vendors' Trainings				0 day	(700)	0	0	0	0	0	0	0	
Employee Training				0 day	(140)	0	0	0	0	0	0	0	
IT internal staff & webmaster (project team)				0 day	(212)	0	0	0	0	0	0	0	
Key users (project team)				0 day	(140)	0	0	0	0	0	0	0	
Facilities				sq feet	(250)	0	0	0	0	0	0	0	
e-marketing campaigns, optimizations					0	0	0	0	0	0	0	0	
Other budgets						0	0	0	0	0	0	0	
Total costs2						0	30,000	30,000	30,000	30,000	30,000	150,000	
Total costs						(87,880)	9,000	9,000	9,000	9,000	9,000	(42,880)	
Net cash outflow						(87,880)	9,000	9,000	9,000	9,000	9,000		
Cumulative cash outflow						(87,880)	(78,880)	(69,880)	(60,880)	(51,880)	(42,880)	(42,880)	

Notes

General

all figures' sources should be mentioned in appendix documents
ISP option for the VPN infrastructure

Specific

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- c
- d
- e
- f
- g

Company Inc.			Customer Care Web site project							Step4R Methodology		
Customer care web site			Item 13: IT upgrades							date:		
			year	2005	2006	2007	2008	2009	2010	Total		
			period	0	1	2	3	4	5		Template to be customized and tested	
			Qty	unit/rate	cost						Comments	
1	One-time costs											
	Hardware			0	0	0	0	0	0	0		
	Hosting			0	0	0	0	0	0	0		
	Software			0	0	0	0	0	0	0		
	Telecommunication			0	0	0	0	0	0	0		
	IT Personnel (integration, developments)			0	0	0	0	0	0	0		
	Vendors' Trainings	0 day	(700)	0	0	0	0	0	0	0		
	Employee Training	0 day	(140)	0	0	0	0	0	0	0		
	IT internal staff & webmaster (project team)	0 day	(212)	0	0	0	0	0	0	0		
	Key users (project team)	0 day	(140)	0	0	0	0	0	0	0		
	Other budgets			0	0	0	0	0	0	0		
	Total costs1			0	0	0	0	0	0	0		
2	Recurring costs											
	Maintenance	year		0	0	0	0	0	0	0		
	Hardware			0	0	0	0	0	0	0		
	Hosting			0	0	0	0	0	0	0		
	Software			0	0	0	0	0	0	0		
	Telecommunication			0	0	0	0	0	0	0		
	IT Personnel (integration, developments)			0	0	0	0	0	0	0		
	Vendors' Trainings	0 day	(700)	0	0	0	0	0	0	0		
	Employee Training	0 day	(140)	0	0	0	0	0	0	0		
	IT internal staff & webmaster (project team)	0 day	(212)	0	0	0	0	0	0	0		
	Key users (project team)	0 day	(140)	0	0	0	0	0	0	0		
	Facilities	sq feet	(250)	0	0	0	0	0	0	0		
	e-marketing campaigns, optimizations		0	0	0	0	0	0	0	0		
	Other budgets			0	0	0	0	0	0	0		
	Total costs2			0	0	0	0	0	0	0		
2	Recurring savings											
	Maintenance	year		0	0	0	0	0	0	0	0 manual entry: key in positive figures for savings	
	Hardware			0	0	0	0	0	0	0		
	Hosting			0	0	0	0	0	0	0		
	Software			0	0	0	0	0	0	0		
	Telecommunication			0	0	0	0	0	0	0		
	IT Personnel (integration, developments)			0	0	0	0	0	0	0		
	Vendors' Trainings	0 day	(700)	0	0	0	0	0	0	0		
	Employee Training	0 day	(140)	0	0	0	0	0	0	0		
	IT internal staff & webmaster (project team)	0 day	(212)	0	0	0	0	0	0	0		
	Key users (project team)	0 day	(140)	0	0	0	0	0	0	0		
	Facilities	sq feet	(250)	0	0	0	0	0	0	0		
	e-marketing campaigns, optimizations		0	0	0	0	0	0	0	0		
	Other budgets			0	0	0	0	0	0	0		
	Total costs2			0	0	0	0	0	0	0		
	Total costs			0	0	0	0	0	0	0		
Net cash outflow				0	0	0	0	0	0	0		
Cumulative cash outflow				0	0	0	0	0	0	0		

Notes

General

all figures' sources should be mentioned in appendix documents

Hardware and software One-time costs are based on fixed price implementation from vendors

Specific

- a
- b
- c
- d
- e
- f
- g

1	Company Inc.	Benefits checklist	Step4R Methodology	
2				
3	Theme/ tab	Subject	Overview of major benefits for a call center integrated to a customer care web site	ROI *
4	Self service (web)	new subscription	Products or services can now be sold on-line, 24 hours per day, 7 days a week through the worldwide web. Handling costs of calls are then reduced.	**
5		subscription modification	Orders and part of contract modifications can now be on-line processed by customers, 24 hours per day, 7 days a week through the web. Handling costs of calls are then reduced.	**
6		product inquiry	Inquiries on the Internet are becoming a standard practice, call centers should then be integrated to the web site databases in order to close orders and hence decrease handling time.	***
7		resellers	The resellers' access authorization to vendors system is becoming a best practice, reducing then sales delays and costs for both parties.	**
8		billing inquiry	On line bills will reduce the number of non value added incoming calls due to lost bills. However replacement of paper bills by digital bills is variable according to the business type, local culture, local practices, warranties, bills amounts, local regulations and accounting practices.	*
9		payment issue	Most of times payment issues are handled by phone on case by case basis, according to the clients' retention policy, however direct access to the clients' history and contact tracking by the tele-operator may reduce the client risk when negotiating the payment terms.	*
10		address changes	On line address changes (or other customer information) by customers will reduce the number of non value-added incoming calls, although it might not be a high volume of calls.	*
11		delivery or credit inquiry	On line delivery tracking and/ or available credit by customers will reduce the number of non value-added incoming calls.	**
12		other questions	Other questions' volume should be quantified and split over known subjects when possible in order to drive customers to the right tele-operator expert, reducing then the number of non-value added call transfers.	*
13		letters and fax efficiency	Exchanging information's with customer through emails and attachments will reduce the cost of letters and fax routing, handling, copying and archiving.	**
14	Customer retention	current attrition	When customer current attrition rate is high, the "reason code" in calls tracking or web transaction may help decision makers in their analysis process.	**
15		future attrition	Actions for targeted or future attrition rate can be tracked and refined through calls and transactions information tracking	*
16		other saving	Other savings should be quantified and split over known subjects when possible in order to manage indicators through classified calls and transactions	
17	e-data exchange	electronic billing	Electronic billing is a growing trend in BTB ebusiness and BTC practices, reducing the paper invoice generation and routing costs. However it is variable according to local culture, practices and regulations.	**
18		payment	Internet payment is a growing trend through secured systems and local evolving accounting regulations. It reduces drastically cash process costs and increases the cash flow.	**
19	Cross & up sales	cross sales	Customers' information, profiling and sales pop-up recommendations will increase cross sales through the web and the tele-operators.	***
20		up sales	Customers' information, profiling and sales pop-up recommendations will increase up-sales through the web and the tele-operators	***
21	Support revenue	help desk	The help desk is usually a center of costs, however the growing trend is to split the help desk by type of activity: free of charge for general inquiries and chargeable for value added activities like technical support.	
22		technical support	The help desk is usually a cost center, however the growing trend is to charge for value added activities like technical support.	**
23	Tools savings	telecom	When tele-operators have an information system integrated to the call center, they can answer immediately and accurately to customers avoiding then call back telecommunication costs.	*
24		IT hardware	IT hardware saving are variable according to the IT system and telecom architectures	
25		IT software	IT software saving are made through CRM software packages designed to integrate call centers, web sites, sales, marketing and supply chain functionalities. ASP or "on demand" solutions are a growing trend.	**
26		miscellaneous	Other savings should be quantified and split over known subjects when possible in order to manage savings through a common set of indicators.	
27	Calls efficiency	new subscription	CRM system integration to a call center speeds up the new subscription handling through pre-defined steps according to the customer' s demand and profile type.	**
28		subscription modification	On-line subscription modifications can be eased with an automatic display of customer' s data, profile, Q&A tracking and sales recommendations by profile.	**
29		product inquiry	Product information's can be customized with customers' profile and Q&A tracking. Teleoperators answers will be more homogeneous	*
30		resellers	On-line profile and orders history will speed up tele-operators' answers.	*
31		billing inquiry	The customers' bills can be automatically displayed with the customer phone number when calling the call center	*
32		payment issue	The customers' bills and payments can be automatically displayed with the customer phone number when calling the call center	*
33		address changes	A dedicated window is displayed on tele-operator request or through the Voice Recognition Unit which drives customers to dedicated operators or system applications	*
34		delivery or credit inquiry	A dedicated window is displayed on tele-operator request or through the Voice Recognition Unit which drives customers to dedicated operators or system applications	*
35		other questions	Customers Q&A tracking will avoid to repeat similar questions to operators and answers will be more homogeneous	
36		letters and fax efficiency	Letters and fax cab be automatically generated with an integrated CRM upon operator action requests.	*
37				
38				
39				
40				
41				

Notes

General

All benefits must be qualified according to the customer's business, context and objectives. A Return On Investment should then be simulated by subject and consolidated with other subjects as some of them are tight together.

The potential value added of a call for sales or retention must be part of decision key elements beside volumes and handling time.

The call center may increase productivity and customer care with a Voice Recognition Unit which will drive customer to the right operator.

* ROI: potential average level of ROI based on lessons learned from the past

This benefits checklist for call centers associated to a web site is an extract from a CRM ROI calculation template from Consulting-Methods.Com

Our support department can assist you in the customization of this template. mailto:support@consultingmethods.com

For audit and value added analysis see Step4R methods:

<http://www.consulting-methods.com>

Company Inc.		Customer Care Web site project	Step4R
	Theme/ tab	Subject	Cost/ Benefit
1	Cover		
2	Introduction		
3	ROI calculations	benefits, costs, cash flow, discounted cashflow, payback, IRR	
4	Self service (web)	new subscription	B
		subscription modification	B
		product inquiry	B
		resellers	B
		billing inquiry	B
		payment issue	B
		address changes	B
		delivery or credit inquiry	B
		other questions	B
		letters and fax efficiency	B
6	e-data exchange	electronic billing	B
		payment billing	B
			B
7	Cross & up sales	cross sales	B
		up sales	B
8	Web support revenue	help desk	B
		technical support	B
9	Tools savings	telecom	B
		IT hardware	B
		IT software	B
		miscellaneous	B
5	Parameters (generic)	discount rate, loading, wage growth, inflation rate, FTE cost, ...	
6	Collected data	volumes on new subscriptions, inquiries, billing, payment, ...	
7	Projected data	volumes on new subscriptions, inquiries, billing, payment, ...	
8	Web site	on-time costs	C
		recurring costs	C
		recurring savings	C
9	VPN network	on-time costs	C
		recurring costs	C
		recurring savings	C
10	IT upgrades	on-time costs	C
		recurring costs	C
		recurring savings	C
11	Information	source, owner, ...	
12	Benefits checklist	calls, self-service, resellers, inquiries, letters,...	