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Document **K16**

ROI CASE STUDY INTACCT VIRTUAL HOLD TECHNOLOGY

THE BOTTOM LINE

Virtual Hold uses Intacct, integrated with Salesforce.com, to manage all aspects of its finances including payables, payroll, general ledger, receivables, and expense reports, increasing visibility while avoiding additional hires.

ROI: 158%

Payback: 8 months

Average annual benefit: \$98,664

THE COMPANY

Virtual Hold Technology (VHT) develops virtual queuing solutions for Fortune 100 clients. Since 1995, VHT's patented virtual queuing technology has provided return call solutions focused on enhancing the customer experience for financial services, energy and utility, insurance, telecommunications, cable and wireless, and retail corporations such as IBM, Bank of America, T-Mobile, Aflac, Time Warner Cable, and AVON.

THE CHALLENGE

As VHT's business grew, it was outgrowing its existing financial accounting application, Peachtree. The company needed an application that could:

- Provide non-finance employees with visibility into account and order information so they could provide better customer service.
- Provide employees who were traveling or out of the office with access to financial information so they could review and provide updates or approvals as needed.
- Easily integrate with VHT's existing Salesforce.com application so sales could have real-time visibility into the status of invoices and payments on their accounts.

THE STRATEGY

VHT considered a number of different applications including Intacct and Microsoft and ultimately chose Intacct in late 2008 for a number of reasons:

- As a software-as-a-service application, Intacct could be securely, remotely accessed via any Web browser.

TOPICS

Enterprise Applications
Software as a Service

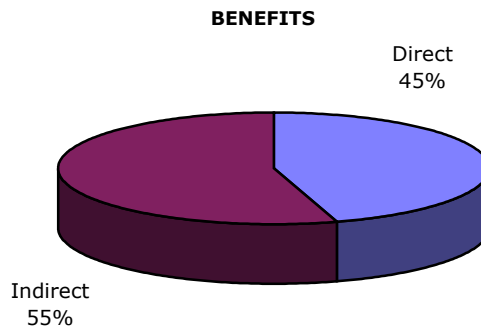
- Out-of-the-box integration with Salesforce.com made it easy for VHT to link the two systems, whereas other applications might have required more initial investment and ongoing effort to support integration with Salesforce.com.

A small team at VHT worked with an implementation consultant in March of 2009 to implement Intacct accounts payable, payroll, human resources, general ledger, and accounts receivable. Those applications went live in April and expense reporting was implemented in May.

KEY BENEFIT AREAS

Moving to Intacct has enabled VHT to continue to grow its business while providing greater visibility into financial and account information. Key benefits the company achieved from Intacct include:

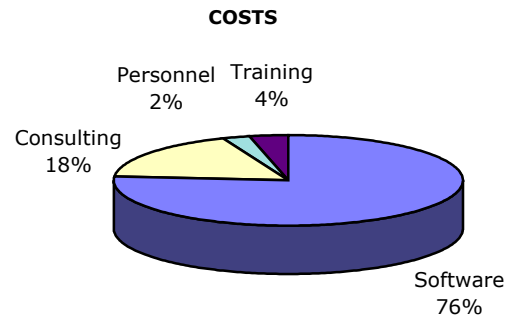
- Automated expense entry. Automating the entry of expense records in the system has eliminated errors and avoided the need to hire another administrative staff person to manage expense entries.
- Accelerated revenue recognition. Before Intacct, revenue recognition was managed and reconciled each month in spreadsheets. Now, it is automatically calculated in Intacct, saving staff time and ensuring accuracy.
- Reduced payroll error. Before, payroll entries and departments had to be manually recorded and checked for errors. Now, the information is automatically updated so fewer errors have to be corrected.
- Reduced account inquiry time. Because sales people can access information about their accounts' financial status such as invoices and payments, they have reduced the time spent searching for information and accounting has to answer fewer requests for information.
- Increased management productivity. Reporting, dashboards, and greater visibility into information has enabled managers to spend less time reviewing financial data and accelerate the quarterly closing and audit processes.



TOTAL: \$295,992

KEY COST AREAS

Key cost areas for the deployment included software service fees, consulting, training, and personnel. Training costs included the time finance staff spent learning the application, time spent preparing planning materials for the general staff training, and staff time spent in training to learn how to use the expense reporting functionality.



TOTAL: \$101,047

BEST PRACTICES

Although the application is fairly intuitive, managers must ensure they understand their actual workflows before implementation and think about what they might change as a result of automation. This will ensure that minimal time is spent on customization, training is appropriately focused to address any process changes, and that changes in coded processes don't have to be made once the application is deployed to users.

CALCULATING THE ROI

Nucleus calculated the costs of software, consulting, personnel, and training over a 3-year period to quantify VHT's total investment in Intacct.

Direct benefits quantified in the analysis included avoidance of new hires because of automation. Indirect benefits included increased productivity of finance and accounting staff and were calculated based on the average annual fully loaded cost of an employee, using a correction factor to account for the inefficient transfer of time savings to additional time worked.

DETAILED FINANCIAL ANALYSIS

VIRTUAL HOLD TECHNOLOGY

SUMMARY

Project:	Intacct
Annual return on investment (ROI)	158%
Payback period (years)	0.70
Average annual benefit	98,664
Average annual total cost of ownership	33,682

ANNUAL BENEFITS	Pre-start	Year 1	Year 2	Year 3
Direct	0	44,700	44,700	44,700
Indirect	0	53,964	53,964	53,964
Total Benefits Per Period	0	98,664	98,664	98,664

DEPRECIATED ASSETS	Pre-start	Year 1	Year 2	Year 3
Software	0	0	0	0
Hardware	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
Total Per Period	0	0	0	0

EXPENSED COSTS	Pre-start	Year 1	Year 2	Year 3
Software	28,075	24,500	24,500	0
Hardware	0	0	0	0
Consulting	17,905	0	0	0
Personnel	2,385	0	0	0
Training	3,683	0	0	0
Other	0	0	0	0
Total Per Period	52,047	24,500	24,500	0

FINANCIAL ANALYSIS	Pre-start	Year 1	Year 2	Year 3
Net cash flow before taxes	(52,047)	74,164	74,164	98,664
Net cash flow after taxes	(26,024)	37,082	37,082	49,332
Annual ROI - direct and indirect benefits				158%
Annual ROI - direct benefits only				55%
Net present value (NPV)				66,697
Payback (years)				0.70
Average annual cost of ownership				33,682
3-year IRR				137%

FINANCIAL ASSUMPTIONS

All government taxes	50%
Discount rate	15%